

Citi Handlowy and Żabka together for ESG

Citi Handlowy and Żabka have signed the first joint financial agreement that takes into account the implementation of goals in the area of responsible business and sustainable development. The agreement refers to Żabka's selected goals under the adopted ESG (Environmental, Social and Corporate Governance) Strategy – reducing greenhouse gas emissions and increasing the value of sales of store brand products that promote a sustainable lifestyle. If the specified indicators are not achieved within the agreed time, the company will provide additional funds for activities agreed upon by the parties to support the implementation of the indicated Sustainable Development Goals.

As part of the agreement, Żabka can issue bank guarantees of up to PLN 100 million at Citi Handlowy. At the same time, the bank and the company included in the agreement sustainability indicators (KPIs) that Żabka will strive to achieve. The goals specified in the agreement include a total reduction of Scope 1 and 2 greenhouse gas emissions by a quarter, and a reduction in the intensity of greenhouse gas emissions in stores by 70 percent by 2026 (as compared to 2020 indicators). Żabka is also expected to double sales of its store brand products that promote a sustainable lifestyle by 2025. If the company fails to meet two or more of the indicators, it will provide additional funding, as specified in the agreement, for activities supporting the achievement of the indicated Sustainable Development Goals. This would be a kind of compensation for the failure to meet the goals set out in Żabka's sustainability strategy or for the postponement of their implementation.

*“At Żabka, we implement a comprehensive ESG Strategy, which is fully integrated with our business strategy. It is in line with our mission and it springs from our values. We want to responsibly plan the development of our entire organization and facilitate sustainable choices for millions of customers. In doing so, we are aware that modern business must be credible and transparent in its operation, and that accountability and trust are the most valuable assets today. That is why we are serious about achieving goals specified in our Strategy, and financial instruments based on ESG goals are an additional motivation for us to strive to fulfill our commitments. We are open-minded and want to continue looking for innovative financial solutions that will help us meet the expectations of our stakeholders and maintain our high market position, said **Marta Wrochna-Łastowska, Member of the Management Board for Finance at Żabka Polska.***

The ESG Strategy of the Żabka Group is based on four pillars: sustainable lifestyle, positive impact on the environment, responsible organization and green planet. The company develops activities in the area of sustainable development and responsible business strategically, by integrating environmental, social and corporate governance (ESG) factors with its business strategy. One of the company's ambitious goals, among others, is to achieve climate neutrality in its own operations by 2025. Żabka is the first company in Poland and the first *modern convenience* chain in Central Europe whose decarbonization goals have been scientifically verified and approved by the international Science Based Targets initiative (SBTi). For more information on the ESG Strategy of the Żabka Group and the achieved results go to the corporate website, where there is a link to the ESG Report and the Climate Report: <https://zabkagroup.com/pl/nasza-odpowiedzialnosc/>.

“The strategy of Citi Handlowy adopted this year integrates sustainable development goals with our business objectives. We support our clients in transforming their business models towards sustainable development, and we incorporate environmental, social and corporate governance issues in the bank's decision-making processes. We also have our own goals for reducing carbon footprint, and by 2023 we would like to reduce our greenhouse gas emissions by at least 50% and reduce energy consumption by 40% as compared to 2019. I am glad that



together with Żabka we are pursuing the corporate social responsibility strategy. This is yet another step in our long-standing cooperation, which stems from the commitment of both companies to caring about the environment and social needs, and to include ESG goals as an indispensable part of our business," said **Maciej Kropidłowski, Vice President of the Citi Handlowy Management Board.**

Over the period of the 3-year strategy, Citi Handlowy has undertaken, among others, to grant PLN 1 billion in "green financing" to its clients. The bank's solutions in this regard include advisory services, financing, risk and FX management, supplier financing and green deposits, among others. On the basis of the global know-how, the bank shares knowledge on key ESG trends and their impact on business models, including holding seminars for clients.