Introduction

At JYSK, we recognise that climate change is a significant challenge facing society and businesses today. As an international retail company with close to 3,500 stores and 10 distribution centres across multiple markets, our operations have a direct impact on energy consumption and greenhouse gas emissions.

This Climate Transition Plan (CTP) outlines how we are working to reduce emissions from our own operations (Scope 1 and 2) and provides a transparent roadmap towards achieving our Science-Based Target. It reflects our ambition to decouple business growth from emissions by systematically reducing energy consumption and increasing the use of renewable energy across our stores, distribution centres, and offices.

Our approach to sustainability

The CTP is a core element of JYSK's sustainability strategy, *A Great Offer for Generations*, which integrates sustainability into our business model and decision-making. The strategy builds on delivering great Scandinavian offers while taking responsibility for environmental and social impacts across our value chain, reflecting our commitment to both current and future generations.

Within this framework, climate action is a key priority. The CTP translates our Science-Based Targets into concrete actions to reduce emissions in our own operations and defines a set of key decarbonisation levers to address the main drivers of emissions in our operations while supporting long-term business resilience.

Governance

The execution of the CTP is anchored in JYSK's sustainability governance structure, combining central coordination with local ownership. The central Sustainability team is responsible for overall direction, monitoring progress, and supporting implementation, while country organisations and logistics teams are responsible for executing initiatives locally.

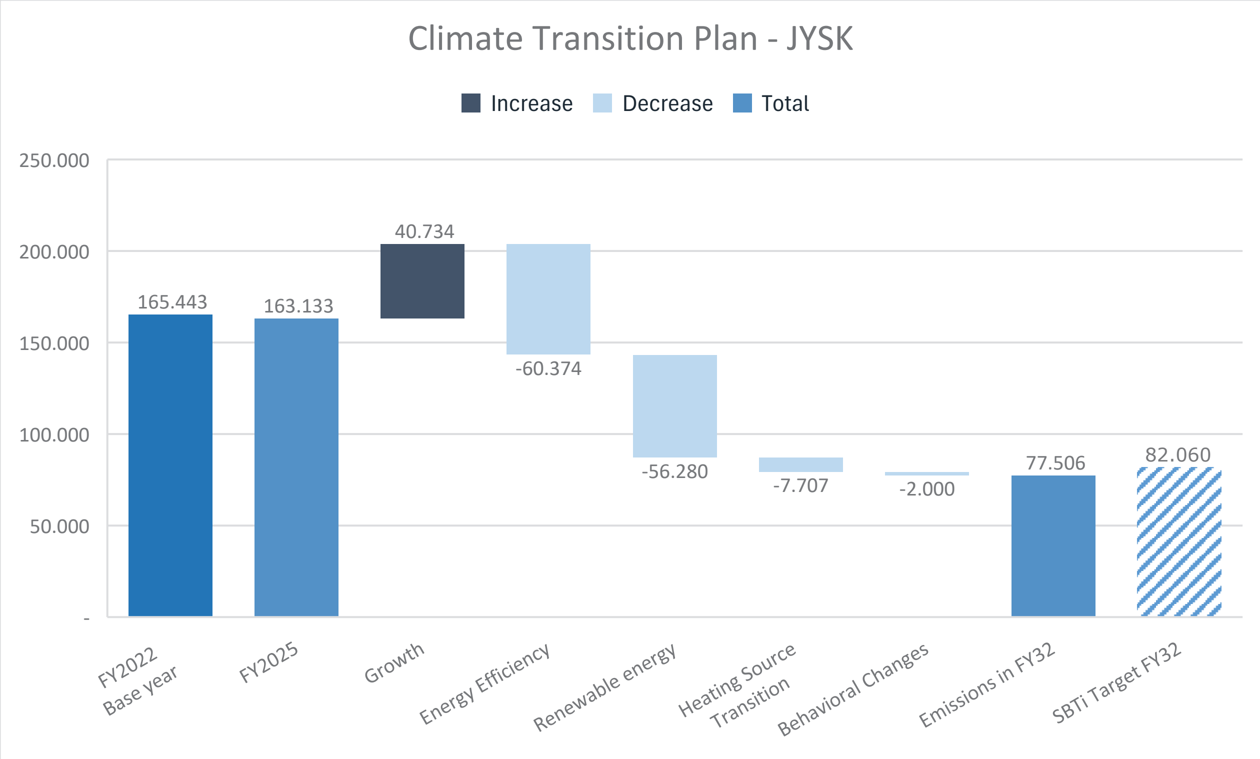
Strategic oversight and key investment decisions are handled by our Executive Management Team, ensuring alignment with JYSK's overall business strategy and priorities. This governance model enables us to balance consistent global direction with flexibility to address local conditions and opportunities.

Our climate targets and transition plan

We have set targets for our scope 1, 2, and 3 emissions in JYSK, which has been validated by the Science-based Targets Initiative (SBTi). We want to reduce our absolute scope 1 and 2 emissions by 50,4% before 2032 based on a 2022 emissions baseline, and we have set a supplier engagement target for scope 3 cat. 1 to be reached before 2028.

This CTP is focusing on reaching our scope 1 and 2 reduction targets. From our base-year in FY2022 we have reduced our total scope 1 and 2 by 1,4% (market-based). To reduce our combined scope 1 and 2 emissions by 50,4% we need to lower them to **82.060 tCO2e in FY32.**

To ensure this we have identified 4 decarbonisation levers which can be seen in the graph below.



Overall assumptions

Our CTP is based on a set of assumptions and is subject to limitations and uncertainties. These mainly relate to evolving data quality, reliance on estimates from pilot initiatives such as the Smart Store concept, uncertainties in future energy systems and emission factors, and structural constraints in our business model, including limited control over rented store facilities. We continuously validate assumptions, improve data, and monitor external developments to ensure transparency and refine the plan over time.

Growth

We apply a business-as-usual (BAU) approach to calculate our emissions from growth, which means that if JYSK continues to expand without any decarbonisation levers, our emissions would increase by 40.734 tCO2 by FY32. The emissions growth includes our expected growth of stores per year, new distribution centres, and general administrative growth. We calculate the emission growth from expected number of stores in their respective country, with the current energy consumption per store, and fixed emission factors towards 2032.

Resources

In JYSK, we work with investment evaluations case-by-case. This means that our CTP is financed through case-by-case investment decisions with business cases raised directly by the countries or functional areas, with overall governance and prioritization from our senior management centrally. Investments are made based on both financial performance and GHG reduction impact, ensuring alignment with our Science-Based Targets. Larger strategic initiatives, such as the Smart Store concept, have been approved centrally, demonstrating how targeted investments enable scalable emissions reductions across the business.

Our decarbonization levers

Lever 1: Energy efficiency

Due to JYSK's large and diverse store portfolio across multiple countries and facility types, energy consumption varies significantly. This creates substantial potential for reducing emissions through improved energy efficiency, particularly by addressing outdated technical installations and operational inefficiencies.

Key activities towards 2032

Optimising technical installations
A key focus area is upgrading existing infrastructure, including HVAC systems, lighting, insulation, and heating solutions, to modern and more digitalised systems that enhance overall energy efficiency.

Smart Store concept
The Smart Store concept is a central enabler of energy efficiency improvements. It combines digitalisation and automation of store operations, including automated lighting, cloud-based HVAC control, and real-time monitoring with alerts. The concept is implemented in new stores and progressively retrofitted across existing stores, providing improved control and significant energy savings.

Further, this will support effective decision-making, moving from manual, retrospective monthly data collection to a centralised energy management system which will enable more frequent and detailed monitoring across stores, distribution centres, and offices. This allows for proactive identification and correction of inefficient energy use and continuous optimisation of energy consumption.

Energy management systems and compliance
JYSK is implementing ISO50001-certified Energy Management Systems in key markets in line with the EU Energy Efficiency Directive. These systems ensure structured monitoring, identification of energy hotspots, and implementation of reduction initiatives, while supporting regulatory compliance.

Assumptions and uncertainties

To quantify the effect of the decarbonisation lever, energy efficiency, we apply the energy efficiency results from Smart Store test stores on all energy sources, in all stores, and in all the countries. The energy reductions from the different initiatives and our test stores resulted in reduction potential from 25-60% in total consumption.

- We calculate with a 25% reduction in energy use to be conservative, except for some stores which has higher potential due to LED conversions and therefore has a higher projected reduction.
- We expect to have the Smart Store concept installed in all new stores as well as retrofitted into all current stores before FY32.
- We expect the electricity grid to be based on renewable energy from national plans, with about 25% of that going to the grid.

We are rolling out the testing of Smart Store concept in six new countries with approximately 150 stores in FY27, and we will continuously monitor and validate whether the projected reductions will be realised.

Lever 2: Renewable energy

JYSK has a significant opportunity to reduce Scope 2 emissions by increasing the share of renewable electricity across operations through a combination of on-site solar installations and Power Purchase Agreements (PPAs) across key markets. Implementation varies depending on ownership structures and local feasibility.

Key activities towards 2032

On-site solar installations

The primary activity is installing solar panels on stores, distribution centres, and offices where technically and financially feasible. Implementation is more scalable in distribution centres, where JYSK has full control, while stores require landlord agreements.

Strategic PPA investments

JYSK is investing in renewable energy through PPAs in selected high-consumption countries, starting with Denmark and expanding to other key markets. Future PPA investments are expected in three additional countries with high electricity consumption, enabling broader impact across the organisation.

Locally anchored implementation

Both on-site solar and PPAs are implemented through a decentralised approach, where country management teams assess feasibility and prepare business cases based on local conditions, supported by central coordination.

Assumptions and uncertainties

The implementation of on-site renewable and PPAs affect emissions calculations across both stores and distribution centres. There is significantly more complexity with stores due to JYSK primarily renting facilities, limiting direct control over installations, while full control is held over distribution centres. As a result, implementation follows a locally anchored approach, where country management performs feasibility studies and prepares business cases in agreement with landlords.

- We estimate that approximately 10% of stores will have on-site solar installed, while distribution centres are expected to have higher and more scalable coverage.
- Emission reductions from PPAs are based on an assumed coverage of approximately 80% of electricity consumption, with zero emission factor applied to contracted electricity.
- The emission factor of electricity covered by PPAs is assumed to be zero. The emission factor for the rest is the same as the current emission factor.
- Availability, pricing, and regulatory developments related to renewable energy and PPAs remain uncertain and may impact implementation.
- Future changes in GHG Protocol and SBTi requirements may affect accounting and reported impact.

Lever 3: Heating source transition

JYSK aims to reduce Scope 1 emissions by transitioning from fossil-based heating sources to lower-emission alternatives such as heat pumps and district heating.

Key activities towards 2032

Conversion of heating systems

The main activity is replacing natural gas and fuel oil with heat pumps or district heating where feasible, particularly in markets with high heating-related emissions.
Initial efforts are focused on countries such as Poland and Germany, where heating emissions are significant and potential for transition exists.

Electrification as a first step to future reductions

Electrification of heating is seen as an important step to enable further emissions reductions through renewable electricity sourcing.

Assumptions and uncertainties

- Implementation is limited by JYSK's role as a tenant in most store locations, requiring landlord involvement.
- Reduction potential depends heavily on local energy mixes, particularly electricity grid and district heating emissions.
- Infrastructure availability, energy prices, and regulatory frameworks vary significantly by country.

Lever 4: Behavioural changes

Employee engagement is a supporting lever that enables additional reductions through improved awareness and operational practices.

Key activities towards 2032

Awareness and engagement campaigns

JYSK focuses on increasing awareness among employees regarding energy consumption and efficient behaviour across stores, offices, and distribution centres.

Local ownership and incentives

Countries are encouraged to implement local initiatives, such as sustainability competitions and performance tracking at store level, to drive engagement and accountability.

Use of data and transparency

Enhanced data availability from Smart Store solutions enables employees to better understand and actively manage energy consumption in their daily operations.

Assumptions and uncertainties

- Emission reductions rely on employee engagement and consistent behavioural change across the organisation.
- The effectiveness of initiatives may vary across countries and teams.
- Behavioural changes are supported by improved data visibility but remain less predictable compared to technical measures.

Accounting practice for scope 1 and 2

Our climate accounting is based on the operational control approach and is reported as market-based emissions aligned with our target, covering emissions from our own operations, including stores, offices, distribution centres, external warehouses, dark stores, and company cars. They are grouped into Scope 1 – stationary and mobile combustion and scope 2 – electricity and heating (here district heating). The GHG emission sources in JYSK consist of:

Category	Energy Source
Electricity	Grid electricity, Own-produced renewable electricity
Heating	Natural gas, District heating, Geothermal heating, Fuel oil, Biomass, Biogas
Transport – Car Fleet	Diesel, Gasoline, Electricity
Transport - Warehouse	Diesel, LPG
Cooling	Refrigerants

Our Scope 1 and 2 climate accounting is based on our consumption data from our financial year which runs from 1st September to 31st August. All consumption data is activity data (e.g. electricity consumed in kWh). If activity data is not available, it will be estimated or converted following consistent procedures. Each data source has an emission factor assigned to it which can differ from country to country or even region to region. The primary emission factor sources are from DEFRA, IEA, and AIB.

Statement by the Management

The management of JYSK A/S acknowledges responsibility for the preparation, accuracy and completeness of the Climate Transition Plan for achieving the climate targets for 2032 in accordance with the requirements for a transition plan specified by the Directive (EU) 2024/825 on empowering consumers for the green transition.

In our opinion, the report gives a true and fair presentation of JYSK's Climate Transition Plan, in accordance with the applied accounting practice as well as a fair basis for the climate targets for 2032.

JYSK, 1 of July 2026

Signe Lind Jacobsen
EVP Finance & CFO

Ditte Revsbæk Hansen
Sustainability Director

Independent auditor's limited assurance report on the Climate Transition Plan for achieving the climate targets for 2032

To the stakeholders of JYSK A/S

Limited assurance conclusion

We have conducted a limited assurance engagement on the Climate Transition Plan for achieving the climate targets for 2032 of JYSK A/S (the company) (the transition plan) as per 31 August 2025. Management prepared the implementation plan in accordance with applied reporting practice, assumptions and the requirements for an implementation plan specified by the Directive (EU) 2024/825 on empowering consumers for the green transition.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Climate Transition Plan for achieving the climate targets for 2032 is not prepared, in all material respects, in accordance the applied reporting policies, assumptions and the requirements for an implementation plan specified by the Directive (EU) 2024/825 on empowering consumers for the green transition.

The requirements for an implementation plan specified by the Directive (EU) 2024/825 on empowering consumers for the green transition should in the context of this limited assurance report be understood as clear, objective, publicly available and verifiable commitments set out in a detailed and realistic implementation plan that includes measurable and time-bound targets and other relevant elements necessary to support its implementation, such as allocation of resources.

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)") and the additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Auditor's responsibilities for the assurance engagement section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour as well as ethical requirements applicable in Denmark.

EY Godkendt Revisionspartnerselskab applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent limitations in preparing the implementation plan

In reporting climate targets for 2032, management has prepared the targets on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the company. Actual outcomes are likely to be different since anticipated events may not occur as expected.

Management's responsibilities for the Climate transition plan

Management of the company is responsible for:

- Identifying the information to be disclosed in the transition plan as described in the applied reporting practice on page 6;

- The preparation of the transition plan in accordance with assumptions and applied reporting practice;
- The preparation of a detailed and realistic transition plan that includes measurable and time-bound targets; make clear, objective, publicly available and verifiable commitments as well as allocating resources necessary for the implementation;
- Designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the transition plan, in accordance with applied reporting practice that is free from material misstatement, whether due to fraud or error;
- Setting targets that are based on realistic transition plans aligned with the overall strategy of the company; and
- The selection and application of appropriate reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Auditor's responsibilities for the assurance engagement

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the implementation plan. as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the implementation plan include:

- Identification of information where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to assessed risks of material misstatement at the disclosures level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the implementation plan.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of information where material misstatements are likely to arise, whether due to fraud or error, in the implementation plan.

In conducting our limited assurance engagement, we:

- Obtained an understanding of the company's reporting processes relevant to the preparation its report by obtaining an understanding of the company's control environment, processes and information systems relevant to the preparation of the sustainability report but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the implementation plan;
- Performed substantive assurance procedures on selected information in the implementation plan including assessment of key assumptions, measures and timelines;
- Evaluated whether the implementation plan includes clearly defined, objective and publicly available commitments and targets, as well as a detailed and realistic implementation plan demonstrating how such commitments and targets are intended to be achieved;
- Evaluated whether the implementation plan includes the relevant elements necessary to fulfil the stated commitments and targets, including the allocation of appropriate financial, organizational and technological resources, where applicable;
- Evaluated the milestones and monitoring mechanisms included in the implementation plan to assess whether the plan enables regular tracking of progress towards achieving the stated commitments and targets;

- Evaluated methods, assumptions and data for developing material estimates and forward-looking information and how these methods were applied.

Aarhus, 1 July 2026
EY Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

Morten Friis State Authorised Public Accountant mne32732	Monica Mai Bak Larsen Associate Partner, Climate Change and Sustainability Services

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"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Signe Lind Jacobsen
EVP Finance & CFO
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Ditte Revsbæk Hansen
Sustainability Director
På vegne af: JYSK A/S
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Morten Kronborg Friis
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Monica Mai Bak Larsen
Associate Partner
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