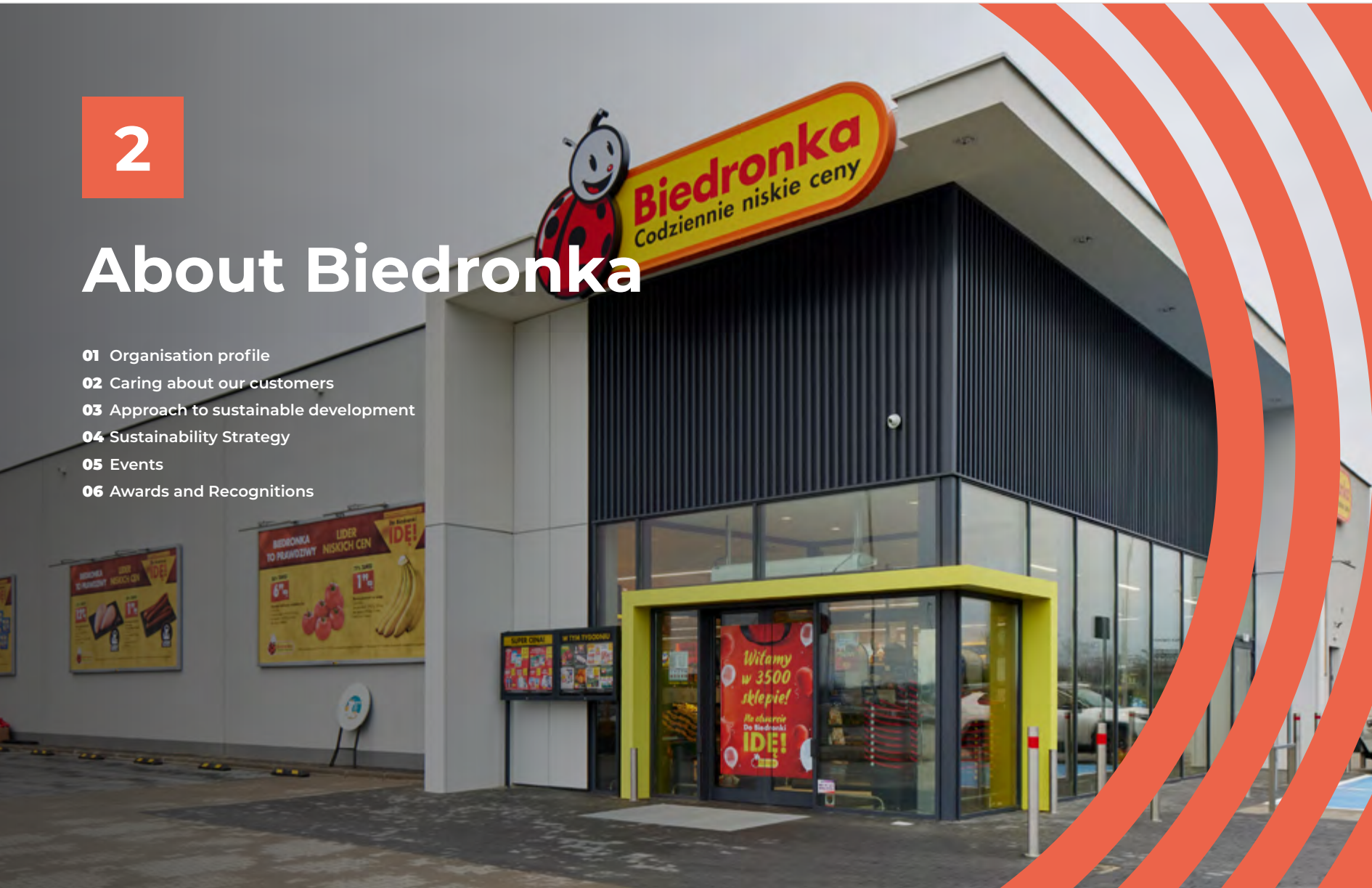


2

About Biedronka

- 01 Organisation profile
- 02 Caring about our customers
- 03 Approach to sustainable development
- 04 Sustainability Strategy
- 05 Events
- 06 Awards and Recognitions





Paweł Stolecki,
Chief Operating Officer, Member of the Board
of Directors

The last few years have been a time of challenges for both the Polish economy and individual companies - including the pandemic, the war in Ukraine. Biedronka and its team have risen to both the business and the social responsibility challenges. Appreciating the great commitment of all the employees of our company and based on the experience we have gained, we have decided to introduce numerous improvements and innovations that will allow us to continue to operate in the position of market leader. To this end, we have initiated measures to strengthen cooperation between macro-regions and optimise operational processes. The initiatives we have taken enable us to respond more quickly to current challenges, implement new solutions, and more effectively share best practices internally, including those that translate into the commitments of our sustainability strategy. We talked about what we are doing and how we are building an organisation ready for the challenges of the future at Biedronka at the Sustainability Conference in November.

Key figures in 2023

3,569

stores

148

Private Brands

over
5 million

daily customers

22.3%

sales increase

375


refurbished stores

PLN 1,057,526,998

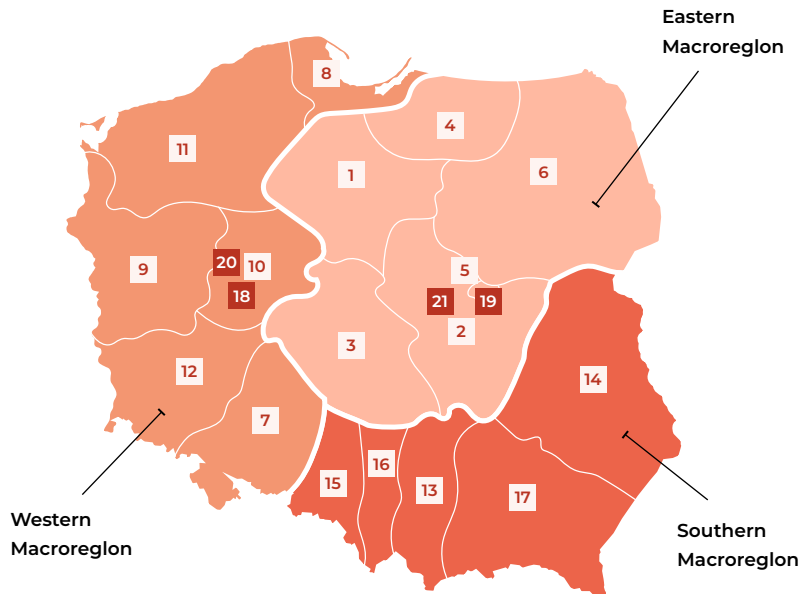
CIT tax paid

Organisation profile

We are the largest retail chain and the largest Polish employer, present in the market for almost 30 years now. Our offer includes high-quality products at affordable prices, which are chosen by over five million customers every day. In addition to more than 3,500 stores, our company has 17 distribution centres and a soup factory. 2023 saw an 22,3% increase in sales, whereas our sales revenue amounted to PLN 93,320 milion. For many years, we have also been one of the largest CIT taxpayers among retail chains. In 2023, we supported the Polish economy with the amount of PLN 1,057,526,998.

At Biedronka, we raise the bar on a daily basis, we rely on each other and act as a team and we believe in doing the right thing. These are the values that guide us in our daily work – they shape the way we act, the decisions we make, and our mutual cooperation. For more about the values, please see [Biedronka's website](#)  Our Private Brands play a significant role in our offer. In 2023, we launched 222 products to our Private Brand assortment and reformulated 13.

Jerónimo Martins Polska S.A. activity



Eastern Macroregion:

1. Grudziądz
2. Mszczonów
3. Sieradz
4. Stawiguda
5. Warszawa
6. Wyszków

Western Macroregion:

7. Brzeg
8. Gdańsk
9. Gorzów Wielkopolski
10. Kostrzyn
11. Koszalin
12. Lubin

Southern Macroregion:

13. Kraków
14. Lubartów
15. Ruda Śląska
16. Sosnowiec
17. Wojnicz

Offices and soup plant

18. Kostrzyn – Jerónimo Martins Polska S.A. Headquarters, Data Processing Centre
19. Warszawa – Headquarters
20. Poznań – Shared Services Centre - HR, payroll and accounting services
21. Parzniew – "Z Naszej Kuchni" soup factory

2-1

The Biedronka chain operates in Poland as a joint-stock company under the name Jerónimo Martins Polska S.A. with its registered office in Kostrzyn at 5 Żniwna Street. The chain is owned by the public limited company Jerónimo Martins SGPS SA, which is part of the Jerónimo Martins Group based in Portugal. The Jerónimo Martins Group has been active in the food market for more than 230 years. It is listed on the Euronext Lisbon stock exchange, employs more than 134,000 staff and operates in six countries – Poland, Portugal, Colombia, Czechia, Slovakia and Morocco.

In Poland, our grid is divided into three macroregions – Eastern, Western and Southern – supervised by Operations Directors. There are 17 distribution centres operating in the macroregions, responsible for organising and executing deliveries to all our stores. Administrative operation of stores (e.g. in the HR or legal area) is supported by employees of regional offices. We also own “Z Naszej Kuchni” soup factory, which operates in Brwinów near Warsaw.

Governance**2-9****2-10****2-11**

The supervisory structure of the Jerónimo Martins Group includes bodies required by provisions applicable to companies listed on the Lisbon stock exchange and committees whose activities cover all companies within the Group, including our chain. In accordance with the Jerónimo Martins Group Articles of Association, the Board of Directors comprises a minimum of seven and a maximum of eleven members elected by the General Shareholders Meeting for a three-year term in office. In 2023, the Board had eleven members elected for the 2022–2024 term, six of whom were independent. Ten members did not hold executive positions in the organisation.

The following Committees operate within the Group: Remuneration Committee, Audit Committee, Committee on Corporate Governance and Corporate Responsibility, Ethics Committee, Internal Control Committee and Managing Committee. They are responsible for managing risk as well as policies, actions and commitments that have

an impact on the Group’s external and internal stakeholders. They also undertake actions of a typically prudential nature and supervising, advising and coordinating to guarantee that the respective Policies of the Jerónimo Martins Group and the Board of Directors Strategy are fulfilled in smooth manner.



More on members of the managerial bodies and committees of the Group take a look at the Group's 2023 Annual Report.

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Biedronka’s Board of Directors consists of at least two members (including the President), appointed for an one-year term in office. As at the end of 2023, our company’s Board of Directors consisted of seven people who also performed executive functions in the Jerónimo Martins Group or in individual divisions of our chain. Diversity is also taken into account when selecting members of management and supervisory bodies, which means considering individual features, competences, talents and experience in the context of the company’s business specificity. We operate in compliance with the Gender Equality Plan 2022-2023, published by the Group, which specifies the goals, measures to be implemented, responsible people and progress measurement indicators.



For more on the Gender Equality Plan 2022-2023, read the QR code.



In 2023, the Board of Directors of Jerónimo Martins Polska S.A. was composed of the following members:

- Pedro Soares dos Santos – CEO and Chairman of the Board of Directors,
- Luis Araujo – Chief Executive Officer,
- Manuela Barros – Chief Financial Officer,
- Marcin Ładak – Chief Legal Officer,
- Maciej Łukowski – CEO of Jerónimo Martins Slovensko, s. r. o.,
- Jarosław Sobczyk – Chief People Officer,
- Paweł Stolecki – Chief Operating Officer.

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Supervisory Board

The activities of Biedronka's Board of Directors are supervised by the Supervisory Board, which includes three to seven members appointed for two-year term in office. As at the end of 2023, the Supervisory Board consisted of three people – two performing executive functions in the Group's financial and data protection division, and one independent person. The Supervisory Board holds regular meetings, in accordance with the articles of association. Three Supervisory Board meetings were held in 2023. Composition of the Jerónimo Martins Polska S.A. Supervisory Board as of 31 December 2023:

- António Pereira – Director of Jerónimo Martins Group's controlling department and Head of Finance Transformation,
- Sławomir Łuczak – Partner, legal counsel at SK&S Law Firm,
- Madalena Mena – Finance Operations Director.

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The Board of Directors and Supervisory Board are subject to a regular evaluation as part of the Management by Objectives (MBO) procedure by the Head of Performance & Leadership. The company's impact on the economy, environment and local communities are evaluated by the Remuneration Committee of the Jerónimo Martins Group, taking into account such criteria as execution of projects supporting competitiveness and long-term financial stability as well as quality of relations with stakeholders. The relevant indicators are measured by using environmental, social and governance (ESG)

external and independent indices such as FTSE Russel's FTSE4Good, Morgan Stanley Capital International (MSCI), CDP, Global Child Forum, Euronext Vigeo-Eiris.

Managing Committee

One of the important elements of the management structure is the Managing Committee, which implements strategic plans developed by the Board of Directors and makes operational decisions on an ongoing basis. It is composed of directors of the company's key departments, which enables effective implementation of the strategy at all levels of the organisation. Supervision of the internal and risk management control systems is exercised by the Internal Audit Department, which reports directly to the Jerónimo Martins Group's Audit Committee.

Sustainability Committee

Biedronka also has a Sustainability Committee, which oversees the implementation of the chain's sustainable development strategy, and an Environmental Protection Committee, responsible for supervising environmental activities.

For more information, see [Approach to sustainable development](#). ▶

Risk management

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The risk management system adopted by Biedronka, consistent with the methodology of the Jerónimo Martins Group, is based on a continuous risk assessment process, which is an integral part of the decision-making and management procedures. This process is in line with the ISO 31000 international standards' recommendations, mainly designed to distinguish what is not relevant from what is material, ensuring that major risks and appropriate mitigation initiatives are duly identified and addressed during planning. We prepare a general risk profile that includes all significant operational and strategic risks, as well as appropriately implemented mitigation and control mechanisms. The list is regularly updated with information from ongoing risk assessment processes.

The quality and effectiveness of Biedronka's control and risk management systems established in the Group's Risk Management Policy are assessed by the Internal Audit Department. The internal control objectives include the assurance of operational efficiency, the financial and current reporting consistency and compliance with applicable laws and regulations. The results of the internal audits are made available on a monthly basis to the Internal Control Committee, which reports to the Audit Committee, and to the Group's Managing Committee. Each quarter, these reports are presented to the Audit Committee, a body responsible for approving risk management action plans, to monitor the execution and effectiveness of internal control, internal auditing and risk management systems. A report on the status of recommendations agreed with the managers of the audited areas is prepared with the same regularity. Therefore, the Head of the Internal department not only reports to the Chairman of the Board and CEO but functionally, he also reports to the Audit Committee, since this position is part of the Internal Control Committee, which reports to the committee responsible for auditing.

In 2023, the risk management area was transferred from the Business Monitoring Department to the Business Strategy and Support Department. Last year, we also revised the risk list to address sustainability and ESG elements in more detail. In addition, we also recentred and focused our risk portfolio to fourteen material risks. Mainly the changes included the adaptation of risks to current trends and an even greater uptake of the ESG subject matter.

We also analyse key climate risks and opportunities related to the origin of raw materials and exposure to physical climate risks, as well as to the transition to a low-carbon economy, in line with the TCFD recommendations. For more about climate, and the way we manage other environment-related risks. Please see the chapter **Respecting the environment.** ▶

In order to ensure the security of employees, customers and others, as well as to protect the assets of the Jerónimo Martins Group and to comply with all legal requirements, we have published the "Guide of requirements and good practices to prevent and limit damages in JM Group stores, Distribution Centres and other facilities in Poland, Czechia and Slovakia", which describes the appropriate actions at all stages of the selection and design process for new locations, as well as during periodic refurbishments, improvements or extensions, and in everyday operations.

Internal audits and external consultations were also performed for the development of the business continuity plan. These guaranteed that our set of procedures, information and activities is properly developed and effectively tested in the face of crisis situations.

The Risk Management Department also continued the educational campaign addressed to all employees, supplemented in 2023 by obligatory training for new employees of the Operations Department. "**Znam, stosuję, bezpiecznie się czuję!**" (I know them, follow them and feel secure). The course includes videos, comics and exercises that help employees to better understand security rules and effectively apply them in their daily work. The training materials present the seven most frequent and important types of incidents related to the security of employees, customers and the protection of the company's assets. The training was completed by 9,714 people.

Ethics and compliance

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The commitment to ethical standards is a foundation of our business. We take care to ensure the respect for human rights, as contemplated in international documents such as the Universal Declaration of Human Rights, the Fundamental Conventions of the International Labour Organisation, or the Organisation for Economic Co-operation and Development (OECD), and the Guidelines for Multinational Enterprises and European regulatory mechanisms such as the Charter of Fundamental Rights of the European Union.



Sustainability Strategy – [page 22, chapter “About Biedronka”](#) ▶
 Jerónimo Martins Group Code of Conduct – [page 12, chapter “About Biedronka”](#) ▶
 Code of Conduct for Suppliers – [page 53, chapter “Sustainable supply chain”](#) ▶
 Risk management policy – [page 11, chapter “About Biedronka”](#) ▶

Environment

- ▶ Sustainable sourcing policy – [page 56, chapter “Sustainable supply chain”](#) ▶
- ▶ Sustainable fishing policies – [page 59, chapter “Sustainable supply chain”](#) ▶
- ▶ Environmental policy – [page 66, chapter “Respecting the environment”](#) ▶
- ▶ Animal welfare policy – [page 59, chapter “Respecting the environment”](#) ▶

Social

- ▶ Nutrition policy – [page 35, chapter “Promoting good health through food”](#) ▶
- ▶ Nutrition policy for infants and children under age of 2 – [page 35, chapter “Promoting good health through food”](#) ▶
- ▶ Product quality and safety policy – [page 35, chapter “Promoting good health through food”](#) ▶
- ▶ Policy for supporting local communities – [page 134, chapter “Supporting surrounding communities”](#) ▶

Governance

- ▶ Anti-corruption policy – [page 13, chapter “About Biedronka”](#) ▶
- ▶ Anti-mobbing policy – [page 14, chapter “About Biedronka”](#) ▶
- ▶ Policy for counteracting discrimination and harassment – [page 14, chapter “About Biedronka”](#) ▶
- ▶ Policy concerning trade unions – [page 122, chapter “Being a benchmark employer”](#) ▶
- ▶ Principles for admitting and examining employee reports on infringements – [page 123, chapter “Being a benchmark employer”](#) ▶

Another foundational basis of Biedronka’s conduct is the transparency of our action, guided by our different policies and regulations. The **Jerónimo Martins Group Code of Conduct** ▶ is an integral part of our organisational culture, ensuring consistency and accountability in our actions at every level of management. It establishes a series of values, principles, rules and ethical obligations that must guide the conduct of Jerónimo Martins associates, regardless of the nature of the contractual relationship, the function they hold or the country in which they work. In 2023, we updated the Jerónimo Martins Group Code of Conduct, adapting it to the current requirements and the respect for human rights in the value chain. Last year, all new hires familiarised themselves with the Code of Conduct. Additional training activities related to compliance with the Code took the form of discussions at managerial staff meetings and internal correspondence.

We emphasise the requirement of respecting human rights also with our trading partners. In the contract, suppliers undertake to comply with the principles enshrined in the Jerónimo Martins Group’s **Code of Conduct for Suppliers** ▶, based on the prevention of all forms of discrimination, promotion of safe and healthy working environments, the prohibition of forced and child labour, or any form of coercion. Additionally, Jerónimo Martins Polska S.A contemplates, in accordance with Jerónimo Martins Group’s Sustainable Sourcing Policy and Code of Conduct, a right to immediately, and unilaterally, suspend or cease business relations with suppliers or their suppliers engaged in the violation of human, children’s and/or workers’ rights.

Diversity

We also guarantee full respect to diversity, despite the lack of a formal, separate policy. We are obliged to do so, among other things, by the "Code of Conduct".

We fulfill the obligations arising from the Code of Conduct as part of tasks defined in the Sustainable Development Strategy that are closely linked to this document. The distribution of responsibilities for fulfilling obligations related to sustainability strategy corresponds to the distribution of competences among members of the Board of Directors and individual departments. In order to ensure that our employees are properly informed of their rights and obligations regarding compliance with the standards set out in these documents, we conduct information campaigns and training on a regular basis. We also provide employees with access to report on any information or suspicion of violations or imminent violations on our ethics principles or human rights. The possibility to report information or suspicion of any violations in these areas. Anonymity and protection against any repression are guaranteed to whistleblowers.

2-26

Whistleblowing Policy

The protection of associates (employees, former employees or others) that aim to report any grievance/breach of our **Code of Conduct or the Anti-Corruption Policy** – for instance conflicts of interest, corruption, influence peddling, fraud, harassment or discrimination – through the reporting channels available to the Ethics Committee (dedicated webpage, electronic or conventional mail) is ensured through **Jerónimo Martins' Whistleblowing Policy** namely by protecting whistleblowers identity, making sure only authorised personnel have access to the grievance issues, prohibiting retaliation, guaranteeing information remains confidential, and by protecting personal data in accordance with data protection laws and the related **Jerónimo Martins Data Protection Policy**. In September 2023, we introduced the Jerónimo Martins Polska S.A. Compliance Policy, which sets out the rights and obligations of each employee in terms of compliance with the law and applicable ethical procedures and standards.

To ensure that these new guidelines are fully understood and followed, we launched online training on the recently introduced Jerónimo Martins Polska S.A. Compliance Policy at the end of 2023.

Employees may also contact the Employee Service Office and the Employee Forum – for more details, see page 123 in the chapter **Being a benchmark employer.** ▶

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Anti-corruption policy

Jerónimo Martins Polska S.A. is committed to fighting all forms of corruption, directly or indirectly associated with its employees and the value chain, demanding transparency and integrity in relationships between stakeholders.

Our **Anti-Corruption Policy** ▶ is addressed to employees, suppliers, and business partners within the Jerónimo Martins Group. It describes operating principles and duties laid down in the Group's Code of Conduct related to integrity and reliability, procedures for preventing illegal behaviours such as corruption and safeguards against potential conflicts of interest. Among the various stands and rules of conduct that integrate this policy, we highlight the establishment of the principle of zero tolerance for any behaviour involving corruption, influence peddling, receiving or offering undue advantages, or paying or receiving any benefits contrary to the laws in force in Poland.

To inform employees about the principles contained in the Anti-Corruption policy, we develop mandatory training courses and send internal periodical messages for awareness and content refreshing. In addition, we have set up an intranet portal to provide information about the policy and related forms, such as statement of conflict of interests, gifts and courtesies received or offered. All new hires acknowledge having read and understood its provisions. We also require our suppliers and business partners to acknowledge the same.

We avoid conflicts of interest in accordance with the Anti-corruption Policy. All employees are required to submit a declaration of conflict of interest on a dedicated platform, and those with respect to whom there is a conflict of interest, or a threat of its occurrence are obliged to immediately report the conflict. These reports are reviewed by the Business Ethics Section, and if a conflict of interest is confirmed, appropriate steps are taken.

Related party transactions which are not a part of ongoing activity are assessed by the Audit Committee and require approval by the Board of Directors of Jerónimo Martins Group, SGPS, S.A.

Anti-mobbing Policy

The Biedronka's Anti-mobbing policy is an internal document laying down the rules for counteracting mobbing in the company and the procedures to be followed in the case information about such incidents is received, with the possibility of reporting them to the Board of Directors. Complaints submitted are examined by the Anti-mobbing Committee, which, after conducting an investigation, including interviews with witnesses, arranges an internal consultation to decide on the legitimacy of a complaint and a further course of action. We guarantee confidentiality and protection of the whistleblower in every case carried out, but also independence of the Anti-mobbing Committee.

Anti-discrimination and Anti-harassment Policy

The Biedronka's Anti-discrimination and Anti-harassment Policy lays down our internal rules for counteracting direct and indirect discrimination and harassment, including sexual harassment. It describes procedures for reporting such instances and indicates people responsible for examining them. As in the case of mobbing, the Anti-mobbing Commission is responsible for resolving such cases. The Anti-mobbing Commission acts independently and the confidentiality and protection of the whistleblower is guaranteed in every case we handle.

Social dialogue

Our internal policies are fully aligned with the best international labour practices, in particular regarding the fundamental conventions of the International Labour Organisation.

Biedronka has a Trade Union Policy in place that sets out the main rules and guidelines for conducting social dialogue in line with the law and based on the principles of transparency, independence and mutual trust.


All employees are free to join trade unions and a dedicated organisational unit is responsible for contact with their representatives. Social dialogue, conducted in accordance with the applicable Trade Unions Policy, includes, among others, regular meetings with trade union representatives.

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There were no confirmed incidents of discrimination in Biedronka.

Ethics Committee

The Jerónimo Martins Group has an Ethics Committee that impartially and independently monitors the dissemination of the Code of Conduct and the Anti-corruption Policy and their compliance with the ethical principles that apply to all employees and companies of the Group.

The Ethics Committee provides channels which allow internal and external stakeholders to confidentially report any potential infringements of the law or of principles laid down in the two aforementioned documents. Our whistleblowing system includes both email reports and the Whisply platform, which allows violations to be anonymously reported on the [website](#) . Thanks to this system, we ensure full transparency and the ability to respond to any irregularities.

The unit that ensures the internal implementation of the Compliance Policy in Jerónimo Martins Polska, as well as plans, initiatives and supervises information and training activities related to the implementation of the provisions of the Company's policies, is the Business Ethics Section, headed by the Chief Compliance Officer.



You can report a violation anonymously **at this site.**



2-26

Caring about our customers

At Biedronka, we put customers at the centre of our activity. Our priority is to provide the best possible shopping experience by constantly improving our offer and service. We invest in technologies and solutions that improve the purchasing process, and we regularly train our employees so that they are ready to meet customer expectations and increase customer satisfaction.

The Customer Service Office (BOK) plays a key role in our organisation, providing the highest quality of service 24 hours a day, 7 days a week. Each contact is categorised accordingly and our Call Centre consultants endeavour to respond to the majority of cases in the first contact. In cases that require clarification from other departments or complaints, these are passed on for further analysis/clarification within our organisation.

At Biedronka, we foster open and transparent communication with our customers as a means of continuous improvement. For that purpose, we have put in place a variety of mechanisms for reporting concerns and suggestions, so that customers can provide us with their feedback. First, customers have an open dialogue channel with all store employees. In addition, customers can also report any issue or feedback via phone or e-mail to our Customer Service Office (BOK), which operates 24/7, and, since 2022, our customers have also been able to contact Biedronka through our mobile app, "Moja Biedronka". The latter contact channel increased its share of usage among our customers, rising from 8% in 2022 to 17% by December 2023.

In 2023, 523,000 customer cases were submitted to the Customer Service Office. The most common theme was related to participation in the 'Moja Biedronka' loyalty programme, specifically regarding the 'Moja Biedronka' account.

Moreover, a number of Company departments are regularly involved in the process of clarifying customer issues, including operations, quality, IT, finance and logistics. A key aspect for us is answering customer queries quickly and accurately. We are constantly improving our processes to ensure the quickest and most relevant responses.

We also track statistics of the cases reported by our clients. This enables us to regularly learn from this data, identify areas that may require improvements and work with other departments to minimise the issues raised by our customers. We operate both on a national level and on a detailed level, addressing issues across the entire network as well as in specific stores.

Customers not satisfied with the response from the Customer Service Office can obtain assistance from the Customer Ombudsman. This person, independent of our chain – reports only to the Jerónimo Martins Group Customer Ombudsman, which ensures impartiality of case examinations. In 2023, the Customer Ombudsman Office received around 375 reports – 25% fewer than in the previous year, which attests that the number of customers dissatisfied with the complaints handling process has decreased.

We also take regular measures to assess potential areas of customer dissatisfaction. We analyse customer churn samples leaving by contacting customers to better understand the reasons behind their decision to leave. In the case of customers leaving a specific store, we carry out activities aimed at identifying events or behaviours related to their shopping experience. This allows us to respond to customer needs and tailor our activities to increase customer satisfaction and loyalty.



The Customer Ombudsman's Office can be contacted through its dedicated **website**.





BIEDRONKA'S STANDARDS

Employee training

Last year, we prepared a seven-module training for store employees and the entire Operations Department. The training covered issues related to complaints, returns and a comprehensive view of the complaint process. The participants consolidated their knowledge of which documents to use, the appropriate attitude towards the customer, and other important aspects of customer service. Through the use of light and real-life examples, the content was accessible and engaging.

In March 2023, we made significant changes to our refund policy. Now, customers can return products purchased through a promotional offer or using vouchers (except for food products) and receive a voucher to use in their next purchase. The implementation of this project involved a significant amount of effort both in terms of IT and training for our store employees. These changes were communicated to customers two weeks prior to putting them into effect, in accordance with applicable laws, by posting them on our website and in stores.

In order to develop measures that will enable the effective fulfilment of our commitments to customers, we prepared a workshop for a group of Store Managers called "I like to come back here". During the workshop sessions, the participants had the opportunity not only to learn about the key needs of customers, but also to practice in the form of a game appropriate behaviours and customer service techniques that are conducive to loyalty building and positive shopping experience. The workshop was attended by 3,900 Store Managers, Sales and Operations Managers, and 3,300 Deputy Store Managers.



BIEDRONKA'S STANDARDS

"Moja Biedronka" app

Our customers can use a new mobile application, which makes it even easier to choose the most affordable products, enabling them to, among others: receive personalised offers, scan prices or gain access to the "Moja Biedronka" card and possibility of receiving a new, virtual "Moja Biedronka" card. In 2023, about 2.6 million virtual cards were registered, contrasting with 521 thousand plastic cards, which represents a decrease of 1.1 million comparing to 2022. Also, since mid-2023, the plastic cards of the "Moja Biedronka" programme have been made from 100% recycled plastic.



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In 2023, no significant cases of non-compliance with the provisions of law and regulations were identified, for which financial or non-financial penalties would be imposed. No payments of penalties for infringements that had taken place in the previous year were made either. In 2023, we recorded 15 cases of non-compliance that resulted in a warning from public authorities.

In 2022 the President of UOKiK initiated the proceedings regarding the promotional campaign 'Biedronka's Anti-inflation Shield', having in 2023 issued a decision to impose a fine of 161 million zloty (c. €36 million). JMP filed an appeal to the Court of Competition and Consumer Protection.

No non-conformities related to the voluntary policies were found.



Approach to sustainable development

2-12

The sustainability strategy is at the core of our everyday business. In order to best identify the impact that Biedronka has on the environment, society and the economy (positive or negative) and to prepare for the requirements of the EU Sustainability Reporting Directive in line with the European Sustainability Reporting Standards (ESRS) in 2023, we conducted for the first time a comprehensive double materiality analysis for the entire Biedronka value chain.

Read more about the double materiality process [Process to determine material topics](#) ▶

2-13

At the Jerónimo Martins Group and Biedronka level, our Sustainability Strategy is established on a triennial cycle. The chapters of the report present information on the implementation of the strategy for 2021-2023 and, at the end of each chapter and the commitments for 2024-2026 are described.

Our approach to sustainable development is based on a shared vision and values, which are elaborated with the active participation of Biedronka's Board of Directors and Supervisory Board. Also, every year, Biedronka prepares a detailed strategic plan that includes ESG activities and objectives for the coming year. Key decisions on sustainable development are discussed and analysed in detail by the Board of Directors, which approves the strategic directions and defines the scope of activities. The Board of Directors also oversees the integration of sustainability issues into our business objectives, which enables us to operate effectively.

Purposeful management of our chain external impact is a key factor in evaluating the performance of the managerial staff. To this end, the Board of Directors has

appointed responsible people, such as the Environmental and Sustainability Director, Chief People Officer, Chief Commercial Officer, Corporate Communication Director, Quality Director, Logistics Director and Technical Department Director, each managing a dedicated team responsible for a specific area. The results and impact of the sustainable objectives and goals are regularly presented to the Board of Directors on a monthly basis.

In 2019, Biedronka developed its Sustainability Committee, similarly to all other Jerónimo Martins' business units, with the objective of implementing the company's sustainability strategic plans. The committee, coordinates internal exchange of information, serves as a source of inspiration and monitors the implementation of the strategy. In 2023, the Committee consisted of the following members:

Representatives of Jerónimo Martins Poland:

- Kamila Badowska-Chuc, Senior Packaging Development Manager,
- Karolina Błońska, Senior Sustainability Manager,
- Katarzyna Grabarska, Packaging Manager,
- Tomasz Grzegorzczak, Perishable and Food Safety Director,
- Agnieszka Koc, Director of the Department of Environmental Protection and Sustainable Development,
- Dagmara Łakoma, Senior Environmental Protection Manager,
- Arkadiusz Mierzwa, Corporate Communications Executive Director,
- Grzegorz Pytko, Director of Purchasing Department,
- Paweł Stolecki, Chief Operating Officer,
- Justyna Szymani, Director of the Private Brand Quality Development and Control Department,
- Magdalena Szymańska, Senior Food Safety Manager,
- Dorota Wrotek, Marketing Director,
- Rita Manso, Global Private Brand Trends & Innovation Director.

Representatives of Jerónimo Martins Group:

- Eduardo Brito, Chief Operations Officer,
- Fernando Frade, Environment Director,
- Tiago Gama Silva, ESG Relations - Social Director,

- Sara Miranda, Chief Communications & Corporate Responsibility Officer,
- Marta Moreira, Operations Quality Corporate Director,
- José Nogueira de Brito, Chief Commercial Officer,
- Ana Rovisco, ESG Relations - Environment Director,
- Carlos Santos, Quality & Private Brand Development Director,
- Fernando Ventura, Environment Global Director.

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The Board of Directors regularly meets with the company's sustainability experts to monitor and deepen their knowledge of relevant sustainability issues. Members of the Board of Directors also participate in debates with stakeholders. Members of the Supervisory Board receive ESG information from sustainability reports and current reports, such as those prepared by the environmental and sustainability department.

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Complaints about adverse effects of our activity and human rights violation may be submitted to the Customer Service Office, Customer Ombudsman, Employee Service Office, Ethics Committee and Sustainable Team. We assess the effectiveness of the activities of these mechanisms during debates with stakeholders and based on surveys conducted among employees, consumers and other stakeholders.



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Membership of organisations and associations

We exchange experience and information concerning best practices with members of associations to which we belong. Among others, we are members of the following organisations and initiatives:

	Business for Nature		Carbon Disclosure Project		Efficient Consumer Response Polska		Lean&Green
	Polski Pakt Plastikowy (Polish Plastics Pact)		Polish-Portuguese Chamber of Commerce		Forum Odpowiedzialnego Biznesu (Responsible Business Forum)		Polska Organizacja Handlu i Dystrybucji (Polish Trade and Distribution Organisation)
	United Nations Global Compact		Business for Social Impact		Roundtable on Sustainable Palm Oil 3-0094-17-100-00		Polska Koalicja ds. Zrównoważonego Oleju Palmowego (Polish Coalition for Sustainable Palm Oil)
	The Consumer Goods Forum		Global Food Safety Initiative		Round Table on Responsible Soy		UN Sustainable Development Goals
	Izba Gospodarki Elektronicznej (Chamber of Digital Economy)		Polskie Stowarzyszenie Zarządzania Kadrami (Polish Association of Human Resources Management)		We Mean Business Coalition		Związek Pracodawców Przemysłu Opakowań i Produktów w Opakowaniach EKO-PAK (The Association of Employers of the Packaging Industry and Packaged Products EKO-PAK)

In addition to our membership in organisations and associations, we strive to constantly promote sustainability, including through our collaborations, such as our partnership with Powerdot. We write more about this cooperation in our report in the chapter [Respecting the environment](#).

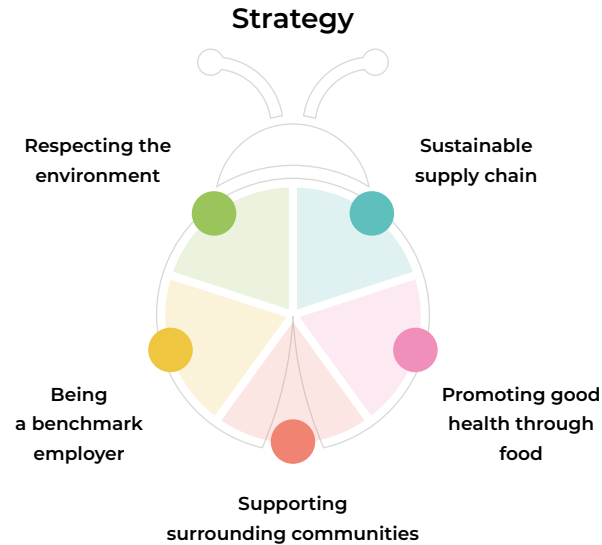
Responsible business model

2-6

Responsible business model – updated 2023 data

Inputs

- **174** net new stores
- **375** refurbished stores
- **3,569** stores
- **17** distribution centres
- **80,988** employees
- **1,758** suppliers
- **PLN 2,533 million** in investments
- **148** Private Brands
- **222** new Private Brand products



Outputs

- **over 5 million** daily customers
- **PLN 97,464,239,528.19** of sales revenue
- **22,3%** increase in sales
- **PLN 1,057,526,998.00** of CIT
- **PLN 277,792,000** donated to social campaigns and projects (including donation to Biedronka Foundation to proceed its mission)
- **52** training hours per employee

Raw materials (food, non-food, packaging and other)

Acting together with our suppliers, we promote sustainable production of raw foodstuffs and other components, guaranteeing consumer safety, while promoting the protection and respect of the environment, people and communities regarding the impact driven by the production of our products.

Processing

We help our business partners in growing sustainably and in implementing innovative solutions, while at the same time ensuring the effectiveness of their processes.

Workforce

We promote a safe and healthy working environment for all of our workforce, always aiming to improve working conditions and support our staff.

Customer

We offer safe, healthy, high-quality food and promote responsible consumption.

Community


We support local communities and contribute to reducing poverty and malnutrition.

Dialogue with our stakeholders

2-29

Biedronka maintains an active dialogue with various stakeholder groups, including shareholders, official bodies, suppliers, employees, customers, local communities, non-governmental organisations, the media and competitors, to assess and potentially reflect an adjustment into the form and frequency of communication to their expectations and needs. We organise annual meetings with stakeholders (representatives of key external stakeholder groups, such as suppliers, business partners, industry and non-governmental organisations, financial institutions, and retail industry sustainability experts) in accordance with the international standard AA1000SES to prepare sustainability reports. So far, we have organised four meetings of this type.

In 2023, the Jerónimo Martins Group has prepared a double materiality matrix, including also Biedronka. It introduced the list of the most important subtopics from the impact and financial perspectives. The input came from feedback received by approximately 16 700 responses, mainly from our employees and external stakeholders. Besides, we have conducted fifteen interviews with our stakeholders in each of our strategic areas, and a survey among employees.

To learn more about double materiality, you can read [Topics identified as material](#) .

Communication takes place through a variety of two-way channels, such as websites, emails, meetings, sustainability reports and conferences, tailored to the specific needs and expectations of each group. The importance of dialogue with stakeholders is emphasised by regular exchange of information, cooperation on projects and response to new demands or trends in the field of sustainable development, which affects the further shaping of Biedronka's strategy and development plans.

In addition, we involve consumers and end users in selected stages of the product design, development, distribution, sale and recovery processes. To achieve this purpose, we use focus groups and online research. We regularly collect customers' opinions, tailoring our activities to their expectations and needs, whilst taking customer feedback into account when designing Private Brand packaging. We also analyse the shopping experience, product quality and assortment in each Biedronka store while developing crowdsourcing initiatives to explore new ideas and inspirations to attract our customers. Our research initiatives cover diverse local communities, from villages to large cities, providing insight into their preferences and needs.



Sustainability Strategy

2-25

Our company's Sustainability Strategy sets a clear direction for the coming years and precisely defines goals and deadlines for their implementation. We strive to continue our commitment and achieve the planned results in terms of sustainable impact, social support and environmental protection. The year 2023 marked the analysis year of our progress regarding the demanding commitments we set for 2021-2023 for advancing sustainability in the production of our products and development of our activities. The progress has many times exceeded what we had Private Brands established. We are now setting the bar even higher, with new goals for 2024-2026, which, as well as a summary of previous commitments, we have described in detail in individual chapters of the Report.



Pillars of the Sustainable Development Strategy:



Promoting good health through food

We want to have a positive impact on the health of our customers by promoting safe, good and balanced diets, and responsible nutritional habits. That is why we focus on the safety and quality of our products, and on diversified diets, while providing a wide availability of products, with a concern for minimising existent and possible environmental and social impacts in their production, at affordable prices.

Our priorities:

- Investing in quality and innovativeness of Private Brands;
- Ensuring food safety;
- Providing comprehensive information on the nutritional value of products we sell.



Sustainable supply chain

In our supply chain, we consider ethical, social, and environmental aspects while developing lasting and mutually beneficial trade relationships with our partners and actively supporting local suppliers. Long-term cooperation with domestic companies has been a strategic assumption since the incorporation of our network, and our offering relies primarily on products sourced from Polish suppliers.

Our priorities:

- Fighting deforestation;
- Providing Sustainably certified products;
- Buying from Local suppliers and supporting innovation;
- Providing Sustainable fishing;
- Caring for Animal welfare.



Respecting the environment

Companies that depend on the food industry face a number of environmental challenges, given the significant use of natural resources, the impact of crops and farming on natural ecosystems and on climate change, and the growing problem of plastic pollution. Our aim is to minimise our environmental impact, so that the supply chain is capable of ensuring healthy and diversified food, while reducing the negative environmental impact of our activities – for future generations.

Our priorities:

- Preserving biodiversity;
- Fighting climate change;
- Implementing Responsible waste management;
- Having a Diligent selection of packaging materials;
- Raising employee and customer awareness.



Supporting surrounding communities

We are continuously listening to the needs of the communities around us, supporting the most vulnerable groups: children, young people and the elderly. Acting together with our social partners, we undertake initiatives to combat exclusion, poverty or malnutrition.

Our priorities:

- Providing direct and indirect support to the community;
- Developing Social initiatives;
- Creating Internal campaigns.



Being a benchmark employer

Being the largest private employer in Poland, we are aware of our responsibility towards our vast working force.

Caring for our workers on a daily basis is our priority, and creating the best and safest working environment is one of our most important objectives. We provide our staff with attractive remuneration conditions, a wide range of non-monetary benefits and various career growth opportunities. We also support employees and their families in difficult situations and accompany them at important moments, such as those related to birth or education.

Our priorities:

- Promote respect for human and labour rights;
- Strengthen the promotion of gender equality across the Group;
- Reinforce leadership capabilities in future generations and stimulate knowledge transfer;
- Strengthen our recognition mechanisms and promote greater transparency about compensation;
- Contribute to increased social inclusion;
- Reinforce our internal development and mobility opportunities, increasing their attractiveness and effectiveness;
- Foster safe working conditions;
- Promote a flexible and healthy work environment across the Group.

Events

External

International Congress of the Economy of Values – Open Eyes Economy Summit

Once again, we were a partner of the International Congress of the Economy of Values – Open Eyes Economy Summit. This 8th edition of the event was devoted to social energy. During the discussion panels, our representatives spoke about how the Biedronka Foundation is involved in stimulating the activity of senior citizens and engaging rural communities through cooperation with Rural Housewives' Associations. They also discussed the role of our stores and the tools available to them for initiating, strengthening, and channelling social energy among the chain's customers.



Karpacz Economic Forum

As every year, we were also present at the Karpacz Economic Forum, this time under the motto "Biedronka wyzwala dobrą energię" (Biedronka releases good energy). In addition to the participation of our representatives in discussion panels, during this year's 32nd Forum our Sustainability Report was traditionally unveiled, in which we summarised the activities of the Biedronka chain in the area of sustainable development in 2022.

Internal

Energia Życia (Energy for Life) conference

"Energy for Life" was the leitmotif of the conference on sustainable development organised by the Biedronka chain and the Jerónimo Martins Group, which took place on 28 November 2023 in Warsaw. The event, which was held under the patronage of Kozminski University, had the presence of 400 attendees in the audience, and over 6,000 participants online. During the conference, presentations and panel discussions were held with scientists and industry experts, who discussed the topic of Energy in three contexts: environmental challenges, promoting healthy eating habits and strengthening social capital in local communities.



The speakers included: Scott W. Tinker – geologist, energy expert and documentary filmmaker, Jurek Owsiak – founder of the Great Orchestra of Christmas Charity, Dominika Langer-Gniłka from the WIOSNA association, Fr. Marcin Iżycki from Caritas Poland, Professor Bolesław Rok, director of the Centre for Positive Impact Entrepre-



neurship Research at Kozminski University, swimmer Otylia Jędrzejczak and Grzegorz Mazurek, rector of Kozminski University.

The first panel, **“The power of nutrition and the joy of eating”**, highlighted the great importance of a balanced diet and the health benefits of making changes to food products. The experts noted that our eating habits reflect the dynamically changing market and the growing “clean label” trend, which focuses on the transparency of ingredients and the elimination of artificial additives. They also stressed the importance of an informed approach to food choices and their impact on consumer health and wellbeing.

In the **“Energy and the environment”** panel, the experts emphasised the need for green transformation as a key element of maintaining competitiveness in the market. The important role of renewable energy sources and decarbonisation in achieving the Sustainable Development Goals was discussed. Examples of how the adaptation of production processes to new environmental regulations and standards can determine the success of companies in the future were presented. The experts pointed out the need to invest in modern technologies and cross-sectoral cooperation to acceler-

ate the implementation of environmentally friendly solutions.

Summing up the panel **“Social energy. How to transform the human need for community into long-term support for social campaigns?”**, the experts noted that Poles are able to mobilise themselves to engage in charitable activities that bring real results. However, it is important to strengthen social capital in local communities and maintain regular support to ensure long-term assistance and stability of activities for those in need.

In addition to the discussion panels, the conference featured individual speeches, including an opening speech by Pedro Soares dos Santos, Chairman and CEO of the Jerónimo Martins Group, who highlighted the key importance of customers, suppliers and employees to the Group's operations. He also mentioned the Group's growing commitment to sustainable development through responsible production, reduction of plastic, lowering the carbon footprint and support for local communities.

In his speech on the need for corporate activism, Professor Grzegorz Mazurek, Rector of Kozminski University, discussed the key aspects of social and environmental responsibility, emphasising the role of a broad public debate in education and activities for sustainable development.



Scott Tinker, State Geologist of Texas and energetics expert at the University of Texas, discussed the critical role of energy in human progress. His speech emphasised that energy not only physically heats, cools and drives humanity, but also acts as a metaphorical engine for socio-economic development.

In his energetic presentation, Jerzy Owsiak showed how joint social mobilisation and transparent management of funds can support the development of healthcare in Poland and in the world. During 33 years of its activities, the Great Orchestra of Christmas Charity (Wielka Orkiestra Świątecznej Pomocy) Foundation has demonstrated that social involvement can contribute to a significant improvement in access to modern medical equipment.

The conference ended with a speech by Luis Araujo, CEO of the Biedronka chain, who summarised the chain's existing and declared further commitments in the field of sustainable development. He emphasised that they result from a sense of responsibility for the planet and the local communities in which we live and reflect Biedronka's commitment to protecting "Energy for Life" in Poland.



Awards and Recognitions

In 2023, we received numerous recognitions for our business, HR and sustainable development performance.

Business and industry-specific awards and honours

Laur Konsumenta

Laur Konsumenta "Lider XX-lecia (2004-2024)" (Consumer's Laurels of two decades (2004-2024) for the consistency and determination in which Biedronka works towards the best possible shopping experience for its customers.

Food & Retail Award 2023

Recognition for accurately identifying consumer needs and offering solutions and services that, due to the company's scale, have become widely available, especially in the areas of electromobility, cashback services and waste management.

HR and Employer branding awards

Employer Branding Stars 2023

Recognition for seven key HR processes, including candidate experience, employee advocacy, employee development and career path planning.

Employer Branding Excellence Award 2023

Recognition of the online campaign category for a campaign design targeting seasonal workers.

Solidny Pracodawca 2023 (Reliable Employer 2023)

For the fifth time in a row, Biedronka was recognised for its exemplary and trendsetting HR policy.

Friendly Workplace 2023

Recognition for a modern approach to the area of personnel policy and employee development, for supporting the work-life balance model and creating a healthy and friendly work environment.

Siła Przyciągania 2022 (Attractive Force 2022)

Main award for marketing campaign in holiday workers recruitment.

HR dream team

Award from the Pracuj.pl portal for the employee talent development through the Ambasada Rozwoju (Embassy of Growth) programme.

Digital Impact Award

First place in the "Best Intranet" category for the dlanaswjm.pl portal for Biedronka employees.

Private Brand development awards

Roślinny Game Changer (Plant-based Game Changer)

Award for the Go Vege Private Brand in a survey conducted by the Roślinniejemy portal.

Czytamy Etykiety (Reading Labels)

Awards in the categories: "Spożywcze Odkrycie Roku 2023" (Food Discovery of 2023) for Fruvita Pure yogurt with a topper, "Spożywczy Produkt Roku w kategorii Lody" (Food Product of the Year in the Ice Cream category) for Marletto ice cream with Belgian chocolate and "Spożywczy Produkt Roku w kategorii Produkty proteinowe" (Food Product of the Year in the Protein Products category) for Go Active protein yoghurt with skyr.

Sustainable development-related awards

Ranking Odpowiedzialnych Firm (Responsible Business Ranking)

We received second place in the industry classification (retail) in the 17th edition of the Responsible Business Ranking. In the general classification, we advanced the most among the companies participating in the ranking – 7 places above, compared to last year.

Złoty Listek CSR (CSR Golden Leaf)

CSR Golden Leaf awarded by Polityka weekly, Deloitte and the Forum Odpowiedzialnego Biznesu (Responsible Development Forum) in recognition of progress in implementing the sustainability strategy.

Dobroczyńca Roku (Benefactor of the Year)

An award for the Biedronka chain and Biedronka Foundation for assistance to Ukraine refugees who had to seek asylum in Poland. Biedronka and the Biedronka Foundation were nominated for the award by Caritas Poland, which worked with us to support Ukraine.

Liderzy ESG (ESG Leaders) competition

Gold Award in the Educational Programme category for the ESG Leaders competition organised by the Warsaw Stock Exchange and PwC Poland. The award was granted for the "Olimpiada Zdrowia PCK z Biedronką" (Polish Red Cross Health Olympics with Biedronka) programme, which significantly contributes to fostering a conscious approach to a healthy lifestyle and engages school and local communities throughout the country.

Diversity in Check survey

The only grocery store chain listed among Poland's most advanced employers in terms of diversity in a ranking based on a survey conducted by the Responsible Business Forum.