Climate Policy

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1. Policy statement:

We acknowledge climate change as a critical global challenge and are committed to reducing greenhouse gas (GHG) emissions from our own operations, while also working collaboratively with suppliers to reduce emissions from our value chain. This Climate Policy sets out our strategic approach to climate change mitigation and outlines how we integrate climate action into decision-making at JYSK.

This policy supports our broader sustainability strategy "A Great Offer for Generations" and encompasses our strategic commitment to reducing the impact of our business on the climate and the environment.

Our Climate Policy is informed by internationally recognised climate and sustainability standards to ensure credibility and alignment with best practices:

- GHG Protocol – for emissions accounting across scope 1, 2, and 3
- Science Based Targets initiative (SBTi) – for setting scope 1 and 2 near-term reduction targets aligned with the 1.5°C pathway and scope 3 supplier engagement target
- Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS) E1 – to future-proof our disclosures in line with EU regulatory requirements

These frameworks ensure consistency in measurement, target setting, supplier engagement, and transparent communication.

2. Scope:

This policy applies to all JYSK business activities, including owned and operated assets, and relevant value chain activities. The policy covers:

- **Scope 1** (direct emissions from owned or controlled sources)
- **Scope 2** (indirect emissions from the generation of purchased energy)
- **Scope 3** (indirect emissions across the value chain, primarily focusing on the high emissions from purchased goods & services and upstream transportation & distribution)

While direct operational emissions (scope 1 and 2) are a core focus, this policy also addresses the broader climate impact of our value chain.

This policy applies globally to all JYSK employees, and it is made available to all employees through our intranet, MYJYSK. Related procedures and guidelines addressed to specific functions are implemented into the respective departments.

3. Objectives and targets:

The objective of this policy is to establish a clear, unified framework for how we will address and reduce our impact on climate change. We are committed to taking measurable and science-based climate action that aligns with international frameworks for limiting global warming, and to setting credible emissions reduction targets in line with the latest climate science. As part of this commitment, we have joined the SBTi and set emission reduction targets.

- Scope 1 & 2 target: reduce absolute scope 1 and 2 GHG emissions 50.4% by FY32 from FY22 base year.

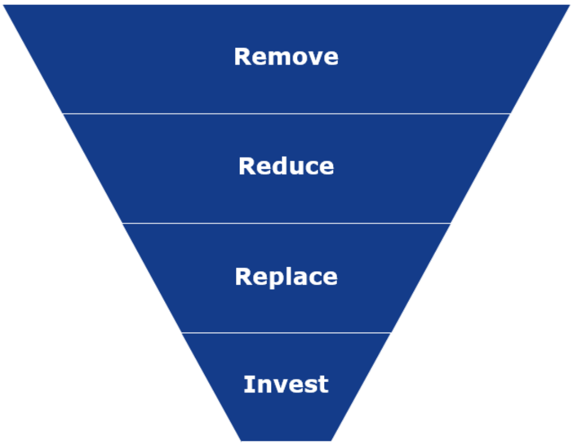
- Scope 3: 72.5% of our suppliers by emissions covering purchased goods and services will have science-based targets by FY28.
  We will review and update scope 3 commitments as supplier engagement improves.

4. Actions:

Scope 1 and 2 – Own operations

We are committed to reducing greenhouse gas emissions from our own operations (scope 1 and 2) by investing in initiatives that are both financially viable and environmentally impactful, in alignment with our SBTi commitments.

When pursuing to reduce our emissions from energy consumption, we follow a prioritised hierarchy of remove – reduce – replace – invest.



To support this transition, JYSK is working with five initiative groups as follows:

1. **Improved energy data insights**
   Investment in smart metering systems to enable highly detailed, real-time energy data collection and analysis.

2. **Renewable electricity**
   Installation of solar and wind energy systems at owned and operated facilities, and participation in the development of new renewable energy projects.

3. **Heating source transition**
   Transition from natural gas and fuel oil to lower-emission alternatives such as district heating, heat pumps, and other sustainable heating technologies.

4. **Behavioural change**
   Employee engagement through competence development, awareness campaigns, and targeted training programs to foster a culture of energy responsibility.

5. **Energy efficiency**
   Implementation of an Energy Management System (ISO 50001) in high energy-consuming countries and adoption of automated energy controls, upgrading HVAC systems, and transitioning to modern, energy-efficient LED lighting.

Implementation of these initiatives is decentralised to individual country and logistics management teams, supported by central guidance, expertise, and resources from our Head Office, e.g. from a central energy work group. This includes budget allocation, strategic direction, and staff training.

Given our continued expansion, including the opening of several new stores each year, the scope 1 and 2 emissions reduction strategy incorporates considerations of heating sources, energy efficiency, data availability, and renewable energy within opening new stores and distribution centres.

Through this structured approach, we aim to reduce operational emissions while supporting our growth trajectory and long-term climate commitments.

Scope 3 - Value chain

We are committed to continuously enhancing the data accuracy of emission data across our value chain through close collaboration with suppliers and external stakeholders. Transparency in the reporting of GHG emissions and progress is a central element of this commitment.

All product suppliers sign our supplier code of conduct, describing the rules and directions for behaviour, including environmental principles, such as reducing climate impact and energy consumption.

Supplier collaboration and data accuracy

To help build awareness and understanding, we are facilitating knowledge sharing by hosting meetings and webinars. For suppliers handling SBTi target setting on their own, we are providing ongoing support and offer to address specific questions or facilitating introductions to topics based on individual needs, aiming to give suppliers the support throughout the entire target-setting journey.

To further improve the data accuracy from our value chain, we are developing a large data project, requesting much more specifications of products. The project will allow us to make better decisions on a more accurate data foundation and measure CO_2e on a product level. To further support the goal of data accuracy, our product suppliers must have a valid amfori BEPI environmental monitoring. amfori BEPI (Business Environmental Performance Initiative) is built on the values outlined in established due diligence and environmental frameworks, such as the UN Sustainable Development Goals, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises on Sustainable Business Conduct. The environmental monitoring assesses suppliers' performance within eight environmental performance areas and validates consumption data providing information on factory level.

Initiatives and actions

In addition to our supplier engagement efforts, we are introducing reduction initiatives for scope 3 in Category 1: Purchased Goods and Services and Category 4: Upstream Transportation and Distribution.

Decisions of reducing emissions from scope 3 are currently based on pragmatic, financially feasible opportunities, with a growing emphasis on sustainability. As we plan to set a new scope 3 target in FY28, when our current target is reached, we are currently introducing different initiatives to reduce GHG emissions from our value chain, while continuously investigating opportunities and innovation.

5. Governance

Role	Responsible	Responsibility
Policy owner	EVP Finance & CFO	Provides strategic oversight and ensures alignment with corporate goals. Most senior level responsible for the implementation of the policy in JYSK.
Policy approver	Sustainability Management Group	Reviews and approves policies, ensuring consistency and compliance on policy form.
Policy responsible	Sustainability department	Drafts, implements and revises policy with input from and engagement of the Environmental Core Group in JYSK.
Policy implementation	Country Directors, Logistics Directors, Finance Managers, and Environmental Core Group	Responsible for the local implementation of climate actions.

All JYSK employees are expected to adhere to this policy, participate in training as required and report any misconduct.

6. Compliance and grievance mechanisms

We ensure compliance with this Climate Policy through a combination of procedures, audits, supplier requirements, and accessible grievance mechanisms.

Key mechanisms include:

- Annual GHG emissions reporting for scope 1, 2, and 3
- Internal controls for scope 1 and 2 data collection, including documentation, procedures, and training
- Supplier requirements and expectations are embedded in the Supplier CoC and in our Supplier Guideline Platform, which set expectations regarding environmental practices, emissions reductions, and resource efficiency
- Product supplier compliance is monitored through sustainability performance metrics and third-party audits such as amfori BEPI's environmental monitoring
- Grievance mechanisms allow employees, suppliers, and other stakeholders to raise concerns regarding non-compliance through established whistleblower and reporting systems. These are handled confidentially and addressed through appropriate remedial action.

7. Reporting

We are committed to transparent and regular reporting on our climate actions and progress towards our emissions reduction targets. Key reporting practices include:

- Publishing an annual sustainability statement, which includes:
    - Climate-related progress and performance
    - Implementation status of key scope 1, 2, and 3 initiatives
- Disclosure of progress toward SBTi-aligned targets, including scope 1, 2, and 3 emissions reductions, renewable energy adoption, and supply chain improvements.
- Transparent communication of data limitations and challenges in scope 3 measurement, with a commitment to continuous improvement in data quality and coverage.
- As we are committed to reduction targets, climate accounting and progress is communicated to the Executive Management Team and Environmental Core Group when relevant.
- All internal GHG results are reported and validated to/by data providers and key departments.

8. Related policies

This policy should be read in conjunction with other internal policies and frameworks that guide JYSK's sustainability efforts. These documents provide more detailed procedures and operational standards for specific areas of environmental performance:

- **Energy Policy –** JYSK's energy practices for stores, distribution centres, and offices
- **Operational Guidelines** – detailing best practices for reducing energy consumption across operations.
- **Supplier Code of Conduct** – setting environmental and social expectations for suppliers, including climate-related responsibilities.
- **General requirements & Product Sustainability** – Internal Standard Operating Procedures (SOP) for SBTi, amfori, and product suppliers describing JYSK definitions and general requirements regarding sustainability, material content etc. This is only available to active suppliers.

Approval and updates:

This policy has been approved by JYSK's Sustainability Management Group and is valid from September 2025. This policy is as a minimum updated bi-annually and adjustments will be made based on our performance, technological advances and the development of best practices.

Appendix: Terms and definitions

Term	Definition
A great offer for generations	Name of JYSK’s sustainability strategy
GHG emissions	Greenhouse gas emissions
SBTi	Science Based Targets initiative
CSRD	Corporate Sustainability Reporting Directive
ESRS	European Sustainability Reporting Standards
CO2e	CO2 equivalents including all greenhouse gas emissions measured in CO2
Supplier Guideline	A JYSK supplier platform with requirements and guidelines to all suppliers of products for sale in stores.