



Sustainability Report
Eurocash Group
for 2024

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General information

1. GENERAL INFORMATION

1.1. Basis for preparing a sustainability report

[BP-1] Reporting standard and data consolidation

The report has been prepared in accordance with Article 63x of the Accounting Act of September 29, 1994 and in accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on establishing a framework to facilitate sustainable investment amending Regulation (EU) 2019/2088 for the Eurocash Group. This report is based on the ESRS [European Sustainability Reporting Standards] standards introduced by Commission Delegated Regulation (EU) 2023/2772 of July 31, 2023.

The report covers sustainability information on the Eurocash Group for the period from January 1, 2024 to December 31, 2024. The scope of consolidation is consistent with that of the consolidated financial statements and refers to the Group structure, unless otherwise indicated.

The report applies to the upstream and downstream value chain when describing the Eurocash Group's value chain, Scope 3 greenhouse gas emissions, and issues related to: ESRS E4 - Biodiversity, ESRS E5 - Circular economy, ESRS S2 - Employees in the value chain and ESRS S4 - Consumers and end-users. The report covers topics of relevance to the Group with respect to both its employees and the customers of its business partners (suppliers and franchisees). To a lesser extent, the supply chain was covered. Both policies relating to the supply chain (supplier code) and the Group's employees are discussed. Data relating to the Group's own operations (e.g., employee data and those relating to corporate and environmental governance) and some customer data (e.g., customer survey data, violation reports, complaints) are included in the reported indicators.

Part of the Scope 3 greenhouse gas emissions data uses an estimation method, which is described in more detail in Point 2.1 Climate Change. None of the quantitative measures or monetary amounts have a significant level of uncertainty.

The Group has not taken advantage of the exemption provided for entities based in an EU member state from the obligation to disclose information regarding expected events or matters under negotiation pursuant to Article 19a (3) and Article 29a (3) of Directive 2013/34/EU.

The option to omit specific information regarding intellectual property, know-how or innovation results was not exercised.

[BP-2] Data comparability

The Group has not deviated from the medium- and long-term time horizons set forth in the ESRS.

Time frames adopted in this statement:

- short-term perspective - the reporting period (1 year);
- medium-term perspective - up to 5 years;
- long-term perspective - more than 5 years.

This year's report uses the EU ESRS - European Sustainability Reporting Standard - for the first time, so the Group reports no changes in the preparation or presentation of the sustainability statement or errors from previous years.

For the purposes of the report, selected environmental metrics were estimated for the data in Chapter 2.1 Climate Change (ESRS E1-5 and E1-6) for proprietary operations and the value chain.

Attestation

This Eurocash Group sustainability report has been externally verified. The verification was performed by the auditing firm Grant Thornton Polska PSA in accordance with the National Standard for Assurance Services 3002PL (Assurance services other than audits or reviews of historical financial information), adopted by Resolution of the National Council of Statutory Auditors No. 3436/52e/2019 dated April 8, 2019, as amended.

1.2. Business model

[SBM-1]

Eurocash Group is the largest Polish wholesale distributor of FMCG products, as well as the organizer of well-known franchise, association and partnership chains, such as ABC, Delikatesy Centrum, Groszek, Gama, Duży Ben, Lewiatan and Euro Sklep. In addition, the Group is a logistics and technology partner for local stores, as well as the owner of Frisco, the No. 1 e-grocery store in Poland. Eurocash's customers are mainly local entrepreneurs, to whom the Group offers effective business models on the one hand, and purchasing scale, logistics, marketing aids, access to knowledge and modern technological solutions to support store operation and development on the other.

The Group's mission since its establishment - that is, for almost 30 years – has been to promote Polish entrepreneurship and the development of independent trade in Poland. In addition, the company strives to set trends, both in business and environmental responsibility for the sector



Eurocash Group - general figures

- **32,2 billion** in revenue
- **38,73% share of the independent market** in the entire Polish market¹
- **18 distribution centers**
- **170** Cash & Carry wholesalers
- More than **16 000 employees**
- More than **37 000 participants** in the Eurocash Skills Academy

The Eurocash Group consists of 40 companies. The parent company is Eurocash S.A., which is responsible for most of the Group's sales. The company's headquarters are located in Komorniki in the Wielkopolska region. The full list of companies and their location in the Group's structure, market environment, number of outlets, sales structure and capital ties are described in more detail in the management report on the operations of the Eurocash Group and Eurocash S.A. in Chapter 2. Basic information about the Group. The Group does not present the number of employees by geographic area due to employment in Poland only.

Business Profile

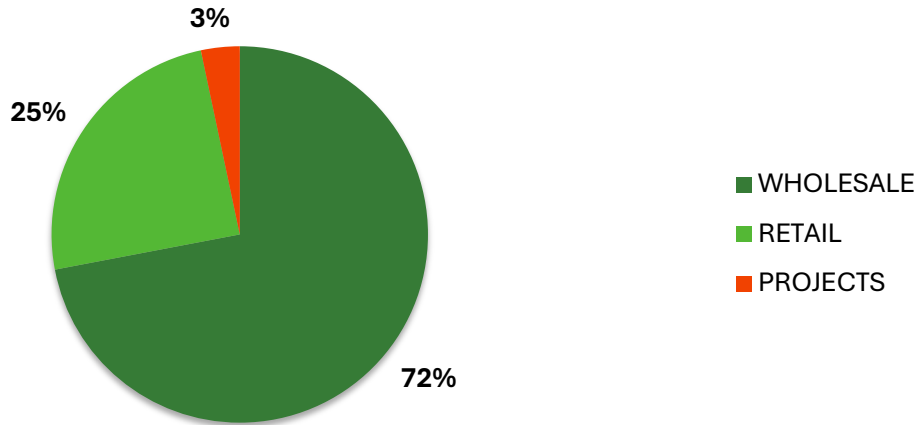
Through a range of distribution formats, Eurocash Group focuses its business on the wholesale distribution of goods to customers in the independent grocery market, particularly to retail stores (small supermarkets and grocery stores), convenience stores, gas stations, and restaurant, hotel and café chains.

The Group pays special attention to the adult assortment. Alcohol offered by Eurocash goes only to entrepreneurs with the required licenses for its sale. In turn, the procedures for the tobacco products offered are fully adapted, among other things, to the EU directive limiting the gray zone of cigarette sales. The Group has solutions in place to monitor and track the movement of tobacco products from the moment they leave the manufacturer's location to the first retail outlet

Sales structure

The Group has included reporting of significant business segments in its financial statements in accordance with IFRS 8, broken down into retail, wholesale and projects. The significant groups of products offered relate to two categories: alcohol and tobacco products, which account for 26% and 26.3% of sales, respectively. More information on the Group's structure and segmentation is available in Chapter 2 "Notes to the Consolidated Financial Statements in Note 2 "Business Segments"

Figure 1. Percentage share of revenue from merchandise sales by business segment



Eurocash Group is also a responsible employer for more than 16,000 people employed under employment contracts. The company's organizational culture provides each employee with respect, clear rules for cooperation and promotion, as well as extensive opportunities for professional development.

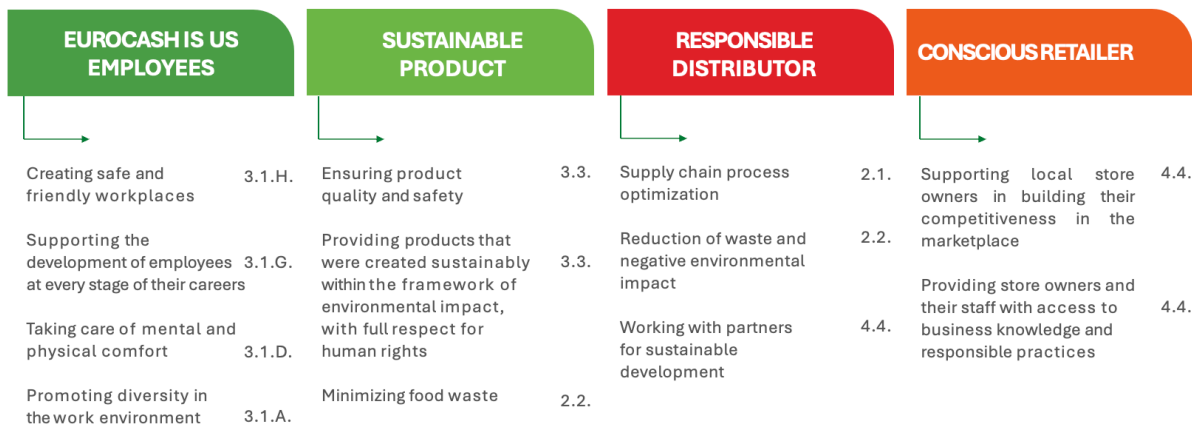
The Eurocash Group declares that it is not active in the fossil fuel, controversial weapons, chemical production and tobacco cultivation and production sectors.

The unit's sustainability goals

The sustainability strategy we have adopted presents our approach and assumptions to sustainability topics, our ambitions and projects to support us in doing business even more responsibly.

The direction of ESG (Environmental, Social, Governance) activities is set by the "Together for Sustainability" Strategy. Its pillars respond to the needs and expectations of the Group's key stakeholders - employees, entrepreneurs, business partners, consumers and the environment.

Figure 2. ESG Strategy objectives by pillar with a list of chapters



1.3. Value chain

[SBM-1]

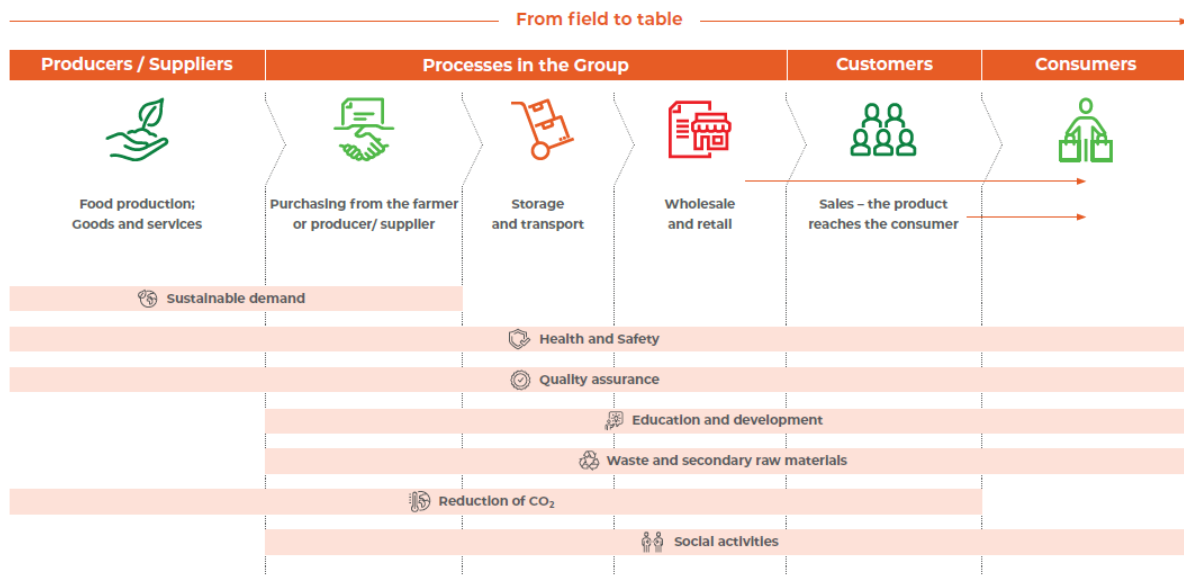
The Eurocash Group's value chain model was developed based on an analysis of the flow of goods. The key element of the value chain is the operational processes carried out in the Group, which include the management of purchasing, transportation and sale of goods to customers up to the final phase of their life cycle. In developing the value chain, the Group took into account business relationships and activities to attract new customers and retain existing ones.

The earlier stages of the value chain, referred to as **upstream**, include all operations carried out by others. These include the sourcing of raw materials, the production of food, as well as support activities such as the generation of electricity purchased by the Group and the supply of water. This group includes producers of food and primary raw materials, processing, and suppliers of services necessary to carry out operations.

In the area of **own operations**, the Group lists the supply of products and services from manufacturers. The main stakeholders in the own operations stage are employees responsible for warehousing and transportation, suppliers of products or services, and employees, owners and consumers associated with wholesale or retail sales.

Downstream in the value chain, on the other hand, refers to the later stages of distribution. It includes processes related to retail sales by the Group's customers and franchisees, waste processing and end use of products by consumers.

Profile of activity - value chain



The **value chain model** is used, among other things, to calculate greenhouse gas emissions, analyze the interactions between the Group and its environment, and evaluate processes in the context of a circular economy.

Table 1. Stakeholders in the value chain

Stage of the value chain	Stakeholder group	Description of activities undertaken by the entity
Upstream		
Food production; goods and services	Food and primary commodity producers	Food production (crops, animal husbandry)
	Producers (processors; agricultural cooperatives, processing plants)	Food processing
	Service providers (energy, water, consulting services) Other non-commercial suppliers	Concluding contracts for energy and water supply Monitoring of energy and water consumption
Own operations		
Purchase from farmer or producer/supplier	Product/service providers Employees	Supply of products and services from manufacturers
Storage and transportation	Logistics and warehouse employees Employees of temporary employment agencies (warehouses) Carriers (transportation to and from the organization)	Transportation of goods, products taking into account relevant quality criteria Use of advanced IT systems for inventory and logistics management
Sales wholesale and retail	Cash and carry wholesalers – employees Retail store owners (small supermarkets and grocery stores), including their own stores Owners of convenience stores Owners of gas stations Owners of restaurants, hotels and cafes Consumers/end users	Daily transactions: regular purchases and deliveries made on an as-needed basis. Handling complaints and returns
Downstream		
Retail sales by Eurocash customers and franchisees	Retail customers Employees of retail customers	Daily transactions: regular purchases at cash and carry wholesalers
Product use - the product reaches the consumer	Consumers/end users	Purchase of goods Consumers are a key element in the final stage of a product's life cycle. After using the product, consumers are encouraged to dispose of packaging responsibly Campaigns to reduce waste: Szanujemy, nie marnujemy
End of life	Waste recipients and processors	Collection of waste by approved companies Processing of waste

1.4. Group strategy

[SBM-1] Business strategy

Business strategy is a key element that determines its competitiveness and ability for long-term development. In a dynamically changing market environment, successful management of commercial activities requires precisely defined objectives, clearly defined competitive advantages and a flexible approach to changing economic conditions and customer expectations.

The strategy aims not only to maximize profits, but also to build lasting relationships with customers, optimize operational processes, and leverage innovative technological solutions. The Group aims to increase its efficiency by streamlining its supply chain, developing its offerings and adapting to market trends such as digitalization and sustainability.

An effective business strategy is based on analyzing the competition, identifying key market segments and adapting operational activities to changing consumer needs. This allows the Group to build a strong market position and achieve stable growth in the long term.

For more information on this business strategy, see Chapter 3 to the Management Board's Report on the Operations of the Eurocash Group.

Group values

Eurocash Group values are the foundation of our organizational culture. They guide our actions and decisions, defining who we are and how we act both internally and in our relationships with our customers, business partners and the communities in which we operate. In making decisions at every level, the Group is guided by the following values:



Entrepreneurship

Entrepreneurship is in our company's DNA. We believe there is an entrepreneurial spirit in each and every one of us which, when used well, allows us to achieve what is impossible for others. We actively analyse our operating environment and identify development opportunities for our customers and our company. Our activities are innovative and conscious, with risks taken with the belief that they will allow us to become the leader.



Responsibility

Everyone in the Eurocash Group has precisely defined goals and is responsible for implementing them. We strive to surmount the challenges we face through the effective use of available resources. This way, we all contribute to the Group's development.



Focus on customers

We believe that only by meeting our customers' expectations can we develop and generate more profits. For the Eurocash Group, the priority is and always will be to meet the needs of our customers and implement solutions aimed at improving the competitiveness of their offer. This allows our customers to strengthen their market position and increase profitability.



Transparency

In the Eurocash Group, we act in line with high ethical standards towards employees, customers and suppliers. Everyone should act within the law, honestly, and show respect to all business partners. We comply with all corporate governance rules applicable to listed companies, with information on the company's operations and results being fully available.



Teamwork

In an organisation as complex and dynamically growing as the Eurocash Group, results stem from effective co-operation and a common source of motivation. A dynamic approach, creativity, and numerous synergy effects engendered by teamwork allow us to achieve results that bring satisfaction to the entire company, as well as each and every employee.



Profit sharing

When the Eurocash Group achieves its goals, individual employees also share in the profit. We are all evaluated on the tasks performed, which contribute to the entire team's success. Courage in decision-making, flexibility, focus on increasing efficiency, and meeting ambitious challenges are particularly appreciated.



Reliability

We believe that we make our own destiny and that the challenges we face are an opportunity for development. Our philosophy is based on a "360 degrees" approach, according to which we are evaluated by our superior, co-workers, internal clients, as well as people in parallel positions



Job satisfaction

The Eurocash Group cares about being an attractive employer. We achieve this by fairly rewarding for the results achieved. It is of great importance to us that our employees derive satisfaction and joy from overcoming the challenges they face. The work environment in the Eurocash Group is informal, it gives development opportunities and allows one to gain experience in an exciting, passionate and energetic environment.

[SBM-1] Sustainability Strategy "Together for Sustainability".

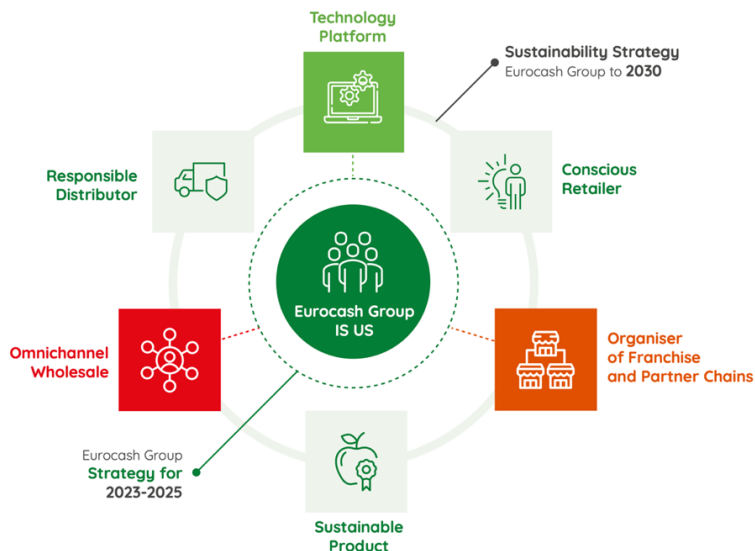
In the face of growing environmental, social and economic challenges, sustainability strategy is becoming a key element in the long-term success of an organization. Its goal is to harmoniously combine economic growth, environmental protection and social responsibility.

In implementing the strategy, the Group has sought, among other things, to minimize the negative impact of its operations on the planet, use resources efficiently, and care for social welfare. We believe that implementing such measures not only increases the Group's competitiveness, but also builds reputation and contributes to global initiatives to protect the environment and improve the quality of life.

Adopting a sustainability strategy requires us to take a long-term approach, collaborate with stakeholders, and innovate. It is not only an obligation, but also an opportunity to create a more resilient and responsible business model.

The "Together for Sustainability" strategy complements and develops the goals, both business and ESG, outlined in the Eurocash Group's overall strategy for 2023-2025. The strategy presents our approach and assumptions to sustainability topics, ambitions and projects to support us in doing business even more responsibly.

Figure 3. Positioning of the sustainability strategy in the Group's business environment



The level of implementation of the 2024 Sustainability Strategy and targets for 2025 and 2030 are shown in the table.

Table 2. Level of implementation of the sustainability strategy in 2024 and targets for 2025 and 2030

I PILLAR: EUROCASH IS US		Chapter	2024	2025	2030
A safe and friendly workplace	D&I strategy	3.1.A.	Publishing the Diversity, Equity and Inclusion Strategy	-	Performance analysis strategy and its adaptation on a three-year cycle
	Accident rate*		13,5/1000	Reduce accident rate to (9/1000)	Maintain an accident rate of at least 9.0 (9/1000)
	Accident prevention - expanded training program in occupational health and safety and first aid	3.1.H.	165 drivers trained in safe driving rules and 3793 people trained in first aid	800 drivers trained in safe driving principles and 5,000 in first aid	100% of new hires
Development and education	Training offerings - tailored to the individual development needs of employees and team groups - NPS indicator in evaluating training usability	3.1.G.	92%	90%	92%
	Social activities - % of general employees involved in activities**		11%	7%	10%
Commitment and satisfaction	Strengthening the culture of commitment in teams - employee engagement index	3.1.D.	44%	5% above market	5% above market
	Applying best practices related to people management	3.1.D.	Maintaining the Top Employer certification	Maintaining the Top Employer certification	Maintaining the Top Employer certification

* Accident rate - the target contains a list of Companies that is inconsistent with the ESRS Standard

** Social activities were not included as an important topic in the Report

PILLAR II: SUSTAINABLE PRODUCT		Chapter	2024	2025	2030
Origin and consumption of resources	Implement a purchasing policy for critical product raw materials	2.2.	-	Determination of critical raw materials of Eurocash Group products-> by mid-2025	
	Quality standards (ISO 22000, BRC,).	3.3.	Maintaining the ISO 22,000 standard	Maintaining the ISO 22,000 standard	Maintaining the ISO 22,000 standard
Quality and safety	Supplier good practices database - % of top suppliers committed to good practices for suppliers in terms of sustainability (accounting for 75% of EC turnover)	3.3.	38%	50%	100%
	Cyclically running Szanujemy – nie marnujemy campaign	2.3.	implementation of the SzNM campaign	implementation of the SzNM campaign	implementation of the SzNM campaign
Szanujemy – nie marnujemy	Inclusion in the Szanujemy – nie marnujemy program a % of business partners (franchisees - more than 10 stores and top suppliers) to monitor the food waste rate	2.3.	-	Top 30% of suppliers and FB required to monitor rate%	
	Percentage of food wasted (ratio of food wasted to food sold)	2.3.	0,39%	-0,29%	0,20 %

PILLAR III: RESPONSIBLE DISTRIBUTOR		Chapter	2024	2025	2030
Decarbonization	Achieving the SBTi goal	2.1.	34,1%	30%	Emission reduction by 47,7% vs 2020
	Obliging the top suppliers to calculate carbon footprint and set decarbonization targets (number of suppliers 77%)	2.1.	21	20	35
	Improving energy efficiency in own properties*		477 [kWh/m2]	400 [kWh/m2]	Reduction in energy consumption [kWh/m2] of -40% by 2030 vs 2020
Circular economy	Build a logistics network to collect packaging and waste from each of the Group's stores and its customers*		-	Ready-made model solutions for different store formats	50% of stores covered by logistics network receiving packaging and waste (including stores >200 m2)
Process efficiency	Optimization of supply Logistics*		Reduction in kilometers traveled in goods deliveries by 3.1 million km vs 2023	Reduction in kilometers traveled in goods deliveries by 3.5 million km vs 2023	Reduction in kilometers traveled in goods deliveries by 5.5 million km vs 2023

* The goal is not based on ESRS requirements

PILLAR IV: CONSCIOUS RETAILER		Chapter	2024	2025	2030
Fair bidding conditions for consumers	Improving business conditions for our partners through regular negotiations with manufacturers*		Improving the efficiency of purchasing departments in Eurocash Group	Improving the positioning of the independent market	Maintaining improved price positioning of the independent market
Support in running stores	Education within the framework of the Eurocash Skills Academy, including sustainable development (educational programs and campaigns) - number of participants	3.1.G.	37,256 participants	37,030 participants	39,030 participants
	Supporting Franchisees in Energy Transformation*		Organizing an electricity purchasing group for 2024	Building a joint electricity purchasing group	Providing 4 solutions in the area of reducing utility consumption in a store-type facility
Caring about localism	Increasing the number of local supplier's y/y in the categories: dairy (including eggs), fresh meat, fruits and vegetables*		-	Defining local suppliers including categories: - dairy (including eggs) - fresh meat - fruits and vegetables	Increase in the number of local supplier's y/y in categories vs 2025: - dairy (including eggs) - fresh meat - fruits and vegetables

* The goal is not based on ESRS requirements

Four pillars of strategy

Our mission is to shape responsible influence on economic relations, society and the environment. Our sustainability strategy is based on a comprehensive approach that considers not only business efficiency, but also environmental, social and ethical responsibility.

Central to this process are the designated four pillars of the sustainability strategy, which provide the foundation for long-term and stable growth. The pillars respond to the needs and expectations of the Group's key stakeholders, i.e. employees, responsible distributors, conscious retailers and sustainable products. The implementation of the strategy is overseen by the President of the Eurocash Group, together with the Board Members responsible for each area. The division of Board responsibilities is described in point 1.5 Management Structure.

Cross-cutting implementation of the strategy's elements allows the Group to effectively adapt to global trends, regulations and growing stakeholder expectations. By implementing activities within the four pillars, the Group can not only reduce its negative impact on the environment, but also build competitiveness and strengthen relationships with customers, business partners and employees across the value chain.

Figure 4. The four pillars of a sustainability strategy

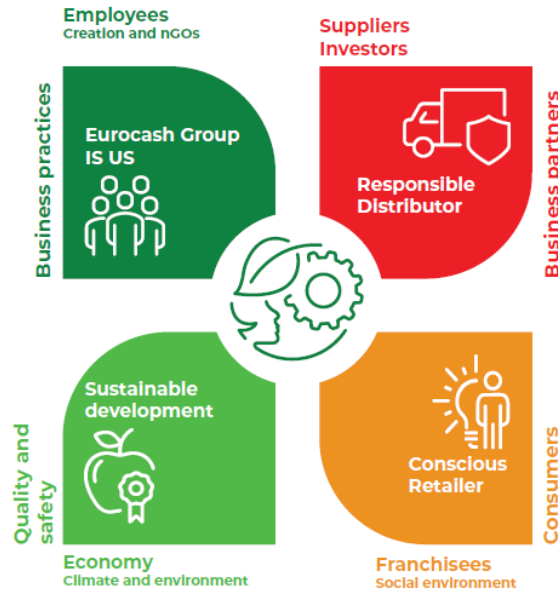


Figure 5. Sustainable development goals broken down into four pillars



The Group has identified elements of its strategy that address or affect sustainability issues, including major challenges or key projects.

Challenges:

- Climate change and emissions reduction - aligning distribution processes with decarbonization and climate neutrality requirements.
- Natural resource management - reducing energy consumption by implementing modern technologies and circular economy.
- Regulations and growing ESG requirements - aligning operations with increasingly stringent environmental, reporting and corporate social responsibility regulations.
- Customer and stakeholder expectations - growing environmental awareness among consumers and investors is forcing the delivery of more sustainable products.

Key projects

- Green operational transformation including investment in technologies that reduce energy consumption.
- Gradual transition to renewable energy, such as installation of photovoltaic panels and purchase of RES power.
- Optimizing the delivery and use of a green fleet.
- Circular economy project.
- Social responsibility and ethical management, i.e. working with suppliers with responsible business practices and extensive education in the value chain.

[SBM-2]

In 2024, the Group updated its sustainability strategy and supplemented the ESG goals outlined in the Eurocash Group's business strategy for 2023-2025. The strategy update included the interests and opinions of stakeholders. In addition to communication at the Group level, each business unit developed its own most effective way of building relationships, exchanging opinions and information. Dialogue with stakeholders was included at both the operational and strategic levels. In the former case, stakeholder opinions help to develop new solutions that best meet the needs of the audience. An example is the ongoing preparatory process for the deposit-in system. The Management Board and Supervisory Board are informed periodically on the interests and opinions obtained from stakeholders.

1.5. Management structure

[GOV-1] Role of administrative, management and supervisory bodies

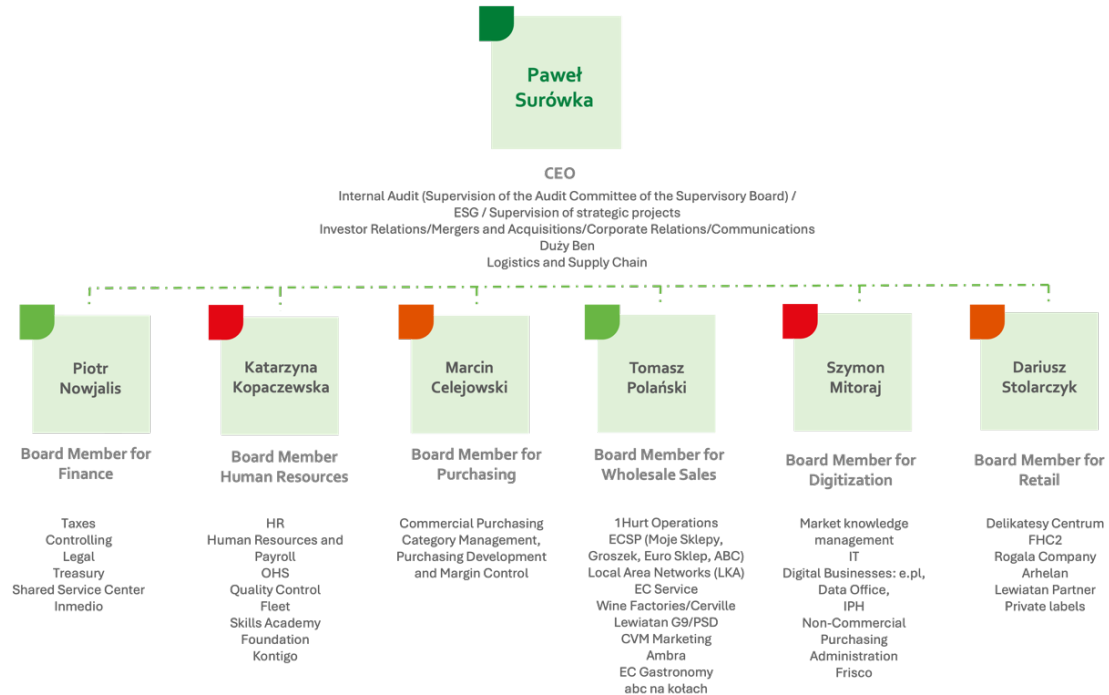
The Management Board of the Eurocash Group is composed exclusively of persons with the appropriate competence, skills and experience. Both the President and the Members of the Board are appointed by resolution of the Supervisory Board for an independent three-year term. The tasks of the body include, in particular, leadership and acting in the interest of the company, commitment to setting and achieving strategic goals, including in the area of sustainable development, and ensuring the company's efficiency and safety. The principles under which the Management Board operates and the criteria for the nomination of new members are defined in the Regulations of the Management Board. At the end of 2024, the Management Board consisted of seven people.

Management Board structure

Successful implementation of the sustainability strategy requires active oversight and involvement of the Management Board. Its role is to set direction, monitor progress and ensure compliance with regulations and stakeholder expectations, and implement a culture of sustainability within the organization, among others by:

- determining long-term sustainable development goals,
- creating strategies and overseeing policies covering environmental, social and governance areas,
- introducing key performance indicators (KPIs) to measure progress toward goals.

Figure 6. Management Board Structure



The experience and competencies of the members of the Management Board and Supervisory Board can be found on the Eurocash Group website: <https://www.grupaeurocash.pl/o-nas/zarzad>

Sustainability is an area of ongoing focus for management, including the Management Board and senior managers, and is subject to validation and oversight by the Supervisory Board.

Supervisory Board

On December 31, 2024, the composition of the Supervisory Board was as follows:

- Luis Amaral, Chairman of the Supervisory Board,
- Przemysław Budkowski, independent member of the Supervisory Board,
- dr Hans Joachim Körber, independent member of the Supervisory Board,
- Jorge Mora, independent member of the Supervisory Board,
- Francisco José Valente Hipólito dos Santos, Member of the Supervisory Board.

The activities of the Eurocash Group are supervised by the Supervisory Board. The Supervisory Board consists of 5 members, with the right to appoint and dismiss three members of the Supervisory Board being held by Politra B.V. (and its legal successors), while 2 members of the Supervisory Board are appointed and dismissed by the General Meeting. The dismissal of a member of the Supervisory Board is effective only if a new member of the Supervisory Board is appointed at the same time as the dismissal. Members of the Supervisory Board are appointed for a joint three-year term. The chairman of the body is appointed by a resolution of the Board. The Supervisory Board works in a culture of debate, analyzing the company's situation and performance and verifying the work of the Management Board, including in terms of achieving established sustainable development goals. ESG issues are discussed at Supervisory Board Meetings.

Information on management and supervisory bodies:

Number of women in the Management Board	Number of men in the Management Board	Gender percentage	Percentage of independent Management Board members
1	6	14% women / 86% men	100%
Number of women in the Supervisory Board	Number of men in the Supervisory Board	Gender percentage	Percentage of independent members of supervisory bodies
0	5	0% women / 100% men	60%

The number of executive members is 7 and non-executive members is 5. There is no representation of employees and others providing labor on the Management Board and Supervisory Board.

Committees:

The Supervisory Board has three committees - the Audit Committee, the Remuneration Committee and the Nominating Committee. Each of them consists of three members elected by the Supervisory Board, from among whom, also by the Board, the chairman of the respective committee is selected. One of the committees' tasks is, among others, to oversee the management of the Group's economic, environmental and employee impacts.

Audit Committee - members have industry knowledge and skills, at least one is a financial specialist, and at least one meets the criteria for independence:

- Jorge Mora - Chairman of the Audit Committee,
- Francisco José Valente Hipólito dos Santos - Member of the Audit Committee,
- dr Hans Joachim Körber - Member.

Nominating Committee - at least one member meets the criteria for independence:

- dr Hans Joachim Körber - Chairman of the Nominating Committee,
- Luis Manuel Conceicao Pais do Amaral - Member of the Nominating Committee,
- Jorge Mora - Member of the Nominating Committee.

Remuneration Committee - at least one member meets the criteria for independence:

- Przemysław Budkowski - Chairman of the Remuneration Committee,
- Francisco José Valente Hipólito dos Santos - Member of the Remuneration Committee,
- Jorge Mora - Member of the Committee.

Responsibility

The Group's Management Board approves the direction, scope of sustainability activities and goals, and reviews and oversees their integration with the organization's business objectives. In addition, it participates in the preparation of the non-financial report by approving, among other things, its structure, assumptions and scope of disclosures, and verifies the results of the double materiality assessment (DMA).

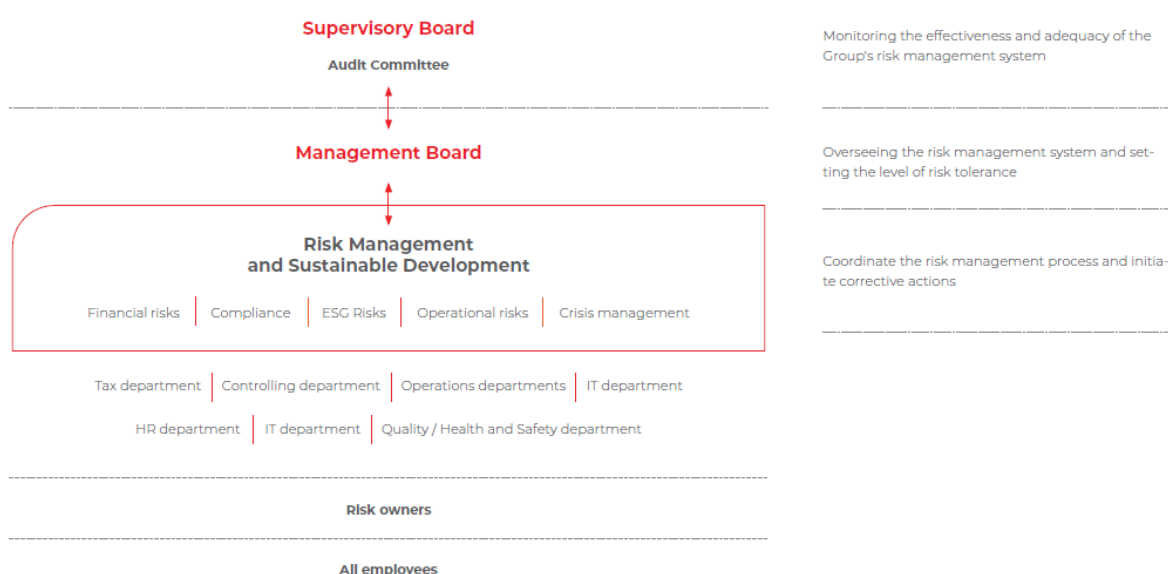
Management of the Group's ESG area reports directly to the CEO, as it covers all aspects of the organization. The CEO coordinates activities, assigns responsibility to designated individuals, and oversees key issues such as strategic development, risk management, ethics, compliance, environmental issues, taxonomy disclosures and double materiality.

Sustainability disclosure are discussed with relevant Management Board Members in face-to-face meetings and ongoing reviews. The Board also monitors sustainability risks. As part of the risk management process, regular meetings are held to review key challenges in this area.

In addition, the Management Board systematically improves its ESG expertise through meetings with experts and those responsible for this area in the organization.

Since 2022, the Group has had an ESG Team under the responsibility of the Director of Risk Management and Sustainability, who reports directly to the CEO. ESG-related activities are carried out with the support of the departments responsible for environmental protection, human resources and HR, health, safety and quality management, liquidity, legal department and communications, among others. Those responsible for each area – environmental, social and management - meet periodically and report to the Group's Management Board.

Figure 7. Structure of the risk management system in the Eurocash Group



The team's responsibilities include:

- implementation and coordination of sustainability strategies,
- supporting the achievement of sustainable development goals,
- supervision of the environmental area management system, including the environmental impact reduction program,
- attention to good relations with the business and social environment,
- reviewing, implementing, coordinating and enforcing social, environmental and climate sustainability policies, procedures and codes, as well as those related to corporate governance,
- advisory functions to managers on sustainability, working with internal experts.

The Chairman of the Management Board, who is responsible for oversight and management in the area of sustainability, is responsible for controlling the activities of the ESG Team.

[GOV-2] Responsibility for implementation of sustainability strategy

Sustainability, which combines economic, social and environmental aspects, requires involvement at various levels of the organization, from top management to executive employees. Management and

supervisory bodies are informed about sustainability issues at periodic meetings regarding, among other things, assessments of the risk analysis system of individual areas affected by risks, impacts and opportunities. Management of risks related to a particular area is carried out by individual units in the structure, and it is up to them to take responsibility for risk management. In the case of extraordinary or highly significant risks, management is subject to the assessment of the Management Board, which assigns responsibility to those appointed to each area.

Responsibility for managing sustainability impacts, risks and opportunities on the Group's Management Board is shown in the table:

Table 3. Responsibilities of the Management Board

Responsibility for managing impacts, risks and opportunities		Area
CEO	Pawel Surówka	Mitigation to climate change
CEO	Pawel Surówka	Energy efficiency and emissions
CEO	Pawel Surówka	Countering corruption and bribery
CEO	Pawel Surówka	Whistleblower protection
CEO	Pawel Surówka	Business ethics
CEO	Pawel Surówka	Risk management system
Board Member for Finance	Piotr Nowjalis	Payment practices
Board Member for Finance	Piotr Nowjalis	Security of personal data
Board Member for Human Resources	Katarzyna Kopaczewska	Working conditions, employment, education, employee rights, work - life balance, diversity and other issues related to your own employees
Board Member for Human Resources	Katarzyna Kopaczewska	Education of franchisees
Board Member for Human Resources	Katarzyna Kopaczewska	Biodiversity, resource use, and a circular economy
Board Member for Retail	Dariusz Stolarczyk	Rights of consumers and end users
Board Member for Retail	Dariusz Stolarczyk	Responsible market and marketing practices
Board Member for Commercial Procurement	Marcin Celejowski	Relationships with suppliers
Board Member for Wholesale Sales	Tomasz Polanski	Customer relations
Board Member for Digitization	Szymon Mitoraj	Cyber Security

In 2024, members of the Management Board collaborated on the development of the Group's new sustainability strategy, participating in workshops as experts and approving the goals and directions. As a result of the adopted solutions, the Group will develop a sustainability management system, and the Management Board will supervise the implementation of the strategy.

[GOV-3]

The Group has a Remuneration Policy for Members of the Management Board and Supervisory Board of Eurocash S.A.. It defines the principles of remuneration of members of the highest management bodies. The remuneration and financial objectives of the Members of the Management Board and Supervisory Board are not directly linked to sustainability goals, including climate change issues, however, individuals reporting to the Members of the Management Board and their teams have established business objectives related to ESG issues.

Remuneration systems for senior executives are based on Mercer's methodology and include a base salary and an annual bonus tied to the achievement of annual business goals. Base salary is determined based on Mercer's class, market practices and the position's business goals.

[GOV-4] Due diligence statement

Table 4. Presentation of the Group's actual practices with regard to due diligence

Basic elements of the due diligence process	Points in the sustainability statement
Including due diligence in the governance, strategy and business model	S1-1, S2-1, S4-1
Collaboration with affected stakeholders in all key stages of the due diligence process	S1-2, S2-2, S4-2
Identification and assessment of adverse impacts	IRO-1, SBM-3
Taking action to reduce identified adverse impacts	S1-3, S2-3, S4-3
Monitoring the effectiveness of these efforts and provide relevant information in this regard	S1-17, S2-4, S4-4

1.6. Significant ESG impacts, risks and opportunities

Materiality assessment process

[IRO-1]

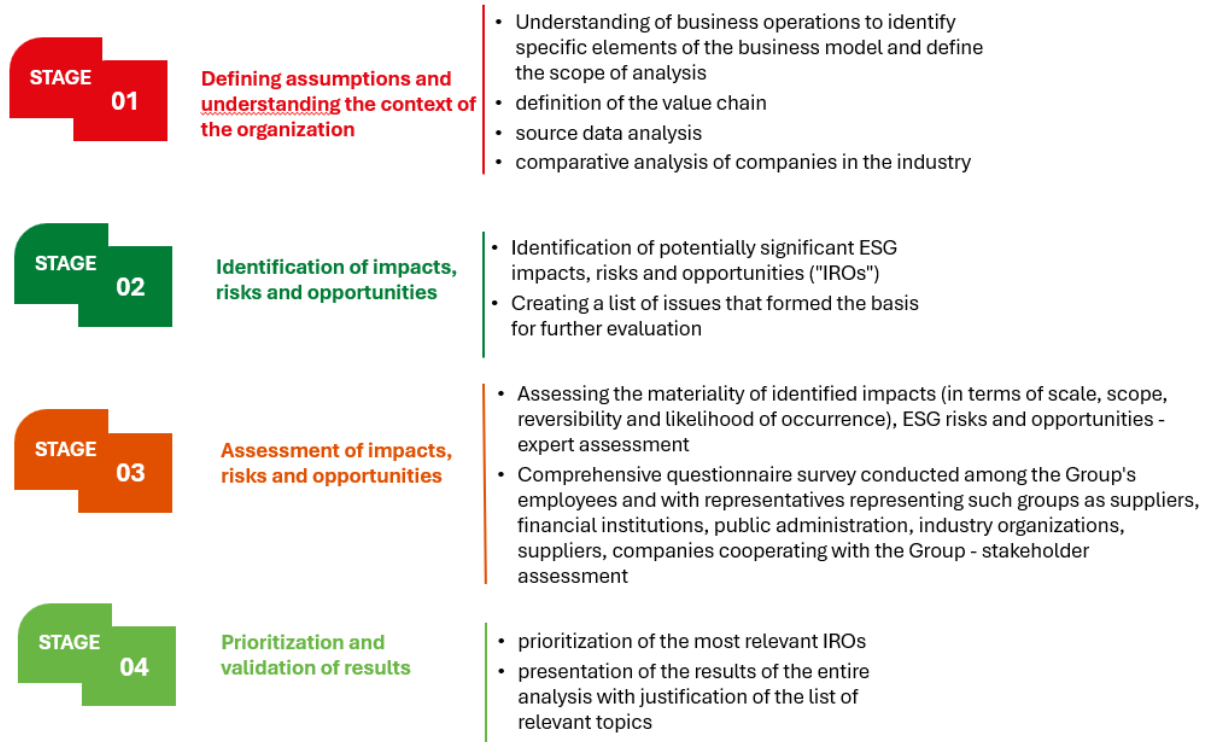
A materiality assessment process was conducted in 2022/2023 to identify key stakeholder groups and to identify the impacts that Eurocash Group's operations have on the environment and society. In 2024, the study was updated to fully comply with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

The double materiality analysis conducted took into account both the impact materiality perspective – the external impact of the Eurocash Group on areas of sustainable development, and the financial materiality perspective - the impact of external factors in the areas of environment, society and corporate governance affecting the Group. The study took into account the specifics of the FMCG industry, the business model, the value chain and the opinions of the Group's key stakeholders.

As a result of the analysis, a list of sustainability issues that may arise in the Group's operations and its value chain was developed, along with the identification of impacts, risks and opportunities and an assessment of their materiality.

The diagram below shows the steps of the double materiality assessment performed:

Figure 8. Steps in the double materiality assessment (DMA) process



During the process, impacts, risks and opportunities arising from the company's own operations and upstream and downstream business relationships in the value chain were identified and evaluated in the short, medium and long term.

During the survey, by completing an online survey, representatives of relevant stakeholder groups had the opportunity to assess the relevance of issues and risks arising in relation to our business, which were used to develop recommendations after the survey. 840 stakeholders participated in the survey, including 551 employees.

As a result of the study, the following items emerged:

- 19 key sustainability disclosures,
- 8 significant risks and 3 opportunities in this area.

Impact materiality assessment

A sustainability issue is relevant from an impact perspective insofar as it relates to an individual's significant actual or potential positive or negative impacts on people or the environment in the short, medium or long term.

Each identified impact was classified as:

- positive/negative,
- and actual/potential.

Then, in accordance with an internal expert methodology based on ESRS standards, materiality was assessed based on qualitative criteria including:

- scale,

- scope,
- irreversible nature (only in the case of negative impact),
- and the probability of occurrence,

assigning the appropriate weight to each criterion on a scale of 1 to 5, where 1 is the least and 5 is the greatest strength of influence.

In accordance with the ESRS guidelines, the principle that assessing the severity of an impact takes precedence over its likelihood has been applied when assessing potential negative impacts on human rights. To determine which topics are material, a materiality threshold was established in an expert manner with the greatest care and transparency, below which topics were considered irrelevant.

The process of identifying, assessing, prioritizing and monitoring the Eurocash Group's potential and actual impacts on people and the environment was conducted based on the due diligence process set forth in the international instruments of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Financial materiality assessment

A sustainability issue is material from a financial perspective if it has, or could reasonably be expected to have, a materiality financial impact on the entity.

For the identified impacts, the possible risks and opportunities that may occur in connection with a given impact and affect the Eurocash Group's financial position, financial results, cash flows, access to financing or cost of capital are identified.

Analogous to the impact assessment, in accordance with an internal expert methodology based on ESRS standards, materiality was assessed based on qualitative criteria including:

- scale,
- and the probability of occurrence,

assigning the appropriate weight to each criterion on a scale of 1 to 5, where 1 is the lowest and 5 is the highest impact.

In order to identify relevant topics as before, a materiality threshold was established, below which topics were considered irrelevant.

Issues that were significant from at least one impact and/or financial perspective were considered to be material issues that warrant disclosure of sustainability information.

The Management Board actively participated in the materiality study, was informed of the results of the study, set strategic directions and approved the list of material disclosures, and the Supervisory Board oversaw the process.

In the course of further work on reviewing the dual materiality analysis, the Group decided that it would complete the disclosure in the area [S4] of the personal safety of consumers or end-users in the context of the impact of sales of categories of goods accounting for more than 10% of the total volume, which consists of sales of alcohol and tobacco products. The Group's impact on consumers is disclosed in Point 3.3 Consumers and End Users. The Management Board has approved additional impacts, risks and opportunities in this area.

Significant risks related to sustainability issues have been included in the list of risks maintained at the Group.

The validity of the materiality process conducted is three years.

Relevant stakeholders

[SBM-2]

Eurocash stakeholders are identified both at the level of the Group as a whole and in individual business units. In order to identify key groups, the power of influence is studied in a two-way dimension: the Eurocash Group's impact on stakeholders, as well as their impact on the Group. The result of the activities is a stakeholder map, based on which we have identified the key stakeholder groups that have the greatest influence on the company's operations and that are affected by the company in some way.

Based on a review of internal and external documentation, and making the most of business expertise and active business relationships, consultations within the organization's ESG management team and key business units, the business environment was analyzed (so-called industry benchmarking - comparison with other organizations) and Eurocash Group stakeholders were identified.

Stakeholders:

- Employees
- Suppliers and subcontractors of products and services
- Shareholders
- Customers
- Consumers
- Other stakeholders:
 - Local communities and NGOs
 - Environment
 - Facility owners
 - Other contractors
 - Competition
 - Other Eurocash companies
 - Financial institutions
 - Education sector: universities and trade schools
 - Industry and consumer organizations
 - Certifying organizations
 - Media
 - Media and advertising agencies
 - Research organizations
 - Public administration
 - Environmental institutions

In 2023, a working meeting of the ESG team determined the materiality of stakeholders, examining the strength of influence in a two-way dimension, namely:

- The strength of the Group's impact on the stakeholder,
- The strength of the stakeholder's influence on the Group.

Dialogue with stakeholders is carried out through various channels of communication. In addition to communication at the Group level, each department or business unit develops its own most effective way of building relationships, exchanging opinions and information. Dialogue with stakeholders is included at both the operational and strategic levels. In the former case, stakeholder opinions help to develop new solutions that best meet the needs of the audience. An example is the ongoing preparatory process for the deposit system.

Information obtained through communication processes was used in the development of the Business and Sustainability Strategy. The Management Board and the Supervisory Board are informed periodically on the information obtained from stakeholders.

Table 5. The Group's methods of communication with important stakeholders

Relevant stakeholders	Forms of contact	Responsible entities
Employees	Intranet EC Live chats Employee Opinion Survey AUE learning platform Hotline Bulletin boards Business unit channels (radio, TV screens, newsletters)	HR Department Health and Safety Department Risk Management and Sustainability Department Eurocash Skills Academy
Suppliers	Ongoing communication Annual conference for suppliers Website	Central Purchasing Department Non-commercial Procurement Department Quality Department Individual companies Business units
Investors	Annual, semi-annual and quarterly reports Current reports Current communications Conferences Presentations Website	Investor Relations Department
Entrepreneurs	Ongoing communication NPS measurement system Newsletters Social and outreach campaigns Website Eurocash.pl platform AUE educational platform Survey of entrepreneurial development among Group customers	Individual companies Eurocash Skills Academy Communication Department
NGOs	Ongoing communication Cooperation on projects	Eurocash Group Foundation Employee Volunteer Coordinator Quality Department Communication Department Individual companies Business Units

Table 6. Group's relationship with significant stakeholders

Relevant stakeholders	Topics addressed and purpose of stakeholder engagement
Employees	Working conditions, adequate pay, equality and diversity, education and development, health, safety, security, health and safety at work and personal data, corruption, trust line, anti-bullying policy
Suppliers	Favorable business conditions, timely payment, transparent and fair business relations
Investors	Financial performance, implementation of business and sustainability strategy
Entrepreneurs	Working conditions, relations with franchisees, waste management and circular economy
NGOs	Working conditions, biodiversity, waste management and circular economy
Customers and consumers	Consumer inclusion, personal safety and information impact

Material impacts of sustainability

[SBM-3]

The materiality assessment conducted identified 19 sub-topics that are significantly affected by the Group (impact materiality) or that significantly affect the Group's operations (financial materiality).

The materiality of the impact (influence) took into account what the Group has or could have on the environment and people, including the impact on their human rights, related to its own operations and to all levels of the value chain, including through its products and services, as well as through its business relationships. The materiality assessment was made based on qualitative information.



Specified:

- strength of impact,
- scope of impact,
- reversibility of effects,
- likelihood of impact.

In the case of **financial materiality**, sustainability risks and opportunities with negative/positive financial effects that have or could have a significant impact on the entity's cash flow, access to financing or cost of capital in the short, medium or long term were examined.



Specified:

- probability,
- the strength of the potential financial effect.

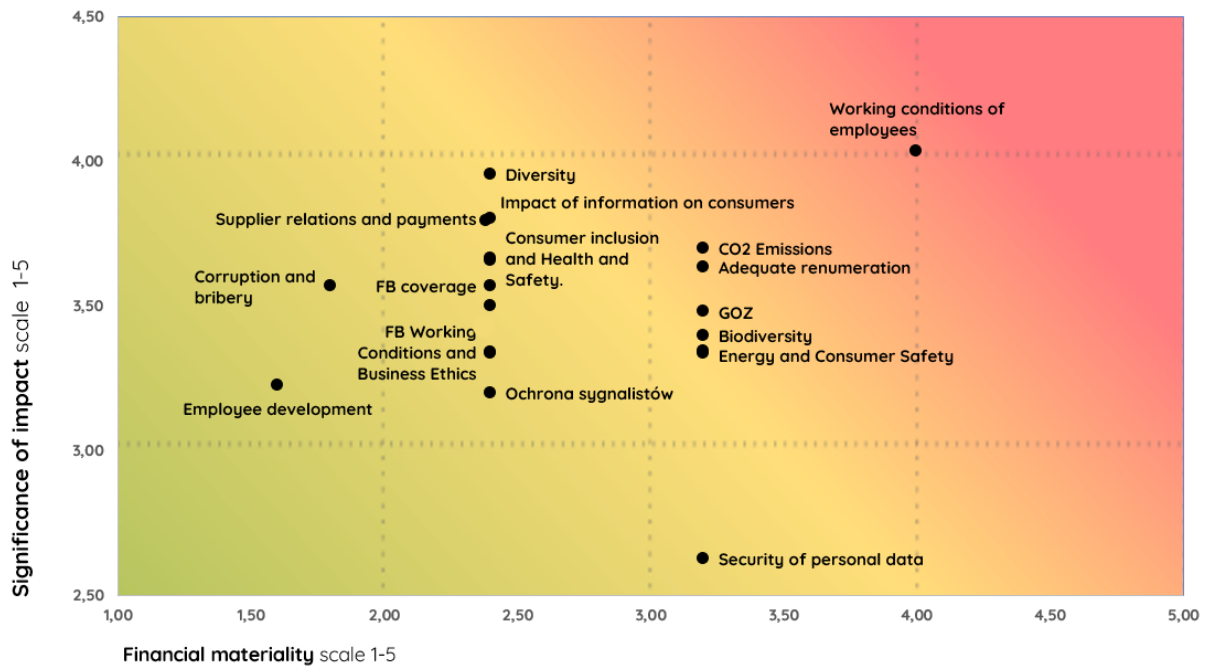
Table 7. Significant topics and description of influence (impact)

ESRS	TOPIC	NO.	SIGNIFICANT TOPIC	SUBTOPIC	PLACE OF INFLUENCE FORMATION	INFLUENCE (IMPACT)
E1	CLIMATE CHANGE	1	CO ₂ emissions	CO ₂ emissions	Upstream / Own operations / Downstream	CO ₂ emissions
		2	Energy	Energy consumption		Reduction of CO ₂ emissions
E4	BIODIVERSITY	3	Biodiversity	Acquisition and use of critical raw materials	Upstream / Own operations / Downstream	Energy consumption
						Efficient energy consumption
						Acquisition and use of critical raw materials
E5	CIRCULAR ECONOMY	4	Sustainable waste management and circular economy activities	Sustainable waste management and circular economy activities	Upstream / Own operations / Downstream	Implementation of EUDR requirements for deforestation products
						Acquisition of products related to the risk of deforestation and land degradation
						Production of packaging for private label products
						Sustainable waste management and circular economy activities
						Recovery of materials from sold private label and packaging products
						Waste generation
						Waste segregation
Countering food waste: "Szanujemy, nie marnujemy" campaign						
S1	OWN WORKFORCE	5	Working conditions of own employee resources	Employment	Custom operations	Employment-contracts
				Working Time		Employment - ATP
						Hybrid work flexible working hours

ESRS	TOPIC	NO.	SIGNIFICANT TOPIC	SUBTOPIC	PLACE OF INFLUENCE FORMATION	INFLUENCE (IMPACT)	
G1	EMPLOYEES IN THE VALUE CHAIN					Automation of Time Records	
				Employee Opinion Survey		Employee Opinion Survey	
				Work-life balance		Promoting work-home balance (wellbeing)	
		6	Adequate remuneration	Remuneration policy		Remuneration policy	Remuneration policy
						Implementation of an adequate remuneration policy	Wage pressures
						Employees' perception of remuneration	Health and safety service including regular training and education of employees and promotion of safety culture
		7	OHS	Occupational Health and Safety Management and Promoting a Culture of Safety;			Employee health
						Accidents and illnesses	Health and safety audit
		8	Gender equality and diversity	Gender equality and diversity			Wage gap
	Gender equality						
9	Security of personal data	Security of personal data		Promoting diversity			
				Countering data security breaches in information systems			
10	Development of own employee resources	Training and skills development		Data security and compliance with GDPR			
				Training offer			
S2	EMPLOYEES IN THE VALUE CHAIN	11	Working conditions in the value chain	Working conditions at suppliers	Upstream / Downstream	Implementation of regulations included in the Code for suppliers	
				Working Conditions at Franchisees		Influencing franchisees	
				Data protection in the value chain		Process risk analysis and qualification of suppliers, franchisees for compliance with data protection regulations	
S4	CONSUMERS AND END USERS	12	Personal safety of consumers or end users	Personal safety of consumers or end users	Downstream	Impact on product quality and safety	
						Data security and compliance with GDPR	
		13	Impact of information on consumers or end users	Impact of information on customers		Sale of alcohol and tobacco products	
						Product labeling	
14	Consumer inclusion	Consumer inclusion	Availability of products and services including an extensive network of stores				
G1	BUSINESS PRACTICES	15	Business ethics and ESG management	Implement and promote ethics in the Group	Custom operations	Implementing and promoting ethics in the Eurocash Group	
		16	Protecting whistleblowers	Protecting whistleblowers		Anonymity of submissions and promotion of integrity	
		17	Supplier relations and payments	Relationships with suppliers		Whistleblower protection	
						Supplier violations	
						Regulating payments	

ESRS	TOPIC	NO.	SIGNIFICANT TOPIC	SUBTOPIC	PLACE OF INFLUENCE FORMATION	INFLUENCE (IMPACT)
						Late payments
		18	Relationships with franchisees	Relationships with franchisees		Entering into agreements with franchisees
						Support for the development of entrepreneurs
						Flexibility and adaptation to local conditions
		19	Corruption and bribery	Anti-corruption policies and control systems		Implement an anti-corruption policy and supplier control system

Figure 9. Matrix of important topics



Significant risks and opportunities and risk management system

[SBM-3] [GOV-5]

During the DMA risks and opportunities were identified and rated as significant. Appropriate management of them makes it possible to minimize negative events and counteract their adverse effects. This is followed by informed and strategic decision-making and optimization of resources. The resilience of the organization is increased because early detection of threats allows to prevent or effectively respond to them, minimizing negative effects, and the use of opportunities resulting from the materiality assesment can lead to innovation and a better market position. Eliminating potential problems before they occur reduces losses and improves business continuity. A transparent approach to risk and opportunity management builds trust with customers, partners and employees.

A total of 8 material risks and 3 opportunities were identified in the environmental and social areas. There are none in the corporate governance area.

Table 8. Risks and opportunities in area E

ESRS	Significant topic	Risk or opportunity	Description	How the risk or opportunity is managed
E1	CO ₂ emissions	Risks	<p>Transformational risks including regulatory, technological, reputational and market risks and associated costs, where failure to adapt to the new environment can contribute to loss of image and market value.</p> <p>Loss of business partners through failure to meet emissions requirements.</p> <p>Risks associated with suppliers not taking decarbonization measures.</p>	<p>Calculation of GHG emissions in all 3 scopes together with monitoring of the progress of emission reductions in relation to the Eurocash Group's decarbonization targets established under the SBTi initiative and being part of the Sustainability Strategy.</p> <p>Monitoring emissions and taking decarbonization measures is one of the principles of the implemented Sustainability Policy.</p>
	Energy consumption	Risks	<p>The risk of rising energy and fuel costs and the risk of disruptions in their supply. Uncontrolled energy and fuel consumption in buildings and transport fleet. The need to comply with regulations that require financial expenditures for investments.</p>	<p>Monitoring of energy and fuel consumption and costs, allowing conscious management of this area, identifying irregularities and taking appropriate action. Regular inspection and servicing of equipment and appliances, as well as energy audits.</p> <p>Rationalization of energy and fuel use is one of the principles of the implemented Sustainable Development Policy, while improving the energy efficiency of facilities is one of the goals of the Sustainable Development Strategy.</p> <p>Consistent investments are being made to reduce energy consumption and increase the share of energy from renewable sources.</p>
E4	Acquisition and use of critical raw materials	Risks	<p>Risks related to the cost of adapting to new regulations or financial penalties in the event of non-compliance, as well as reputational risks as consumer awareness increases.</p>	<p>Critical raw materials issues are referenced in the Sustainable Development Strategy, under the fourth pillar: sustainable product-origin and resource consumption.</p> <p>It is planned to implement a purchasing policy for critical raw materials and products and for anti-deforestation.</p>

ESRS	Significant topic	Risk or opportunity	Description	How the risk or opportunity is managed
E5	Sustainable waste management and circular economy activities	Risks	<p>Lack of or limited access to raw materials for private label packaging.</p> <p>Risk of increased costs of: waste management, including due to lack of or inadequate segregation of recyclable materials; packaging and thus final private label products, which translates into their profitability; fee for taking over the recovery organization's obligation to carry out recovery and recycling of packaging waste.</p> <p>Image risk in terms of lack of understanding and negative reaction from customers (clients).</p> <p>Risk of losing customers due to lack of profitability, significant decrease in turnover and profit in case of deposit system</p> <p>Risk of financial penalties due to: failure to comply with legal requirements for packaging (e.g. rPET); failure to achieve appropriate levels of recovery and recycling of packaging waste improper handling of waste.</p>	<p>Waste and circular economy issues are part of the Sustainable Development Strategy.</p> <p>The waste management system is carried out in accordance with established policies and procedures.</p> <p>Continuous optimization of inventory management at Group locations.</p> <p>The Group has established a working team on the deposit system, which is working to develop the most optimal solution for implementing the system at its units and franchisees.</p> <p>Cooperation with NGOs or non-governmental organizations involved in food donation.</p>
		Opportunity	<p>Use of alternative forms of packaging.</p> <p>Increase in revenue from the sale of recyclable materials and recycling documents.</p> <p>Reduction in the cost of contracts with recovery organizations for taking over the obligation to recover packaging.</p> <p>Image, including improvement of relations and cooperation with franchisees.</p> <p>Building competitive advantage of customers - increase in turnover and profits.</p>	<p>Establishment of cooperation with recovery organizations to take over packaging recovery obligations.</p>

Table 9. Risks and opportunities in area S

ESRS	Significant topic	Risk or opportunity	Description	How the risk or opportunity is managed
S1	Working conditions of own employee resources	Opportunity	Opportunity related to job security. Has an impact on: increasing employee commitment and loyalty, improving employer image, reducing staff turnover, attracting qualified employees. Staffing stability facilitates long-term planning and anticipation of the Group's needs including professional development of employees and achieving better results.	Insertion of goals into the business strategy and strategy. Group's sustainable development. Development of organizational culture. Extensive training offer. Friendly and safe working conditions. Promoting work-home balance.
	Adequate pay	Risks	Risks related to wage pressures, labor shortages and the loss of key personnel.	Transparent and up-to-date compensation policy based on Mercer methodology. Implementation of HR strategy. Taking into account the specifics of the business unit, segment or job group in the compensation policy. Total Rewards concept. Cyclical review of remuneration. Study of the Effectiveness of Remuneration Systems. Searching for solutions to remuneration policies.
		Opportunity	Implementation of an adequate remuneration policy. Attractiveness in the labor market. Top Employer Certificate. Flexible cost management.	Adequate remuneration policies and HR strategy make the Group more attractive to the best candidates in the labor market, which increases the chances of hiring highly qualified professionals. Strengthening employer branding. Introducing elements of variable remuneration.
	Security of personal data	Risks	Risk of data security breaches in information systems. Significant financial and reputational consequences.	Establish an IT Security team. Implementation of IT security policies and procedures. Technical, administrative and physical safeguards. Monitoring of security incidents and vulnerabilities. Testing for resilience. Training on information security and data protection.
S4	Personal safety of consumers or end users	Risks	Reputational risk due to sales to minors. Financial risks related to: a) the possibility of financial penalties for non-compliance with regulations b) loss of licenses c) illegal or misleading advertising, which may be considered to violate the collective interests of consumers.	Constant control of the validity and type of concessions. Development of manuals for business.
	Personal safety of consumers or end users	Risks	Risk of personal data security breach. Significant financial consequences. Loss of reputation and customers.	Implementation of legal obligation to handle personal data. Developing a series of policies and procedures on RODO. Reviewing privacy policies. Training employees on data protection. Undertaking a rapid response to any reports of potential violations. Ensuring that customers' rights can be exercised to delete, limit or amend their processed data. Applying technical protection measures. Processing data in accordance with its authorization and with due diligence. Audits of processes and processors. Control mechanisms. Evaluation of contractors before entering into cooperation.

1.7. ESRS compliance

[IRO-2]

In the course of the materiality analysis conducted, ESRS-2 *Pollution* was subjected to in-depth analysis, which was ultimately deemed not material to the organization. Eurocash Group's operations are primarily associated with the emission of pollution of air resulting from the combustion of fuels in transportation vehicles and heating sources, such as dust (total dust, PM10, PM2.5) carbon monoxide, nitrogen oxides and sulfur oxides. However, these are not substances of potential concern and of particularly high concern as well as the emission levels for each type of pollution do not exceed the applicable threshold value specified in Annex II of Regulation (EC) No. 166/2006.

Table 10. ESRS compliance

Disclosure number	Name of disclosure	Chapter in the report
ESRS 2	GENERAL DISCLOSURE	
BP-1	General basis for making sustainability statements	1.1.
BP-2	Disclosure of information with respect to special circumstances	1.1.
GOV-1	The role of administrative, management and supervisory bodies	1.5.
GOV-2	Information provided to the entity's administrative, management and supervisory bodies and the sustainability issues they undertake	1.5.
GOV-3	Integrating sustainability-related outcomes into incentive schemes.	1.5.
GOV-4	Due diligence statement	1.5.
GOV-5	Risk management and internal controls over sustainability reporting	1.6.
SBM-1	Strategy, business model and value chain	1.2., 1.3., 1.4.
SBM-2	Stakeholder interests and opinions	1.4., 3.1., 3.2.
SBM-3	Significant influences, risks and opportunities and their interrelationship with the strategy and with the business model	1.6., 2.1., 2.2., 2.3., 3.2.
IRO-1	Description of processes to identify and assess significant impacts, significant risks and significant opportunities	2.1., 2.2., 2.3.
IRO-2	ESRS disclosure requirements covered by entity's sustainability statement	1.7.
ESRS E1	CLIMATE CHANGE	
E1-1	Transition plan for climate change mitigation	2.1.
E1-2	Policies related to climate change mitigation and adaptation	2.1.
E1-3	Actions and resources in relation to climate policy	2.1.
E1-4	Climate change mitigation and adaptation goals	2.1.
E1-5	Energy consumption and energy mix	2.1.
E1-6	Gross Scope 1, 2 and 3 greenhouse gas emissions and total greenhouse gas emissions	2.1.
E1-7	Greenhouse gas removal and mitigation projects financed with carbon credits	2.1.
E1-8	Internal determination of greenhouse gas emission fees	2.1.
E1-9	Anticipated financial impacts from significant physical and transition risks and potential climate-related opportunities	Will be subject to reporting for the 2025 reporting year
ESRS E4	BIODIVERSITY	
SBM-3	Significant influences, risks and opportunities and their interrelationship with the strategy and with the business model	2.2.

Disclosure number	Name of disclosure	Chapter in the report
IRO-1	Description of processes to identify and assess significant impacts, significant risks and significant opportunities	2.2.
E4-1	Transition plan and integration of biodiversity and ecosystems into strategy and business model	2.2.
E4-3	Activities and resources related to biodiversity and ecosystems	2.2.
E4-4	Targets related to biodiversity and ecosystems	2.2.
E4-5	Impact indicators related to biodiversity and ecosystem change	2.2.
E4-6	Anticipated financial impacts from biodiversity and ecosystem risks and opportunities	2.2.
ESRS E5	CIRCULAR ECONOMY	
E5-1	Policies related to resource use and the circular economy	2.3.
E5-2	Activities and resources related to resource utilization and the circular economy	2.3.
E5-3	Targets related to resource utilization and a circular economy	2.3.
E5-4	Resources introduced into the organization	2.3.
E5-5	Resources drained from the organization	2.3.
E5-6	Anticipated financial impacts from impacts, risks and opportunities related to resource use and the circular economy	2.3.
ESRS S1	PERSONS PROVIDING WORK FOR THE COMPANY	
S1-1	Policies related to own workforce	3.1.A, 3.1.B, 3.1.D, 3.1.F, 3.1.G, 3.1.H.
S1-2	Procedures for working with your own employees and employee representatives on influences	3.1.D, 3.1.D, 3.1.G, 3.1.H.
S1-3	Processes for leveling negative influences and channels for reporting problems by unit employees	3.1.B, 3.1.D, 3.1.G, 3.1.H.
S1-4	Taking action on significant influences on its own workforce and using approaches to mitigate significant risks and take advantage of significant opportunities related to its own workforce, and the effectiveness of these actions	3.1.A, 3.1.C, 3.1.D, 3.1.G, 3.1.H.
S1-5	Objectives for managing significant negative impacts, increasing positive impacts, and managing significant risks and significant opportunities	3.1.C, 3.1.D, 3.1.H.
S1-6	Characteristics of the unit's employees	3.1.E.
S1-7	Characteristics of non-employees who are the entity's own employees	3.1.E.
S1-8	Scope of collective bargaining and social dialogue	3.1.F.
S1-9	Diversity indicators	3.1.A.
S1-10	Adequate wages	3.1.F.
S1-11	Social protection	3.1.F.
S1-12	People with disabilities	3.1.F.
S1-13	Indicators for training and skills development	3.1.G.
S1-14	Occupational health and safety indicators	3.1.H.
S1-15	Indicators of work-life balance	3.1.D.
S1-16	Wage indicators (wage gap and total compensation)	3.1.F.
S1-17	Incidents, complaints and serious human rights impacts	3.1.B.
ESRS S2	EMPLOYEES IN THE VALUE CHAIN	
S2-1	Policies related to employees in the value chain	3.2.
S2-2	Collaborative processes with those doing work in the influencer value chain	3.2.

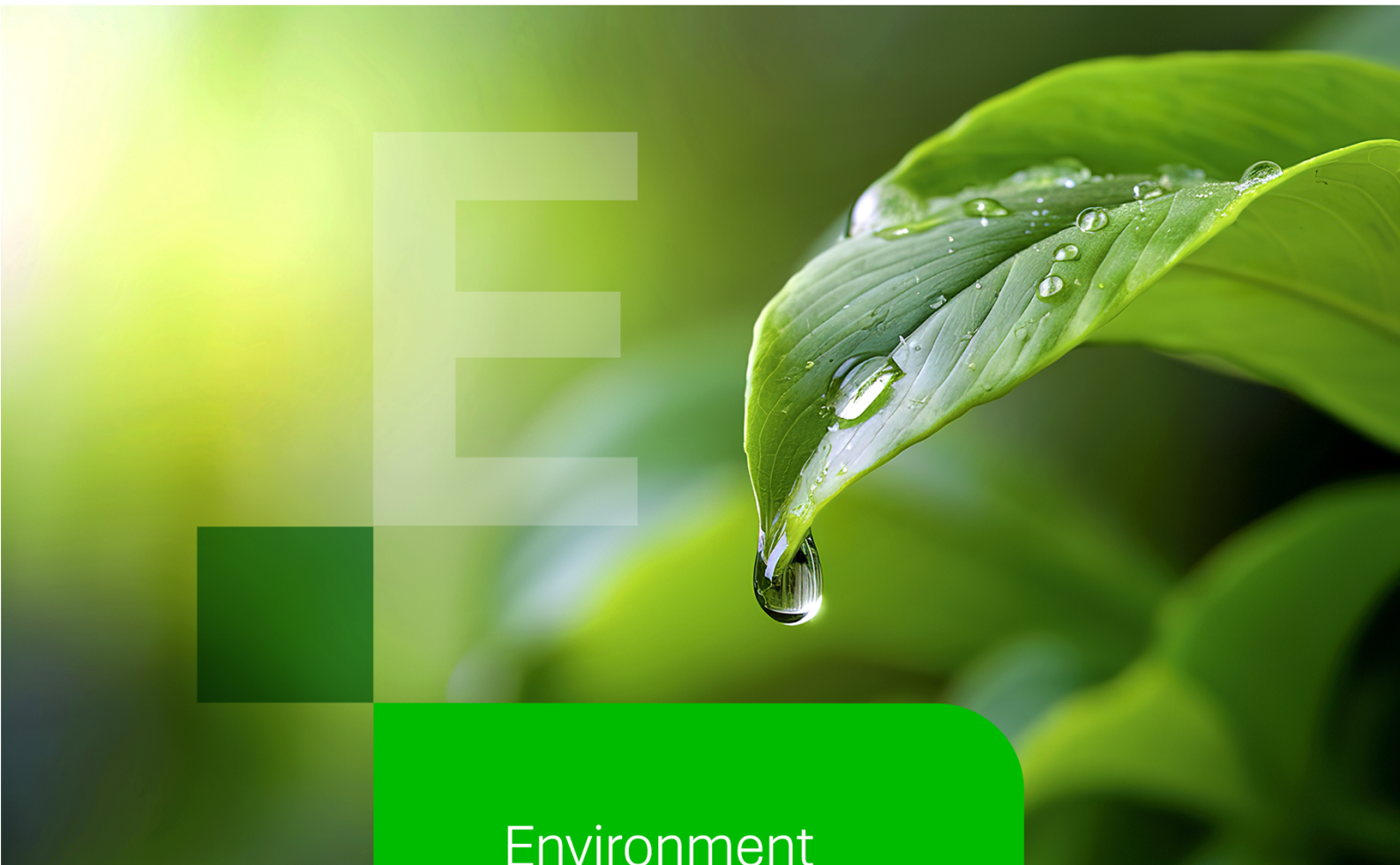
Disclosure number	Name of disclosure	Chapter in the report
S2-3	Processes for leveling negative influences and channels for employees to report problems in the value chain	3.2.
S2-4	Addressing significant impacts on value chain performers and applying approaches to manage significant risks and opportunities related to value chain performers and the effectiveness of these actions	3.2.
S2-5	Objectives for managing significant negative impacts, increasing positive impacts, and managing significant risks and significant opportunities	3.2.
ESRS S4	CONSUMERS AND END USERS	
S4-1	Policies related to consumers and end users	3.3.
S4-2	Influencer collaboration processes with consumers and end users	3.3.
S4-3	Remediation processes for negative impacts and channels for consumers and end users to report problems	3.3.
S4-4	Addressing significant consumer and end-user impacts and applying approaches to manage significant risks and capitalize on significant consumer and end-user opportunities, and the effectiveness of these actions	3.3.
S4-5	Objectives for managing significant negative impacts, enhancing positive impacts, and managing significant risks and significant opportunities	3.3.
ESRS G1	CORPORATE GOVERNANCE	
GOV-1	The role of administrative, supervisory and management bodies	1.5.
G1-1	Corporate culture and business policies	4.1, 4.2, 4.5.
G1-2	Supplier relationship management	4.4., 4.5.
G1-3	Prevention and detection of corruption and bribery	4.3.
G1-4	Confirmed incident involving corruption or bribery	4.3.
G1-6	Payment practices	4.5.

Table 11. List of data points included in cross-cutting standards and thematic standards that result from other EU legislation

Regulation	Disclosure requirement and related data point	Chapter number
ESRS 2 GOV-1	Gender diversity of board members point 21(d).	1.5.
ESRS 2 GOV-1	Percentage of board members who are independent point 21(e)	1.5.
ESRS 2 GOV-4	Due diligence statement point 30	1.5.
ESRS 2 SBM-1	Participation in fossil fuel activities point 40(d)(i)	1.2.
ESRS 2 SBM-1	Participation in chemical production activities point 40(d)(ii)	1.2.
ESRS 2 SBM-1	Participation in controversial weapons activities point 40(d)(iii)	1.2.
ESRS 2 SBM-1	Participation in tobacco cultivation and production activities point 40(d)(iv).	1.2.
ESRS E1-1	Transformation plan to achieve climate neutrality by 2050 point 14	2.1
ESRS E1-1	Units excluded from the scope of reference indicators adapted to the Paris Agreement point 16(g).	Not applicable
ESRS E1-4	Greenhouse gas emission reduction targets point 34	2.1
ESRS E1-5	Fossil energy consumption disaggregated by source (applies only to sectors with significant climate impacts) point 38	2.1
ESRS E1-5	Energy consumption and energy mix point 37	2.1.
ESRS E1-5	Energy intensity linked to activities undertaken in sectors with significant climate impacts points 40-43	2.1.
ESRS E1-6	Scope 1, 2, 3 gross greenhouse gas emissions and total greenhouse gas emissions point 44	2.1
ESRS E1-6	Gross greenhouse gas intensity points 53-55	2.1
ESRS E1-7	Greenhouse gas removal and carbon credits point 56	2.1
ESRS E1-9	Reference portfolio's exposure to physical climate risk point 66	Not subject to reporting

Regulation	Disclosure requirement and related data point	Chapter number
ESRS E1-9	Disaggregation of monetary sums according to acute and permanent physical risk point 66(a)	Not subject to reporting
ESRS E1-9	Location of significant assets with significant physical risk point 66(c)	Not subject to reporting
ESRS E1-9	Distribution of the book value of real estate by energy efficiency classes point 67(c).	Not subject to reporting
ESRS E1-9	Degree of portfolio exposure to climate-related opportunities point 69	Not subject to reporting
ESRS E2-4	Amount of each pollutant listed in Annex II of the E-PRTR (European Pollutant Release and Transfer Register) emitted to air, water and soil, point 28	Not significant
ESRS E3-1	Water and marine resources point 9	Not significant
ESRS E3-1	Special policy point 13	Not significant
ESRS E3-1	Sustainable practices in the seas and oceans point 14	Not significant
ESRS E3-4	Total amount of water recycled and reused point 28(c).	Not significant
ESRS E3-4	Total water consumption in m3 per net income from own operations point 29	Not significant
ESRS 2 SBM-3-E4	Point 16(a)(i)	Not significant
ESRS 2 SBM-3-E4	Point 16(b)	Not significant
ESRS 2 SBM-3-E4	Point 16(c)	Not significant
ESRS E4-2	Sustainable land/agriculture practices or policies point 24(b).	2.2.
ESRS E4-2	Sustainable ocean/sea practices or policies point 24(c)	2.2.
ESRS E4-2	Policies to combat deforestation point 24(d).	2.2.
ESRS E5-5	Non-recycled waste point 37(d).	2.3.
ESRS E5-5	Hazardous waste and radioactive waste point 39	2.3.
ESRS 2 SBM-3-S1	Risk of incidents of forced labor point 14(f).	3.1.
ESRS 2 SBM-3-S1	Risk of incidents of child labor point 14(g).	3.1.
ESRS S1-1	Policy commitments to respect human rights point 20	3.1.A.
ESRS S1-1	Due diligence strategies for issues covered by the International Labor Organization's Core Conventions number 1-8, point 21	3.1.A.
ESRS S1-1	Procedures and measures for the prevention of human trafficking point 22	3.1.A.
ESRS S1-1	Policy or management system for prevention of occupational accidents point 23	3.1.H.
ESRS S1-3	Mechanisms for handling complaints point 32(c)	3.1.B.
ESRS S1-14	The number of work-related deaths and the number and rate of work-related accidents point 88(b) and (c)	3.1.H.
ESRS S1-14	Number of days lost due to injuries, accidents, fatalities or illnesses point 88(e)	3.1.H.
ESRS S1-16	Unadjusted gender wage gap point 97(a).	3.1.F.
ESRS S1-16	Excessive level of remuneration of the CEO point 97(b)	Not significant
ESRS S1-17	Cases of discrimination point 103(a)	3.1.B.
ESRS S1-17	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines point 104(a).	3.1.B.
ESRS 2 SBM-3-S2	Significant risk of child or forced labor in the value chain point 11(b).	3.2.
ESRS S2-1	Policy commitments to respect human rights point 17	3.1 A.
ESRS S2-1	Policies related to employees in the value chain point 18	3.1 A.
ESRS S2-1	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines point 19	3.1 A.
ESRS S2-1	Due diligence strategies for issues covered by the International Labor Organization's Core Conventions 1-8, point 19	3.1 A.
ESRS S2-4	Human rights issues and incidents related to upstream and downstream value chain point 36	3.2.
ESRS S3-1	Human rights policy commitments, point 16	Not significant
ESRS S3-1	Failure to comply with the UN Guiding Principles on Business and Human Rights, the ILO Principles, or the OECD Guidelines point 17	Not significant
ESRS S3-4	Issues and incidents concerning respect for human rights point 36	Not significant

Regulation	Disclosure requirement and related data point	Chapter number
ESRS S4-1	Policy relating to consumers and end-users point 16	3.3.
ESRS S4-1	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines point 17	3.3.
ESRS S4-4	Issues and incidents concerning respect for human rights point 35	3.3.
ESRS G1-1	United Nations Convention against Corruption point 10(b)	Not subject to reporting
ESRS G1-1	Protection of whistleblowers point 10(d)	4.2.
ESRS G1-4	Fines for violations of anti-corruption and anti-bribery laws point 24(a)	4.3.
ESRS G1-4	Anti-corruption and bribery standards point 24(b)	4.3.



E

Environment

ESG

2. ENVIRONMENT [E]

2.1. Climate change

Eurocash Group's operations are related to the use of energy and fuels in operating facilities and transportation, accompanied by the generation of greenhouse gas emissions that contribute to climate change. Aware of the materiality of the impact of our operations on the environment and climate, we have been taking measures to reduce negative impacts for years through the implementation of environmental policies and strategies, sustainable development, decarbonization, and relevant initiatives.

Policies related to climate change mitigation and adaptation

[E1-2]

The issues of combating climate change in the Eurocash Group, including our approach, the goals set, the directions of activities and the measures of implementation, are defined in the *Sustainability Policy* and the *Strategy "Together for Sustainable Development"* which complements and develops the goals of the ESG area as presented in the overall *Strategy of the Eurocash Group*.

The key principles in the *Sustainability Policy* that relate to climate protection are:

- Building environmental awareness among employees and partners throughout the supply chain,
- Considering the environmental criteria in decision-making and operational activities,
- Rational use of natural resources including water, energy and fuels,
- Monitoring the group's carbon footprint in all three scopes and take decarbonization measures.

The *"Together for Sustainability"* strategy includes ambitious decarbonization targets that the Group has prepared in response to the growing awareness of its business and the expectations of external stakeholders. The strategy also includes goals for improving the efficient use of energy in operational facilities and optimizing in the transportation of supplies by reducing the number of kilometers traveled. The result of implementing these measures is lower energy and fuel consumption, which translates into a reduction in greenhouse gas emissions.

In accordance with established principles, the Group has a monitoring system for energy and fuel consumption and a carbon footprint is calculated annually in 3 ranges, which allows us to better manage these areas.

Greenhouse gas emission reduction targets

[E1-4]

In 2022, Eurocash Group joined the Science Based Targets Initiative (SBTi), under which decarbonization targets through 2030 were set and approved in 2023.

The established targets commit us to reduce CO₂ emissions by no less than **47.7%** by 2030 in scope 1 and 2 emissions compared to 2020, and to engage major suppliers to set their own decarbonization targets by 2027 in scope 3.

The adopted decarbonization targets for 2030 were set as envisioned by the Paris Agreement, and aim to limit global warming to 1.5°C.

*As part of the SBTi initiative, calculated Scope 1 and 2 greenhouse gas emissions and established decarbonization targets for entities over which the Eurocash Group had operational control at the time, i.e.: Eurocash S.A.; Eurocash Serwis sp. z o.o.; AMBRA sp. z o.o.; Polska Dystrybucja Alkoholi sp. z o.o.; Eurocash Franczyza sp. z o.o.; Lewiatan Podkarpacie sp. z o.o.; Lewiatan Północ sp. z o.o.;

Lewiatan Kujawy sp. z o.o.; Lewiatan Wielkopolska sp. z o.o.; Lewiatan Opole sp. z o.o.; Lewiatan Orbita sp. z o.o.; Lewiatan Zachód sp. z o.o.; Lewiatan Podlasie sp. z o.o.; Lewiatan Śląsk sp. z o.o.; Euro Sklep sp. z o.o.; Partnerski Sklep Detaliczny SA; Eurocash Sieci Partnerskie sp. z o.o.; Delikatesy Centrum sp. z o.o.; Podlaskie Delikatesy Centrum sp. z o.o.; Kontigo sp. z o.o.; Duży Ben sp. z o.o.; abc na kołach sp. z o.o.; Innowacyjna Platforma Handlu sp. z o.o.; Detal Finanse sp. z o.o.; Akademia Umiejętności Eurocash sp. z o.o., Partner sp. z o.o.. They do not include the following companies: Lewiatan Holding S.A.; Firma Rogala Sp. z o.o.; Inmedio Sp. z o.o.; Arhelan Sp. z o.o.

Transition plan for climate change mitigation

[E1-1]

Setting decarbonization targets allowed us to identify areas and create a plan for reducing GHG emissions in the Eurocash Group with a 2030 outlook.

Eurocash S.A. and none of its subsidiaries have a transformation plan for climate change mitigation by 2050, it is planned to prepare such a plan by 2027.

Actions and resources in relation to climate policy

[E1-3]

The Eurocash Group has been taking action to mitigate climate change for many years by implementing projects that contribute to the reduction of CO₂ emissions in its operations, and by joining the global SBTi Initiative it has reaffirmed its commitment to combating climate change.

Key activities and projects implemented in the Eurocash Group that are levers for decarbonization:

- diversification of the sources of energy used in facilities towards increasing the share of green energy,
- modernization of cooling systems to gradually move away from high-carbon refrigerants,
- improvement of energy efficiency of operational buildings,
- optimization of fuel consumption in logistics.

According to our decarbonization strategy, the main lever for reducing greenhouse gas emissions will be the use of energy from renewable sources. In 2025, an evaluation of strategic activities will be conducted and their contribution to the decarbonization goal will be determined.

Table 12. Decarbonization measures taken in 2024.

Action	Description
Optimization of energy and fuel consumption in buildings	Investment implementation: <ul style="list-style-type: none"> - modernization of cooling systems in stores, warehouses, distribution center, - replacement of lighting in stores and warehouses, - modernization of heating and ventilation systems in stores, warehouses, distribution centers, - replacement of branch equipment with better energy-rated equipment in stores and wholesalers.
	Monitoring and control of energy and fuel consumption at operational facilities.
	Rational management of energy consumption through implementation of good practices and education of users of operational facilities.
Replacement of refrigerants in cooling systems	Refrigerant replacement as part of a refrigeration system upgrade.
Optimizing fuel consumption in logistics	Implementation of Hybrid, BackHaul logistics projects contributing to the reduction of kilometers traveled.

The amount of greenhouse gas emission reductions resulting from the implementation of individual measures is not shown in this report, due to the lack of detailed technical data to reliably estimate this measure. In 2025, internal efforts will be made to collect more detailed data on ongoing and planned investments, which will allow better estimation of reduction effects in the future.

The investment activities undertaken required significant financial outlays, which are shown in the disclosures under Commission Delegated Regulation (EU) 2021/2178, activities 3.6, 7.3, 7.5 and 7.6 (Section 2.3).

In 2025, it is planned to continue modernization activities at the facilities, invest in its own renewable energy installations and implement projects in logistics.

The challenges in implementing decarbonization measures are financial aspects and market dynamics. On the other hand, failure to undertake them in the areas of buildings and transportation, which are the Companies' main assets, could jeopardize the achievement of greenhouse gas emission reduction targets (the so-called "emissions freeze").

As part of the reduction of Scope 3 emissions, which account for more than 90 percent of the Group's total generated emissions, we have taken steps to engage key suppliers in setting their own decarbonization targets, providing them with a *Code of Good Practice* that presents the Group's values.

Risks and opportunities associated with climate change

[SBM3] [IRO1]

Climate change issues are a significant issue for the Eurocash Group, as demonstrated by a double materiality analysis that assessed the impacts, risks and opportunities associated with this area.

Key impacts have been identified under the topic of climate change mitigation, these are greenhouse gas emissions and energy consumption. The risks and opportunities of these impacts are presented in *Table 8 Risks and Opportunities* in Chapter 1.6.

Eurocash Group's operations are associated with significant greenhouse gas emissions, which are generated throughout the value chain. Emissions from its own operations, i.e. Scope 1 and Scope 2, account for approx. 3% of the Group's total emissions, while the remaining approx. 97% are emissions generated upstream and downstream in the value chain, as a result of the type and scale of operations.

In 2023, Eurocash Group conducted an analysis of climate risks and opportunities based on two climate scenarios:

for temperatures below 2°C, which assumes that most of the Paris Agreement's goals will be achieved, consequently preventing the most extreme effects of climate change from occurring in the long term,

for a temperature of 4°C, which assumes that the effects of climate change will materialize as early as around 2030-2040.

Both scenarios were evaluated in the short term (until 2025), medium term (until 2030) and long term (until 2050).

The risks were categorized in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), adopting a division into physical and transformational risks and determining their impact on the business - market, regulatory, reputational or technological.

Transformational risks - risks related to regulatory and technological changes, as well as social or economic sentiment, which are associated with the transition to a low-carbon economy.

Physical risks - risks related to the physical effects of climate change. These refer to the direct effects of climate change on the environment, infrastructure or human health. These risks can have significant financial and economic impacts, affecting asset values, insurance availability and the ability of companies to operate effectively. They are divided into:

- Sudden - such as heat waves, floods, fires, droughts and extreme weather events,
- Chronic - associated with rising global average temperature, sea level rise, loss of biodiversity.

The assessment of climate risks was based on a list of 30 environmental risks and hazards that could affect Eurocash Group's operations, finances or reputation. For each risk, the probability of occurrence (on a scale of 1 to 5), materiality and possible consequences (on a scale of 1 to 5) were determined. As a result of the analysis, five risks with a financial impact were classified as the most significant for the Eurocash Group. Most of the risks with a high probability of occurrence by 2025 and 2030 overlap.

Table13. Assessment of climate risks

Risks	Management methodology	Impact	Short horizon		Medium horizon 2°C scenario		Medium horizon 4°C scenario	
			Impact	Probability	Impact	Probability	Impact	Probability
Physical Risk of material loss or disruption of logistics processes due to sudden weather events. Extreme weather phenomena, such as intense storms or floods, occurring in countries from which the Eurocash Group imports products.	- Regular monitoring of weather events occurring in regions that are key from a value chain perspective. - Business Continuity Plan in case of sudden weather events. - Conducting business in warehouses that meet standards in accordance with Polish law. - Working with suppliers located in Poland, so that the most acute physical risks are not yet relevant.	Financial						
Transformational The risk of increased consumer pressure to both share information on the origin of individual products and the associated environmental impact. Thus, the risk of increased costs of obtaining product data and reputational risk if the Group fails to communicate them or publishes damaging and unconfirmed information by third parties.	- Analysis of market trends, including changes in the area of consumer preferences. Gathering information on the origin of individual products. - Analyzing the possibility of introducing products with lower or neutral environmental impact. - Implementing a decarbonization strategy and setting reduction targets in accordance with SBTi. Plan to involve key Eurocash suppliers in the process of building a decarbonization policy and reducing Scope 3 CO2 emissions.	Image/ Financial						
Physical The risk of increasing energy consumption and prices in the distribution and sales process. Rising temperatures, as a consequence of climate change, may	- Implementation of investments in the area of energy efficiency improvement. - Construction of own renewable energy generation sources. - Use of low-carbon energy	Financial						

Risks	Management methodology	Impact	Short horizon		Medium horizon 2°C scenario		Medium horizon 4°C scenario	
			Impact	Probability	Impact	Probability	Impact	Probability
induce increased demand for energy used in operational facilities. The risk may materialize even in the short term.	source solutions (e.g. cPPAs).							
Physical The risk of a prolonged drought could affect the limited availability of agricultural products. A decline in yields from agricultural production in regions relevant to the supply chain will translate into product availability and price. The risk materializes with varying intensity in many regions around the world, including Europe.	- Collaboration with various suppliers and diversification of the regions from which products are sourced. - A plan to engage suppliers in sustainable development activities, including climate change adaptation activities.	Financial						
Transformational The risk of an increase in the cost of capital and the risk of higher borrowing costs if Eurocash SA is insufficiently rated in the ESG category by financial entities.	- Activities related to the implementation of the decarbonization strategy. - Preparation of a long-term CO ₂ reduction plan with involvement of key suppliers. - Sustainability reporting, including information on progress in implementing CO ₂ reductions.	Financial						

Legend
Impact/probability Low Moderate High Very high

The process of assessing climate opportunities was carried out in the same way as in the case of assessing risks; market changes that may create opportunities for Eurocash S.A. and materialize in the short term were taken into account.

Opportunities were categorized in 5 areas: supporting corporate resilience, resource efficiency, market trends, and from the energy sources and products and services area. Of all the identified climate opportunities, 6 were selected that are most relevant to the Group and fit into its strategic pillars.

Table14. Climate Opportunities

Opportunities	TCFD Category	Factors enabling materialization and potential impact
Implementation of products with lower or neutral environmental impact	Products and services	Increased demand for pro-environmental products driven by changing purchasing trends and consumer preferences. Taking advantage of such an opportunity can translate into a reduction in Scope 3 CO ₂ emissions and the adaptation of product offerings to new consumer demands.
Use of low-carbon energy solutions, such as cPPAs	Sources	With such measures, it is possible to lower costs and reduce exposure to future increases in coal energy prices and reduce high CO ₂ emissions.

Reducing CO ₂ emissions in transportation	Market	Eurocash Group S.A. can set emission standards for carriers - both in transport to end customers and in transport between distribution centers. Another solution is also the development of intermodal transport and low-emission solutions, as well as the implementation of sustainable transport methods.
Seeking suppliers that use sustainable practices and increasing the proportion of plant-based products on offer.	Products and services	Consumers are increasingly demanding the implementation of sustainable practices both at the organization level and in the supply chain. This is driving us to partner with new suppliers and implement new product offerings. Seizing this opportunity will allow us to meet consumer needs and create a market advantage.
Joint ESG activities	Market	Joint ESG activities can lead to improving our brand image and raising climate awareness. We plan to conduct educational workshops, undertake joint initiatives leading to the mitigation of risks and to reduce climate impacts.
Improving climate risk management	Resistance	Actions in this area will provide us with greater resilience and adaptability, as well as an increased ability to operate in different conditions. We anticipate that this will translate into a lower risk of financial loss and potentially lower insurance costs.

Despite the growing physical and transformational risks, climate change can also present opportunities for Eurocash Group S.A., and identifying and analyzing these opportunities can influence the organization's strategic development and enhance the resilience of its business strategy.

Energy consumption and energy mix

[E1-5]

Energy and fuel use in Group companies is related to the use of facilities (offices, stores, warehouses, distribution centers, loading centers) and transportation by vehicles (cars, vans and forklifts).

Total energy and fuel consumption in the Eurocash Group in 2024 was 339,930.28 MWh, including 337,000.72 MWh from non-renewable sources and 2,929.56 MWh from renewable sources.

Compared to 2023, total energy and fuel consumption decreased by 3.57%. This was primarily related to a decrease in natural gas and electricity consumption.

Electricity accounts for the largest share of consumption, covering 51.75% of total demand, intended to power installations and equipment in buildings (cooling, lighting, ventilation, air conditioning, charging batteries for carts and office equipment). The main energy carrier used for heating buildings is natural gas, accounting for 10.29% of total consumption, while the most popular fuel used in vehicles is diesel fuel with a 15.58% share.

Figure 10. Structure of energy and fuel consumption in Eurocash Group in 2024

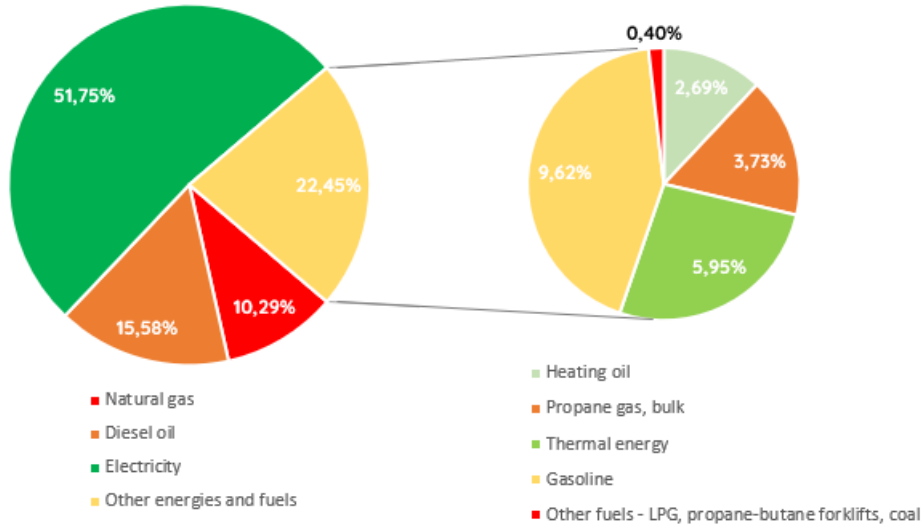


Figure 11. Structure of fuel consumption in transport of the Eurocash Group in 2024

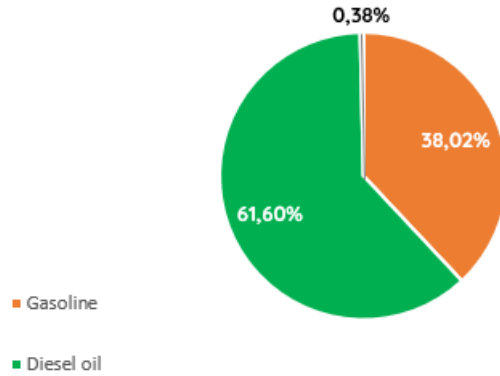


Figure 12. Structure of energy and fuel consumption in Eurocash Group buildings in 2024

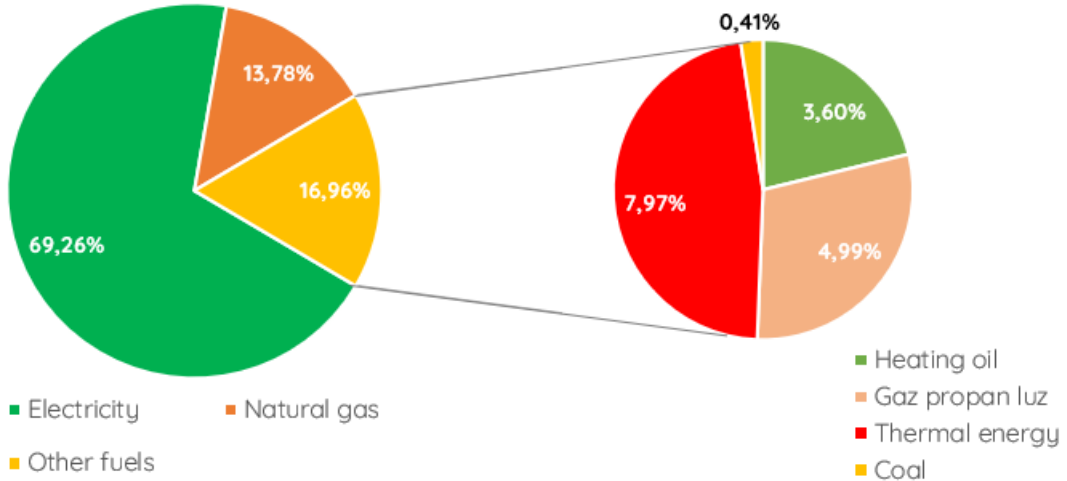


Table 15. Energy and fuel consumption

Energy and fuel consumption	Unit	2020	2023	2024	Y/Y change
Fuel consumption from coal and coal products	MWh	949,54	967,61	1 035,00	+6.96%
Fuel consumption from oil and petroleum products	MWh	110 192,32	103 401,68	107 775,44	+4.23%
Fuel consumption from natural gas	MWh	54 062,43	47 774,27	34 989,16	-26.76%
Fuel consumption from other fossil sources	MWh	0.00	0.00	0.00	-
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	MWh	234 991,76	200 385,87	193 201,11	-3.59%
Total energy consumption from fossil sources	MWh	400 196,05	352 529,43	337 000,72	-4.32%
Share of fossil sources in total energy consumption	%	100.00%	100.00%	99.13%	-0.87pc
Energy consumption from nuclear sources	MWh	0.00	0.00	0.00	-
Share of energy from nuclear sources in total energy consumption	%	0.00	0.00	0.00	-
Consumption of fuel from renewable sources, including biomass (also including industrial and municipal bio-waste, biogas, renewable hydrogen, etc.)	MWh	0.00	0.00	0.00	-
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	MWh	0.00	0.00	0.00	-
Consumption of renewable energy produced without fuel	MWh	No data available	No data available	2 929,56	Not applicable
Total renewable and low-carbon energy consumption	MWh	No data available	No data available	2 929,56	Not applicable
Total energy consumption from renewable sources	MWh	No data available	No data available	2 929,56	Not applicable
Share of renewable sources in total energy consumption	%	0.00	0.00	0,87%	+0.86p.p
Total energy consumption	MWh	400 196,05	352 529,43	339 930,28	-3.49%

Energy intensity per net revenue

The activities carried out by the companies within the Eurocash Group belong to sectors with significant climate impacts according to Section G of Annex No. 1 NACE Rev. 2 of *Commission Delegated Regulation (EU) 2022/1288*.

The energy intensity index per net revenue at the Eurocash Group level in 2024 was 10.54 MWh/1 million PLN, 2.86% lower than last year.

Table 16. Energy intensity index based on net revenues

Energy intensity per net revenue	Unit	2023	2024	Y/Y change (%)
Total energy consumption of operations in sectors with significant climate impacts on net revenue.	MWh/1 million PLN	10.86	10.54	-2.86%

Greenhouse gas emissions

[E1-6]

Eurocash Group's greenhouse gas emissions are monitored in scopes 1, 2 and 3 from 2020.

The source of Scope 1 direct emissions is the combustion of fuels in stationary sources for heating, mobile sources, and the escape of refrigerants from air-conditioning and refrigeration equipment. Scope 2 indirect emissions are related to the purchase of electricity and heat for operating facilities. Scope 3 emissions accounting for the largest share of total emissions are other indirect emissions generated in the value chain.

Methodology, assumptions and data sources

Methodology: Emissions are calculated based on *Greenhouse Gas Protocol* methodology:

- Scope 1 and 2 in accordance with *The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard Revised*,
- Scope 3 under the *Corporate Value Chain (Scope 3) Accounting and Reporting Standard*,

and in accordance with the guidelines of the European Sustainability Reporting Standards (ESRS).

Organizational boundaries of emissions reporting: calculations include the parent company - Eurocash S.A. – and the Group companies. The parent company accounts for 100% of the greenhouse gas emissions of the companies included in the consolidated financial statements.

Operational limits of emissions reporting: calculations include Scope 1, 2 and 3.

Base year: 2020, the year chosen by the Eurocash Group as the base year for its decarbonization target.

Main sources of emission indicator data:

- National Center for Balancing and Managing Emissions, KOBiZE 2023,
- Central register of operators, CRO,
- Department for Environment, Food and Rural Affairs of the United Kingdom of Great Britain and Ireland, Defra 2024,
- EXIOBASE.

Changes made compared to previous years:

- Emissions reporting organizational boundaries have been changed. Previously, emission reporting boundaries were based on operational control, in view of the ESRS guidance on the approach to setting organizational boundaries for emission reporting based on the entity's financial reporting control, changes were made to include emissions from Bands 1, 2 and 3 for all consolidated entities covered by the financial statements, resulting in the need to recalculate emissions in previous years.
- The number of categories reported under Scope 3 was reduced. The analysis identified 6 significant categories of indirect emissions in the Eurocash Group's supply chain, representing a total of 99.22% of the average of total Scope 3 emissions in previous years.

Scope 1 and 2 emissions

Scope 1 and 2 emissions (market-based method) in 2024 amounted to 146,482.06 tCO₂e, representing 3.10% of Eurocash Group's total emissions with a 5.35% reduction from 2023 and 33.8% from the 2020 baseline.

Scope 1 and 2 emissions calculations were based on the amount of energy, fuel and refrigerant losses used by the Eurocash Group companies.

Under Scope 1:

- The amount of energy carriers and fuels consumed in stationary sources for heating, mobile sources (cars, forklifts) and generators: coal, fuel oil, natural gas, propane gas, PB, ON, LPG,
- The amount of refrigerant loss from air conditioning and refrigeration equipment.

Under Scope 2:

- The amount of electricity purchased,
- The amount of heat purchased.

For Scope 2, calculations of indirect emissions related to the purchase of electricity from the electricity grid were made using the location-based and market-based methods. Calculations made according to the location-based method were based on the use of the average emission factor for the country published by the NOBIZE, while for the market-based method, emissions were calculated using the rates of electricity suppliers to the Eurocash Group.

Scope 3 emissions

Scope 3 emissions in 2024 amounted to 4,577,403.28 tCO₂e, representing 96.90% of the Eurocash Group's total emissions with a 7.94% reduction from 2023 and a 16.44% reduction from the 2020 baseline.

Category 1: Purchase of goods and services: For emissions related to purchased goods, calculations were made on the basis of data on goods sold (excluding Intercompany sales) which accounts for about 86% of the share of total emissions [tCO₂] in 2024. The mass volume of materials used was converted to emissions using emission factors from the DEFRA 2024 database, or, in the absence of these, from scientific studies.

Calculations of emissions related to purchased services were based on the collected data on services and the costs incurred on them assigned to each group. Estimates were made using the averaged data method using emission factors from Exiobase.

Category 3. emissions related to energy and fuels not included in Scope 1 and 2: Calculations were made based on Eurocash Group fuel and energy consumption data and emission factors from the DEFRA database. The analysis includes Well-To-Tank emissions for fossil fuels and emissions related to electricity transmission and distribution losses.

Category 4 Upstream transportation and distribution: the calculations included emissions related to transportation and distribution of goods in the Eurocash Group's supply chain, as well as courier, postal and transportation services. Road transport was included in the analysis using data on the volume of goods transported and average emission factors from DEFRA 2024 and Exiobase. In the absence of accurate distance data, an estimated data method was used. Also included in the calculations were transport-related Well-To-Tank emissions depending on the gross vehicle weight rating.

Category 5 Waste generated from operations: Calculations were made on the basis of data on the amount of waste generated at Eurocash Group companies. Emission factors from the DEFRA 2024 database were used to calculate emissions.

Category 7. Employees' commute to work: Calculations were made using data on the distance traveled by employees on employee buses and in their own cars. For bus transportation, the average number of passengers and the distance traveled per year were taken into account. For cars, the average rate of distance traveled was used. Emission factors available in the DEFRA 2024 database were used, along with Well-to-Tank indicators.

Category 14 Franchising: calculations of emissions related to franchise operations not included in Scope 1 and 2 were based on estimates of the amount of energy utilities consumed in franchise stores, which account for the largest share of total emissions generated during operation of this type of facility. Estimates were made based on data on the retail space of the stores and the average utility consumption rates per m² of space (calculated based on the data of proprietary stores), using the emission factors for a given energy carrier.

Table 17. Gross Scope 1, 2 and 3 greenhouse gas emissions and total greenhouse gas emissions of the Eurocash Group in 2024

Category name	Unit	Base year (2020)	Comparative year (2023)	Reporting year (2024)	Y/Y change (%)
Scope 1 greenhouse gas emissions					
Scope 1 gross greenhouse gas emissions	tCO ₂ e	47 842,68	46 883,07	46 556,06	-0.70%
Percentage of Scope 1 greenhouse gas emissions from regulated emissions trading schemes	%	0.00	0.00	0.00	0.00%
Scope 2 greenhouse gas emissions					
Gross Scope 2 greenhouse gas emissions by location-based method	tCO ₂ e	144 411,02	121 970,07	100 459,10	-17.64%
Gross Scope 2 greenhouse gas emissions by market-based method	tCO ₂ e	173 406,47	107 883,11	99 926,01	-7.38%
Significant Scope 3 greenhouse gas emissions					
Total indirect Scope 3 greenhouse gas emissions	tCO ₂ e	5 478 145,72	4 972 328,70	4 577 403,28	-7.94%
1. purchased goods and services	tCO ₂ e	4 774 810,89	4 434 583,50	4 042 069,76	-8.85%
1.a. Purchased Goods	tCO ₂ e	4 712 889,21	4 391 844,15	3 967 183,82	-9.67%
1.b. Purchased services	tCO ₂ e	61 921,70	42 739,40	74 885,94	+75.22%
3. fuel and energy activities (not included in scope 1 or 2)	tCO ₂ e	31 244,73	41 083,50	38 624,59	-5.99%
4. upstream transportation and distribution	tCO ₂ e	82 356,30	86 909,60	62 764,38	-27.78%
5. waste resulting from activities	tCO ₂ e	3 561,40	4 116,90	6 588,57	+60.04%
7. employee commute	tCO ₂ e	64 826,00	40 979,40	30 290,24	-26.08%
14. franchises	tCO ₂ e	474 755,70	329 871,10	397 065,74	+20.37%
Total greenhouse gas emissions					
Total greenhouse gas emissions (location-based method)	tCO ₂ e	5 670 399,42	5 141 181,84	4 724 418,43	-8.11%
Total greenhouse gas emissions (market-based method)	tCO ₂ e	5 699 394,88	5 127 094,88	4 723 885,34	-7.86%

Figure 13. Factors of changes in greenhouse gas emissions in scope 1 and 2 market-based approach in 2024/2023.

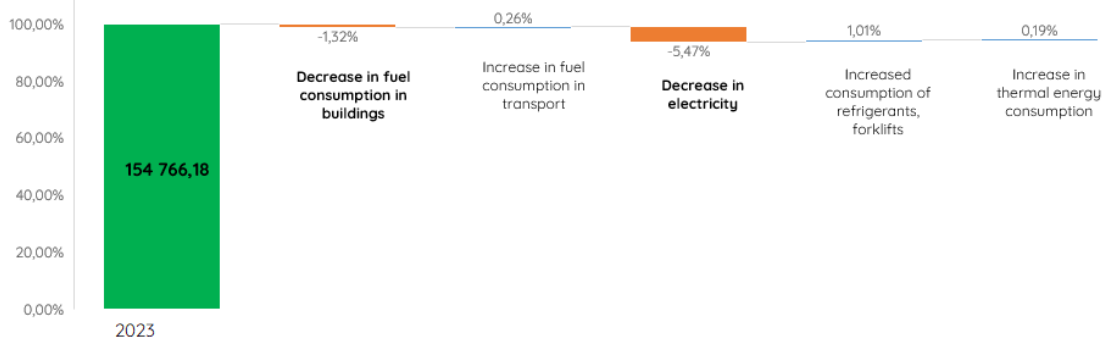


Figure 14. Share of Scope 1, 2 and 3 greenhouse gas emissions in 2024

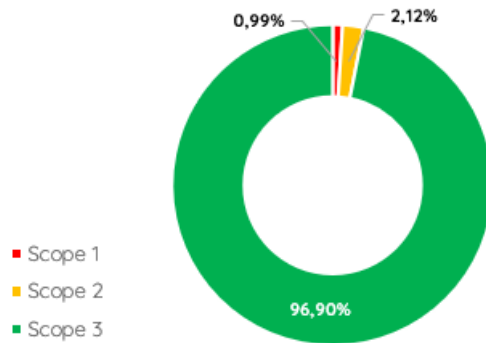


Figure 15. Share of Scope 1, 2 greenhouse gas emissions in 2024

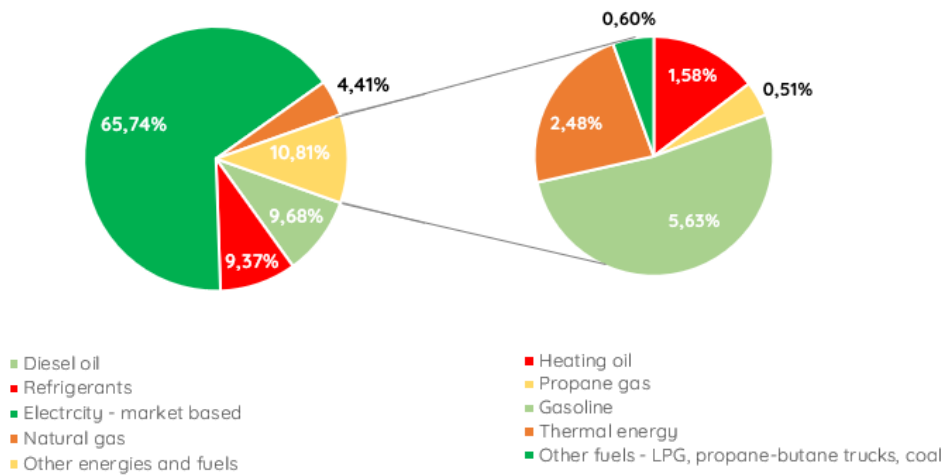


Figure 16. Share of Scope 3 greenhouse gas emissions in 2024

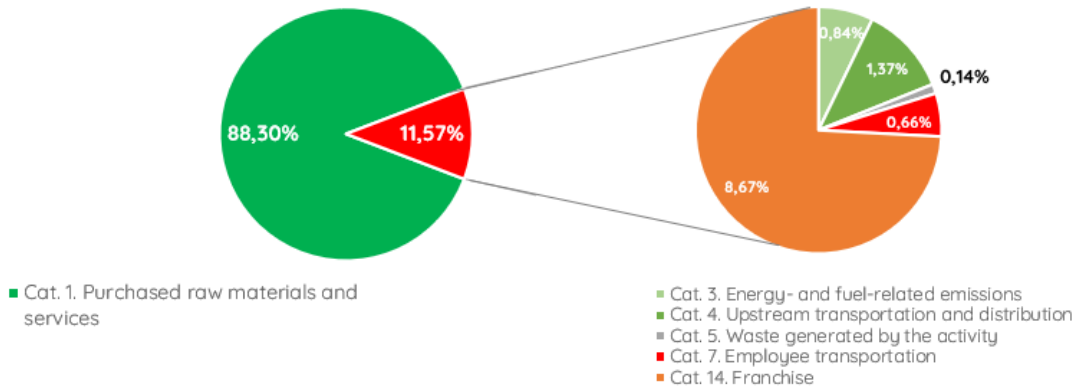
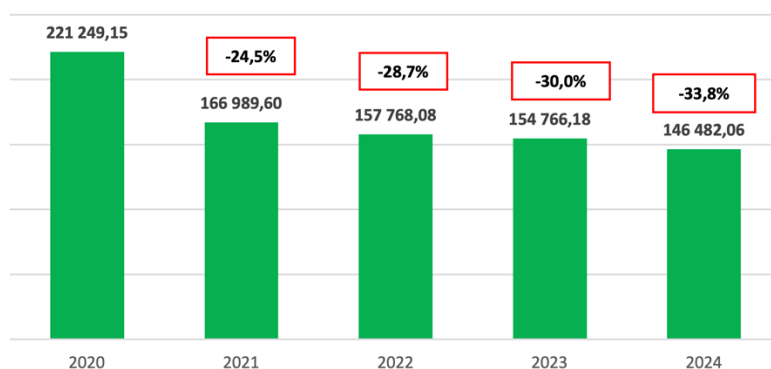


Table 18. Eurocash Group greenhouse gas emissions over the period 2020-2024

	Unit	2020	2021	2022	2023	2024
Scope 1 greenhouse gas emissions	(tCO ₂ e)	47 842,68	48 799,50	48 784,29	46 883,07	46 556,06
Scope 2 location-based greenhouse gas emissions	(tCO ₂ e)	144 411,02	140 804,82	136 786,07	121 970,07	100 459,10
Scope 2 market-based greenhouse gas emissions	(tCO ₂ e)	173 406,47	118 190,10	108 983,79	107 883,11	99 926,01
Total greenhouse gas emissions 1+2 (location-based)	(tCO ₂ e)	192 253,70	189 604,32	185 570,36	168 853,14	147 015,15
Total greenhouse gas emissions 1+2 (market-based)	(tCO ₂ e)	221 249,15	166 989,60	157 768,08	154 766,18	146 482,06
Scope 3 greenhouse gas emissions	(tCO ₂ e)	5 478 145,72	5 443 889,30	5 545 869,66	4 972 328,75	4 577 403,28

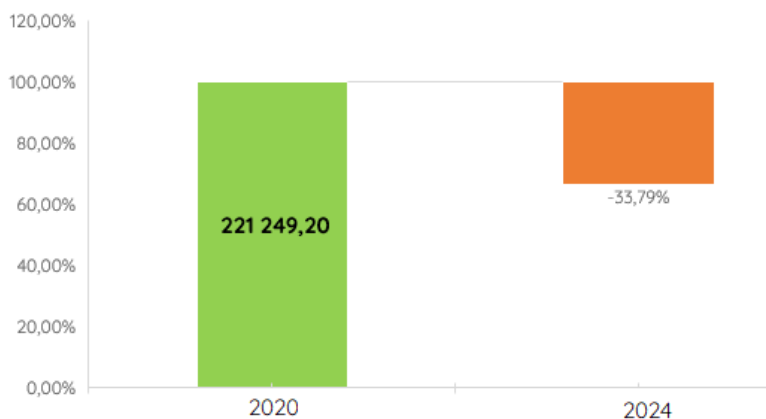
Figure 17. Scope 1,2 CO₂ emission reductions



Relative to the 2020 base year, the reported period noted:

- Reduction in Scope 1 emissions by 1,286.63 tCO₂e,
- Reduction in Scope 2 emissions by 73,480.46 tCO₂e,
- Reduction in Scope 3 emissions by 900,742.45 tCO₂e.

Figure 18. Change in emissions in 2024 compared to the base year 2020



The reduction in CO₂ emissions compared to the base year 2020 was **33.8%**.

Greenhouse gas emissions and decarbonization targets established under SBTi

The table below shows the amount of GHG emissions in the base year, the reductions achieved in the reporting year, and the decarbonization targets for 2027 and 2030 established under the SBTi initiative.

Table 19. GHG emissions and progress towards SBTi decarbonization targets

Target	Unit	Base year 2020	Report year 2024	2027	Target year 2030
Scope 1 and 2 greenhouse gas emissions					
Scope 1 and 2 greenhouse gas emissions (gross emissions by market-based method)	tCO2e	189 403	153 265	-	99 058
Greenhouse gas emission reductions in scope 1 and 2 (gross emissions by market-based method)	%	-	34.1	-	47.7
Scope 3 greenhouse gas emissions					
Commitment of key suppliers to set their own decarbonization targets	number	-	21	35	35

* As part of the SBTi initiative, calculated Scope 1 and 2 greenhouse gas emissions and established decarbonization targets for entities over which the Eurocash Group had operational control at the time, i.e.: Eurocash S.A.; Eurocash Serwis sp. z o.o.; AMBRA sp. z o.o.; Polska Dystrybucja Alkoholii sp. z o.o.; Eurocash Franczyza sp. z o.o.; Lewiatan Podkarpacie sp. z o.o.; Lewiatan Północ sp. z o.o.; Lewiatan Kujawy sp. z o.o.; Lewiatan Wielkopolska sp. z o.o.; Lewiatan Opole sp. z o.o.; Lewiatan Orbita sp. z o.o.; Lewiatan Zachód sp. z o.o.; Lewiatan Podlasie sp. z o.o.; Lewiatan Śląsk sp. z o.o.; Euro Sklep sp. z o.o.; Partnerski Sklep Detaliczny SA; Eurocash Sieci Partnerskie sp. z o.o.; Delikatesy Centrum sp. z o.o.; Podlaskie Delikatesy Centrum sp. z o.o.; Kontigo sp. z o.o.; Duży Ben sp. z o.o.; abc na kołach sp. z o.o.; Innowacyjna Platforma Handlu sp. z o.o.; Detal Finanse sp. z o.o.; Akademia Umiejętności Eurocash sp. z o.o., Partner sp. z o.o.. The following companies are not included: Lewiatan Holding S.A.; Firma Rogala Sp. z o.o.; Inmedio Sp. z o.o.; Arhelan Sp. z o.o.

Greenhouse gas emission intensity level

The Group's net revenues as reported in its financial statements were used to assess the level of issue intensity, which amounted to PLN 32,451 million in 2023 and PLN 32,241 million in 2024.

The GHG emission rate (by location-based method) per net revenue at the Eurocash Group level in 2024 was 146.53 tCO2e/PLN 1 million, 7.51% lower than last year, and the GHG emission rate (by market-based method) per net revenue at the Eurocash Group level in 2024 was 146.52 tCO2e/PLN 1 million, 7.26% lower than last year.

Table 20. Greenhouse gas emission intensity index

Intensity of greenhouse gas emissions per net revenue	2023	2024	Y/Y change (%)
Total greenhouse gas emissions (by location-based method) per net revenue (tCO2 equivalent/PLN 1 million)	158,42	146,53	-7,51%
Total greenhouse gas emissions (according to the market-based method) per net revenue (tCO2 equivalent/PLN 1 million)	157,99	146,52	-7,26%

[E1-7]

In 2024, the Eurocash Group did not pursue the purchase of offset units or Carbon Credits.

[E1-8]

The entity does not use an internal system for determining greenhouse gas emission fees in processes related to managing climate change-related impacts.

2.2. Biodiversity

[SBM-3]

In our *Sustainable Development Policy*, we have committed to respecting environmental values, including the responsible use of natural resources.

The group does not list locations with its own operations that have a significant negative impact on biodiversity. The facilities are not located in or near areas that are sensitive in terms of biodiversity. We have not identified any significant negative impacts in relation to land degradation, desertification or soil sealing. In the vicinity of some warehouses and distribution centers, there is an increase in the bird population - mainly the house sparrow (*Passer domesticus* - a strictly protected species) and the city pigeon (*Columba livia forma urbana* - a partially protected species). Due to the sanitary risk, trapping is carried out at these locations. All activities in this respect are based on permits from the Regional Director for Environmental Protection and under ornithological supervision.

[IRO-1]

The double materiality analysis identified potential impacts on biodiversity and ecosystems at our own locations and in the upstream and downstream value chain. The assessment took into account:

- direct factors affecting biodiversity loss,
- impact on species status,
- impact on range and status of ecosystems,
- impact on ecosystem services and dependencies on them.

The following impacts were identified as significant:

- acquisition and use of critical raw materials, including those related to the risk of deforestation and land degradation,
- implementation of EUDR requirements.

The Group has identified and assessed the transition risks and opportunities as well as the physical risks and opportunities related to biodiversity and ecosystems, including the application of assessment criteria based on its impacts and dependencies, demonstrating:

- possible risks: financial penalties in case of compliance with new deforestation regulations and reputational risk, which may increase in the long term,
- possible opportunities: building cooperation relationships with suppliers and customers.

The Group has not consulted with affected communities on the sustainability of shared biological resources and ecosystems, nor has it verified suppliers in this respect. No scenario analysis has been conducted on biodiversity and ecosystems.

The facilities used for the activities are not located in or near biodiversity-sensitive areas, and the activities related to these locations do not negatively affect these areas or lead to the deterioration of natural habitats and habitats of species or to the disturbance of species for which a protected area has been designated¹.

¹ as defined in Directive 2009/147/EC of the European Parliament and of the Council on the conservation of wild birds; Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora; environmental impact assessment (EIA) as defined in Article 1(2)(g) 2(g) of Directive 2011/92/EU(76) of the European Parliament and of the Council on the assessment of the

[E4-1]

The Eurocash Group has not assessed the resilience of its strategy and business model to risks related to biodiversity and ecosystems.

Issues concerning critical raw materials are addressed in the sustainability strategy, in the fourth pillar: sustainable product - origin and consumption of resources. The implementation of a purchasing policy for critical raw materials for products is planned as a strategic goal by 2030. The full identification of critical raw materials for products in the Eurocash Group is planned by mid-2025. At the same time, the EUDR requirements for products related to deforestation (including cocoa, coffee, soy, palm oil, etc.) will be implemented.

[E4-2]

The entity has not adopted a policy to protect biodiversity and ecosystems covering operational locations owned, leased, or managed in or near a biodiversity-sensitive area. Sustainable land and agricultural practices are generally covered by the *Code of Good Practice for Suppliers* and *Good Sustainability Practices in the Eurocash Group*. The Group has adopted sustainable ocean and sea practices only within the warehouses of the catering business unit, where certified standards regulating the distribution of fish and seafood from sustainable fisheries (MSC) and responsible farming (ASC) have been implemented. In 2025, we will take action in the area of adopting policies to combat deforestation.

[E4-3]

The Group did not include in its plans activities to compensate for the loss of biodiversity.

[E4-4]

Based on the implemented purchasing policy for critical raw materials, further goals and actions will be set.

[E4-5]

No locations in or near biodiversity-sensitive areas have been identified. We also have no direct impact on changes in land use, fresh water or seas.

[E4-6]

Based on the assessment of the double materiality for the impact of procuring products associated with the risk of deforestation and land degradation, qualitative financial impacts were determined:

- a risk that may significantly affect the Group's ability to achieve its goals,
- an opportunity that may moderately affect the Group's ability to achieve its goals

and described taking into account the effects, impacts and dependencies:

- possible risks: financial penalties in case of non-compliance with new deforestation regulations and reputational risk, which may increase in the long term,
- possible opportunities: building cooperative relationships with suppliers and customers.

The expected financial impact and the sources and level of uncertainty associated with these assumptions have not been quantified.

effects of certain public and private projects on the environment, and, with regard to activities in third countries, in accordance with equivalent national regulations or international standards, such as the MKF No. 6 performance measurement standard: biodiversity conservation and sustainable management of living natural resources.

2.3. Resource utilization and the circular economy

[SBM-3] [E5-1]

Aware of its impact on the environment, as part of its sustainability policy, the Eurocash Group is committed to the rational use of natural resources, prevention of environmental pollution, including waste reduction and prevention of food waste. In addition, the relevance of the issue of resource use and circular economy is indicated by the Group's *Code of Good Practices for Suppliers* and the *Eurocash Group's Good Sustainability Practices*. A dedicated circular economy policy will be implemented in 2025.

[E5-3]

The Group has set its voluntary goals in this area as part of the pillars of its "Together for Sustainable Development" strategy.

- "Responsible Distributor" pillar:
 - building a logistics network to collect packaging and packaging waste from the Group's individual stores and its customers (priority objective).

Sustainable Product" pillar:

- reducing the level of food waste by:
 - cyclically conducting respect not waste campaigns,
 - Inclusion of business partners (franchisees - more than 10 stores and top suppliers) in the "Szanujemy – nie marnujemy" program to monitor the food waste rate.

[IRO-1]

As a result of the dual materiality analysis, positive and negative, actual and potential impacts were identified in terms of the circular economy in its own locations and upstream and downstream in the value chain. The assessment took into account:

- resource impact, including resource utilization,
- resource outflows related to products and services,
- waste.

The following were identified as significant:

- production of private label product packaging,
- recovery of materials from sold products and their packaging,
- pallet pooling,
- waste generation,
- waste segregation,
- counteracting food waste - "Szanujemy – nie marnujemy" campaign,
- education of franchisees on SUP regulations and the deposit system,
- supporting franchisees in implementing the deposit system.

[E5-6]

The Group identified and evaluated transition and physical risks and opportunities related to resource utilization and the circular economy, including the application of evaluation criteria based on its influences and dependencies showing:

- possible risks:
 - lack of or limited access to raw materials for private label packaging,
 - increased costs of:
 - waste management, including due to the lack or improper segregation of recyclables,
 - packaging and thus final private label products, which translates into profitability,
 - fees for the recovery organization to take over the obligation to carry out the recovery and recycling of packaging waste,
 - image - lack of understanding and negative reaction from the audience (customers),
 - unforeseen legal changes that may affect the campaign,
 - loss of customers due to lack of profitability (estimate 30% of small-format stores), a significant decrease in turnover and profits - in the case of a bail system,
 - financial penalties due to:
 - failure to comply with regulatory requirements for packaging (e.g., rPET)
 - failure to achieve adequate levels of recovery and recycling of packaging waste,
 - improper waste handling,
- possible opportunities:
 - use of alternative forms of packaging,
 - an increase in revenue from the sale of recyclable materials and recycling documents,
 - reducing the cost of contracts with recovery organizations to take over packaging recovery obligations,
 - image, including improving relationships and cooperation with franchisees,
 - building a competitive advantage for customers - increasing turnover and profits.

The anticipated qualitative financial impact from the identified risks was determined as likely to significantly affect the Group's ability to achieve its goals. Opportunities, on the other hand, are likely to have a largely positive impact on the Group's ability to achieve its goals.

The Group did not consult with affected communities on resource use and the circular economy. The area was covered in stakeholder surveys. Waste management is verified during supplier audits.

[E5-2]

Actions taken on resource utilization and the circular economy.

Deposit system

Eurocash Group is actively involved in the glass bottle trade.

The Eurocash Group deposit system working team, established in 2023, continued to work on developing the most optimal solution for implementing the system in its units and franchisees. As part of the activities:

- the structures of the networks belonging to the Eurocash Group were analyzed in terms of the possibility of implementing various solutions related to the collection of packaging and packaging waste in the deposit system,
- based on the analyses, the costs of introducing the deposit system were estimated on a store-by-store basis,
- negotiations were undertaken with suppliers of hardware and software to operate the deposit system (bottle machines, scanners, POS),
- tests were conducted in 66 stores (in 4 provinces) - the tests included operation of the deposit system using 23 automatic collection devices (bottle machines) and 43 manual collection devices (scanners, POS systems),
- discussions have been held with deposit system operators to establish cooperation and negotiate the most favorable terms.

At the same time, the deposit system working team actively participated in the review and drafting of the draft amendments to the so-called deposit act, and also conducted educational activities. In terms of educating franchisees on the deposit system issues, the following activities were undertaken:

- periodic meetings with franchisees were held (webinars, Q&A meetings, training sessions),
- information materials have been prepared for franchisees, which are made available through the network's communication channels, as well as on the Eurocash Skills Academy platform,
- training on the operation of the deposit system was developed and implemented for the Group's operational staff.

Educational content is being updated on an ongoing basis. All activities in preparation for the implementation of the deposit system will continue in 2025.

Tackling food waste

Eurocash Group sees the prevention of food waste as one of its main responsibilities arising from the nature of its business. In its operational activities, the Group aims to reduce the food waste rate. At the various stages of distribution, these are primarily:

- order planning - analyzing sales data, seasonality, shelf life of products and working with local suppliers,
- receipt of products - control of transport conditions and product quality,
- storage and display - ensuring proper storage conditions, the FEFO principle or management of vegetable, fruit and bread zones.

Table 21. Food wasted and saved in 2023 and 2024

	2024		2023	
	Relative to weight [%].	Relative to value [%].	Relative to weight [%].	Relative to value [%].
Wastage rate	0,39	0,42	0,33	0,38
Rate of saved food	7,37	11,95	9,17	6,70
Ratio of food donated to food sold	0,03	0,06	0,03	0,03

Eurocash Group, in cooperation with Caritas Poland and the Federation of Polish Food Banks, is organizing a socio-educational campaign under the slogan "Szczujemy, nie marnujemy!" (We respect, not waste). Its aim is to educate customers - grocery store entrepreneurs – about counteracting food waste in trade, as well as to spread awareness among consumers. Eurocash Group networks are involved in the project. The fourth edition was conducted in 2024.

The "Szczujemy, nie marnujemy!" campaign aims to equip entrepreneurs - owners of independent retail stores – with educational tools such as webinars, podcasts and articles to support store management, in order to:

- reduce food waste, which at the same time will generate financial savings,
- support consumers in rational purchase planning and educate about the principles of proper food storage,
- take care of your store's image issues, responding to the needs of customers who are paying increasing attention to the issue of not wasting food and "zero waste" in general,
- carry out the statutory obligation, using the full educational package on the subject, available on the campaign website.

Educational materials can be found on the campaign website. Entrepreneurs, can participate in webinars developed by experts from the Eurocash Skills Academy and representatives of NGOs, on current legislation.

Partnerships for non-waste

The Eurocash Group cooperates with 93 NGOs in donating food to the needy. In 2024, the Group donated a total of more than 440 Mg of food through them.

Table 22. Food donated by Eurocash Group in 2024

Organization	Weight [kg].	Value [PLN].
Polish Social Welfare Committee	199 295,11	3 909 727,01
Caritas Poland	67 441,33	669 810,58
Humanitarian Action "Życie"	26 813,42	24 5576,47
Teen Challenge	25 289,14	222 233,98
St. Brother Albert's Aid Society	12 270,92	120 518,74
Food Banks	6 256,40	54 005,88
Other entities	105 074,273	1 164 017,9
Final total	442 440,59	6 385 890,56

Including Eurocash S.A. 236,422.84 kg (PLN 2,396,851.86) Delikatesy Centrum sp. z o.o. 8,095.69 kg (PLN 94,933), Frisco S.A. 197,922.05 (PLN 3,894,104.80). Food does not come from food collections.

Green infrastructure

Since 2017, the Eurocash Group has been consistently implementing green changes in its offices, as confirmed by the Green Office certificate awarded by the Foundation for Environmental Education. Currently, locations in Warsaw, Błonie, Komorniki and Lublin hold the certificate. Behind the certification standard is the idea of bringing ecology into business every day, that is, closing each workday with the least possible use of natural resources and with the least possible impact on the environment.

In the context of the implementation of the Green Office standard, cyclical workshop webinars are held in the "THINK GREEN" series - Think green and take care of the planet! These events are designed to educate and promote sustainable practices among employees.

[E5-4] Introduced resources

The resources introduced into the Eurocash Group include products used in its operations, including IT equipment, office supplies, protective clothing, forklifts, cars and trucks and others, as well as technical materials, including primarily packaging materials: cardboard, plastics (stretch film), pallets. During the reporting period, the Group did not introduce or use biological materials in its operations. The Group did not analyze the masses of products used.

The total weight of packaging materials used at the sites was: 91,371 Mg. The weight in absolute value of secondary materials used in the provision of services by the unit (including packaging) amounted to: 88,598 Mg.

Since 2022, Eurocash Group has been cooperating with CHEP, the world's largest pallet supplier, in a pooling model. Trucks delivering goods to the Group's customers can simultaneously pick up empty pallets from the store - both those released from under the goods after previous deliveries and those that arrived at a given location through a channel other than through Eurocash. All this happens in a single course, which means rational optimization of resources - fewer kilometers traveled, less fuel consumption, fewer CO₂ emissions and fewer trees cut down to produce new pallets. For its cooperation in 2024, Eurocash S.A. was again awarded the Certificate of Sustainability by CHEP Poland, highlighting the company's active commitment to environmental protection and creating a sustainable supply chain.

In addition, in an effort to eliminate single-use packaging such as cardboard boxes, Eurocash Group has equipped distribution centers and warehouses with plastic boxes, which are used for picking general cargo. After cleaning and disinfection, the boxes are returned to circulation and reused.

[E5-5] Discharged resources

Packaging of private label products

The Eurocash Group is responsible for marketing the packaging that contains the products of the Group's own brands. This packaging is recyclable, with the Group not verifying at what percentage. Each year, the company is required to maintain certain levels of recycling and recovery of individual types of packaging. This obligation is carried out through packaging recovery organizations. In 2024, the Eurocash Group, along with private label packaging, introduced 19,137.91 tons of non-renewable materials (including plastics, glass, metal) and 9,051.03 tons of renewable raw materials (including paper, wood). At the same time, about 56.36 percent of the introduced packaging was recovered.

Table 23. Materials used for packaging of private label products by weight [Mg].

	Type of material	Product packaging weight
Non-renewable raw materials used	Plastics	5 343,52
	Glass	1 0132,69
	Metal	3 270,12
	Other non-renewable raw materials	391,58

	Total	19 137,91
Renewable raw materials used	Paper and cardboard	6 616,69
	Wood	607,03
	Other raw materials	1 827,31
	Total	9 051,03
Total materials used		28 188,94

Table 24. Percentage of recovered materials from sold products and their packaging by material category² in 2024

Material category	2024
Plastic	45%
Paper and cardboard	73%
Glass	67%
Metal (including steel and aluminum)	58%
Wood	23%
Other raw materials	59%
Total	56%

[MDR-M]

The data comes from calculations of the statutory obligation to implement recycling of packaging waste. All companies under the obligation cooperate with a packaging recovery organization in this regard. Packaging data are obtained from Product Packaging Cards. In case there is no card completed by the supplier for a given product, values obtained for a similar product are assumed.

Waste

The Eurocash Group generated a total of 27,282.92 tons of waste in 2024, including 81.89 tons of hazardous waste. These are mainly municipal waste, packaging waste - waste paper and film, and food waste. The Group does not generate radioactive waste. All waste is collected selectively. Municipal waste is segregated into fractions - paper, plastic and metal, glass, bio and mixed waste. Collection of the Group's waste is handled exclusively by authorized companies, and collection of waste other than municipal waste is confirmed each time in the system of the Database of Products and Packaging and Management of Waste (BDO). Cooperation is regulated by contracts and, in the case of municipal waste, also by municipal declarations. All waste, except municipal waste and animal by-products (UPPZ), is recorded through BDO. Municipal waste collections are verified on an ongoing basis when invoices are settled (via Jobrouter, among other applications) and municipal declarations. Receipts of animal waste are verified through commercial documents. On the basis of BDO's waste records, waste management reports are submitted annually to the Marshal's Offices.

Waste management in the Group is governed by waste management procedures and guidelines for the collection of waste paper and film from Eurocash Group units. The waste management process is supervised by the Environmental Protection Department.

Table 25. Waste generated, diverted for recovery and disposal in 2024 [Mg]

Waste generated by category											
	Waste generated	Total weight of waste generated (in Mg)	Total mass of waste not directed for disposal (in Mg)	Recycling	Other types of recovery	Preparation for reuse	Total weight of waste directed for disposal (in Mg)	Combustion (with energy recovery)	Storage	Total weight of waste not recycled (in Mg)	Percentage of waste not recycled (%)
Hazardous	All hazardous waste (total)	81.89	81.89	50.53	31.36	0.00	0.00	0.00	0.00	31.36	38.30

² The mass of packaging introduced with private label was indicated as products sold, and the masses of packaging recovered under agreements to assume the obligation to recycle packaging waste were indicated as "products and their recovered packaging".

	Total (hazardous waste)	81.89	81.89	50.53	31.36	0.00	0.00	0.00	0.00	31.36	38.30
Non-hazardous	All municipal waste (total, regardless of fractions)	10 299.95	4 146.76	2 772.75	1 374.01	0.00	6 153.19	2 164.02	3 989.17	7 527.20	73.08
	Mixed municipal waste (not segregated)	9 220.35	3 712.11	2 482.12	1 230.00	0.00	5 508.24	1 937.20	3 571.04	6 738.23	73.08
	Segregated municipal waste (paper)	1 10.98	44.68	29.88	14.80	0.00	66.30	23.32	42.98	81.10	73.08
	Segregated municipal waste (plastics)	49.33	19.86	13.28	6.58	0.00	29.47	10.37	19.11	36.05	73.08
	Segregated municipal waste (glass)	230.13	92.65	61.95	30.70	0.00	137.48	48.35	89.13	168.18	73.08
	Segregated municipal waste (BIO)	689.15	277.45	185.52	91.93	0.00	411.70	144.79	266.91	503.63	73.08
	All packaging waste	13 809.66	13 809.66	12 429.95	1 379.71	0.00	0.00	0.00	0.00	1 379.71	9.99
	15 01 01 Paper and cardboard packaging	11 570.10	11 570.10	10 413.09	1 157.01	0.00	0.00	0.00	0.00	1 157.01	10.00
	15 01 02 Plastic packaging	2 146.77	2 146.77	1 932.09	214.68	0.00	0.00	0.00	0.00	214.68	10.00
	15 01 03 Wood packaging	80.23	80.23	72.21	8.02	0.00	0.00	0.00	0.00	8.02	10.00
	15 01 04 Metal packaging	0.09	0.09	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	15 01 07 Glass packaging	12.48	12.48	12.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	All food waste	3 022.55	3 022.55	2 362.74	659.80	0.00	0.00	0.00	0.00	659.80	21.83
	16 03 80 Food products that are out of date or unfit for consumption	1 629.22	1 629.22	1 498.88	130.34	0.00	0.00	0.00	0.00	130.34	8.00
	Animal by-products	1 393.33	1 393.33	863.86	529.46	0.00	0.00	0.00	0.00	529.46	38.00
Other	68.87	61.93	53.99	7.95	0.00	6.94	0.00	0.00	14.89	21.62	
Non-hazardous waste - Total	27 201.03	21 040.90	17 619.43	3 421.47	0.00	6 160.13	2 164.02	3 989.17	9 581.60	35.23	
Total waste	27 282.92	21 122.79	17 669.96	3 452.83	0.00	6 160.13	2 164.02	3 989.17	9 612.96	35.23	

2.4. Taxonomy

In this report, the Eurocash Group discloses, for the fourth time, information on the compliance of its operations with the EU Taxonomy. Obligations related to this were introduced by Parliament and Council Regulation (EU) 2020/852 of June 18, 2020 on establishing a framework to facilitate sustainable investments.

The established classification system made it possible to examine and disclose the extent to which the activities carried out by the Companies within the Eurocash Group are environmentally sustainable.

An environmentally sustainable activity is one that simultaneously:

- makes a significant contribution to at least one environmental objective,
- does not do serious damage to any of the environmental objectives,
- is carried out in accordance with the minimum guarantees,
- meets the technical qualification criteria.

Scope of disclosure

As part of the analysis, the Eurocash Group identified activities that make a significant contribution to the first environmental goal:

1. Climate change mitigation

No significant contributing activities were identified under the other 5 objectives:

2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems.

With regard to the second environmental objective, climate change adaptation, possible climate-related physical risks were identified for each taxonomic activity and the significance of their impact on the activity was assessed.

Taxonomy-eligible activities

As a result of the evaluation of the activities carried out by Eurocash S.A. and its subsidiaries, 8 activities included in the Commission Delegated Regulation (EU) 2021/2139 were identified:

- 3.6. Production of other low-carbon technologies
- 5.5. Collection and transportation of non-hazardous waste in segregated fractions at source
- 6.5. Transportation by motorcycles, passenger cars and light commercial vehicles
- 6.6. Road freight transport services
- 7.3. Installation, maintenance and repair of energy efficiency equipment
- 7.5. Installation, maintenance and repair of instruments and equipment for measuring, regulating and controlling the energy performance of a building
- 7.6. Installation, maintenance and repair of renewable energy technology systems
- 7.7. Acquisition and ownership of buildings

Assessing compliance with the Taxonomy

All taxonomy-eligible activities were considered incompatible with the with the systematics, i.e., activities that qualify for the systematics but are environmentally unsustainable.

Activities eligible for systematics, but environmentally unsustainable:

0,08% of turnover
58,20% of expenditures investments (Capex)
87,46% of expenditure operational (Opex)

Testing compliance with taxonomy

As part of the process of analyzing compliance with the systematics, the following was done:

- An overview of the activities carried out by Eurocash S.A. and the Group's subsidiaries, together with an assessment of which activities qualify for systematization.

The identification was made on the basis of the activity descriptions contained in the in the annexes to Commission Delegated Regulation (EU) 2021/2139 and 2023/2486, as well as the NACE classification of economic activities.

- Assignment of the value of turnover, capital expenditures and operating expenses at the Group level to each identified business.
- Verification of the identified activities for compliance with the technical eligibility criteria of Commission Delegated Regulation (EU) 2021/2139 and, in particular, meeting the criteria of significant contribution to the climate change mitigation goal and the Do No Significant Harm (DNSH) criterion in relation to other environmental goals.
- Evaluation of the fulfillment of the Minimum Guarantees.
- Calculation of taxonomic indicators with the preparation of tables containing the required information in accordance with Commission Delegated Regulation (EU) 2021/2178.

Because the technical criteria were not met, all activities eligible for the Taxonomy were deemed incompatible with the systematics.

Minimum Guarantees

The term "minimum guarantees" is defined in Article 18 of Regulation 2020/852, according to which they are: "the procedures applied by a business enterprise to ensure compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set forth in the eight fundamental conventions identified in the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and the principles and rights set forth in the International Bill of Human Rights."

Verification of compliance with the Minimum Safeguards in the Eurocash Group was carried out in accordance with the guidelines set forth in the *Final Report on Minimum Safeguards* prepared by Platform On Sustainable Finance (October, 2022) using the guidance provided in the *Guide for Enterprises on the Application of Minimum Safeguards of the EU Taxonomy* prepared by the Ministry of Development and Technology and the Ministry of Funds and Regional Policy (November, 2024).

The Group has policies and standards in place for:

- protection of human and labor rights,
- anti-corruption,
- taxation,
- and fair competition.

In internal operations, they are in line with the principles and recommendations set forth in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as in conventions and declarations on human rights and fundamental principles and rights at work. In the value chain, incomplete due diligence requirements are applied.

As a result of the analysis, it was determined that the Group's operations are not being conducted in full compliance with the minimum safeguards.

In the future, we plan to implement appropriate measures to strengthen due diligence processes in the value chain.

In the reporting year, the Group had no final convictions and no evidence of liability or violations by the Group in the area of human rights, including labor rights, corruption, taxation and antitrust.

Accounting rules for KPIs

Calculations of the percentage of turnover, capital expenditures (CapEx) and operating expenditures (OpEx) eligible for the taxonomy were made according to the following rules:

Table 26. Accounting rules for KPIs

KPI components	Turnover	Capital expenditures (Capex)	Operating expenses (Opex)
Counter	Revenues from activities that qualify for the Taxonomy, including the rental and sale of buildings and the sale of automobiles.	Capital expenditures from Taxonomy-eligible activities, including the purchase of refrigeration equipment, balers, forklifts, automobiles, installation, maintenance and repair of energy efficiency equipment, utility measurement, regulation and control equipment, and renewable technology systems.	Operating expenses from Taxonomy-eligible activities, including rental, repair and servicing of forklifts, cars and trucks (short-term rentals) and building rentals, building renovations and repairs.
Denominator	<p>Revenue recognized in accordance with IAS 1.82(a), including revenue recognized in accordance with IFRS 15 and IFRS 16</p> <p>Total revenue: PLN 32,241,140,372</p> <p>Revenue from sales of goods: PLN 32,119,031,154</p> <p>Revenue from sale of services: PLN 121,167,715</p> <p>Revenue from sale of materials: PLN 941,503</p> <p>Data source: Consolidated financial statements of the Eurocash Group - Consolidated income statement for the period from 01.01 to 31.12.2024 – Revenue. Note: Business segments.</p>	<p>Capital expenditures accounted for under IAS 16, IAS 38, IFRS 16, IAS 40, IAS 41</p> <p>Capital expenditures: PLN 370,825,199</p> <p>Expenses for acquisition of intangible assets: PLN 48,485,711</p> <p>Expenses for the acquisition of tangible assets: PLN 147,329,636</p> <p>Increase due to conclusion of new contracts for right-of-use assets: PLN 175,009,852</p> <p>Data source: Eurocash Group Consolidated Financial Statements - Consolidated Statement of Cash Flows for the period from 01.01 to 31.12.2024. Note: Goodwill and intangible assets; Note Property, plant and equipment; Note Right-of-use assets.</p>	<p>Non-capitalized costs, including: research and development, building renovation methods, short-term leases, maintenance and repairs, as well as other direct costs related to the ongoing maintenance of property, plant and equipment necessary to ensure the continuity and efficiency of their operation</p>

The data used in the calculations came from the Eurocash Group's financial and accounting system and the financial and accounting systems of individual subsidiaries.

All identified activities contribute to the first environmental objective, so there was no risk of double counting.

Table 27. Percentage of turnover from products or services related to systematic business activities - disclosure is for 2024

Business	Code or codes	Turnover in absolute terms [PLN].	Share of turnover [%]	Criteria for significant contribution						Share of activities consistent with the systematics (A.1.) or qualifying for systematics (A.2.) year 2023 [%]
				Mitigating climate change	Adaptation to climate change	Water and marine resources	Pollution	Circular economy	Biodiversity	
A. Activities that qualify for systematics										
A.1 Types of environmentally sustainable activities (consistent with the systematics)										
Turnover from environmentally sustainable activities (in line with the systematic) (A.1)	-	0	0							0
A.2 Activities that qualify for systematics but are environmentally unsustainable (activities inconsistent with the systematics)										
Transportation by motorcycles, passenger cars and light commercial vehicles	CCM 6.5 ³	2 150 415,66	0,01	EL ⁴	N/EL ⁵	N/EL	N/EL	N/EL	N/EL	0,003
Acquisition and ownership of buildings	CCM 7.7	23 017 304,17	0,07	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0,036
Turnover from systematic-eligible but environmentally unsustainable activities (non-systematic activities) (A.2)		25 167 719,83	0,08	0,08	0	0	0	0	0	0,04
Total (A.1 + A.2)		25 167 719,83	0,08	0,08	0	0	0	0	0	0,04
B. Activities that do not qualify for systematics										
Turnover from activities that do not qualify for systematics (B) %		32 215 972 652,17	99,92							
Total (A+B)		32 241 140 372,00	100,00							

³ The code is the abbreviation of the climate change mitigation objective for which the business activity is eligible to make a significant contribution to its implementation, as well as the number of the section devoted to the activity in the objective annex;

⁴ Activities that qualify for systematics in the case of a suitable target;

⁵ Activities that do not qualify for systematics for the right purpose;

Table 28. Percentage of capital expenditures for products or services related to systematic business activities - disclosure is for 2024

Business	Code or codes	Capital expenditures in absolute terms [PLN].	Share of expenditures [%]	Criteria for significant contribution						Share of activities consistent with the systematics (A.1.) or qualifying for systematics (A.2.) year 2023 [%]
				Mitigating climate change	Adaptation to climate change	Water and marine resources	Pollution	Circular economy	Biodiversity	
A. Activities that qualify for systematics										
A.1 Types of environmentally sustainable activities (consistent with the systematics)										
Capital expenditures from environmentally sustainable activities (in accordance with the systematic) (A.1)	-	0	0							0
A.2 Activities that qualify for systematics but are environmentally unsustainable (activities inconsistent with the systematics)										
Manufacture of other low-carbon technologies	CCM 3.6	27 385 412,51	7,38	EL	N/EL	N/EL	N/EL	N/EL	N/EL	7,08
Collection and transportation of non-hazardous waste in segregated fractions at source	CCM 5.5	230 390,00	0,06	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0,05
Transportation by motorcycles, passenger cars and light commercial vehicles	CCM 6.5	80 736 700,93	21,77	EL	N/EL	N/EL	N/EL	N/EL	N/EL	10,69
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	9 418 506,82	2,54	EL	N/EL	N/EL	N/EL	N/EL	N/EL	2,26
Installation of equipment for the measurement, regulation and control of utilities	CCM 7.5	354 970,9	0,10	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0,40
Installation, maintenance and repair of renewable energy technology systems	CCM 7.6	1 474 547,07	0,40	EL	N/EL	N/EL	N/EL	N/EL	N/EL	1,51
Acquisition and ownership of buildings	CCM 7.7	96 207 703,00	25,94	EL	N/EL	N/EL	N/EL	N/EL	N/EL	29,68
Capital expenditures from systematic-eligible but environmentally unsustainable activities (non-systematic-eligible activities) (A.2)		215 808 231,23	58,20	21,07	0	0	0	0	0	51,67
Total (A.1 + A.2)		215 808 231,23	58,20	21,07	0	0	0	0	0	51,67
B. Activities that do not qualify for systematics										

Capital expenditures from activities that do not qualify for systematics (B) %.		155 016 967,77	41,80							
Total (A+B)		370 825 199,00	100,00							

Table 29. Percentage of operating expenses for products or services related to systematic business activities

Business	Code or codes	Operating expenses [PLN].	Share of operating expenses [%]	Criteria for significant contribution						Share of activities consistent with the systematics (A.1.) or qualifying for systematics (A.2.) 2023 [%]
				Mitigating climate change	Adaptation to climate change	Water and marine resources	Pollution	Circular economy	Biodiversity	
A. Activities that qualify for systematics										
A.1 Types of environmentally sustainable activities (consistent with the systematics)										
Operating expenses for environmentally sustainable activities (in accordance with the systematic) (A.1)	-	0	0							0
A.2 Activities that qualify for systematics but are environmentally unsustainable (activities inconsistent with the systematics)										
Manufacture of other low-carbon technologies	CCM 3.6	24 476 681,60	4,15	EL	N/EL	N/EL	N/EL	N/EL	N/EL	5,03
Transportation by motorcycles, passenger cars and light commercial vehicles	CCM 6.5	9 958 081,00	1,69	EL	N/EL	N/EL	N/EL	N/EL	N/EL	1,60
Road freight transport services	CCM 6.6	82 510 560,17	13,97	EL	N/EL	N/EL	N/EL	N/EL	N/EL	14,02
Acquisition and ownership of buildings	CCM 7.7	399 509 524,69	67,60	EL	N/EL	N/EL	N/EL	N/EL	N/EL	69,88
Operating expenses from systematic-eligible but environmentally unsustainable activities (non-systematic activities) (A.2)		516 454 847,46	87,46	87,46	0	0	0	0	0	90,53
Total (A.1 + A.2)		516 454 847,46	87,46	87,46	0	0	0	0	0	90,53
B. Activities that do not qualify for systematics										
Operating expenses for non-systematic activities (B) %		74 042 490,83	12,54							
Total (A+B)		590 497 338,29	100,00							

Nuclear and natural gas activities

Table 30. Nuclear and natural gas activities

NUCLEAR ENERGY ACTIVITIES		
1.	The company researches, develops, demonstrates and deploys innovative power generation facilities that produce energy through nuclear processes with minimal fuel cycle waste, finances this activity or has exposure to it.	NO
2.	The company conducts the construction and safe operation of new nuclear facilities for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as their safety upgrades using the best available technologies, finances these activities, or has exposure to it.	NO
3.	The company conducts safe operation of existing nuclear facilities generating electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades, finances these activities or has exposure to them.	NO
NATURAL GAS ACTIVITIES		
4.	The company builds or operates facilities for the generation of electricity using gaseous fossil fuels, finances this activity or has exposure to it.	NO
5.	The company conducts, finances or has exposure to the construction, modernization and operation of facilities for the combined generation of heat/cooling and electricity using gaseous fossil fuels.	NO
6.	The company conducts, finances or has exposure to the construction, modernization and operation of heat generation facilities that produce thermal/cooling energy using gaseous fossil fuels.	NO

The Eurocash Group does not have nuclear and natural gas operations as shown in the table above, so the report does not include tables accompanying the disclosure of performance indicators for activities 4.26-4.31 as indicated by the provisions of Article 8 (6-8) of EU Regulation-2021/217.



Society

E S G

3. SOCIETY [S]

3.1. Eurocash Group employees

[SBM-2]

Eurocash Group would not exist without the commitment of employees, their constant striving for change and development. They are our greatest strength and advantage. Thanks to the joint action of Employees, the Group has been participating and continuously developing in the difficult dynamic FMCG market for 30 years. The Management Board is open to dialogue with employees, and their opinions are taken into account when determining key initiatives and new challenges.

In the case of Business Strategy and Sustainability, the reconciliation of goals is done taking into account the views of the individuals and teams who are ultimately involved in achieving the strategic goals. The employee engagement rate is one of the sustainability KPI targets.

Every year, in an anonymous Employee Opinion Survey, the Group provides an opportunity for every employee to express his or her opinion on, among other things: working conditions, tasks performed, opportunities for development at our company and perceptions of the Management Board' work. The purpose of the survey is to allow all employees to indicate which areas related to the workplace are rated positively and which need to be changed or improved.

Communication with employees is carried out through the internal intranet, email newsletters and posters as well as through direct meetings and conversations with supervisors. Information from employees goes to Management Board Members indirectly through employee supervisors.

[SBM-3]

Identification of actual and potential risks and opportunities associated with its own employees is described in ESRS 2 SBM-3 disclosure in Point 1.6.

Two occupational groups are distinguished in the Group. Employees can be divided, due to the different nature of their work, into warehouse employees and administrative and office employees. For both of these groups, the main risks associated with the performance of their tasks have been identified. Warehouse employees are exposed to negative factors such as noise, vibration, adverse biomechanical factors and hazards associated with machinery and equipment. The second group of employees exposed to long-term adverse working environment conditions are administrative and office employees. The nature of their work involves prolonged work in front of a monitor screen in a forced body position. The measures taken to eliminate adverse factors are described in the following subpoints.

The Group has not identified any incidents of exposure to the risk of incidents of forced labor or child labor.

A. Inclusive work environment

[S1-1]

The Group undertakes a set of activities to protect and promote human rights. We adhere to the values that human rights are fundamental rights and freedoms enjoyed by every person, regardless of their origin, gender, sexual orientation, age, religion or political beliefs. We place great importance on respecting human rights at all stages of cooperation, from recruitment, through the employment phase,

to the moment of termination. We have implemented **The Policy for the Protection of Human Rights in Eurocash Group** based on national legislation and international standards and guidelines:

- The International Bill of Human Rights, developed based on the Universal Declaration of Human Rights adopted by the UN General Assembly,
- The International Labor Organization's Declaration of Fundamental Principles and Rights at Work (and its eight fundamental conventions),
- United Nations Guiding Principles on Business and Human Rights,
- Ten principles of the United Nations Global Compact,
- Convention on the Rights of the Child.

The policy on its own employees is in line with internationally recognized instruments, including the UN Guiding Principles on Business and Human Rights.

The Human Rights Policy in the Eurocash Group with its scope includes a number of activities such as:

- Developing and implementing internal regulations that guarantee human rights;
- Activities for the protection of human rights in emergency situations, such as wars, armed conflicts or humanitarian crises;
- Promoting a culture of respect for human rights and fighting discrimination and intolerance;
- Educating employees and external stakeholders about human rights and their protection;
- Monitoring compliance with human rights and responding to violations.

In addition, the Group developed an internal document in 2024 on respecting human rights: **the Code of Ethics and Conduct for Employees**. The Code of Ethics forms the basis of our organization, helping us make the right decisions in difficult situations and shaping our responsibility to society. We have committed employees to implement the ethical principles that have been adopted the sake of transparency in business and daily work. The Code defines standards of conduct, key values, expected attitudes and unacceptable behavior and its observance is the responsibility of every employee and associate, regardless of the form of employment. Its purpose is to ensure that our actions are consistent with the highest ethical standards, promoting transparency, respect, honesty and responsibility to others. In the Code, we have committed to:

- adherence to the values of the Eurocash Group,
- compliance with labor laws,
- respect for human rights, fighting discrimination and intolerance,
- care for occupational safety and employee health,
- fostering a diverse and inclusive work environment,
- prohibiting forced labor, human trafficking and forms of modern slavery,
- personal data protection and confidentiality,
- countering bullying and discrimination,
- educational support and professional development,

- countering corruption and avoiding conflicts of interest,
- verifying the reliability of suppliers.

The Code is one of the tools that facilitate the implementation of the commitments made, as well as a manifestation of the company's commitment to responsibly shaping everyday business practice.

Responsibility for the implementation of policies and procedures regarding the protection of human rights for those providing work for the Group rests with the CEO, who assigns responsibility to designated individuals and teams.

Diversity and inclusive work environment

[S1-1]

The Diversity Support Policy is a set of strategic directions and principles that aim to create a work environment based on respect, inclusion and appreciation of the diversity of our employees. We focus on countering all forms of discrimination and building teams that reflect social diversity.

Key Policy Principles:

- Equal opportunity in employment, wages and promotion,
- Promoting openness and countering stereotypes,
- Integration and active support for employees with different backgrounds, skills and identities,
- Promoting diversity by gender, age, education and location.

With this policy, we can ensure that every employee feels valued and has equal opportunities for development.

The Eurocash Group Code of Ethics and Conduct is a set of principles that define our approach to business, cooperation and professional ethics. It defines the standards of conduct that guide us in internal and external relations. At Eurocash Group, we promote a culture of respect for human rights, fighting discrimination and intolerance.

Key Values of the Code

- Respect and equal treatment - we make sure that everyone feels part of the organization, regardless of their background, age or disability,
- Anti-discrimination and bullying - we have mechanisms in place to counter such phenomena and procedures for reporting them,
- Transparency and integrity - we operate according to high ethical standards in business and the workplace,
- Safety and well-being - we create a work environment that is free of bias and promotes mental and physical health.

The Code applies to all Eurocash Group employees, regardless of their position or form of employment.

Based on the *Eurocash Group Human Rights Policy*, we are committed to respecting and promoting human rights throughout our business operations. We are guided by the principles of equal treatment and prevention of all forms of discrimination, in accordance with international standards and national regulations.

[S1-4]

Our key activities in protecting human rights and diversity include:

- Creating an open and tolerant work environment with principles of respect and equality,
- Anti-discrimination and bullying - implementation of anti-discrimination policies and whistleblowing procedures,
- Preventing child and forced labor - adhering to the principles of the International Labor Organization (ILO).

Diversity and an inclusive work environment are an integrated part of Eurocash Group's business operations and hiring strategy. As one of the largest employers in Poland, it is guided by the principles of equal treatment and counteracting all forms of discrimination, believing that this brings tangible benefits and influences the development and innovation of the organization.

Diversity in the workplace is one of the key values for Eurocash Group, contributing to the development of the company and the achievement of its business goals. The Group treats each employee individually, and avoids being guided by stereotypes in its operations. Employees differ in many respects, which has a direct impact on their motivation and work style, the way they communicate or build relationships with colleagues

The organization focuses on promoting diversity and inclusion in such key areas as gender, age, education and location. In 2024, the Eurocash Group became a signatory to the Diversity Charter, thus committing to further efforts to build a diverse and inclusive work environment. The Group's practices have also been evaluated in the Diversity IN Check survey, which allows diagnosing the maturity of organizations in terms of diversity management and building inclusive teams.

At Eurocash Group, we have implemented a number of documents and procedures, *including the Diversity, Equality and Inclusion Strategy at Eurocash Group*, which systematize our approach to managing diversity, ethics and an inclusive work environment. These measures are part of our HR strategy and provide a foundation for building a culture of respect and equality.

In the past year, the Eurocash Group implemented a number of initiatives to promote diversity, including education, employee support and active equality measures:

Campaigns and initiatives to promote DEI

- Comprehensive communication campaign on DEI, raising employee awareness of diversity.
- Promoting the Diversity Charter, to which the Group is a signatory.
- The #UjawnijSię campaign - we'll appreciate your fitness, encouraging open conversations about disabilities in the workplace.
- Collaborate with employment intermediary organizations to support the employment integration of people with disabilities.

Education and support for employees

- Webinars and e-learning trainings on topics related to diversity, anti-bullying and negative phenomena in the workplace.
- "Badania profilaktyczne i zdrowy styl życia jako droga do długowieczności" ("Preventive screenings and healthy lifestyles as a path to longevity") - promoting preventive health care.

- "Pasujemy do siebie: Fakty i mity na temat [nie]pełnosprawności" ("We fit together: Facts and Myths About Dis[ability]") - dispelling stereotypes about people with disabilities.
 - "Zatrudnianie osób z niepełnosprawnością – na co zwrócić uwagę?" ("Employing people with disabilities - what to pay attention to?") - practical tips for managers.
 - "Różnorodność, równość, włączanie - kluczowe obszary DEI" ("Diversity, equality, inclusion - key areas of DEI") - introduction to diversity policy.
 - "Płeć w przywództwie" ("Gender in Leadership") - the role of men and women in management.
 - "Wrażliwość na niepełnosprawność" ("Disability sensitivity") - how to build a more inclusive work environment.
 - "Polak, czy Babyboomer. Co nas łączy, a co nas dzieli?" ("Pole or Babyboomer. What unites us and what divides us?") - intergenerational cooperation.
- Webinar on feminatives and their use in the professional space, followed by a survey of employees on the topic.
- Workshop "Poczuj, doświadczy, a zrozumiesz..." ("Feel, experience and you will understand...") - during which employees were able to take on the role of a person with physical disabilities, blindness and deafness.
 - Akcja Zdrowia – Zeskanuj swoje zdrowie (Health Action - Scan Your Health), encouraging preventive health care.
 - Stationary cell phone training to support employees' digital competence.

Engagement of DEI ambassadors

Creating a group of diversity ambassadors representing the Group's key DEI policies: gender, fitness and age.

Development and inclusive initiatives for women and men

- Launch of the Women's Potential Development Program, the first edition of which culminated in the creation of a support and knowledge-sharing group for female graduates.
- March - Women's Month - a series of events dedicated to strengthening the role of women in the organization.
- September - Men's Month - a series of events and initiatives dedicated to men's health and development.
- Pink October - activities promoting cancer prevention for women.
- Wąsopad - a campaign highlighting the importance of preventive examinations for men.

Sport and integration in the spirit of inclusiveness

- Women's Run Zawsze Pier(w)si - supporting breast cancer prevention and promoting physical activity among women.
- Bieg Na Tak – Bieg bez barier - an event that integrates and promotes sports as a space for everyone.

Support for employees and their families

- Free medical care for all employees
- Possibility of medical care packages for family members - spouses, children, parents, and partners not in a formal relationship.
- Extended medical care for employees with disabilities and their relatives.
- Disadvantaged people's allowances - financial support for employees with disabilities and parents/guardians of dependents.
- Program for gifted children and young people - supporting the education of children from areas with difficult access to education.
- Preventive examinations available both at headquarters and nationwide.

Modern internal communication

We have started a podcast series with our employees sharing their stories and experiences.

Eurocash Group Foundation Scholarship Programs

Beginning in 2013, the Eurocash Group, through its Foundation, has systematically invested in the development of the younger generation, funding scholarships that equalize educational opportunities and facilitate good preparation for the start of adulthood, increasing the chances of success in life.

These activities are implemented in the form of two scholarship programs.

"The Talent Scholarship Program" has been in operation since 2013. It focuses on young people attending high schools and studying at universities, that is, being at a stage of development when they are intensively absorbing knowledge, developing their passions and forming attitudes. Obtaining a scholarship in this program requires a high grade point average, documented achievements in the chosen area of interest and, last but not least, social involvement. Once these criteria are met, financial support is available to young people whose parents are employees of the Group or franchise and partner networks that cooperate with Eurocash. A scholarship in the Program can be obtained multiple times, but each time you have to meet very high requirements and face stiff competition.

In the 2024/2025 Edition, the Foundation has allocated 152 scholarships worth a total of PLN 929,000.

"The Guardianship Scholarship Program" has been in operation since 2021, with the aim of supporting the education and development of orphaned children of a parent employed by the Eurocash Group. The scholarship is paid until graduation from a secondary school of any profile. Funds from the scholarship can be used for basic school needs, but also for hobbies and passions. The condition for receiving support is that the child continues his or her education until high school graduation. Participants who take university courses after passing the high school diploma exam receive a bridge scholarship.

The number of scholarship recipients in the Guardianship Scholarship Program fluctuates throughout the year. At the end of 2024, 43 people were covered by the scholarship.

Scholarship programs are funded entirely by Eurocash. The Eurocash Group Foundation does not benefit from public funds.

In 2024, the grantees had the opportunity to take advantage of webinars conducted by the Eurocash Skills Academy, gaining access to knowledge useful in aptly choosing a career path and gaining employment in line with their preferences.

The total number of scholarships awarded was 200 each in the 2023/2024 and 2024/2025 school years and the total value of scholarships awarded to date has exceeded PLN 10.5 million to both the children of our own employees and franchisees.

Through the above-mentioned activities, Eurocash Group is building a culture of openness, cooperation and mutual respect, supporting each employee in professional and personal development.

[S1-9]

Table 31. Diversity index at the end of 2024

Disclosure S1-9	Value
Number of employees in top management - women	86
Number of employees in top management - men	161
Number of employees in top management total	247
Percentage of employees in total top management - women	35%
Percentage of employees in total top management - men	65%

Disclosure S1-9	Value
Breakdown of employees under the age of 30	2 534
Breakdown of employees in the 30-50 age range	10 780
Breakdown of employees over the age of 50	3 077
Total number of employees	16 391

B. Reporting concerns and irregularities

[S1-3] The Eurocash Group has implemented a system for reporting violations of the law, internal regulations and ethical standards via a helpline. Group employees can report violations of material, actual and potential, positive or negative impacts that affect or may affect them through dedicated contact channels:

- dedicated email address,
- anonymous application form on the website,
- by phone to a dedicated number,
- by regular mail.

All persons involved in the application process are obliged to maintain the confidentiality of information and the procedural persons have the appropriate authorizations.

A formal **mechanism for handling complaints and reports** of labor issues provides our employees with a safe and fair way to express concerns and raise issues. Complaints can include issues of

discrimination, harassment, violations of employee rights and other problems related to working conditions. Complaints are handled by an independent Risk Management and Sustainability Department.

The mechanism includes the following stages:

Stage I – Reporting a Complaint – Employees can report complaints through a designated communication channel that ensures confidentiality, such as a dedicated email address, web form or contact with the Risk Management and Sustainability department. If desired, it is also possible to report anonymously.

For employees who do not have access to computers, such as those working in stores or wholesalers, we have prepared informational posters. These posters, placed in prominent locations in our facilities, contain key information about available reporting channels and contacts to the appropriate people, ensuring full access to the whistleblowing system, regardless of where you work.

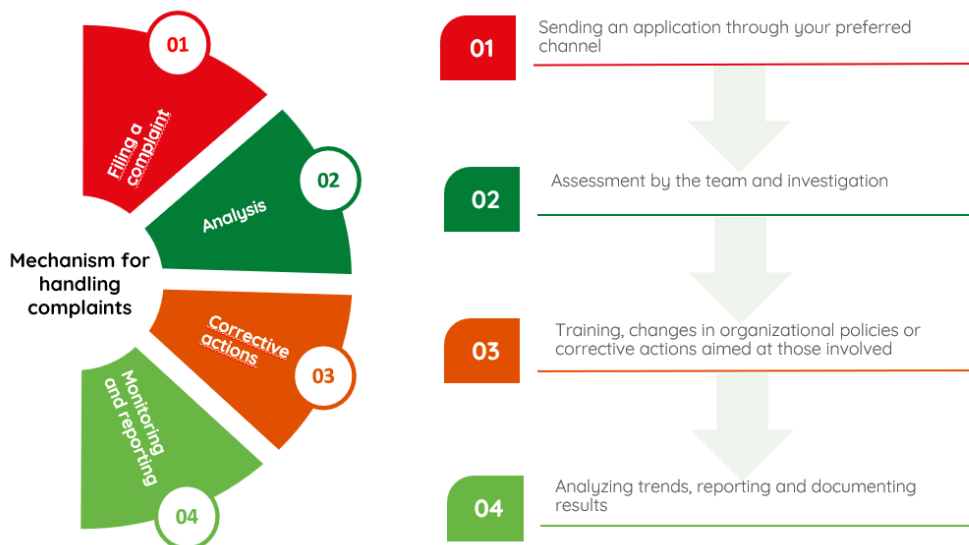
Employees in our organization have the opportunity to choose the preferred reporting channel that best suits their needs and working conditions. Details of the available reporting channels, as well as the timeframe for processing reports, are contained in the Regulations for the Acceptance and Processing of Reports of Violations, which are available to all employees on the company's intranet. These regulations describe in detail the procedures for reporting cases, setting out clear rules and timeframes for processing reports.

Stage II - Complaint analysis - Each complaint is evaluated by the team responsible for compliance with the organization's HR and equity policies. It conducts a thorough investigation, taking into account all the circumstances of the report.

Stage III - Corrective Actions - Based on the results of the analysis, appropriate actions are taken to address the reported problem, which may include training, changes in organizational policies or corrective actions directed at those involved in the reported incident.

Stage IV - Monitoring and Reporting - The complaint handling process is monitored and the results of resolving cases are documented. The organization regularly analyzes trends in reports to more effectively identify potential areas for improvement in personnel management.

Figure 19: Mechanism for handling complaints and notifications



For more information, see Chapter 4.2 Whistleblower Protection, including the process of leveling negative impacts in accordance with the whistleblower. All disclosed topics relevant to Chapter 3. *Society [S]* refer to the above whistleblowing system and the mechanism for handling complaints and reports.

[S1-17]

Through reporting channels, the Group received 63 reports from employees about potential irregularities in 2024. All of them were verified while an impact remediation plan was implemented for 38 of them. Recommendations were made to the human resources departments of each business unit, responsible for deciding whether to implement remediation programs or, as a last resort, terminate the employment relationship. In 2024, one case of discrimination, including harassment, was reported in the Eurocash Group.

Table 32. Incidents, complaints and serious impacts on human rights compliance

Disclosure S1-17	Value
Total number of cases of discrimination, including harassment, reported during the reporting period	1
Total number of complaints filed through problem reporting channels by individuals belonging to the unit's own employees (including complaint handling mechanisms)	63
Total number of complaints submitted to national contact points for the OECD Guidelines for Multinational Enterprises	0
Total amount of fines, penalties and damages for incidents and complaints	0 PLN
Information on the reconciliation of fines, penalties and compensation for damages resulting from violations of discrimination and labor-related harassment with the most significant amount presented in the financial statements.	not applicable
Total number of serious human rights incidents related to an individual's workforce during the reporting period	0
Total number of serious incidents of respect for human rights related to an individual's workforce during the reporting period that are cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises	0
Number of cases of serious incidents involving respect for human rights in which the unit played a role in securing remedies for those affected during the reporting period	0
Total amount of fines, penalties and compensation for damages resulting from incidents involving respect for human rights related to the workforce of an individual	0 PLN
Information on reconciliation of the amount of fines, penalties and compensation for serious human rights violations and incidents related to its own employee resources with the most significant amount presented in the financial statements.	not applicable
Total number of incidents reviewed by the unit	125
Total number of incidents with impact recovery plans implemented	38
Total number of incidents with remediation plans in place reviewed as part of routine internal management review processes	0
Total number of incidents that are no longer being addressed	87
Total number of cases of serious human rights incidents in which the unit played a role in securing remedies for those affected during the reporting period	0

C. Impact on own employees, risks and opportunities

[S1-4]

Eurocash Group has been building comfortable working conditions for many years and attaches great importance to the most important values that are close to the employees. It takes measures to influence non-wage elements by creating a friendly working environment, provides adequate and useful work tools, gives stability and reputation to the company, the opportunity to improve competence and cares about employees' personal safety. Employees also recognize the contribution to reducing climate change in the wider and narrower environment, the secure payment of wages and a broad benefits package, and the provision of a balance between personal life and work. At the same time, the HR Department is working on developing a revised wage gap and adjusting to the new regulations. HR executives are making efforts to balance the planned budget between, on the one hand, the increase in expenditures associated with raising wages, including the minimum wage, and, on the other hand, the ability to meet employee pressures and potential declines in sensitive areas.

Identified risks in the social area may include:

- working conditions and, in particular, wage pressures and changes in the minimum wage,
- the lack of qualified employees in key positions to ensure supply chain continuity and high turnover,
- loss of reputation or unfavorable opinion of the employer,
- risk of corruption, conflict of interest or personal gain,
- risk of loss of health or life, the occurrence of occupational diseases,
- risk of unequal treatment and inequality of opportunity,
- risk of violating data protection regulations,
- risk of violating labor laws.

[S1-5]

Objectives related to employees are defined in the Sustainable Development Strategy. They relate to the areas of employee development, building commitment and satisfaction, and ensuring a safe and friendly workplace. For a summary of the strategic goals and their implementation, see Point 1.4 of the Group Strategy [SBM-2].

D. Working conditions

Data security

[S1-1]

As a leader in the Polish wholesale market for the distribution of FMCG products, on which millions of users rely, we take care of cyber and information security in various areas of our business. In order to effectively counter modern cyber threats, we have implemented a number of rules and guidelines, contained in our policies, procedures, including *the Eurocash Group Information System Usage Policy* and *the External Entity Access Management Policy*. Our policies and procedures set out clear rules for the proper use of the IT system of Eurocash S.A. and the companies affiliated with Eurocash S.A., and

are designed to protect the confidentiality of information, minimize the risk of loss of integrity and availability of data, and minimize the risks associated with our business

[S1-2]

The Group does not have procedures for working with its own employees and employee representatives on IT data security.

There is an IT Security team within the structures of our Group, which carries out tasks including ICT security management, building security awareness among employees (security awareness) and responding to IT security incidents. This team is constantly working to improve our security systems, analyzing new threats and implementing appropriate protection measures.

[S1-3]

To ensure the smooth operation of the IT system and prevent or minimize the negative effects of emergency situations, we strive to provide redundant telecommunications and IT infrastructure resources. Key systems are placed in different geographic locations to avoid problems associated with local failures. We implement measures to protect and secure the data entrusted to us, using technical, administrative and physical safeguards that help protect data from various threats, including cyber threats.



Group employees can report risks using
a dedicated email address: helpdesk@eurocash.pl
A **Helpline** has been made available for others in the value chain:
<https://www.grupaeurocash.pl/formularz-sygnalista>

[S1-4]

We conduct continuous monitoring of security incidents and vulnerabilities, and test resilience to cyber-attacks to respond appropriately to the changing environment.

To ensure adequate data protection in our organization, our employees participate in mandatory information security and data protection training, as well as optional training to increase awareness and application of IT security best practices. These trainings are regularly updated to include the latest threats and technologies to keep our employees up to date on their data protection competencies.

[S1-5]

A key objective is to increase employees' knowledge, awareness and competence in the area of data protection and to maintain the highest level of security for the Group's employees. The Group is aware of the risk of data security breaches. Therefore, we are taking a number of measures and have implemented the necessary policies and procedures to protect the Group from financial and reputational consequences. We conclude that effective data protection minimizes the risk of costly security breaches.

In 2024, no Eurocash Group company has been fined by the Office for Personal Data Protection supervisory authority for violations of personal data processing.

Standardization of remote working and digitization of HR processes

[S1-1]

In 2023, the rules of remote work were regulated in the Eurocash Group on the basis of *the Remote Work Agreement*, which was also practiced in 2024. The starting point for the preparation of the internal regulation became the legal regulations, with the consideration of which the flexible hybrid work formula was created. The current forms of work in force in the Group are:

- stationary work - in areas whose specific tasks require it, such as warehouses, stores, wholesalers,
- hybrid work, where part of the work week has been set aside for working from the office, and the remaining days for working from home
- total remote work especially for analytical, IT, support positions.

More than 1,000 employees are covered by the hybrid work formula, and about 250 employees are covered by the total remote work formula. Members of the Management Board responsible for individual business units and companies have gained the authority to further shape the developed proportion of days of stationary and remote work according to the specifics of departments and teams.

[S1-3] [S1-4]

At Eurocash Group, care has also been taken to provide solutions conducive to hybrid work, both in the physical and virtual work environment. Additional conference rooms were made available in the offices for desktop meetings and acoustic booths for individual remote meetings. An ergonomic audit was also conducted to refresh good working practices from the office. Key resources, i.e. desks, conference rooms and parking spaces, have been made available in an intuitive application for booking them. Collaboration is also supported by an internal social platform, with the help of which employees from different business areas in the organization share achievements, knowledge, experience and passions. In addition, recommendations have been developed to support project work, teamwork and the building of internal communities.

The process of documenting hybrid working hours is carried out in an application adapted for this purpose. In this way, Eurocash Group has taken another step towards reducing the amount of paper used. In 2024, the Eurocash Group started the process of digitizing HR processes with the aim of optimizing operations, simplifying processes and their architecture, reducing the amount of paper and, above all, facilitating collaboration and management.

Among other things, such developments as an integrated HR technology platform, self-service HR service, access to data for managers, automation of HR processes, have been recognized by external experts who, in their reviews of compliance with the law and values, emphasize the importance of the standard achieved. The development of this area contributed, among other things, to Eurocash Group joining the prestigious group of companies with the Top Employer Poland certificate.

Listening to the voice of employees

[S1-2]

Listening to the voice of employees is key to creating an inclusive work environment where everyone feels valued and has the opportunity to express their opinions. Such a process not only increases team engagement, but also fosters innovation and better decision-making, which translates into success for the entire organization. The purpose of the adopted *Employee Listening Strategy* is both to receive current information about the company's work environment and to involve employees in the decision-

making processes that take place in Eurocash Group. Such action continually promotes an entrepreneurial attitude, which is also one of the values guiding the Group, and creates space for two-way communication and sharing of ideas.

Methods for obtaining feedback from employees:

- Cyclical Employee Opinion Survey - includes all employees
- Periodic Pulse
- Webinars with Board members with direct questioning session
- Dedicated email, contact, company-wide mailboxes
- Hotline for employees
- survey for new hires and their supervisors
- Questionnaire for employees who voluntarily leave the company as part of
- Evaluation surveys after company events and measuring attendance
- Study of cooperation between units
- Internal focus studies with employees
- Candidate Experience survey among selected new hires.
- Annual strategy meeting

The most extensive effort to listen to the voice of the employed is the Employee Opinion Survey, which is conducted annually. In 2024, 90 percent of employees took part in it, and had the opportunity to indicate both areas that were evaluated positively and those that they think need to be changed or improved.



Summary of Employee Opinion Survey 2024:

- **90% employee turnout in the survey** - 2 pp less than last year
- **44% engagement rate** - 3 pp less than the previous survey
- **56% satisfaction rate** - 4 pp less than the previous survey

The areas rated highest by Employees were: cooperation with supervisor - 68% and work organization - 62.8%. This was followed by areas such as wellbeing and benefits - 62.5%, cooperation - 62%, and diversity, equality and inclusion - 61.9%, which are among the key pillars of the HR Strategy.

The results of the Employee Opinion Survey translate into real changes in the daily work of employees - both at the central level throughout the organization and in the Group's individual business units. Thanks to the feedback received in the Employee Opinion Survey carried out under the slogan "Simply because your opinion makes sense," many initiatives have been implemented.

In Eurocash Group, the employee's voice is important at every stage of the employee's career, not only while working in the organization, but also when leaving the organization. The opinions collected upon termination of the employment relationship are subject to continuous analysis and allow us to define the directions for improving the Group's processes and building an engaging work environment.

Voluntary departures are given special attention. The feedback obtained from employees makes it possible to respond to current needs, as well as to incorporate the suggestions received into long-term strategies.

The head of the Human Resources Department is the person operationally responsible for ensuring that the cooperation in question takes place and that the results of the cooperation influence the unit's approach to working with its own employee resources.

Promoting work-life balance (wellbeing)

[S1-4]

The Eurocash Group is taking a number of measures to spread work-home balance among employees. The initiatives implemented by the Group in this regard in 2024: **#Zdrowe biuro**

#Zdrowe biuro (Healthy office) is a series of measures the Eurocash Group is taking to holistically support employee wellbeing. The Group is consistently implementing *the Wellbeing Policy* announced as part of the Eurocash Group HR Strategy 2023-2025.

Among the activities the Group carried out in 2024 were:

- preventive examinations in offices and competitions with vouchers for employees from other locations,
- flu vaccination in offices,
- office massages,
- webinars on pro-health topics,
- wellbeing and sports newsletters,
- "Zgłoś swój start" program, which subsidizes employees' sports activities,
- communication of an educational nature, inspiring a healthy lifestyle,
- anti-stress group on a social media platform with inspiration from the field of wellbeing,
- psychological support hotline,
- a separate form of psychological support for executives,
- Pink Box.

Preventive examinations

In 2024, the Eurocash Group once again carried out cancer prevention months - Pink October and Wąsopad. As part of the #PinkOctober and #Wąsopad campaigns in October and November 2024, the Eurocash Group focused on cancer prevention, following the principle that prevention is better than cure. Preventive examination packages were prepared for employees together with the #Upacjenta partner at the headquarters offices in Komorniki, Warsaw and Lublin. In addition, contests were held for people in other locations, with prizes including vouchers for blood tests at Diagnostyka facilities throughout Poland. 800 people - men and women - were screened for cancer markers. A prophylactic campaign was conducted with the Rakiety Foundation, through which employees could learn how to properly perform breast and testicular self-examinations.

Group employees took part in 2 editions of Bieg Kobiet - Zawsze Pier(w)si, running 5 kilometers anywhere and supporting prevention. The Group also promoted a webinar on cervical cancer prevention and HPV-related topics. Participants in the run were able to receive a home HPV test.

Also this year, the "Scan Your Health" campaign was held at the three main offices, during which 600 people were screened (stationary, via screening vouchers), giving employees the opportunity to choose from three screening packages: Diabetes and Insulin Resistance, Healthy Heart, Healthy Head.

In May, the Group also held a contest in which one could win 50 vouchers for examinations, matched to one's age group, along with consultation on the results of the examinations.

In total, the Group surveyed 1,450 people in 2024.

Flu vaccinations

Flu vaccinations are included in the medical packages that the Eurocash Group offers to employees (subsidized packages by the employer). However, the option to vaccinate at the workplace (in the main offices) was also organized. The purpose of this campaign was also to make employees aware of the dangers of contracting the flu, to explain to them how such a vaccine works, and to identify groups at particular risk of severe flu, through email communication and the sharing of materials developed by the Group's medical operator.

Massages in offices

In September, after returning from vacations and various logistical and organizational challenges, the Eurocash Group offered massages to employees in the main offices. The massages covered the most tense parts of the body, i.e. the muscles of the back, neck, shoulders, hands and arms, which contributes to the reduction of pain typical of office work.

In addition, the Eurocash Group with a healthcare provider conducted an Active Day campaign aimed at encouraging employees to be physically active by raising their awareness of the issue.

As part of the campaign, employees were able to enjoy a measurement and relaxation zone.

Measurement Zone

- Body Composition: Ability to check body water, body fat, muscle mass and metabolic age.
- Balance and coordination level: Checking the level of balance and coordination on a special platform.

Relaxation Zone

- Leg lymphatic drainage: A treatment that improves lymph circulation, eliminates swelling and makes legs feel lighter.
- Neck massage: Shiatsu massager for neck and shoulder pain relief, working to relax and stimulate tired muscles.

Webinar

In addition to the aforementioned webinars, which took place during cancer prevention months, the Eurocash Group Skills Academy organized webinars in the Wellbeing Good Life series, during which specialists told employees about the importance of our wellbeing in various areas of life, including why it's important to build relationships in the workplace, about the household budget, how to rest effectively and why diversity in a team can become our strength, as well as how physical activity has a significant impact on our daily functioning and why this topic is still important in the world of wellbeing.

In 2024, we organized the following webinars as part of the March Women's Month campaign:

- Facial yoga.
- Inclusive language - how do we create feminatives?

September, however, was Men's Month, during which two webinars were held:

- Gender in Leadership.
- The Mind of Tomorrow: based on the 5 superpowers of the human mind according to Martin Seligman.

In addition, the Group organized a special contest dedicated to men.

Wellbeing and sports newsletters

Once a month, wellbeing and sports newsletters are delivered to employees' email inboxes:

- News from the areas of employee benefits, wellbeing, company events, employee volunteering and everything that affects wellbeing in the workplace and beyond.
- Recommendations - links to interesting, inspiring articles.

The sports newsletter, on the other hand, is a summary of employees' sports activities, competition starts, competition entries, articles on sports topics. Interviews with employees who engage in various sports activities and represent Eurocash Group in tournaments or running or triathlon events are published.

"Zgłoś swój start" Program - subsidies for sports activities of employees

The Eurocash Group supports employees in an active lifestyle and encourages them to take the initiative and submit their proposals to compete in various disciplines. The Group subsidizes starting packages, participation in tournaments and other forms of recreation. The "Zgłoś swój start - i zdobądź dofinansowanie" program ("Report your start - and get a subsidy") is very popular.

The Group has subsidized more than 50 running events, including triathlon, Ironman, Runmagedon, Dolnośląski Festiwal Biegów Górskich, Biegi Konstytucji 3 maja, Biegi Niepodległości, Bieg Powstania Warszawskiego, about 20 running starts organized by Biegi Wielkopolskie, as well as bowling events, canoeing, soccer tournaments, and volleyball hall rental. The Eurocash Group is a partner for Biegi Wielkopolskie, supporting the charity Bieg Na Tak and Biegi Kobiet Zawsze Pier(w)si. The Group we have an active community of runners in the Teams (Eurocash Running Team).

Educational communication to inspire healthy lifestyles

Eurocash Group's communications use days related to wellbeing in the broadest sense, such as World Sleep Day, Mental Health Day, and Anti-Depression Day, to share inspiration - articles, podcasts, and point to benefits that can help employees struggling with various problems, such as a reminder about a psychological support hotline.

Anti-stress Group on the company's social media platform

The Anti-stress Group is a place where people interested in exploring topics in the area of wellbeing meet. The company and employees there share their own inspirations from this area.

Psychological support hotline

Eurocash Group provides employees with a dedicated psychologist on duty for those in need of support and advice:

- The hotline is completely anonymous
- Access for any caller
- Access from any phone number
- No appointment necessary
- No time limit per consultation
- The hotline is open at times convenient to the Employee
- The group is actively responding to current events and modifying the availability of the hotline (e.g., Flood - we have launched additional days of psychologist work)

Competitions

In 2024, the Eurocash Group continued to organize contests to support employee well-being. Contests included celebrating Positive Thinking Day, sports and health, fighting diabetes, healthy food and cooking, and eye examinations.

Eurocash Group offers employees a rich **benefits** package. These include:

- Free medical care for employees, and at preferential rates for family members,
- Life insurance for the Employee and their relatives at preferential terms,
- Sports Cards, Sports and Culture, Multilife application co-financed by the Employer,
- Rewarding employees for 10 years and 25 years of work,
- Subsidizing children's summer camps,
- Summer Picnics for Employees and their relatives,
- Prepaid Cards for Christmas,
- Christmas packages for Employees and children,
- Christmas meetings.

Employee Hotline

Eurocash Group has an Employee Hotline, which provides telephone and email support for HR issues in the areas of benefits and attractions, operation of the intranet and benefit platforms, development and training, annual evaluation, 360 assessment, internal recruitment, among others.

Pink Box

In 2024, the Eurocash Group launched the Pink Box project, introducing 17 boxes in various locations and providing free hygiene products and abolishing the menstrual taboo.

[S1-15]

Table 33. Measures of work-life balance

Disclosure S1-15	Value
Are all employees entitled to leave for family reasons?	Yes
Number of eligible employees who took leave for family reasons - women	2 995
Number of eligible employees who took leave for family reasons - men	929
Total number of eligible employees who took leave for family reasons	3 924
Percentage of eligible employees who took leave for family reasons - women	27%
Percentage of eligible employees who took leave for family reasons - men	18%
Total percentage of eligible employees who took leave for family reasons	24%

E. Employment structure**[S1-6]**

In 2024, 18,000 people worked for the Eurocash Group. This places the organization among the largest employers in Poland. The main form of employment is employment contracts. The Group covers several hundred locations across Poland, from distribution centers to warehouses, halls, stores or offices. It creates jobs in a variety of positions in many areas of business: from logistics, sales, e-commerce, IT, to complex company management (including legal department, finance, marketing, HR).

In addition to stable employment, employees have access to numerous opportunities to develop their competencies and skills. Each person employed by our organization can count on being valued for his or her contribution and commitment, as well as working in an environment based on mutual respect, acceptance and respect for diversity.

The Eurocash Group had more than 16,000 full-time employees in 2024, of whom nearly 69 percent were women. The majority of full-time employees are in the 30-50 age range, working full-time. Senior executives account for 2 percent of the total workforce, and 65 percent of them are men.

The Group also hires employees under other forms of employment, such as civil law contracts, B2B or through temporary employment agencies. Work under contract most often involved carrying out inventories at various business units. During the reported period, several hundred people performed this work. Eurocash Group also used more than 1,000 employees hired by temporary labor agencies - mainly for unloading and unloading goods in stores and as logistical support in distribution centers. Eurocash also employs in its structures so-called non-employee employees - examples include employees delegated by employment agencies, apprentices, contractors, interns or self-employed persons. The Group, in line with its business strategy, has taken a number of measures to optimize its organizational structures in 2024, resulting in a higher-than-expected employee turnover rate of around 40 percent.

The only country in which the Eurocash Group has more than 50 employees is Poland, so information on the number of employees by country is not presented.

Table 34. Characteristics of the unit's employees - number of employees and turnover rate

Disclosure S1-6	Value
Headcount - women	11 280
Headcount - men	5 111
Total headcount	16 391
Number of permanent employees - women	11 280
Number of permanent employees - men	5 111
Total number of permanent employees	16 391
Number of temporary employees - women	0
Number of temporary employees - men	0
Total number of temporary employees	0
Number of employees who are not guaranteed working hours - women	0
Number of employees who are not guaranteed working hours - men	0
Number of employees who are not guaranteed working hours in total	0
Total number of employees	16 391

Number of full-time employees - women	11 031
Number of full-time employees - men	5 063
Total number of full-time employees	16 094
Number of part-time employees - women	249
Number of part-time employees - men	48
Total number of part-time employees	297
Total number of employees	16 391

Number of total employees who left the unit during the reporting period	4 836
Employee turnover rate during the reporting period	39,66%

[S1-7]

A total of 1,670 people worked in the Group on contracts other than employment, including 72 people on B2B, 1,027 people provided by temporary employment agencies and 571 people on contract of mandate.

Table 35. Characteristics of non-employees constituting the entity's own employee resources⁶

Disclosure S1-7	Value
Number of persons connected with the unit by contracts for the provision of work ("self-employed persons")	72
Number of people provided by units primarily engaged in "employment-related activities"	1 027
Number of employees hired on the basis of contract of mandate	571
Total number of non-employees	1 670

F. Remuneration policy and system

[S1-1]

The remuneration policy in the Eurocash Group was established based on the best market practices, values and strategy of the Group. An important direction in its implementation is to support employee involvement, increase work efficiency and build responsibility for the Group's results. Wanting to take even better care of transparency and consistency of solutions in the organization, while at the same time taking into account diversity and responding to the needs of different employee groups, the Group's remuneration policy was updated in 2023. It shapes solutions on two levels: central - consistent for the entire Eurocash Group, and local, taking into account the specifics of a particular business unit, segment or group of positions.

A fundamental element of the Eurocash Group's compensation policy is the mapping and valuation of positions based on Mercer's international IPE methodology. The position valuation process is transparent and supervised by the Position Valuation Committee, which includes representatives of top management, representing various Group units.

The essence of the remuneration policy at Eurocash Group is the Total Rewards concept, i.e. looking at remuneration in broad terms of the overall value package an employee receives. The framework of the value package for a given position is based on his/her grade and includes not only the remuneration part: fixed salary, variable remuneration such as monthly, quarterly, annual bonus systems, but also a number of other elements. Among them are: benefit packages - taking into account the needs of different employee groups - training and other development methods implemented by the internal training team, external training, conferences, tuition subsidies, culture and appreciation programs, wellbeing and integration activities, picnics, webinars, meetings with experts, flexible work arrangements, or support for employee passions. All these activities build the value of an employee's compensation package. At Eurocash Group, each employee receives an annual Total Rewards summary, which includes information about the value of the compensation package he or she received in a given year.

With an eye on market best practices, the Eurocash Group periodically participates in compensation surveys and, based on these surveys, reviews employee compensation twice a year. Covering such a wide variety of businesses and positions, the Eurocash Group stands out for its high internal consistency ratio of 80 percent for base pay and more than 70 percent for total pay.

⁶ Data was reported for the number of employees at the end of the reporting period. In the case of persons provided by units primarily engaged in "employment-related activities," data obtained from external temporary employment agencies.

[S1-2]

The Eurocash Group also undertakes an annual Remuneration Systems Effectiveness Survey, carried out on the basis of internally defined indicators. As part of the survey, the remuneration systems used in the Group are reviewed in terms of: financial indicators, the effectiveness of the systems and their management processes, solutions used in the market, and feedback from employees obtained through an intra-group Employee Opinion Survey.

[S1-8]

People employed at Eurocash have full freedom to form employee groups. The company does not have a collective bargaining agreement with its employees, and there are trade union organizations representing employees in the Eurocash Group.

[S1-10]

All employees are paid adequate wages in accordance with applicable benchmarks ensuring that the needs of the employee and their family are met in light of national economic and social conditions.

[S1-11]

All Group employees are covered by social protection against loss of income caused by any of the following major events, such as illness, occupational accident, acquired disability, parental leave and retirement. Social protection is offered through public programs or voluntary benefits offered by the unit.

[S1-12]

In the Eurocash Group, 3.3% of employees are people with disabilities.

[S1-16]

The Eurocash Group has developed a methodology for examining the gender wage gap in accordance with EU Directive No. 2023/970 of May 10, 2023. There are transparent, clear mechanisms for salary formation in the Group. Mercer's analytical-point method of valuing work is used, which ensures the existence of a mechanism for comparing work for the notion of equal work and work of equal value.

The process of examining the wage gap in the Eurocash Group involves analyzing the pay gap between men and women, taking into account the valuation of positions and business areas.

In this process, the following indicators are examined:

- gender wage gap,
- gender wage gap in the form of complementary or variable components,
- median gender wage gap,
- median gender wage gap in the form of complementary or variable components,
- the percentage of female and male employees receiving supplemental or variable components,
- the percentage of female and male employees in each quartile of salary,
- gender wage gap among employees by category of employee, according to the usual basic hourly or monthly wage and supplemental or variable components.

In 2025, the Eurocash Group plans to internally analyze the results obtained, develop an "adjusted wage gap" model, and adapt the wage gap study to the guidelines of the legislator, who will implement the provisions of the EU Directive on wage disclosure in Poland.

Due to the pending implementation of regulations and the obligation to report the wage gap from 2027, for the time being the Group is able to provide information on the overall wage gap in the Eurocash Group, which is 13 percent.⁷ Annual total compensation of the highest-paid individual to the median annual total compensation of all employees (excluding the highest-paid individual) was 38.84.”

G. Employee development and education

[S1-1]

The Group has several documents governing strategy and policies in the area of development and education of its own employees:

- Training and Employee Development Strategy at Eurocash Group,
- Career Management Policy,
- EC Group Leadership Policy,
- Eurocash Group's education subsidy rules.

At Eurocash Group, we provide employees with the opportunity to participate in various types of development initiatives aimed at both strengthening the competencies already possessed by employees and acquiring new competencies by employees, which are closely related to the changing needs of the company. Eurocash Group's training and development strategy is closely linked to other policies, in particular the leadership development and career development strategy. It includes a number of key initiatives aimed at effectively developing employees' skills, knowledge and competencies. The planned activities result from the strategic objectives set in the area of training and development as part of the EC25 "We Grow Together" Strategy:

- Development of leadership competencies,
- Creation and implementation of workshops, training and development programs taking into account the needs arising from the following strategies: Diversity and Inclusion, Wellbeing, and Sustainability,
- Developing the competencies of the future,
- Continuation and implementation of workshops, training and development programs.

[S1-4]

In 2024, we pursued our strategy by enabling employees to participate in training:

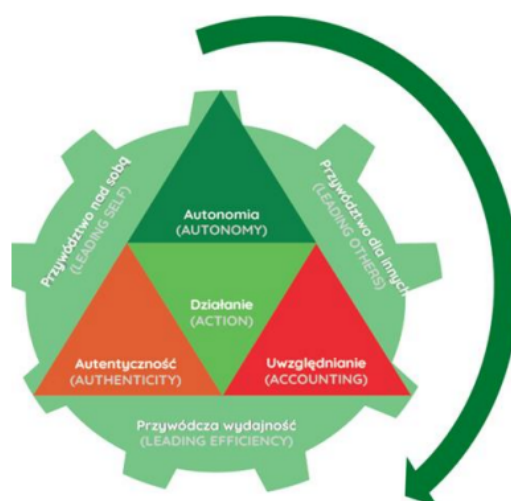
- open internal as part of the "Rozwój w Twoich rękach" Program (27 soft and tool training topics available to all employees and leaders) and specialized training conducted by internal experts,
- group internal (intended for all teams in the various business units of the Eurocash Group),
- external individual and group training (specialized, strengthening professional skills and supporting business efficiency, organized by external providers),
- wellbeing webinars,

⁷ The overall wage gap indicator was calculated based on the formula: Women's average basic salary converted to full-time - Men's average basic salary converted to full-time / Men's average basic salary converted to full-time

- webinars on managing diversity and building an inclusive work environment,
- induction training for new employees,
- leadership development programs,
- Mentoring Zone program,
- Coaching Zone program,
- subsidies for postgraduate studies/qualification courses/foreign language learning.

Leadership development

At Eurocash Group, we continuously develop the competencies of our leaders to inspire teams to achieve common goals and create an engaging work environment for different groups of employees. The **Leadership and Employee Development** pillar is one of the elements of the HR strategy for 2023-2025, with the main goal of guiding leaders to act in accordance with the highest standards and values of the organization. The leadership model, i.e. the standard of fundamentals and behaviors, developed by graduates of the #LeadUP Leadership Competency Development Program is the core of the leadership policy. It is based on the concept of Leadership Fundamentals, which assumes that three components are responsible for the effectiveness of leaders, regardless of the level occupied in the organization: Leadership of Self, Leadership for Others and Leadership Performance - Business Result Management.



As part of Eurocash Group's long-term leadership strategy, programs are in place:

- **First Time Manager** - a program designed for people taking on managerial positions and those who already hold a position and want to develop their competence as a manager and leader. In 2024, 36 people completed the program, and 19 people started the next edition of the program.
- **The #LeadUp** leadership competency development program for managers. As of 2024, 46 people have completed the program.
- **Mentoring Zone program** - for experienced leaders and directors. In 2024, 7 people completed the program, and 11 joined the next edition.
- **GrowUP**, a leadership competency development program for experienced managers, launched in 2024, which 45 people started.

Stationary and online library

Employees can use the Eurocash Group Library to deepen their knowledge from training and self-development. As of 2024, there were 731 books in the stationary library stock, while the online library database contained 102 items (audiobooks, e-books, video courses).

Coaching Zone Program

The Coaching Zone program is an employee development program that is an integral part of Eurocash Group's leadership development strategy. Its main objective is to support employees in self-definition of goals, identification of barriers and effective pursuit of their aspirations.

Pillars of the program:

- Executive coaching (for senior executives- board members, directors) ,
- Expert coaching (for middle managers-managers, executives),
- Peer coaching (for all employees).

Subsidies for postgraduate studies, courses to improve qualifications, learning foreign languages

The purpose of the subsidy is to ensure a higher level of competence of employees by improving their professional qualifications. At the request of an employee and a legitimate business need, Eurocash Group may subsidize part or all of the costs associated with the studies, course, or language learning program undertaken. The rules for granting the co-financing are regulated in the policy *Rules for co-financing education in the Eurocash Group*.

NPS

[S1-2] [S1-3]

Employees who have taken part in training sessions have the opportunity to provide voluntary feedback through online surveys, which include a set of closed questions as well as open-ended questions. The responses provide guidance for improving the quality and scope of training, provide feedback on the work of trainers, and contribute to expanding the training offerings in future editions. The NPS index in evaluating the usefulness of training and the level of recommending it to other employees (open and internal group training) was 92 in both cases. The index was established as a KPI target in the Sustainability Strategy.

Table 36. Indicators for in-house employee training

Disclosure S1_13	Value
Number of employees who participated in regular performance reviews and career development - women	1 544
Number of employees who participated in regular performance reviews and career development - men	1 179
Total number of employees who participated in regular performance and development reviews	2 723

Number of hours of training offered to and completed by employees - women	9 273
Number of hours of training offered to and completed by employees - men	9 262
Total number of hours of training offered to employees and completed by them	18 535

H. Health and safety at work

[S1-1]

The Eurocash Group responds to the needs of the employees it works with on the basis of various forms of employment as part of its existing company policy. We feel responsible for them and are aware of the scale of our operations. In doing so, we maintain respect for diversity and human rights without dividing or going beyond the norms of regulations and laws. Within the Group's structures, no distinction is made between employees on the basis of, for example: gender, age, religion or origin, or any other criterion that could constitute a dividing criterion.

The Eurocash Group has certain standards of conduct and policies, which are listed in the sources below:

- Procedure for supervision of health and safety records,
- Procedure for reporting occupational diseases,
- Procedure for reporting accidents,
- Procedure for conducting training,
- Eyeglasses reimbursement procedure,
- Procedure for issuing preventive meals,
- Control schedule - as agreed with the business for 2024.

[S1-5]

Identifying current occupational health and safety needs and then compiling appropriate documentation is a key element in risk and accident management. The 2024 goal of "100% up-to-date documentation" entails maintaining a system of records and regularly updating health and safety-related documents, including, among others, procedures, manuals, regulations and job-specific risk assessments.

- Cyclical revision of documentation: All health and safety documents are regularly reviewed and updated to reflect the current state of the law and changes in the way, technology or organization of work;
- Development and updating of health and safety procedures: All procedures and instructions are continuously developed and updated in response to changing legislation, new technologies, changes in work organization, or based on the results of accident analyses;
- Compliance with standards and laws: the documentation should comply with applicable national and international health and safety regulations and ordinances concerning the protection of employees' health and life;
- Risk analysis: The first step in identifying current needs is a thorough analysis of the risks associated with the job. Conducting regular risk assessments identifies potential hazards and, based on this, determines what documents are needed (e.g., emergency procedures, evacuation plans);
- Updating training programs: If there are changes in legislation and based on the analysis of risks and needs, employee health and safety training programs are updated and adjusted, and additional training is provided, such as practical first aid;

[S1-4]

Eurocash Group's Health and Safety Department operates in 5 key areas:

1. Provision of health and safety procedures and instructions, ongoing monitoring of accident incidents, supervision of occupational risk assessment, supervision of the validity of medical examinations, regular inspections of the health and safety status of units,
2. Periodic safety and health training,
3. First Aid Training,
4. Safe Driving Training,
5. Health and Safety Campaign.

Characteristics of key activities:

1. Provision of health and safety procedures and instructions, ongoing monitoring of accident incidents, supervision of occupational risk assessment, supervision of the validity of medical examinations, regular inspections of the health and safety status of units:
 - Description of scope: regular updating of manuals, procedures and risk assessments, conducting accident investigations and incidents in accordance with the notification received, ensuring the continued fitness for duty testing of all Group employees, conducting health and safety inspections in accordance with the annual inspection schedule.
 - Time perspective: on an ongoing basis, according to notification and/or current schedule.
 - Qualitative and quantitative information: 100% of current documents, post-accident investigations conducted and units inspected.
2. Periodic safety and health training:
 - Scope description: training in accordance with the training regulation for all employees of the employer within the time limits.
 - Time perspective: on an ongoing basis, every 3 years for labor positions, every 5 years for those in charge of employees, every 6 years for administrative and office positions.
 - Qualitative and quantitative information: in 2024, 2,757 laborers, 4,878 employees' managers and 522 administrative and office employees were trained.
3. First Aid Training:
 - Scope description: training 5,000 employees across the Group in practical first aid methods.
 - Time horizon: 3 years; 2023-2025.
 - Qualitative and quantitative information: 2063 people were trained in 2023, 1715 people in 2024.
4. Safe Driving Training:
 - Scope description: Ongoing training of employees with company cars on safety, driving ergonomics and principles of eco-driving and how to provide first aid in the event of a traffic accident.

- Time perspective: organization of training on a continuous basis, min 4 times a month.
 - Qualitative and quantitative information: 38 people were trained in 2023, 97 people in 2024.
5. Health and Safety Campaign:
- Scope description: implementation of periodic activities for employees of all BUs to promote occupational health and safety; contests with prizes, webinars, training, demonstrations.
 - Time perspective: holding an event min once a quarter in different units.
 - Qualitative and quantitative information: activities implemented on an ongoing basis in accordance with the adopted schedule of the Health and Safety Campaign.

The Health and Safety Department carries out its activities through preventive and support activities in the business, i.e.:

- Preventive and post-accident
 - The 5 minutes with health and safety project - videos on screens and talks between supervisors and employees at logistics headquarters,
 - Post-accident recommendations discussed with unit and business managers and supporting departments (e.g., real estate) for implementation,
 - Posters, communication about use (in DC stores and C&C wholesalers) - e.g., slicers, fireworks, wet floors, safe work with cart,
 - Recommendation related to the allocation of work clothing and footwear,
 - Health and safety inspections of units, behavioral audits,
 - Checks on the implementation of recommendations after audits by the insurer and external bodies.
- Aftermath
 - Analysis of reports, review of the most common irregularities and those most risky from a health and safety point of view - presentation to business and unit managers. Support in implementation.
- Training
 - Implementation of periodic occupational health and safety training, initial occupational health and safety training, first aid training, and training for lift trucks, forklifts, specialized lift trucks and mobile platforms,
 - Safe driving training.
- Consultation and design
 - Periodic meetings with the departments: operations, technical, real estate, HR in each business unit,
 - Participation in business and local projects,
 - Recommendation to update the clothing laundry allowance,

- Ongoing advice on occupational health and safety and fire protection for cooperating departments.
- Promotional and Communications
 - Health and safety campaign; contests with prizes, webinars, demonstrations, workshops, training,
 - Communication of matters related to health and safety in the broadest sense.

Wanting to improve the quality of health and safety at work Health and Safety Department:

- Initiates meetings with operational and support departments to discuss the current situation related to the corrective actions being taken, develop a work schedule and monitor progress,
- Controls the implementation of recommendations after internal and external audits and inspections.

The Health and Safety Department participates in numerous additional projects to improve the quality of cooperation, such as:

- Conducting nationwide Health and Safety Campaigns as a safety promotion,
- Eye examinations and general health examinations of employees in units with the cooperation of external suppliers,
- Work life balance group activities and the possibility of remote work/hybrid work formula,
- Subsidized medical and sports packages,
- It has its own representative - Ambassador in the Group's strategic project "Cooperation in the EC Group" - through which the activities of the Health and Safety Department have become more recognized in the EC Group,
- It has representatives in the DEI project and influences the improvement of the "efficiency" area through leadership in the area,
- Representatives of the health and safety department take part in training in Qualified First Aid, which makes the training much more qualitative and substantive,
- Representatives of the health and safety department take part in training and specialized courses, for example, in the operation of warehouse racks, thereby improving the quality of the proposed preventive and implementation measures,
- Representatives of the Health and Safety Department coordinate nationwide cooperation with service providers in the field of service of fire protection equipment - ordering inspections, monitoring the progress of work, verifying the quality of services,
- The Health and Safety Department coordinates the eyewear reimbursement process at EUROCASH Group - verifying the documentation sent from the units and granting reimbursement.

The Health and Safety Department monitors the results of activities and initiatives by implementing the following processes:

- accident analysis - year/year accident rate study,
- training registry - verification of updates on periodic training in OHS, first aid, forklifts,

- inspection analysis - the Health and Safety Department has implemented an application for inspections so that the results of inspections at individual JB's and BU's can be measured on a year-on-year basis,
- the level of involvement in health and safety areas in the Employee Opinion Survey,
- statuses of individual projects with supporting departments (e.g., real estate) at periodic meetings,
- post-training survey,
- behavioral audit.

The processes by which the Health and Safety Department recommends the implementation of new solutions to improve the quality of health and safety in the Group:

- testing of hazardous, harmful and arduous factors of the work environment;
- health and safety committee, trade unions;
- testing new solutions and work tools;
- employee opinion survey;
- behavioral audit;
- meetings with representatives of cooperating departments;
- protocols, recommendations and audit speeches of external bodies;

Channels for reporting non-compliance in the Eurocash Group from the occupational health and safety perspective:

- helpline for reporting all kinds of violations of labor rights,
- employee opinion survey,
- reporting to representatives of the relevant departments on perceived or reported threats to life, health and property,
- Health and Safety Department functional emails and the company's Service Desk Plus tool.

Communication processes for Occupational Health & Safety & Business Department:

- discussions at periodic meetings with business,
- informing the Business through the intranet platform about structural and regional changes in the EHS department,
- update on the intranet of procedures and instructions,
- in-house communicators.

OHS Department's impact on the green economy and climate quality:

- hybrid work has been implemented in the Health and Safety department, thereby reducing commuting to offices and replacing it with remote work from home,
- safe driving and eco-driving training,
- driving hybrid cars.

In order to reduce accidents, the Health and Safety Department is taking a number of measures to improve the occupational safety of Eurocash Group employees through individual actions and strategies:

- Ensuring safer working conditions by improving the infrastructure of the facilities, using appropriate collective and individual protection measures for employees, and conducting regular health and safety training;
- Raising the awareness of those in charge of employees and the employees themselves about risks and their prevention;
- Regular inspection and maintenance of equipment, so that machines and equipment used in the work process are in good working order, reducing the risk of accidents due to technical causes;
- Promoting accountability through the introduction of procedures, instructions, and enforcement and promotion of compliance with health and safety regulations and policies;
- Ongoing investigation and analysis of occupational accidents and near-misses, as well as maintaining a register of accident and near-miss incidents and a register of occupational diseases to understand their cause and implement appropriate preventive measures.

The above measures help achieve the goal of reducing the accident rate and maintaining zero severe and fatal accidents among employees.

Mandatory health and safety training for all employees is a key objective in ensuring employee safety. All new employees undergo mandatory initial health and safety training consisting of general and position instruction and is conducted by the Health and Safety Department and the immediate supervisor or his/her designee. Periodic OHS training courses are conducted regularly, in accordance with the time period stipulated by the law, and are aimed at regularly reminding employees of OHS rules, rules of conduct in case of accidents and emergencies, hazards at the workplace, and the necessity and manner of first aid. In Eurocash Group, all employees have up-to-date health and safety training, and supervision of the validity of the training is provided by the Health and Safety Department in cooperation with the Human Resources Department and the employees' immediate supervisors. Regular maintenance of training records and monthly summary reports directly impact the maintenance of a high employee training rate.

All employees undergo mandatory preventive medical examinations at occupational health facilities cooperating with the employer. The realization of the goal allows monitoring the health of employees and their ability to perform work in accordance with national regulations. The employer provides the examinations and bears the costs of conducting them, and the Health and Safety Department, together with the Human Resources Department and the employees' immediate supervisors, ensures that they are valid and adapted to the type of risks and the specifics of the workplaces.

Conducting health and safety inspections of the employer's subordinate units is a key element in managing safety in the workplace. The development and implementation of an inspection schedule makes it possible to identify risks in the work environment, assess the effectiveness of preventive measures, ensure compliance with legal regulations, and improve safety culture and awareness among employees. The Health and Safety Department audits units in several areas:

- Inspection of the condition of machinery, equipment, tools and work premises;
- Compliance with health and safety regulations and rules by employees;
- Verification of the condition of lighting, ventilation, temperature, general cleanliness in the workplace;

- Review of documentation related to occupational safety;
- Workstation Ergonomics.

Audits conducted by the Health and Safety Department are systematic, documented and archived, and their results are discussed during meetings with representatives of individual units and businesses. During audits, the Health and Safety Department uses an application specially adapted to the needs of the employer by an external supplier, so that audits of units are standardized and their results are measurable and can be compared in annual analyses of the state of health and safety.

[S1-2]

The Health and Safety Department is a separate unit of the company, reporting directly to the Group Management. Its tasks include continuous cooperation with all business units and central departments of the Eurocash Group. In addition, the Health and Safety Department cooperates with organizational units outside the plant on issues of safety in the broadest sense. The Health and Safety Department is required to feed its knowledge and experience to employees and managers, but also to report non-compliances.

EUROCASH Group collects employees' opinions on occupational health and safety in the Employee Opinion Survey, which can be answered by each employee once a year (example of questions: My supervisor cares about safe working conditions; The company provides safe and hygienic working conditions).

In addition, employees' opinion of occupational health and safety is influenced by the activities of the Health and Safety Department, such as:

- All OHS instructions and procedures, Occupational Risk Assessments and other current OHS events that take place in the Organization are available on company platforms (INTRANET, My Delicatessen) and internal messengers, so that every employee has constant access to information.
- Cyclical meetings of the Health and Safety Department with all units of the Group (stores, wholesalers, logistics centers, support departments and managers), thanks to which the Health and Safety Department has detailed knowledge and knows the needs of employees and the business, so it can realistically influence the health and safety of employees, customers and external partners with its actions.
- Occupational Health and Safety Campaigns - serve to bring the areas of occupational health and safety closer together, demonstrating good work practices while maintaining adequate performance. They raise awareness of the impact of OHS on work and workplaces, and the associated health and safety challenges and opportunities. They also provide a platform for sharing good practices. At Eurocash Group, they are carried out periodically, several times a year.
- EC Connect platform - an internal communication platform. Allows the exchange of experiences and opinions on various work-related areas. The Health and Safety Department regularly posts thematic newsletters.
- Selected employee representatives take part in testing work clothing and footwear, thus influencing the comfort of their own work.
- There are labor unions in the Group's largest companies and employee representatives in the others, who take an active part in negotiations to improve quality and safety at work.

Representatives of the Health and Safety Department periodically meet with managers of the Group's largest business units, reporting on current inspection/training/accident results and identifying and determining preventive actions.

Cooperation with the units is carried out within the framework of:

- Inspection visits
 - smaller in format (i.e., stores, wholesalers, office buildings) - an average of 2 times a year;
 - larger in format (i.e., logistics warehouses) - 1 time per month;
- Training
 - periodic (laborer - once every 3 years, managerial - once every 5 years);
 - first aid (1 every 2 years);
 - forklifts, lifting trucks, specialized trucks, mobile platforms - as required.
- Occupational Health and Safety Campaign:
 - several times a year - competitions, attractions, communications.
- Summary meetings with business unit executives:
 - once a month, once a quarter, once a year - depending on the format and size of the business unit and risks.
- Internal communication channels:
 - group emails, newsletters and others depending on the situation and message.

The people with whom representatives of the Health and Safety Department most often work are those designated by General Managers - most often Regional Operations Directors, Regional Managers, HR and Human Resources, Real Estate Managers. In local units, they are unit managers and employees.

The effectiveness of cooperation in the Health and Safety Department is verified through observation and conversation in daily work, periodic meetings, and the employee's annual evaluation.

[S1-3]

The role of the Health and Safety Department in the event of negative influences against employees is:

- Accident incidents - conducting post-accident investigations and the register of near misses,
- Occupational disease - participation in the process of registration, coordination and indication of the path of action in the case of suspected or confirmed occupational disease as support for the head of the unit and the employee with suspected occupational disease,
- Completing documentation to help an employee obtain employee benefits,
- Support to individuals on broad health and safety issues affecting employees,
- Cooperation with external bodies and preparation of documentation,
- Completing professional interviews.

The Health and Safety Department can be contacted with inquiries and concerns through the following channels:

- in-house platform - service desk plus (inquiries, accidents, training demands, external inspections and others),
- mailing box wypadek@eurocash.pl - accident and potentially hazardous events ,
- by filling out a report form or scan the QR code to report an incident via phone/tablet - accident and near miss incidents,
- register of potentially dangerous events - all events that endanger an employee, but also damage to goods and property; a report to this register can be made by a security employee of the logistics center,
- mailing box szkolenia.bhp@eurocash.pl - training demand,
- mailing box kontrola@eurocash.pl - inspections by external bodies,
- general mailing box of the Health and Safety Department - GRP_BHP@eurocash.pl,
- Hotline for employee dlpracownika@eurocash.pl - all matters related to abuse, acting in violation of labor rights.

Process for handling employee complaints by the Health and Safety Department:

- If employee complaints are reported to the mailbox dlpracownika@eurocash.pl - they are handled by a special unit in the HR department - health and safety issues are most often consulted with the Management of the Health and Safety Department,
- Other complaints that are sent to the Health and Safety Department through the above channels are handled internally, possibly consulted with the business, and then a response is sent to those concerned.

In the Health and Safety Department, Specialists and Managers are assigned to respond in the channels contained above. The Specialist/Manager is required to review the box/platform, respond or redirect the inquiry to other specialists or departments.

The assessment of employees' awareness that channels for reporting health and safety situations exist in the Organization is surveyed and evaluated by the Eurocash Group's Employee Opinion Survey. In addition, the Group's employees receive training related to the processes for reporting abuse and non-compliance, and communications and posters appear.

The Health and Safety Department does not have a procedure for protecting people. The Health and Safety Department creates health and safety instructions / procedures and Occupational Risk Assessments - protecting and indicating risks to employees. The Health and Safety Department coordinates the taking of measurements of the work environment, recording these measurements and indicating preventive measures. In addition, the Health and Safety Department responds to every accidental incident, recommending preventive actions to those managing the unit and the business as a whole.

[S1-14]

The occupational health and safety management system covers more than 18,000 employees. In 2024, the Group recorded 265 accidents, including 63 among non-employees. The employee accident rate was 7.63 as the number of accidents divided by the number of hours worked by employees and multiplied by 1,000,000. The number of hours worked was determined based on the assumption that one person worked 40 hours per week. There were no cases of work-related ill-health among employees and no fatalities among employees' own resources or other employees.

The accident register and its maintenance is carried out on a continuous basis - each time after an incident, the injured person or responsible persons (superiors) are required to report the incident. The register of occupational diseases is kept analogously.

Table 37. Occupational health and safety indicators

Regulation S1-14	Value
Number of employees covered by occupational health and safety management system	16 391
Number of non-employees belonging to the unit's employee resources covered by the occupational health and safety management system	1 670
Total number of own employee resources covered by occupational health and safety management system	18 061
Percentage of employees covered by a health and safety management system	100%
Percentage of non-employees belonging to the entity's employee resources covered by the occupational health and safety management system	10%
Percentage of all own employee resources covered by a health and safety management system	100%

Number of work-related accidents of employees	202
Number of accidents of non-employees belonging to the unit's labor resources related to work	63
Total number of work-related accidents	265

Number of hours worked by employees	26 480 919
Number of hours worked by non-employees belonging to the unit's employee resources	4 484 925
Total number of hours worked by own employee resources	30 965 844

Measure of accidents related to the work of employees	7,63
Measure of work-related accidents of non-employees belonging to the unit's employee resources	14,05
Total measure of work-related accidents of own employee resources	8,56

Number of cases of work-related ill health among employees	0
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Number of worker fatalities	0
Number of fatalities among non-employees belonging to the unit's employee resources	0
Number of fatalities among other employees working on the unit's premises	0
Total number of fatalities among own employee resources and other employees	0

Number of days lost due to work-related injuries, work-related ill health and worker fatalities	9 285
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3.2. Employees in the value chain

[SBM-2]

Sustainability is the foundation of Eurocash Group's operations. We are aware of the impact we have on the environment, which is why we strive to become a leader of sustainable change in the wholesale and retail industry. The Group places great importance on respect for human rights within its own organization and plans to extend these values to its suppliers and other business partners in the value chain. Interviews and a survey were conducted with supplier representatives as part of the materiality study. The Group's impact on upstream employees in the value chain is one important aspect. At the same time, we are aware of the impact we also have on the downstream therefore we plan to work on regulating relations with franchisees by implementing appropriate procedures and a code of ethics because of the wide range of people whose interests, views and rights are important for conducting responsible business.

[SBM-3]

Social and labor affairs are one of our priorities and an integral part of our 2023-2025 business strategy and sustainable development strategy. We have clearly defined development directions for the human dimension including providing employees with the best possible and safe working conditions. Potential and actual influences on the people doing the work in the value chain are cooperation with suppliers with responsible business practices, ethical management and extensive education in the value chain. More information on the goals and impacts that the Group is pursuing and plans to pursue can be found in Chapter 1.4. Group Strategy.

Individuals performing work in the value chain over whom the Group could exert significant influence, including influences related to its own operations and the value chain, also through its products or services, as well as business relationships, include:

- individuals who perform work at the entity's location, but who are not part of the entity's own labor pool, i.e. who are not self-employed or employees provided by temporary employment agencies,
- employees working for upstream entities in the Group's value chain,
- employees working for downstream entities in the Group's value chain.

We note a slight reputational and market opportunity risk associated with exploitation of low-skilled and low-paid workers in sourcing regions where minimal protection is provided. The risk increases with potential media and community backlash and consumer preferences for more ethically sourced or sustainable goods.

The Group has not analyzed the geographic areas or commodities for which there is a significant risk of child labor or forced or compulsory labor of those performing labor in the value chain.

[S2-1]

We are committed to ensuring that employees strictly adhere to a number of policies and procedures for protecting personal information, confidential information and ensuring safe working conditions.



Data protection **policies** and detailing **procedures**:

- Personal data protection policy - describes the general principles of personal data processing in the organization,
- Policy on risk analysis and impact assessment of personal data processing - defines the principles of Privacy by Design assessment, assessment of the likelihood of high risk of violation of the rights and freedoms of individuals and the likelihood of privacy violations,
- Procedure for handling requests from data subjects regarding the exercise of rights related to the processing of personal data - describes the procedure for handling requests from individuals to the Controller, i.e. the respective Eurocash Group company, related to their rights regarding personal data,
- Procedure for Assessment and Notification of Personal Data Protection Breaches - sets out the general rules for the assessment, recording and notification of Personal Data Protection Breaches under the GDPR,
- Policy for the selection of a supplier for processing personal data - specifies how to carry out the process of selecting suppliers to whom the Company entrusts the processing of personal data,
- Eurocash Group data protection transparency policy - principles adopted for the processing of personal data,
- Policy on cooperation with the data protection authority - principles of cooperation,
- Regulations concerning confidential information and the duties of insiders – defines the rules for compliance with the provisions of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (MAR) and other legal regulations concerning confidential information within the meaning of the MAR.



Policies

Adopted towards suppliers:

- Code of good practice for suppliers
- Good sustainability practices in Eurocash Group

Human Rights Policy:

- Human rights protection policy in the Eurocash Group

Human rights policy obligations that are relevant to those performing work in the value chain are addressed by the Eurocash Group *Human Rights Policy* described in more detail in Section 3.1.A. Respect for Human Rights.

In its relations with franchisees, the Group has not implemented a code of ethics, which we plan to develop in the near future. This document will be an extension of existing internal procedures aimed at promoting fair, transparent and responsible practices regarding working conditions at our franchisees.

[S2-2]

The Group has not implemented an overall process for engaging with those performing work in the value chain. However, the relevant opinions of those performing work in the value chain may influence the Group's efforts to manage actual and potential influences on such individuals.

Eurocash Group, as the franchise leader on the Polish market, listens to the voice of its franchisees. That's why a Franchisee Council was established, elected every 3 years by democratic vote.



Council of Franchisees in Delikatesy Centrum and Lewiatan chains

It gives opinions on topics and projects, sets perspectives for the future, and its members are a source of invaluable knowledge for each other. Members exchange knowledge and experience in a workplace tool dedicated to them.

The Group attaches great importance to regular quarterly meetings with franchisees. Every year, the Congress of Polish Trade Entrepreneurs is organized by the Eurocash Skills Academy, where investments in franchise networks, technological solutions offered to entrepreneurs and ideas for attracting and keeping customers are presented. In addition, it allows direct relations to be established between network representatives - suppliers - franchisees as participants can actively visit the stands of the event's partners. In addition, franchisees have the opportunity to voluntarily use the educational platform and webinars.

Sales departments responsible for supplier relations not only periodically meet and exchange views on doing business, but also discuss a number of important issues affecting cooperation in the area, among others:

- supply chain: i.e., delivery efficiency, delay reduction, inventory planning,
- market trends - changing customer preferences,
- strengthening cooperation on ESG issues,
- terms of cooperation,
- quality of products and services - reporting problems and suggestions for improvement.

[S2-3]

A breach report can be made by any person who suspects a personal data breach. We make it possible to contact us about personal data issues both by email, telephone and through the website. Reports made by employees in the value chain are treated in the same way as reports from our own employees, with assurances of anonymity and protection. The Group undertakes to provide feedback on the acceptance of submissions.

Any manifestation of disrespect for the principles arising from business ethics will be considered by the appointed team within the framework of *the Procedure for Internal Notifications and Follow-up in Eurocash Group*. Out of concern for the comfort and safety of our employees and business partners, including suppliers and franchisees, we have established an anonymous Helpline. Read more about the available reporting channels in Section 4.2 Whistleblower Protection.

[S2-4]

The Group undertakes a number of activities related to employees in the value chain.

We fulfill our legal obligation to handle the personal information of our customers, employees and business partners appropriately at every stage. We review privacy policies when developing, modifying products and systems. We require suppliers to process personal data only for specific purposes and to use appropriate protection measures.

We use technical and organizational measures appropriate to the risks to ensure the highest standard of personal data protection. Employees and associates who process personal data are required, in

particular, to process data in accordance with their authorization and with due diligence, and to participate in organized training on personal data protection.

The established GDPR team conducts mandatory training for new employees, which maintains a validity of 2 years, and periodic refresher training. It also conducts refresher and informational activities in selected business areas through thematic training and publication of articles. Conducts random audits of individual businesses and processors to whom we entrust the processing of personal data, particularly in the event of material violations. Each contractor to be entrusted with the processing of personal data is subject to an assessment prior to cooperation.

The Group pays special attention to the compliance of its processes with data protection regulations. One of the key elements of ensuring compliance is the process risk analysis and qualification of suppliers and franchisees in terms of compliance with data protection regulations. As part of the analysis, we identify threats by determining potential risks resulting from the processing of data by the contractor, assessing their probability and the impact of a data breach on the privacy of individuals. We implement countermeasures in the form of control mechanisms such as data encryption, access policies and security audits. We expect that each supplier or franchisee who processes personal data for the organization should meet specific legal and security requirements. The process of qualifying contractors includes verification of compliance with legal regulations, must undergo an assessment of the processor, sign an entrustment agreement and possibly a further entrustment agreement. The process in which the partner participates must pass a risk analysis for the rights and freedoms of data subjects. Any sharing of data with our partners is always based on a request for data sharing, in which the partner must demonstrate its processing purposes.

In 2024, no company from the Eurocash Group was charged with a fine by the Personal Data Protection Office for violations of personal data processing, nor was any other penalty imposed on it in this respect.

We are working hard to ensure that at least our largest suppliers implement the Code of Good Practices for Suppliers in their operations and pay attention to the Eurocash Group's Good Sustainability Practices. In accordance with the Group's sustainability strategy, we plan to work only with approved suppliers, which is an integral part of supplier registration. The supplier survey conducted included questions with regard to respect for human rights and working conditions.

The Eurocash Group is also taking steps to make sustainability and ethical management an integral part of our business not only internally, but also in our cooperation with franchisees. The final version of the Code of Ethics for franchisees will be based on these foundations, enriched with additional requirements and expectations, tailored to the specifics of the franchise model.

In 2024, there were no serious issues or incidents of human rights violations related to the Group's upstream and downstream value chain.

[S2-5]

Goal-setting process. With the above issues related to the establishment of the Franchisee Council in mind, the Group actively participates in substantive cooperation on network development.

In line with its business strategy for 2023-2025, Eurocash Group is developing the Delikatesy Centrum franchise network in version 2.0 with broad participation of franchisees and in a balanced profit-sharing model. Entrepreneurs co-determine new directions of the network's development, and in dedicated working groups participate in shaping key commercial and operational processes.

"We will decide on key areas together. We have been working on the strategy in thematic working groups, which are active all the time, meeting weekly or monthly. These groups and meetings will be maintained. The strategy, which was created with the participation of the network's employees and franchisees, will

now be implemented together. This is a change that we realistically feel and believe in its effectiveness."
- Renata Naglik, an entrepreneur who sits on the Franchise Council of Delikatesy Centrum.⁸

The objectives regarding cooperation with suppliers will continue on the basis of the adopted *Sustainability Strategy*. They include respecting *the Code of Good Practices for Suppliers* and *Good Sustainability Practices in the Eurocash Group*, which the Group has committed to implement at its key suppliers (accounting for 75% of Eurocash's turnover). The strategic objectives, along with the metrics for achieving them, can be found in Chapter 1.4 Group Strategy.

3.3. Consumers and end users

Quality and safety of products

[S4-1]

Eurocash Group, as a leading wholesale distributor of FMCG products, organizer of franchises and partner systems, as well as a loyal business and technology partner of local stores in Poland, places food safety as one of the priorities of its operations. Being aware that what we offer our customers ends up on the shelves of thousands of stores across Poland and then on the tables of consumers, we take a responsible approach to the processes we conduct. To this end, a *Food Safety Policy* has been implemented, which not only emphasizes the importance of food safety and continuous improvement, but also captures it holistically in the supply chain from field to table. The Policy does not address human rights issues as defined in the UN Guiding Principles, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises. In addition, the Sustainability Strategy in Pillar II on Sustainable Product has two KPI targets on quality and safety:

- maintaining the ISO 22,000 standard,
- building a base of suppliers committing to good practices in terms of sustainability⁹.

All our commitments, activities and services must be consistently recognized as a model of quality. The safety of the food we offer and the high standard of our services is the basis for the long-term development of the company. Our most important quality criterion is safe food and customer satisfaction.

Safety in the handling of food products is a priority for every employee. We are building a strong work culture that is safe for the products offered, people and the environment. As a priority, we eliminate the sources of any non-compliance in the aspect of product quality.

[S4-4]

Our business is based on the distribution of branded products, where we strive to ensure their availability at competitive prices not only for cooperating chains, but also for smaller entrepreneurs. Working with large suppliers and small local entrepreneurs, we do our best not to affect the quality or safety of the products we offer. We work on the basis of high standards and make sure that already at the stage of supplier approval we verify that conditions are provided to guarantee the safety of the products offered. We conduct audits of suppliers. With due diligence, we check qualification forms and certificates held by suppliers.

⁸ Source: <https://www.grupaeurocash.pl/aktualnosci/delikatesy-centrum-ze-strategia-2-0-chca-byc-najbardziej-konsumencka-siec-franczyzowa-na-rynku-o-kierunkach-rozwoju-zadecydowali-franczyzobiorcy>

⁹ Read more about the achievement of the KPI target in section 1.4 Group strategy

In 2024, we conducted 477 supplier audits (including 118 suppliers who produce our private labels for us). We conduct audits not only in the supplier approval process, but also as a form of monitoring and evaluation during the course of cooperation. This year, we conducted 68 preliminary audits (related to the implementation of a new supplier), of which 12 audits involved manufacturers for private label.

In addition to the mandatory implemented **HACCP** system, we have also implemented additional **standards** that motivate us to continuously improve:

ISO 22000 - food safety standard, which is implemented at Eurocash S.A., covers the processes of approval and evaluation of suppliers, reception, storage, transportation, hygiene, supervision of nonconformities, validation and verification. It has also been certified since its implementation in 2010.



BRCS GS S&D – global safety standard for food storage and distribution at Eurocash Gastronomy. System certified on an annual basis in warehouses: Błonie, Sosnowiec and Plewiska.



MSC/ASC Supply Chain – the standard governing the distribution of fish and seafood from sustainable fisheries (MSC) and responsible farming (ASC). Compliance with the standard confirmed by annual audits at warehouses: Błonie, Sosnowiec and Plewiska.



Organic certification – In accordance with the requirements of Regulation (EU) 2018/848 on organic production, we are certified for the marketing, storage and distribution of organic products.

Implemented security systems are subject to internal audits. Information and comments obtained during the internal audit are used to make changes and improvements to the operation of the system.

Wholesalers are audited once a year, while distribution centers and stores are audited on a quarterly basis. Eurocash Gastronomy is covered by additional supervision and audits are conducted here on a monthly basis. Guidelines introduced on the basis of Procedure - P6.2 Quality Management System Audits.



In Eurocash Group, we conducted 215 ISO 22000 internal audits

- Safety index at distribution centers – **94,68%** (0.58% higher than last year)
- Safety index at wholesalers – **84,85%** (2.56% higher than last year)
- In the area of Eurocash Gastronomy – **465 internal audits**
- Safety index in catering – **99,72 %**
- In Delikatesy Centrum's own stores, we conducted - **765 audits of quality areas**, including - 311 consumer perception audits (DC20 audit)

[S4-2]

Based on market research and the expectations of our customers, we have identified the need for products dedicated to them, guaranteeing quality and price, in unique appearances. In order to meet these expectations, our private labels were created, the safety of which is under our special supervision which is defined in the *Private label Implementation Procedure*. These are products that will allow our customers, local stores to stand out and at the same time compete with other chains. Therefore, we place special emphasis on their quality and safety. We want consumers to find products that are safe, that they can reach for in their local store without hesitation.

Working with selected certified suppliers, we ensure that the products offered in private labels are prepared with due care. Already at the stage of product design, we gather information about similar products from the market, the expectations of our customers and consumers. Many times, it is their

expectations that inspire the creation of new product lines. To ensure that these very expectations are taken into account, we conduct sensory evaluations and consumer tests. They are a standard process in design, nevertheless we also repeat them during the life of the product, and especially when we receive comments or complaints from the market. Each product is subject to monitoring, we conduct product inspection at the wholesale stage, and we also send them on schedule for laboratory testing.



In 2024, we performed:

- **1624 laboratory tests** of products
- **257 sensory evaluations**
- **31 usability tests**
- **501 batches of products** were evaluated at the wholesaler (at the stage of distribution to the customer)
- **We also verified 1,692 passports**

[S4-3]

Networks have their own channels of communication, most often through websites and apps, and each such complaint is handled individually and does not go unanswered. The rules for reporting complaints are described in the regulations posted on the website, but also at the points of sale made available to consumers. The Group also provides an opportunity to contact it directly through a form on the website or by reporting to the Helpline.

[S4-4]

The measures we take are to ensure that products are in line with consumer expectations, maintain their quality and are safe until the expiration date. We are aware that our direct impact on product safety, as a distributor, is limited to the stage of delivery to the point of sale and the assurance that products from our private label line, will reach our consumers in the best possible condition. In order to ensure proper storage and product display conditions, we organize a series of information campaigns to support local entrepreneurs and their employees.

In the case of product deliveries, we are aware of the importance of agreeing our processes with customers; setting a delivery time and punctuality on our part, and providing people to pick up the goods on the customer's side. This practice not only guarantees the efficiency of the process, but reduces the risk of external factors adversely affecting product quality and safety.

Operating in the wholesale market as a distributor of FMCG products, we noticed a problem with the availability of fresh products. In the first stage it was fresh vegetables and fruits, in subsequent stages meat and fish. This area of our business was created in response to market demand and inquiry from our customers. This is a group of products that are particularly demanding, exhibiting seasonal variability, sensitive and perishable. The project required the involvement of a number of specialists, including technologists, to prepare specifications based on trade standards, and then search for manufacturers and suppliers who could ensure the fluidity of supply and thus the availability of products for our customers. With the characteristic requirement of the products in mind, we have prepared special temperature zones in our warehouses and refined logistics processes. Each batch of fresh products is subject to inspection at the stage of acceptance of delivery to the warehouse. This is carried out by the Quality Control department (verification carried out by people with the authorization of an expert). In order to optimize the process, in justified cases, we have also introduced the possibility of postponing the inspection and we carry it out already at the supplier, directly before shipment to Eurocash Group. Comprehensive management of goods in the warehouse is regulated in two documents:

- The procedure for receiving goods into the warehouse,
- Storage procedure.

In addition, the Group has introduced regular testing and storage trials¹⁰. As part of the management review, they are our confirmation of the safety of the product management process. In view of the fact that fresh produce, especially fruits and vegetables, are products whose quality and availability are particularly sensitive to changing weather and climate conditions, to ensure that product quality does not deviate from the market, comparisons with the market are periodically carried out. Such measures allow us to respond to periodic market problems.



Acting in multiple ways, in 2024 the following were evaluated:

- **275063** - batches of products in the fruit and vegetable category
- **124292** - batches of products in the meat category
- **16580** - batches of products in the fish category
- **3186** - batches of products in the flowers category

We have also performed 622 quality inspections at suppliers and 67 local visits by technologists. We also supervise complaints from customers and consumers, and we monitor and analyze the level of complaints on a monthly basis, while actions are taken on an ongoing basis in cooperation with the sales department and suppliers.

Based on accredited external laboratories, 206 product tests were performed, and as part of internal control plans, we conducted storage tests for 1,430 product batches.

Aiming to maintain the highest quality standards, in a process of continuous improvement, we seek confirmation that our activities are effective. As confirmation of their effectiveness, we refer to the results of state inspectorates inspections. In 2024, 234 inspections related to sampling for testing were carried out, of which in 12 cases incompatible results were found for products sampled for testing. As a result, 15 procedures were undertaken to withdraw batches of the product from the market or from circulation, of which 3 cases involved private label products.

In 2024, we conducted 73 batch recall procedures, of which 63 were related to product quality or safety. The recall process in 13 cases involved private labels and in most cases was due to failure to meet quality parameters, and in only one case was it related to improper product labeling.

Data security and compliance with GDPR

[S4-1]

The personal security of consumers and end users in the context of data security and data protection is ensured by an internal Code of Ethical Conduct. We endeavor to ensure that each employee strictly adheres to a series of policies and procedures regarding the protection of personal data and confidential information, especially those obtained through online sales. The policies and procedures made available on the network's website refer to:

- privacy policy - which defines the rules for processing personal data of customers and end users,
- cookie policy - governing the use of tracking technologies on the website,

¹⁰ As part of the HACCP system, management review is done annually through a report on quality areas.

- rules and regulations of the online store - containing key information on the protection of customer data in the context of order processing,
- GDPR procedures - specifying how to exercise customer rights (e.g., the right to erasure, object to processing, access to information),
- instructions for retention periods for personal data,
- procedures for implementing the demands of subjects and their rights,
- violation handling procedures.

[S4-2]

The Group does not have a data security dialogue with consumers and end users.

[S4-3]

We take countermeasures and prevent breaches by periodically updating security systems and privacy policies, training employees on data protection, responding promptly to any reports of potential breaches, and ensuring that customers' rights to delete, limit or amend their processed data can be realized.

[S4-4]

Individual networks monitor website traffic and analyze potential threats. Automated systems protect customer data from unauthorized access. In addition, networks review policies to adapt them to legal and market changes.

We are seeing a positive impact of the policies listed in regulation [S4-1] and activities on customers' personal security. Customer confidence in online shopping is increasing due to transparent data processing policies, effective protection of personal information from unauthorized access, the ability of customers to control their data and marketing consents, and the implementation of privacy and cookie regulations. In addition, an important element influenced by the Group is increasing staff awareness of data protection.

[S4-5]

The Group did not set a goal for improving data security in the Sustainable Development Strategy.

Impact of information - product labeling

[S4-1]

We keep in mind that customers and consumers are important stakeholders for the Group, so we make efforts to ensure their comfort and safety in the use of products. Important in this context is compliance with standards and regulations as well as product quality standards, compliance with which is taken care of by the quality team at Eurocash Group. The Group has implemented a *Food Safety Policy* and procedures governing the taking of action in the event of any non-compliance noted during the distribution process and an approach to managing complaints or returns in a comprehensive manner:

- Procedure: Surveillance of nonconformities,
- Procedure for handling complaints,
- Rules for returns and exchanges of goods and customer complaints,
- General Terms and Conditions of Supply of Products - Private label.

Our most important quality criterion is food safety and customer satisfaction.

[S4-4]

It would not be possible to ensure safe, high-quality products without including the labeling process in the surveillance area, including the provision of origin and traceability information.

Proper product labeling in terms of constantly changing regulations is a challenge. Constant changes in legal regulations require specialized knowledge and regular training. We conduct our activities in two ways, training specialists from the Eurocash Group and cooperating with accredited laboratories.

By verifying the labels of the products we introduce, we ensure that our consumers are not misled by incorrect labeling on the label, and that our customers are not exposed to fines imposed during inspections by inspections directly on entrepreneurs. All food products that we introduce to the market are checked from the aspect of correct labeling.

In the case of products supplied by large manufacturers and production facilities, benefiting, as we do, from cooperation with specialized laboratories, employing specialists with experience and up-to-date knowledge in the field of marking, we have an easier task. This is in contrast to cooperation with small, local entrepreneurs. This is because operating locally, with small production capacity, the cost of consulting or developing labels by an accredited laboratory, or hiring a specialist, is often too expensive. We know from experience that small entrepreneurs prepare labels with due diligence and on the basis of their knowledge, modeling them also on analogous products available on the market, although it happens that they require major changes. In such cases, we support entrepreneurs by conducting verification not only in the form of approval, but by giving them more extensive commentary in this regard and indicating the necessary changes.

Private label products have different product lines developed by us, such as *Kanka*. We take care not only to comply with legal requirements, but also to ensure the legibility of the information provided. In cooperation with suppliers and an accredited laboratory, we refine their detailed passports and design labels that are not only to be attractive to consumers, but are also to provide them with full information that will not only allow them to choose products, from those available on the shelf, according to individual consumer preferences, but also indicate how to properly store and prepare the product so that it retains the highest quality and is safe until the end of its shelf life.

For fresh produce, we are introducing additional requirements related to the use of specific marketing standards for selected groups of fruits and vegetables and origin information for all fresh produce. We take care of proper information on product packaging. The Group has developed operating procedures, including the *Warehouse Receipt Procedure*, and uses the SAP system to assist in ensuring the flow of information - including placement on delivery documents. We ensure the flow of information in the supply chain as a key element so that our customers can deliver properly labeled goods to consumers.

When implementing products, with the aim of selling them at the traditional counter or on the bakery shelf, we take care to provide customers and, further, consumers with full information. Taking care to ensure the availability of information, we prepare data in the system, develop product catalogs that contain the required information including product composition and description, highlighted allergens, information on potential allergens. This database assists our customers, allows consumers to see full information about the products offered.

To assist our entrepreneurs in preparing labels with all the required information, we develop guidelines, manuals and, as part of our Skills Academy activities, we organize training courses and webinars.

In the area of product information and labeling, 29 cases of non-compliance were identified in 2024. 11 of them resulted in the imposition of a penalty by external bodies. The penalties were mainly related to

the failure to display prices and unit prices, the failure to properly mark the promotional price and the lowest price from 30 days before the discount was introduced.

[S4-2]

The most common method of communication is through traders who do business and are in direct contact with consumers. The most common channel for filing complaints is electronic or other traditional communication methods. The Group provides channels for end-users on websites and apps, especially in the area of organized franchise networks, but we are aware that most consumers will report a problem with a product to directly to the trader. The rules for filing complaints are described in the regulations posted on the network's website or app, and also made available to consumers at points of sale.

[S4-3]

All reports are redirected to manufacturers with inquiries about potential reasons for irregularities and corrective actions taken, and in justified cases (especially in private label and fresh product projects), intervention audits are conducted and blocking /recall processes are initiated. In addition, the Group has provided a communication channel through the Helpline, further described in Section 4.2 Whistleblower Protection. Retail chains have communication channels, most often through websites and apps. The rules for reporting any irregularities, objections are described in regulations posted on the website, but also made available to consumers at points of sale. The Group also provides an opportunity for direct contact through a form on the website.

The process by which the organization supports the availability of such channels within its business relationships relates to the submission of complaints and the return of goods. The Group oversees the problems reported and resolved through records of requests. In the Group's view, the available notification channels are visible to consumers and end-users and are a result of the public's awareness of exercising their right to complaint.

[S4-5]

The organization and individual units/departments monitor the number of reports of objections from consumers, collect full information and promptly pass it on to the manufacturer, who, having a direct impact on the product, can make changes in labeling. At the same time, the Group monitors changes in labeling legislation and supervises their implementation by manufacturers. In justified cases, it initiates the process of blocking sales and recalling products.

Social inclusion of consumers

[S4-4]

The Group strives to reach a wide range of consumers through a variety of inclusion strategies. We target various segments of society with products tailored to different needs and preferences, which are extremely diverse and depend on a number of factors, such as age, income, lifestyle and place of residence. We introduce diverse forms of payment, promotions, and tailor offers to the needs of people with different requirements (e.g., the elderly, people with disabilities) as an element of inclusion for a larger group of consumers. We engage in social, educational activities, offering services to access goods online and stationary. Such activities allow us to reach a wide range of customers, including the less affluent or those who previously had limited access to a variety of products.

Today's customers increasingly expect convenience and time savings, so online shopping and home delivery are gaining popularity. Many prefer organic products, healthy food and sustainability, and expect transparency from companies regarding the origin and production of goods. Others, on the other hand,

may find attractive prices, promotions and loyalty programs more important. An important trend is also the growing interest in customized products, such as personalized or specialized ones, which is related to consumers' greater awareness of the quality and variety of offerings. In all these areas, the Eurocash Group is active and in parallel cares about consumer inclusion. To meet this, we have launched the following forms of product availability:

- stationary through an extensive network of tens of thousands of stores,
- online through online stores:
 - Poland's largest chain of liquor stores Duży Ben - almost 2 million customers and 429 stationary stores at the end of December 2024
 - national leader in online grocery shopping Frisco with 70,000 customers per month,
 - Kontigo drugstore - online store and 15 stationary stores liquidated at the end of December 2024.
- ABC na Kołach mobile convenience general stores, which regularly visit customers in the smallest towns where stationary stores are mostly lacking. The chain has 65 vehicles that reach the least urbanized areas.

The expansion of local stores, as the foundation of food distribution in Poland, has been included in the business strategy for 2023 - 2025 and as one of the goals, we are targeting the expansion of an additional 500 net stores per year acquired by the Eurocash Group for franchise and partner networks.

[S4-1]

The Group has not developed a policy related to protecting the rights of consumers and end users, which it will consider introducing in future years.

[S4-2]

Influence cooperation processes with consumers and end-users are carried out through businesses that operate and are in direct contact with consumers. The most common channel for reporting complaints is electronic or other traditional communication methods. The Group strives to provide channels for end users on websites and apps, especially in the area of organized franchises, but we are aware that most consumers will report a problem with a product directly to an entrepreneur.

[S4-3]

Processes for remediating negative impacts and channels for consumers and end-users to report problems are described in Section 4.2. Whistleblower Protection.

[S4-5]

The organization and individual networks, by monitoring reports of objections or development tips from consumers, can take business action to improve product availability, change possible sales forms, or expand inclusion strategies.

Sale of alcohol and tobacco products

[S4-1]

The highest share of turnover in the wholesale and retail sales of the Eurocash Group is accounted for by categories related to alcohol and tobacco products. We are aware that these are products that can have a negative impact on society and health. As a responsible organization, we comply with all legal

regulations related to these areas and exercise care in offering them to customers. To this end, the Group strictly adheres to:

- The Act of October 26, 1982 on Upbringing in Sobriety and Counteracting Alcoholism (i.e., Journal of Laws of 2016, item 487, as amended, hereinafter: "Alcohol Act") concerning the rules of both advertising and promotion and sponsorship of alcoholic beverages,
- The Act of November 9, 1995 on Health Protection from the Consequences of Tobacco and Tobacco Products imposes a number of obligations on the Group.

In order to ensure compliance with the law, the Group has developed and implemented a *Manual of Good Marketing Practices for Alcoholic Beverages in the Eurocash Group* and a *Manual of Good Advertising Practices* applicable to marketing activities undertaken by employees and associates of the Eurocash Group and third parties working on behalf of the Eurocash Group. Both documents define basic concepts, indicate prohibited and permitted activities, and bullet point good practices and examples of marketing activities.

[S4-2]

The Group has not defined influence collaboration processes with consumers and end users.

[S4-3]

We are aware of the potential negative impact of marketing alcohol and alcohol products. The Group is not involved in the remediation of negative impacts to minimize health and social harms resulting from their abuse. Channels for consumers and end-users to report problems are described in more detail in Section 4.2 Whistleblower Protection.

[S4-4]

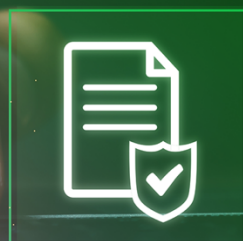
The Group is taking a number of measures to address significant impacts on consumers and users to reduce the consumption of harmful products, in accordance with statutory regulations:

- we verify the age of customers and do not sell alcohol and cigarettes to people under the age of 18,
- we take care to obtain the appropriate licenses for the sale of alcohol depending on the type of alcohol,
- we do not participate in the process of advertising alcoholic beverages, especially targeting minors,
- we do not participate in the process of sponsoring cultural, sports and other events in relation to the promotion of tobacco products,
- we comply with restrictive regulations allowing alcohol advertising in limited locations,
- we restrict the sale of alcohol during nighttime hours insofar as local regulations dictate,
- regular webinars and training sessions are organized on the rules of conducting promotions and advertising of alcoholic products.

[S4-5]

Goals for managing significant negative impacts, increasing positive impacts, and managing significant risks and significant opportunities have not been set.

CG



Corporate
Governance

ESG

4. CORPORATE GOVERNANCE [G]

4.1. Corporate culture and business practices

[G1-1]

The Eurocash Group has an extensive network of stakeholders for whom we feel responsible - not only in the business context. We are aware of the scale of our operations and our impact on the environment. Being one of the largest employers in Poland, we attach great importance to corporate governance. We operate in accordance with the law, market standards, internal regulations and ethical principles. We are transparent to stakeholders and, as a public entity, also to the market. We have included the ESG area in the Eurocash Group Strategy for 2023-2025 in order to develop our activities in this area even more effectively and regularly improve the company's internal regulations.

The Group establishes the spread of corporate culture through:

- determining the basic directions of action and principles defining the company's mission, vision and values,
- involving senior management to promote the company's values and standards through their behavior and decisions,
- appropriate selection of employees whose beliefs and attitudes are in line with the company's mission and vision which promotes consistency in organizational culture,
- regular training to help employees understand and implement the company's values in their jobs,
- transparent and open communication that fosters trust and commitment among employees and contractors,
- recognizing employees for attitudes in line with company values.

The Eurocash Group has ethical principles that define standards of conduct and key values, compliance with which is one of the cornerstones of corporate governance. These values are listed in a number of sources:

- Code of Ethics and Conduct for Eurocash Group Employees,
- Sustainable Development Policy,
- Conflict of Interest Management Policy,
- Anti-corruption Policy,
- Human Rights Policy,
- Code of good practice for suppliers.

The Group's values are further described in Section 1.4 *Group Strategy*.

The retail chain's ethical principles form the basis for responsible and sustainable management. These values apply to conduct in relations with customers, as well as with employees and suppliers. We expect them to adhere to standards of integrity, transparency and respect for human rights and the environment. Ethics at the Group includes, among other things, anti-fraud, fair competition, attention to the protection of personal data, and ensuring safe and decent working conditions. Our corporate

culture fosters ethical attitudes among employees, creating an environment in which these values will be upheld at every level of the organization.

We have no doubt that applying ethical principles to operations attracts consumers who are aware of the Group's impact on society and the environment. This approach not only builds trust in the brand, but also influences its prospective development, ultimately creating a stable and responsible organization.

We strive for the highest standards not only in terms of the quality of our services, but also in terms of our high organizational culture, which we build on the basis of honesty, transparency and trust. Out of concern for the comfort and safety of our employees and business partners, we are developing a system for signaling irregularities and violations of jointly represented values. The Trust Line created by us is a tool that can be used by anyone who, in cooperation with Eurocash Group, has observed situations contrary to the law, procedures or ethical standards. More about the Helpline in section 4.2 *Whistleblower protection*.

The Group has implemented procedures for the prompt, independent and objective investigation of business conduct incidents, including incidents of corruption and bribery, as discussed in more detail in sections 4.2 Whistleblower protection and 4.3 Anti-Corruption.

Promoting and developing corporate culture is done through:

- Organizing team-building events that build relationships i.e. meetings outside the workplace and celebrating successes together.
- Creating a space for employees to express their opinions or initiatives: through surveys, periodic feedback meetings when goals are set and met, allowing employees to share their ideas and comments.
- Regular training courses that help to understand and implement the company's values in daily work in a modern form using e-learning platforms for training. Workshops, team games or case studies, engage participants and enable practical application of acquired knowledge. In addition, mandatory online training on "Principles of Ethics in Eurocash Group" has been prepared for all employees.
- Giving employees opportunities to lead projects or engage in activities outside of their daily duties which increases a sense of belonging and commitment.

The Group assesses corporate culture through regular employee satisfaction surveys, analysis of engagement indicators, and evaluation of employee turnover and lessons learned.

4.2. Whistleblower protection

[G1-1]

The organizational culture of the Eurocash Group is based on the values of honesty, openness and trust. Any Group employee who observes behavior that is inconsistent with the law, procedures and ethical standards should immediately report such incidents. In particular, this applies to situations involving fraud, corruption, conflict of interest, discrimination, bullying, violation of employee rights, consumer rights or money laundering. The acceptance of reports from whistleblowers until 2024 was in effect under *Regulations for Accepting and Processing Reports of Violations in the Eurocash Group*. In January 2025, the Group updated the reporting procedure bringing it in line with the current provisions of the act on Whistleblowers.

The Group ensures objective analysis of each report. An independent unit within the Risk Management and Sustainability Department is responsible for the process of reviewing reports. All whistleblowers are guaranteed absolute confidentiality of data and the opportunity to remain anonymous. Every employee, contractor, business partner and all persons performing any activities for and on behalf of Eurocash S.A., subsidiaries and affiliates of the Eurocash Group in a situation where they observe or suspect misconduct, have the opportunity to report the problem to the Helpline through available channels.



Notification channels

Email linia.zaufania@eurocash.pl

Application form at www.grupaeurocash.pl/formularz-sygnalista

By phone at 61 646 57 57 from Monday to Friday, from 8:00 am to 4:00 pm

By regular mail with a note: Linia Zaufania adres: Punkt ds. Przyjmowania Zgłoszeń Grupy Eurocash; ul. Wiśniowa 11; 62-052 Komorniki

The Risk Management and Sustainability Department, as an independent organizational unit, ensures the impartiality and independent evaluation of incoming reports, cooperating with other organizational units and business units in their resolution. The cooperating organizational units and business units are required to verify the report with due diligence, maintain the whistleblower's anonymity if they reserve it, confidentiality of data, protection of personal data and protection of the whistleblower.

The Eurocash Group provides protection against repressive, retaliatory, discriminatory or other types of unfair treatment that may result from such reporting.

The Group has not implemented a formal mechanism for reporting information about its negative impact on external stakeholders, but as an organization it is open to all information about such situations. Stakeholders have the opportunity to communicate by email.

The analysis and status of all legitimate reports are presented to the Group's Management Board on a continuous basis based on a review of the restricted reports. In 2024, the Group received 125 reports of potential irregularities. All of them were verified, and 38 of them were confirmed. The Group made recommendations to human resources departments responsible for deciding whether to implement corrective programs or, as a last resort, terminate the employment relationship. For more information on the figures, see Section 3.1 B. Reporting concerns and irregularities, regulation [S-17].

In the reporting year, training courses and webinars were posted on the Eurocash Skills Academy educational platform to raise awareness among employees, under the title:

- Anti-harassment and discrimination - mandatory training for managers,
- Reporting channels for whistleblowers in the Eurocash Group - voluntary webinar,
- Anti-bullying and anti-discrimination policies and support for diversity in the Eurocash Group - voluntary webinar,
- The whistleblower: once a whistleblower, now a valued employee - voluntary webinar.

More educational campaigns are planned as part of the new procedure.

4.3. Anti-Corruption

[G1-3] The Group's *Anti-corruption Policy* has been developed in compliance with the law, the standards of the compliance management system, the whistleblower protection system for companies listed on the Warsaw Stock Exchange and the ISO 37001:2016 standards. The purpose of this policy is to define standards for actions addressed to employees, co-workers, management, contractors, business partners and persons performing any activities on behalf of and for the Eurocash Group.

The second document governing the adamant policy on anti-corruption and bribery is the *Code of Ethics and Conduct for Eurocash Group employees*.

[G1-1] The corruption risk assessment carried out in the Group identified an increased corruption risk in purchasing, including in particular non-commercial purchases. In response, the Group has implemented higher standards for tendering and verification of bidders - potential suppliers, as well as mechanisms to prevent conflicts of interest and control mechanisms in the supplier selection process. All business units of the Group are assessed for corruption risks on a cyclical basis every two years. The following significant corruption risks have been identified in the Group:

- risk of conflict of interest,
- risk of obtaining a personal benefit (property, non-property) as a result of the choice of supplier,
- failure to conduct tenders for non-commercial contracts resulting in inflated costs of service delivery,
- risk of biased one-person supplier selection decisions,
- lack of "second hand" control,
- lack of automation in the process of selecting non-commercial suppliers.

The compliance department conducted a webinar related to anti-corruption and bribery topics for employees entitled *Anti-Corruption Policy and Conflict of Interest Management in the Eurocash Group* for employees, including those in positions at risk, prior to the reporting period. The Group plans to repeat the training in 2025 and will additionally consider including it in the list of mandatory training for newly hired employees.

Disclosure G1-3-21b	Value
Number of people performing risk-exposed roles	66
Number of people performing risk-exposed roles covered by training programs during the reporting period	0
Percentage of people in the organization with performing risk-exposed roles and covered by training programs during the reporting period	0%

The Eurocash Group does not have a dedicated procedure for prompt, independent and objective investigation of incidents of business conduct, including incidents of corruption and bribery. Nevertheless, there is an *Anti-Corruption Policy* in place in the organization, which details prohibited behavior in this regard. Each incident reported by a whistleblower regarding corruption or bribery is individually analyzed and dealt with according to an internally developed method. The Group plans to revise its Anti-Corruption Policy in the next reporting year. There is a separate unit in the Group that handles the investigation or work of the investigation committee. It is separate from the chain of management structures involved in the case, which ensures the independence and objectivity of the

investigation process. The Group has not developed a procedure for reporting the results of the investigation to administrative, management and supervisory bodies.

[G1-4]

There were no prosecutions against the Group for violations of anti-corruption and anti-bribery laws in 2024. There were no convictions or fines for violations of anti-corruption laws and anti-bribery laws.

4.4. Managing relationships with suppliers and franchisees

SUPPLIERS

[G1-2]

In an effort to gather information on key environmental, social and corporate governance processes carried out by its business partners, Eurocash Group has prepared two documents presenting its commitment and values in the area of sustainability. These are the Code of Good Practices for Suppliers and the Good Practices for Sustainable Development in the Eurocash Group. They systematize the requirements the Group places on suppliers. The documents have been provided to key suppliers in the form of recommendations for implementation. Implementation of the code promotes responsibility in the value chain. In the coming years, we plan to strengthen the due diligence process and consider describing and implementing a supplier audit procedure. This process will be part of the oversight of the implementation of socially acceptable principles at suppliers who have adopted the Code and at the same time performed due diligence.

In particular, the minimum standards for business relations are based on international guidelines and principles:

- The International Bill of Human Rights, developed on the basis of the Universal Declaration of Human Rights adopted by the UN General Assembly in 1948, taking into account the International Covenant on Civil and Political Rights and its two protocols and the International Covenant on Economic, Social and Cultural Rights;
- Declaration of Fundamental Principles and Rights at Work of the International Labor Organization (ILO) and its eight fundamental conventions;
- Directive on corporate sustainability due diligence;
- Ten principles of the United Nations Global Compact - United Nations Global Compact (UNGC);
- Convention on the Rights of the Child;
- UN Convention on the Elimination of All Forms of Discrimination against Women;
- OECD Guidelines for Multinational Enterprises;
- International Labor Organization (ILO) labor standards;
- ISO 37001:2016 Management systems for anti-corruption activities;
- ISO 37002:2021 Management systems for whistleblowing.

In our relations, we comply with national and international generally applicable laws. We comply with the Best Practices of Companies Listed on the Warsaw Stock Exchange 2021 and the Standards recommended for the compliance management system in the field of counteracting corruption and the

whistleblower protection system in companies listed on markets organized by the Warsaw Stock Exchange S.A. We also comply with professional standards appropriate for the industry we represent.

Our contractors are expected to be guided in their business dealings by principles derived from business ethics, in accordance with implemented principles of ethical conduct. The Group builds long-term relationships with trusted suppliers who meet the requirements of the highest quality of products and services provided. Non-commercial suppliers are selected on the basis of competitive bidding or tenders. Commercial suppliers are selected from a group of reputable companies to which the Group proposes to implement the Code of Good Practices for Suppliers. For local products, one of the selection criteria is the location of the potential supplier's facilities.

We require absolute respect for human rights. Suppliers are expected to take action to protect human rights in emergency situations, such as humanitarian crises, and to combat discrimination and intolerance.

The use by suppliers of any form of forced labor, human trafficking, as well as child labor under 15 years of age and prison labor, with the exception of rehabilitation programs, attitudes and behavior that may lead to discrimination, violation of the principles of respect for elementary moral norms is not tolerated. With regard to our contractors, we demand that in their actions they be guided by the principles of equal treatment and the prevention of all forms of discrimination, and ensure fair pay and equal treatment of women and men, respect for human dignity.

Equal opportunities are expected to be provided to all employees, regardless of gender or age, disability, marital status, parenthood, ethnic, national or social origin, sexual orientation, religious beliefs, political or union affiliation. Suppliers should create equal opportunities for access to professional development and advancement of their employees, as well as respect the right to rest in accordance with the law. An important aspect of cooperation is the possibility of providing jobs for people with different levels of physical fitness, and being active on the labor market for people with disabilities. The type and place of work should be organized in accordance with legal requirements and the individual needs of the employee. Duties should be assigned with respect for people with disabilities, who, due to health restrictions, should work in reduced working hours and with additional leave. We emphasize the compliance of our business partners with international regulations and standards in the field of protecting the rights of children and minors.

Suppliers are expected to take measures to prevent violence, harassment, discrimination and unequal treatment in employment, to treat employees equally in the establishment and termination of the employment relationship, terms and conditions of employment, promotion and access to training to improve professional skills. So that the mutual relationship between employer and employee is based on trust, in accordance with the law. It is extremely important that the contractor ensure compliance with the norms of labor law and occupational health and safety. Behavior and negligence that may threaten the safety and health of employees, co-workers and customers is not accepted. Suppliers are expected to be prepared for the occurrence of hazards or emergencies related to the nature of the business.

Important aspects of cooperation with suppliers include ensuring the highest level of application of the principles of transparency and transparency of business transactions and counteracting corruption. Corrupt behavior is contrary to the adopted principle of conducting responsible business, based on compliance with the law, transparency and honesty. We do not accept the use of antitrust practices, failure to comply with the requirements of counteracting money laundering and terrorism financing. We require suppliers to make every effort to ensure that the personal data they process is properly protected.

Suppliers are obliged to implement and apply environmental protection measures. In particular, water efficiency, wastewater and waste management and circular economy. It is important for contractors to

carry out activities that prevent food waste, excessive noise emissions and soil pollution, as well as support biodiversity.

We expect our contractors to comply with and require their subcontractors throughout the supply chain to take action to ensure full protection of animals and respect their welfare, recognizing that "animals are sentient beings."

An important step in supplier relations is the identification of risks and opportunities associated in the area of supplier relations. The most significant risks involving issues related to suppliers and business partners are those that can result in:

- disruptions in supply chains,
- loss of liquidity,
- loss of credibility and negative public perception,
- additional costs to be incurred as a result of late payments or settlements,
- loss of business partners.

On the other hand, opportunities related to supplier and business partner activities are related to transparent and partner relationships with suppliers, broader product offerings, more attractive payment terms, a flexible and uninterrupted supply chain, and a positive image in the banking and investment sector.

FRANCHISEES

Support for the development of entrepreneurs

Eurocash Group is committed to business development through:

- modern technologies - including eurocash.pl, Innovative Trading Platform, EuroPlatform, POS,
- business support - including private labels, Razem Taniej shopping platform,
- marketing support - including promotional newsletters, consumer activations,
- financial support - including factoring and payment platforms,
- education - including the Eurocash Skills Academy,
- negotiating fair deals from suppliers - including the Equality in Business Ranking.

Elements of the entrepreneurial development process:

1. choice of the form of cooperation: franchise, partner and agency networks,
2. access to necessary tools,
3. education and skills development.

The Eurocash Group offers a wide range of retail solutions and concepts to local store owners. This allows any entrepreneur who wants to start cooperating with the Group to choose the right model of cooperation within a franchise, partner or agency network. In addition, Eurocash provides customers with the development of their competence through the Eurocash Skills Academy programs and marketing support - from attractive promotional tools to long-term loyalty programs. Each new entrepreneur can count on help from the moment they decide to start cooperating with the Group and full support throughout.

Eurocash provides customers with access to various distribution formats, a choice of retail concepts, shopping scale, and tools for development and education. The Group has been supporting innovation and business development of local entrepreneurs for almost 30 years, as well as providing them with education and knowledge in the area of sustainability, among other things.

The tools offered by Eurocash Group to support business development:

- eurocash.pl
- Innovative Trading Platform (IPH).
- POS system
- Fresh Project
- Own brands
- Equality in Business Ranking
- Razem Taniej shopping platform
- Marketing support for all networks
- Network loyalty programs
- Payment platform for franchisees
- Skills Academy
- Eurocash Group blog - current advice for local store owners.

Companies and brands that focus on sustainability and conscientiously implement these values enjoy greater trust among customers and consumers. This translates into higher sales, positive shopper experiences and building shopper loyalty. Eurocash Group has decided to support entrepreneurs running franchise and partner stores in ESG as well. To this end, a new educational area "Sustainability in Your Store" was created on the Skills Academy website, from which visitors can learn what sustainability really is and what actions can be taken to run a responsible business. The content in the resulting best practices database is grouped into five thematic areas: Sustainable business, Responsible sales: regulations and laws, Energy-efficient store, No food waste, Waste management.

Entering into agreements with franchisees

Concluding agreements with franchisees is a key stage of cooperation between a franchisor and an entrepreneur who wants to do business under a recognizable brand. A franchise agreement precisely defines the rights and obligations of both parties, regulating trademark licensing, operating standards and fees. A carefully drafted contract minimizes the risk of disputes and provides clear rules for the operation of the franchise network, which promotes long-term, stable cooperation. In addition, franchise or agency agreements regulate the purchase of products, management of the product range, use of operating systems and obligations to comply with brand standards. They usually include information on the minimum period of cooperation and the terms of renewal or termination. An important reference is to the operations manual, which is a set of operating procedures under the agreement.

Eurocash allows franchisees to tailor assortments and promotions to the specific needs of local markets. Franchisees have a certain level of flexibility in running their business, which allows them to better respond to the expectations of local customers.

4.5. Payment practices

Payments

[G1-6]

The Eurocash Group in 2019 implemented payment practices on the basis of *the Procedure for Circulation and Acceptance of Documents and Verification of Suppliers*. Several subsidiaries that are not yet subject to the procedure, due to the smaller scale of their operations, have developed their own long-standing payment practices. The overall goal of the policy is to organize the document circulation system to ensure timely transfer of financial documents to accounting, care for formal and substantive compliance and adaptation of accounting documentation to the requirements of separate regulations. The Group takes great care to pay its obligations on time, which translates into an honest approach to cooperation with our business partners and minimizing the risks associated with the imposition of charges resulting from late payments.

[G1-2]

An important element of *the Procedure for Circulation and Acceptance of Documents and Verification of Suppliers* is the standardization of payment terms depending on the method of distribution of documents and the prevention of payment bottlenecks including the protection of small, medium and micro entrepreneurs ("SMEs"). Faced with the SME sector, the range of payment terms in depending on the company in the Group and the nature of the business is 14 to 39 days on average. For suppliers classified as Large suppliers, the range of payment terms is on average between 15 and 90 days.

Table 30. Payments to suppliers

Disclosure G1-6 point 33	Value
The average time it takes to pay an invoice from the start date of the payment deadline calculation, in number of days	29 days
Total number of documents	2 569 473
Number of payments in line with standard payment terms	2 370 610
Payment percentage compliant to standard payment terms	92%

The Group allows contractors to send accounting documents through four channels, while requiring the shortest possible payment terms and complying with regulations protecting SMEs, and presents acceptance patterns in relation to the type of obligations and the method of delivery of documents:

- Automatic electronic data exchange - EDI system,
- Electronic document flow in PDF,
- Documents in paper form, scanned in the office department,
- Self-invoicing.

Payments are processed daily, except for exceptions. In addition, we provide counterparties with access to up-to-date knowledge of ongoing transfers via payment advices, which reduces settlement time and ensures settlement compliance.

The treasury department periodically monitors the level of financial risk and ensures financial security of payments by providing sufficient financial resources to meet current payment obligations and anticipates future financial needs. In addition, it maintains relationships with banks and other financial

institutions in order to negotiate favorable credit terms, set credit limits and optimize costs related to the company's financial services.

[G1-1]

The Group has not implemented policies for in-house training on payment relationships with suppliers. Concerned about payment security, the Group provided all employees with the opportunity to take a general course entitled "False Invoices and Attacks on Payment Processes," available in online form at the Eurocash Skills Academy.

Payment practices

In the area of settling obligations to commercial and non-commercial suppliers, the average time to settle an invoice was 29 days. The Group made an expert decision and did not take into account intra-group transactions, payments to authorities and adjustment invoices. The calculated value is a weighted average of payment days, taking into account the weight of the number of documents in each company. Payment term was shown as the number of days between the document date on the invoice and payment. Documents financed under factoring were taken into account according to the date of financing. The number of invoices paid on time in 2024 was 92%. The Group makes every effort to prevent unnecessary delays and eliminate the risk of violations to contractors.

As of the reporting date, the Group has no pending litigation in connection with delays in payment due to negligence or cases in which we recognize the plaintiffs' claims as valid in principle. The only litigation is of a contentious nature, in which we dispute plaintiffs' claims either in principle or in amount.

Supplier violations

The President of the Office of Competition and Consumer Protection (OCCP) issued a decision on November 30, 2021, stating that Eurocash S.A. had committed the practice of unfairly exploiting its contractual advantage by charging suppliers of agri-food products for services that are not performed for them or that are performed, but about which the suppliers are not informed, including their costs and results. Thus, he imposed a fine of more than PLN 76 million on the company. Eurocash S.A. does not agree with the position of the Chairman of the OCCP, and therefore appealed the decision to the Court of Competition and Consumer Protection (CCCP) on December 30, 2021. On February 19, 2024, the Court of Competition and Consumer Protection overturned in its entirety the decision of the Office of Competition Protection to impose a PLN 76 million fine on Eurocash. Thus, the Court of Competition and Consumer Protection shared the Company's position on the aforementioned decision of the President of the OCCP. In June 2024, the Chairman of the OCCP filed an appeal challenging the judgement in its entirety. In July 2024, the Company filed a response to the appeal. Given the appeal against the CCCP's judgment, the outcome of the case will depend on the decision of the Court of Appeal in Warsaw. According to the Company's best knowledge, the proceedings before the Court of Appeal in Warsaw may last at least a dozen or so months.

In 2024, the company cooperated with the Office on an ongoing basis, providing timely responses to a number of other inquiries made by the President of the OCCP as part of its investigations and FMCG market research.



Appendix

5. APPENDIX

This 2024 Eurocash Group Sustainability Report has been approved by the Management Board of Eurocash S.A.

SIGNATURES OF MANAGEMENT BOARD MEMBERS

Position	Name	Date	Signature
CEO	Paweł Surówka	April 2, 2025.	
Board Member Chief Financial Officer	Piotr Nowjalis	April 2, 2025	
Board Member Human Resources Director	Katarzyna Kopaczewska	April 2, 2025	
Board Member	Tomasz Polański	April 2, 2025	
Board Member	Dariusz Stolarczyk	April 2, 2025	
Board Member	Szymon Mitoraj	April 2, 2025	
Board Member	Marcin Celejowski	April 2, 2025	