pepco® SUSTAINABILITY

FY26 · PEPCO GROUP N.V.

2026 Green Bond Allocation and Impact Report

Allocation and impact reporting under Pepco Group's Sustainable Finance Framework



Introduction

On November 6, 2025, PEU (FIN) PLC, a Pepco Group company, issued a green bond. Pepco Group N.V. acts as a guarantor, as set out in the Terms of Issue and Programme Agreement. The green bond offering raised PLN 600 m of proceeds to finance and/or refinance Eligible Sustainable Projects.

The proceeds of these offerings are allocated to Eligible Sustainable Projects defined in our Sustainable Finance Framework dated 29 September 2025 (the Framework), following the:

- ICMA Green Bond Principles (June 2025)
- ICMA Pre-Issuance Check List for Green Bonds (June 2023)
- ICMA Social Bond Principles (June 2025)
- ICMA Pre-Issuance Check List for Social Bonds (June 2023)
- LMA/APLMA/LSTA Green Loan Principles (March 2025)
- LMA/APLMA/LSTA Social Loan Principles (March 2025)

Pepco Group has obtained an independent Second Party Opinion from Sustainable Fitch to assess the alignment of the framework with the ICMA Green and Social Bond Principles 2025 and the LMA/APLMA/LSTA Green and Social Loan Principles 2025. The independent Second Party Opinion is published on Pepco Group's website (https://www.pepcogroup.eu/wp-content/uploads/2025/09/Pepco-Group-SPO_Final-29.09.25.pdf).

Pepco's 2026 Green Bond Report describes the use of proceeds, and where feasible, provides insight on the sustainability impact, in respect of the PLN 600 m Notes due November 6, 2030 (ISIN PLO455700016). As of September 30, 2026, 100% of the net proceeds of the PLN 600 m Notes due November 6, 2030 (ISIN PLO455700016) were allocated to Eligible Sustainable Projects, with the look back period to the full year 2023. This Green Bond Report therefore covers spend that occurred in 2023, 2024, 2025 and 2026 on selected Eligible Sustainable Projects for this note.

EY performed a limited assurance engagement on the allocation of an amount equivalent to (net) proceeds from each Sustainable Finance Instrument to the Eligible Sustainable Projects included in this 2026 Green Bond Allocation and Impact Report.

Copyright © Pepco 2026 – All rights reserved

Pepco Group's Sustainability Strategy

Our sustainability strategy, “Where Growth Meets Care,” supports how we grow responsibly, embedding environmental and social considerations into business decisions, product design, supply chain practices and the employee experience. Built around three pillars linked to our material ESRS topics and other areas important to our long-term resilience, the strategy translates into practical actions across our operations and value chain, including increasing the use of renewable electricity in our operations and sourcing BCI (Better Cotton Initiative) cotton to support the transition towards more responsibly sourced materials. Through these and other initiatives, the strategy helps us address ESG impacts, risks and opportunities, respond to evolving regulatory requirements and drive measurable progress across the business. It reflects our values of Care for colleagues, Give our best and Love our customers, while supporting long-term value creation and responsible growth. Further information on our sustainability strategy, priorities and progress is available in the Sustainability Statement on page 96 of our 2025 Annual Report.

Green bond allocation report

This report has been prepared in accordance with the allocation and impact reporting provisions of the Framework dated 29 September 2025. The Eligible Green Expenditure Portfolio represents a selection of expenditures that meet the Eligibility Criteria defined in the Framework and does not constitute a complete inventory of all expenditures that may meet those criteria. **Portfolio date:** 30 September 2026

Allocation overview

As at 30 September 2026, Pepco Group had identified PLN 615.86m of Eligible Green Expenditures, against which the full PLN 600m of proceeds from its PLN 600m Green Bond (ISIN PLO455700016), issued on 6 November 2025 and maturing on 6 November 2030, were allocated in accordance with the maximum three-year look-back period under the Framework. **While investment in eligible green expenditures continued in FY26, no Green Bond proceeds were allocated to FY26 expenditure, as the proceeds had already been fully allocated against eligible expenditures incurred in prior years.**

What the proceeds financed

- **Environmentally preferred textiles:** PLN 567.59m, representing approximately 92% of the eligible expenditure portfolio.
- **Renewable energy:** PLN 48.27m, representing approximately 8% of the eligible expenditure portfolio.
- **FY25 expenditure:** PLN 183.79m, comprising PLN 144.75m for environmentally preferred textiles and PLN 39.04m for renewable energy.

Allocation metrics: 97.4% of the eligible expenditure portfolio allocated; 100% of proceeds allocated; 0% new financing; 100% refinancing.

Portfolio of Eligible Green Expenditures (as of 30 September 2026)

ICMA GBP / LMA GLP Eligible Category	FY23 OpEx (PLNm)	FY24 OpEx (PLNm)	FY25 OpEx (PLNm)	FY26 OpEx (PLNm)	Eligible OpEx Value (PLNm)	Allocation
Environmentally sustainable management of living natural resources and land use	114.12	308.72	144.75	nil	567.59	555.00
Renewable energy	nil	9.23	39.04	nil	48.27	45.00
Total Portfolio of Eligible Green Expenditures	**114.12**	**317.95**	**183.79**	**nil**	**615.86**	**600.00**

This report should be read together with the Pepco Group Sustainable Finance Framework and the applicable bond Terms and Conditions.

Copyright © Pepco 2026 – All rights reserved

Impact reporting

Impact indicators for the Eligible Green Expenditures allocated to the green bond issued in November 2025 are presented below. Figures are reported at portfolio level by eligible category.

Eligible Green Category	Projects	Eligible expenditure (PLNm)	Share of financing based on allocation	Impact indicators
Environmentally sustainable management of living natural resources and land use	3	567.59	92.5%	11,595,227 m³ estimated water saved 9,624 kg estimated pesticides avoided 173,926 kg estimated synthetic nitrogen avoided
Renewable energy	6	48.27	7.5%	17,599 MWh renewable energy purchased
Total portfolio	–	**615.86**	**100%**	

BCI cotton programme

- Pepco is increasing the share of BCI cotton sourced for its own-brand products, with a target of 30% BCI cotton sourcing by CY30.
- The programme is implemented using BCI's mass-balance chain-of-custody model, allowing Pepco to increase preferred cotton sourcing through its existing supply chain.
- The associated impact indicators cover the volume of preferred textiles purchased and BCI programme metrics for estimated water saved, pesticides avoided and synthetic nitrogen avoided.

Renewable electricity programme

- Pepco is progressively transitioning its stores and other operations to renewable electricity, as part of the Group's actions to reduce emissions from its own operations.
- The programme includes the procurement of renewable electricity, supported by contractual instruments including PPAs and energy attribute certificates (EACs), including guarantees of origin (GO)
- Progress is measured through the volume of renewable electricity purchased, reported in MWh.

Copyright © Pepco 2026 – All rights reserved

Criteria used and accounting methodology

- **Environmentally sustainable management of living natural resources and land use** - BCI programme: Investments and expenditures in environmentally preferred textiles, including sourcing, directly or through suppliers, of textiles certified by the BCI. For each reporting year, the eligible BCI expenditure is estimated by converting Better Cotton Claim Units (BCCUs) received into cotton weight, valuing that weight using the applicable fiscal-year average Cotlook A Index. Eligible cost in USD equals cotton weight (tonnes) multiplied by the Cotlook A Index (USD per metric tonne). Each eligible amount is translated into PLN using the applicable rate and then aggregated by reporting year and entity for reconciliation to the Project Register. The calculation is applied consistently by reporting year.
- **Renewable Energy** - Expenditure related to certified renewable energy credits (RECs): Eligible renewable electricity expenditure is determined for each supplier invoice or contractual settlement within the reporting year. For bundled GO (guarantees of origin) arrangements: the eligible amount in original currency equals the gross electricity expenditure multiplied by the eligible share supported by the supplier agreement; the eligible share reflects the renewable portion of the relevant invoice population and is set to zero for identified duplicates or excluded items. Renewable coverage is calculated as eligible renewable volume (MWh) divided by electricity consumption (MWh), where both measures are available. For Pepco Poland, eligible expenditure is calculated directly as eligible OZE volume (MWh) multiplied by the contractual rate of PLN 370/MWh. Each eligible amount is translated into PLN using the applicable rate and then aggregated by reporting year and entity for reconciliation to the Project Register.
- PLN is the reporting currency for this report, while EUR is the holding company's functional currency. As the bond was issued in PLN, expenditures in EUR and other currencies were converted to PLN using average exchange rates for the relevant financial year.
- **Basis of reporting**
  - The report covers the green bond issued by PEU (FIN) PLC under the Framework dated 29 September 2025.
  - Eligible expenditure includes operating expenditure and cost of goods sold for environmentally preferred textiles and certified renewable energy credits. CapEx, OpEx and COGS are subject to a maximum three-year look-back period under the Framework.
  - Allocation is reported on an aggregated category basis. Impact indicators are based on the applicable certification data and methodologies available for the portfolio.
  - Pepco Group will report annually until full allocation, or until maturity where applicable, and will obtain external verification of the allocation in line with the Framework.
- **Divestments and the scope of eligible expenditure:** Pepco Group divested Poundland in FY25 and Dealz in FY26. These changes in the Group's composition have a limited effect on the scope of the historical eligible expenditure presented in this report. All eligible expenditure relating to cotton sourcing was attributable to Pepco. For renewable energy, Dealz accounted for 16% of eligible expenditure in FY2025.

Copyright © Pepco 2026 – All rights reserved

Limited assurance report of the independent auditor on the Allocation overview as included in the 2026 Green Bond Allocation and Impact Report of Pepco Group N.V.

To: the board of directors of Pepco Group N.V.

Our conclusion
We have performed a limited assurance engagement on the Allocation overview (hereinafter: the subject matter) included in the accompanying 2026 Green Bond Allocation and Impact Report for the reporting year ending 30 September 2026 of Pepco Group N.V. at Amsterdam.

Based on our procedures performed and the assurance information obtained, nothing has come to our attention that causes us to believe that the subject matter is not prepared, in all material respects, in accordance with the applicable criteria as included in the section Criteria.

Basis for our conclusion
We have performed our limited assurance engagement on the subject matter in accordance with Dutch law, including Dutch Standard 3000A, "Assurance-opdrachten anders dan opdrachten tot controle of beoordeling van historische financiële informatie (attest-opdrachten)" (Assurance engagements other than audits or reviews of historical financial information [attestation engagements]). Our responsibilities in this regard are further described in the section Our responsibilities for the assurance engagement on the subject matter of our report.

We are independent of Pepco Group N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). This includes that we do not perform any activities that could result in a conflict of interest with our independent assurance engagement. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Criteria
The criteria applied for the preparation of the subject matter are the criteria developed by Pepco Group N.V. and are disclosed in the chapter "Criteria used and accounting methodology" of the 2026 Green Bond Allocation and Impact Report and in the Pepco Group "Sustainable Finance Framework" dated 29 September 2025.

The comparability of the subject matter between entities and over time may be affected by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques.

Consequently, the subject matter needs to be read and understood together with the criteria applied.

Limitations to the scope of our assurance engagement
Our assurance engagement is restricted to the subject matter. We have not performed assurance procedures on any other information as included in 2026 Green Bond Allocation and Impact Report in light of this engagement.

The references to external sources or websites are not part of our assurance engagement on the subject matter. We therefore do not provide assurance on this information.

Copyright © Pepco 2026 – All rights reserved

Our conclusion is not modified in respect of these matters.

Responsibilities of the board of directors for the subject matter

The board of directors is responsible for the preparation of the subject matter in accordance with the criteria as included in the section Criteria. The board of directors is also responsible for selecting and applying the criteria and for determining that these criteria are suitable for the legitimate information needs of the intended users, considering applicable law and regulations related to reporting. The choices made by the board of directors regarding the scope of the subject matter and the reporting policy are summarized in section Criteria used and accounting methodology of 2026 Green Bond Allocation and Impact Report and the Pepco Group "Sustainable Finance Framework" dated 29 September 2025.

Furthermore, the board of directors is responsible for such internal control as it determines is necessary to enable the preparation of the subject matter that is free from material misstatement, whether due to fraud or error.

The non-executive directors are responsible for overseeing the reporting process of the subject matter of Pepco Group N.V.

Our responsibilities for the assurance engagement on the subject matter

Our responsibility is to plan and perform the assurance engagement in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance to determine the plausibility of the subject matter. The procedures vary in nature and timing from, and are less in extent, than for a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is therefore substantially less than the assurance that is obtained when a reasonable assurance engagement is performed.

We apply the applicable quality management requirements pursuant to the Nadere voorschriften kwaliteitsmanagement (NVKM, regulations for quality management) and the International Standard on Quality Management (ISQM) 1, and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our assurance engagement included amongst others:

- Performing an analysis of the external environment and obtaining an understanding of the sector, insight into relevant sustainability themes and issues and the characteristics of the company as far as relevant to the subject matter
- Evaluating the appropriateness of the criteria applied, their consistent application and related disclosures on the subject matter. This includes the evaluation of the reasonableness of estimates made by the board of directors
- Obtaining through inquiries a general understanding of the internal control environment, the reporting processes, the information systems and the entity's risk assessment process relevant to the preparation of the subject matter, without obtaining assurance information about the implementation or testing the operating effectiveness of controls
- Identifying areas of the subject matter where misleading or unbalanced information or a material misstatement, whether due to fraud or error, is likely to arise. Designing and performing further assurance procedures aimed at determining the plausibility of the subject matter responsive to this risk analysis. These procedures consisted amongst others of:
    - Making inquiries of management and relevant staff at corporate level responsible for the sustainability strategy, policy and results relating to the subject matter
    - Interviewing relevant staff responsible for providing the information for, carrying out controls on, and consolidating the data in the subject matter

Copyright © Pepco 2026 – All rights reserved

- Obtaining assurance evidence that the subject matter reconciles with underlying records of Pepco Group N.V.
- Reviewing, on a limited sample basis, relevant internal and external documentation
- Considering the data and trends

- Reconciling the relevant financial information with the financial statements
- Reading the information in 2026 Green Bond Allocation and Impact Report that is not included in the scope of our assurance engagement to identify material inconsistencies, if any, with the subject matter
- Considering whether the subject matter is presented and disclosed free from material misstatement in accordance with the criteria applied

Groningen, 16 November 2026

EY Accountants B.V.

signed by R.T.H. Wortelboer

Copyright © Pepco 2026 – All rights reserved