



Sustainable Palm Oil Policy



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DOCUMENT SPECIFICATION

WŁAŚCICIEL REGULACJI	Director of Quality and Food Management Standards
AUTOR / OSOBA AKTUALIZUJĄCA	Food Control and Safety Team Leader
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PRZEDMIOT	The policy sets forth the uniform standards for palm oil's use in Żabka Polska's products.

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| Introduction

The Company's ambition is to create conditions that would allow everyone to lead a sustainable life in harmony with the planet every day. We emphasize our environmental and social responsibility. One of our responsibilities is to shape the range of products offered to our customers. We know that the threat to existence of tropical rainforests has negative effects on both nature and people. That is why it is so important for us that new oil palm plantations are not created through deforestation of rainforests, so that they are not cultivated on peatlands or other soils with a high organic carbon content. It is also important to maintain biodiversity in endangered regions. We are well aware of the importance of sustainable development, hence our efforts to reduce the use of palm oil in food products by phasing it out where possible and replacing the uncertified palm oil used in our products with certified oil.

The Sustainable Palm Oil Policy supports the implementation of the Responsibility Strategy, Sustainable Lifestyle pillar, including Good Nutrition, and brings us closer to achieving our goal of making it easier for our customers to change their everyday habits for the better, for themselves and for the planet, making sustainable choices obvious.

It is worth showing the positive aspects of palm oil, including its high efficiency or production benefits, provided it is used responsibly in the production process. It is a source of vitamins K, E and A, squalene, or alpha- and beta-carotene. As a vegetable oil, palm oil does not contain cholesterol and at the same time it contains unsaturated fatty acids. It must be noted, however, that it is also a source of saturated fatty acids and should not be consumed in excessive amounts. The National Center for Nutritional Education does not recommend high consumption of palm oil, which is why we have decided to completely eliminate palm oil from our own-brand products. However, in the case of branded products generally available on the market, our approach is to encourage suppliers of products offered by Żabka Polska to replace uncertified fractions with certified ones.

RSPO (Certified Sustainable Palm Oil) certification provides assurance of quality in the sense of responsibility for the environment, animals, people and their traditions as well as safety. It guarantees that the products have been created in accordance with the Code of Conduct developed by the Roundtable on Sustainable Palm Oil (RSPO). The Polish Coalition for Sustainable Palm Oil (PCSPO) recognized the RSPO certification as the best certification currently on the market that guarantees the sustainable nature of crops and reliable environmental criteria.

Section 1. Policy's purpose and scope

- 1.1. This Policy sets forth uniform standards and procedures for handling own-brand and branded products containing palm oil and offered by Żabka Polska.
- 1.2. The Company is bound by the procedure set out in this Policy.

Section 2. Definitions and abbreviations

- 2.1. **Policy** → this Sustainable Palm Oil Policy;
- 2.2. **Palm Oil** → oil extracted from the oil palm, otherwise known as the *Elaeis guineensis*;
- 2.3. **Polish Coalition for Sustainable Palm Oil (PCSPO)** → an independent coalition of representatives of key industry businesses, industry and non-governmental organizations certification bodies, and the Scientific Council;
- 2.4. **Roundtable on Sustainable Palm Oil (RSPO)** → a non-governmental organization whose goal is to implement and develop standards for sustainable palm oil production and processing at every stage of the supply chain;
- 2.5. **RSPO Code of Conduct** → the set of RSPO requirements that members of RSPO organizations are required to meet (available at www.rspo.org);
- 2.6. **Certified Sustainable Palm Oil (CSPO)** → palm oil from certified crops - certification audits are conducted by independent certification bodies under national or international standards, see RSPO;
- 2.7. **Supply chain** → the series of processes/steps carried out on raw materials on all stages between the original and the final producer (e.g., cultivation, milling, storage, transportation, refining, production of palm oil);
- 2.8. **Branded Products** → products offered to customers under the brand of a given producer;
- 2.9. **Own-Brand Products** → products offered to customers under the brand name of the Żabka Polska chain, understood as products manufactured by a given supplier, with properties specified by Żabka Polska, packaged in a manner indicated by Żabka Polska and bearing the trademark indicated by Żabka Polska, to which Żabka Polska holds all intellectual property rights;
- 2.10. **Żabka Polska, Company** → Żabka Polska sp. z o.o.;
- 2.11. **Employees** → all persons employed by Żabka Polska under an employment relationship, regardless of the type of employment contract and working time;
- 2.12. **Partners** → persons providing services to Żabka Polska or performing other services on the basis of cooperation agreements (i.e., civil law contracts, including a contract for services, a contract of mandate or a contract for specific work) or relevant powers of attorney.

| Section 3. General provisions

- 3.1.** The Policy serves to ensure that the Company's objectives of excluding palm oil from its own-brand products and using only certified palm oil (CSPO) in all branded products offered by Żabka Polska as well as defining the applicable framework and supporting sustainable palm oil cultivation are met.
- 3.2.** In 2019, Żabka Polska introduced a requirement to phase out palm oil from all own-brand products.
- 3.3.** Regardless of clause 2 above, the Company, being a member of the Polish Coalition for Sustainable Palm Oil (PCSPO), plans to completely phase out uncertified palm oil from branded products offered by Żabka Polska by the end of 2022.
- 3.4.** In order to implement this Policy, the Company will make every effort to ensure that:
- 100% of branded products offered at Żabka Polska contain certified palm oil (CSPO);
 - 100% of own-brand products do not contain palm oil.

| Section 4. Specific provisions

This Policy sets forth the following key guidelines regarding sustainable palm oil adopted by the Company:

- **engaging in dialog with business partners** on responsible sourcing of palm oil and encouraging them to take steps in this direction;
- **supporting responsible producers** - from January 2022 the CSPO certification will be considered a selection criterion in procurement;
- **maintaining the palm oil-free policy** with respect to own-brand products;
- **educating employees, partners and franchisees** about sustainable palm oil - raising awareness during procurement processes in 2021/2022;
- **educating consumers** about sustainable palm oil, supporting responsible purchasing choices;
- **correcting and opposing false or incomplete publicly-shared information** about palm oil; conducting responsible marketing;
- **thorough verification** of all links in the supply chain.

Section 5. Policy's review and update

- 5.1.** Director of Quality and Food Management Standards is responsible for ensuring that the Policy complies with generally applicable laws and for verifying any irregularities in its implementation or execution.
- 5.2.** The Policy shall be reviewed regularly and, if necessary, updated accordingly to comply with current legal requirements.
- 5.3.** The Policy shall be reviewed and updated by Director of Quality and Food Management Standards at least once every 12 months.

Section 6. Final provisions

- 6.1.** The Policy was adopted by the Company's Management Board on 14 September 2021.
- 6.2.** The Policy becomes effective on 15 September 2021.

