



Plastic Circularity Policy



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PURPOSE	The Plastic Circularity Policy sets forth actions undertaken by Żabka Polska in respect of circular economy.

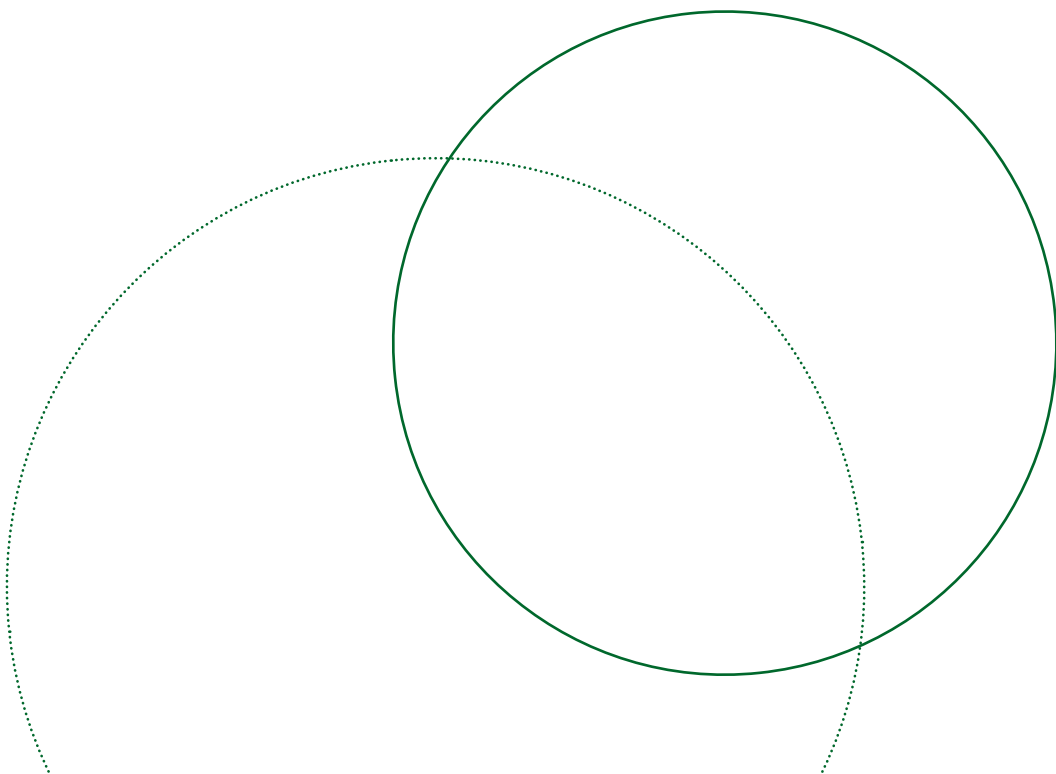


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| Introduction

Żabka Polska strategic commitment is to create conditions for a green and sustainable living for everyone, every day. This is why one of the core pillars of our Responsibility Strategy is the Green Planet. Żabka focus on actions that allow us to minimize our environmental impact across the whole value chain to protect Green Planet. Our goal is to achieve plastic neutrality – after 2025 we want to **recover and recycle 100% of plastics introduced to the market by Żabka**. We are sure that the actions we take today and the close cooperation with our business partners bring us closer to achieving this goal. We have created the Plastic Circularity Policy, because we need to close the loop on plastics for the sake of ecological responsibility. Our efforts to obtain circularity are guided by a set of clear rules. We take responsibility for the entire process, from design to recycling and environment regeneration. This policy, as it currently reads, deals with plastics. However, in the future it will be expanded to include other materials, as well.

| Section 1 Policy purpose and scope

1. The Plastic Circularity Policy sets forth the rules followed by Żabka Polska in respect of plastic packaging for Own Brand Products and Brand Products offered by Żabka Polska in the context of circular economy.
2. This procedure applies to all employees, partners, as well as current and future business partners and franchisees cooperating with Żabka Polska.

Section 2 Definitions and abbreviations

1. **Plastic Circularity Policy** → this Plastic Circularity Policy;
2. **Żabka Polska, Company** → Żabka Polska sp. z o.o.
3. **Employees** → all persons employed by Żabka Polska under an employment relationship, regardless of the type of employment contract and working time;
4. **Partners** → persons providing services to Żabka Polska or performing other tasks under a cooperation contract (i.e. civil-law contract, including a services contract, mandate contract or a specific-work contract) or appropriate powers of attorney;
5. **Franchisees** → persons who operate a store under the Żabka brand on the basis of an appropriate contract executed with the Company;
6. **Business Partner** → a natural or legal person having a business relation with Żabka Polska, except for Employees, Partners and Franchisees, i.a., product suppliers and service providers;
7. **Responsibility Strategy** → a strategic document adopted in 2021, setting out ambitions, development directions and targets in respect of Żabka Polska's responsibility (ESG). This strategy is based on 4 tenets: Sustainable Lifestyle, Positive Impact, Responsible Organization and Green Planet, and includes 11 thematic areas;
8. **Close Loop** → Closed Loop, in this Policy also referred to as Circular Economy. It involves continuous reduction of the amount of primary materials used and increased reliance on recycling and reusing resources and materials;
9. **Green Loop** → a model showing the areas of business targeted by Żabka Polska's actions aimed at responsible management of resources in compliance with the circular economy principles;
10. **Checklist** → a list designed to verify the compliance with Żabka Polska's plastic circularity targets;
11. **Own Brand Products** → products offered to consumers under the Żabka Polska brand, understood as products manufactured by a given supplier, with qualities specified by Żabka Polska, put in a packaging specified by Żabka Polska and bearing a trademark specified by Żabka Polska, with all intellectual property rights to such a trademark held by Żabka Polska;
12. **Brand Products** → products offered to a consumer under the producer's brand;
13. **Plastic** → all plastic materials, meaning materials made of synthetic polymers or modified natural polymers and additions, also known as polymer materials;
14. **Packaging** → individual product packaging, bulk packaging, transport packaging and any other packaging used in the distribution or sales processes.

Section 3 General background of policy

Żabka Polska has a clear goal – to recover and recycle 100% of plastic put on the market after 2025. The direction of change in which we are heading is consistent with EU directives to be implemented in Poland. Our actions are based on the current EU and domestic regulations.

The Single-Use Plastics Directive includes a ban on the use of single-use plastics, introduction of new models of beverage containers (the cap or lid connected to the bottle) and the obligation of incorporating recycled material in the packaging used (targets: 25% by 2025 and 30% by 2030) and collecting most of used beverage containers (targets: 77% by 2025 and 90% by 2029).

As part of the **Circular Economy Package**, Poland has an obligation to recover 50% of the plastic used in packing by 2025 and move towards closing the loop on waste by introducing a packaging fee and a system of Extended Producer Responsibility.

Moreover, a **plastic tax** has been introduced, which is a fee to be paid by EU Member States for each kilogram of non-recycled plastic waste in a given year. It has been applicable since January 2021.

Poland has been working on domestic regulations, as well. So far the following have been adopted:

- the **act on packaging and packaging waste management**, which sets forth the desired level of packaging waste recovery and recycling across various fractions – the universally applicable targets are 61% for recovery and 56% for recycling;
- the **act on waste**, whereunder waste management costs are to be covered by the producer of the primary waste or the current or previous waste holder; under certain circumstances, waste management costs are covered by the product producer or the entity placing the product on the domestic market, instead of the polluter.

There are also other domestic regulations underway as part of the Polish Deal. The Polish government has indicated that there are talks on the Circular Economy and a system of Extended Producer Responsibility, and announced that a container deposit scheme will be introduced.

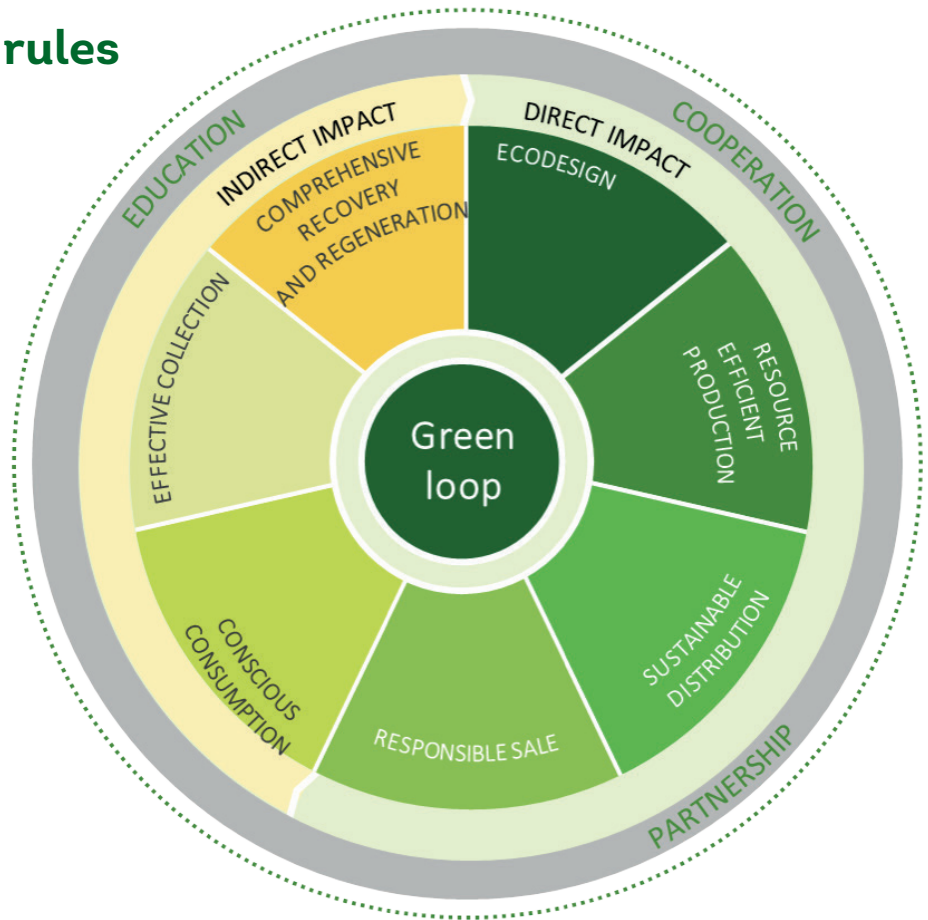
Żabka Polska wants to fulfill the obligations resulting from the regulations, but also look for new and effective solutions – test them and, if appropriate, adjust them.



Section 4 General rules

The “Green Loop” is a model designed by Żabka Polska, showing the areas of business targeted by the Company’s actions leading to comprehensive management of resources, from ecodesign to environment recovery and regeneration.

Diagram 1.
Green Loop



The Model (Diagram 1) is made up of seven key areas:

- **Ecodesign** – designing products, packaging, stores, services and processes in a way that it eco-friendly, reduces resource consumption and improves resource recovery options;
- **Resource-efficient production** – creating products, space and services in a way that is responsible and reduces resource consumption to a minimum, where resources are obtained using environmentally sustainable methods;
- **Sustainable distribution** – a distribution process that reduces transport and bulk packaging waste to a minimum and limits resource consumption;
- **Responsible sale** – sale that supports the closing of the loop and promotes responsibility in the process;
- **Conscious consumption** – promoting environmentally-friendly behavior among consumers;
- **Effective collection** – taking proactive actions to increase the level of collection of the materials used and encouraging cooperation in this area;
- **Comprehensive recovery and regeneration** – increasing the level of recovery of raw materials and taking actions aiming at natural environment regeneration.

Plastic Circularity Policy

The “Green Loop” model was the basis for the development of the criteria that Żabka Polska will follow when expanding the range of products offered by Żabka stores to consumers. The criteria are divided into three groups:

- **Our Standards** – must be satisfied on the day when this Policy is approved or within an agreed deadline for the implementation of the Policy, yet no later than 12 months from the start of cooperation or publication of the Policy.
- **Our Ambitions** – aspirations for the future, to be achieved over the next few years.
- **Good Practices** – increasing the level of recovery of raw materials and taking actions aiming at natural environment regeneration.

To achieve the goal of recovering and reusing 100% of plastics put on the market after 2025, it is key to ensure that each product fulfills all three conditions corresponding to our standards:



As a result of future updates of this Policy, the list of our standards may be expanded to include new criteria. A full list of criteria in respect of Our Standards, Our Ambitions and Good Practices is provided in the Checklist (Appendix 1).

| Section 5 Policy update and review















1. The Green Officer ensures that the Plastic Circularity Policy complies with generally applicable laws and verifies potential irregularities in the enforcement and implementation of the Policy.
2. The Plastic Circularity Policy is periodically reviewed and – if necessary – updated accordingly to ensure that it complies with applicable legal regulations.
3. The Policy is reviewed and updated by the Green Officer at least once every 2 years.

| Section 6 Final provisions




1. The Plastic Circularity Policy as it currently reads was accepted by the Company's Management Board on 15 October 2021.
2. The Plastic Circularity Policy enters into force on 16 October 2021.



I Appendix 1 - Checklist

SECTION I: ECODESIGN				
1.1	Are products and services designed in a way that reduces the use of plastic?	YES / NO / NOT APPLICABLE	comment	
1.2	Is the reuse of plastic in practice taken into account during the design of products and services?	YES / NO / NOT APPLICABLE	comment	
1.3	Does the designed bottle packaging have the cap attached to the bottle?	YES / NO / NOT APPLICABLE	comment	
SECTION II: RESOURCE EFFICIENT PRODUCTION				
2.1	Are the natural resources used to create products and services obtained in a responsible way?	YES / NO / NOT APPLICABLE	comment	
2.2	Does the production process use recycled plastic?	YES / NO / NOT APPLICABLE	comment	
SECTION III: SUSTAINABLE DISTRIBUTION				
3.1.	Is it possible in practice to recycle the plastic used during distribution?	YES / NO / NOT APPLICABLE	comment	
SECTION IV: RESPONSIBLE SALE				
4.1	Are any actions taken to increase ecological awareness among employees and business partners?	YES / NO / NOT APPLICABLE	comment	
4.2	Are any actions taken to reduce the use of unnecessary plastic additions (e.g. cutlery, straws)?	YES / NO / NOT APPLICABLE	comment	
SECTION V: CONCIOUS CONSUMPTION				
5.1	Have any campaigns addressed to consumers been carried out?	YES / NO / NOT APPLICABLE	comment	
5.2	Does product packaging have signs facilitating for consumers the correct waste sorting?	YES / NO / NOT APPLICABLE	comment	
5.3.	Does product packaging encourage consumers to reuse it?	YES / NO / NOT APPLICABLE	comment	
SECTION VI: EFFECTIVE COLLECTION				
6.1	Are any actions taken in the area of proactive resources collection?	YES / NO / NOT APPLICABLE	comment	
6.2	Have any partners been involved in cooperation aimed at effective collection?	YES / NO / NOT APPLICABLE	comment	
SECTION VII: COMPREHENSIVE RECOVERY AND REGENERATION				
7.1	Are any actions taken to rebuild ecosystems affected by the process whereby materials are obtained?	YES / NO / NOT APPLICABLE	comment	

LEGENDA:

-  **Our Standards** → must be satisfied on the day when this Policy is approved or on an agreed deadline for the implementation of the Policy, yet no later than 12 months from the start of cooperation or publication of the Policy.
-  **Our Ambitions** → aspirations for the future, to be achieved over the next few years.
-  **Good Practices** → inspiring examples and solutions that are worth looking into, but not mandatory.