

# Żabka Group's ecosystem



Learn more about our modern convenience ecosystem

żabka group

Responsibility  
Report  
2022

Conveniently and Responsibly

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# Žabka Group's Responsibility Strategy for 2021-2025

We create value by making people's lives easier and by allowing them to free up their time, while promoting green and sustainable living for everyone, every day.



**OUR VALUES**

RESPONSIBILITY      OPENNESS      CREDIBILITY      AMBITION

# A 'glimpse in time' of our sustainability journey



**I am delighted to welcome readers to the Żabka Group's fifth Responsibility Report. I hope it demonstrates how acting responsibly in a digital and innovative manner is at the heart of our mission to create value by making people's lives easier through the provision of a unique convenience ecosystem.**

In the 25 years of our presence in the Polish market, this approach has allowed us to become a leader in the modern convenience segment and consolidate our position. As we have grown from a small neighbourhood business to become one of Poland's most recognisable brands, with more than 9,000 stores and over 3 million customers using our services daily, Żabka Group has also become a national and regional leader in sustainability.

## Integrating ESG into our operations

We have received the highest Platinum sustainability rating from EcoVadis, the recognised sustainability rating provider. The rating places us among the 1% of companies globally that best integrate ESG factors within their strategy and operations. However, it is not only about the recognition but continued positive action across multiple areas that counts for most. That is why we work hard to help create a better future, targeting our ambitious goals to become even more strongly positioned as the leader of modern convenience. In this report, you can read about how we are today implementing our ESG strategy across our business. ESG is one of the three pillars of our long-term value-creation plan, which requires us to consider non-financial factors in all our strategic and operational decisions. The report includes many case studies that illustrate this strategy in action. Chosen case studies highlight and bring to life our

commitments in multiple areas besides decarbonisation and circularity, including among many others the provision of good nutrition, services to facilitate sustainable living, enabling entrepreneurship and promoting diversity and inclusion.

## The role of innovation

Innovation plays a leading role in our work to take responsibility for our social, economic and environmental impacts. For example, in our Żabka Eko Smart stores we are testing new solutions that reduce the environmental impact of our stores. Network innovations include the introduction of our fully automated Żabka Nano stores, our EKOMat machines that enable the return of plastic and aluminium beverage packaging, and Robbie, our first robot serving our iconic hot dogs. We are also bringing to the heart of communities an ever-expanding range of tailored nutritional solutions and other services for customers. For example, to help our customers lead healthier and more time-efficient lives, we have recently labelled all our own-brand ready-to-eat-and-heat products with Nutri-Score. And we are learning from our response to the COVID-19 pandemic and the war in Ukraine how to implement new social initiatives based on our values of responsibility, openness, credibility and ambition. In terms of our own team, we aim to provide everybody with the opportunity to build the value of our company in a sustainable manner, giving our people the support they need along with a sense of independence, clearly defined goals and an effective development path. As a result of this focus, Gallup has reported a significant increase in our employees' sense of involvement and ranked us among the 23% top employers in the world. Our suppliers, meanwhile, rate Żabka as their best partner.

## Shaping market standards

Żabka also has an essential role to play as one of Poland's largest franchisors, making a significant contribution to the development of micro and small enterprises while continuously providing franchisees with opportunities to make responsible choices. We are actively shaping the standards for the nationwide franchise market - we are a co-founder and early signatory to the Code of Good Practice for the Franchise market. To ensure this pipeline of new solutions across all our key areas of focus never dries up, we use our Venture Studio to seek and work with partners to help us continue and accelerate the transformation of our convenience ecosystem. Venture Studio is just one aspect of our constant readiness for change, continuously modifying and refining our goals to ensure we are prepared to respond positively to unexpected events.

At Żabka, we are always open to further developing our core strategy, seeking new directions, being open to innovation and accepting a certain level of risk that allows us to make mistakes as we seek improvement. This report is therefore a glimpse back in time at our journey. I very much hope you will find it an engaging and rewarding read.

**Tomasz Suchański**  
CEO of Żabka Group

# Leadership on the ESG Strategy



**We want to make everyday choices simple and convenient for customers and beneficial for the planet. This is therefore the long-term direction we have taken as part of our Responsibility Strategy, closely integrated with our business objectives.**

In 2022, therefore, we redefined our approach to good nutrition and identified aspects we want to focus on in the years ahead. We also set up a food-waste prevention programme, which will introduce the significant progress made in our own operations at a store-level too. Environmental responsibility is a key element of all our strategic activities, which is why we have set the goal of

reducing by 25% the carbon emissions in our own operations by 2026. We tested our new Eko Smart store, which combines ecology with modern technological solutions. We expanded our hybrid and electric car fleet and implemented energy-saving initiatives. In the area of circularity, we have once again achieved plastic neutrality in our own operations. We implemented a packaging strategy in which we address the whole product life-cycle, from supply planning, through storage, distribution, implementation and finally to sale. We have also engaged our customers in the process of closing the loop by inviting them to participate in our deposit-system pilot in Bydgoszcz.



**Anna Grabowska**  
Executive Vice President  
of the Management Board,  
Chief Commercial Officer



**In Żabka Group we are working to build an organisation based on openness and diversity. One of our strategic objectives is to increase the level of our employees' engagement.**

According to the Gallup Institute's survey, in 2022 we were ranked among the 23% top employers in the world with the most engaging organisational culture. The engagement level of our employees is five times higher than in the average Polish company. We achieved this in part by ensuring equal pay regardless of gender, as confirmed by our EQUAL-SALARY certification. The certification process went beyond the audit of salary data, with focus groups talking to employees and checking their perceptions of equal pay opportunities. The certificate we obtained therefore confirms equality not only in the conduct of our salary policy but also in its perception and credibility among employees.

**Jolanta Bańcerowska**  
Member of the Management Board,  
Chief People Officer



**We are the largest franchisors in Poland - in 2022 we opened our 9,001st store. We also collaborate with more than 8,000 franchisees, to whom we give all necessary start-up knowledge and assistance, as well as comprehensive support.**

An important element of support for franchisees is also a systematically expanded set of digital tools, including the Cyberstore platform, which delivers a 360-degree view of a franchisee's store, and OPTIPLAN, a project for organising and optimising work in Żabka. As part of this initiative, we have also launched 'Żabka Assistant', a modern technological solution to support the tens of thousands of cashiers working on a daily basis in our stores. In last 12 months we introduced over 30 big franchisee-centric initiatives. We place great emphasis on developing long-term relationships based on cooperation and trust - 65% of our franchisees stay with us for more than three years and our NPS score increased by 13 points during 2022.

**Adam Manikowski**  
Executive Vice President  
of the Management Board,  
Managing Director of Żabka Polska



**Żabka Group is the European leader in creating digitally enabled convenience solutions that meet the needs of modern customers.**

We focus on providing a unique and highly personalised shopping experience by connecting the digital world with its surroundings. Solutions we have created include Żabka Jush! q-commerce, which has attained a leading position in Poland, Delio e-grocery and the autonomous Żabka Nano, where we have also launched another innovative solution in the shape of Robbie the robot, who serves customers our iconic hot dogs. Maczfit, the leader of dietary catering in Poland and Dietly, a marketplace of box diet orders, complement our ecosystem of solutions. We search for and invest in innovative startups, anticipating close collaboration and achieving positive change together. This approach is reflected by the Venture Studio and its acceleration programmes.

**Tomasz Blicharski**  
Executive Vice President  
of the Management Board,  
Managing Director of Żabka Future



**ESG performance has an increasingly important influence on cooperation with financial institutions who are seeking to allocate their capital to companies that are driving their businesses in a sustainable manner.**

In 2022 we signed another financial agreements that include a margin that's dependent on the achievement of our ESG targets, including those relating to our decarbonisation plan endorsed by the Science-Based Targets initiative (SBTi). This is a very important signal for the market on how to integrate ESG factors into the business agenda for the sake of sustainable development. Transparent reporting on our ESG performance is therefore one of the key strategic aspects of our stakeholder communications. We do this according to best practice, taking into account international standards and regularly undergoing external verification.

**Marta Wrochna-Łastowska**  
Member of the Management Board,  
Chief Financial Officer



# Executive summary

## SUSTAINABLE LIFESTYLE

During almost 25 years in the Polish market, Żabka has become a leader of the modern convenience segment, with more than 15.5 million people living within 500 metres of a Żabka store. We support them in making conscious, healthy and sustainable choices. We have launched 180 of our own brand products, making sure that all our own brand ready-to-eat-and-heat products are in packaging that is 100% labelled with Nutri-Score. We have also withdrawn from sale eggs from caged hens and we have eliminated the use of palm oil in our own brands. Moreover, we engage

employees, customers and franchisees in initiatives aimed at preventing and reducing food waste – we address the whole product life cycle, from supply planning, through storage, distribution, implementation and finally to sale. This also includes the Good Package solution embedded in our Żappka app, which was downloaded over 11 million times. The app can be also used to access convenient services, as well as unique solutions such as our 'Kawonament' coffee subscription service and our engaging 'Żabu' gaming scheme.

## MINDFUL BUSINESS IMPACT

We opened 1,067 stores during the year, including our 9,001st opening in December 2022. We are expanding with our customers in mind, giving our around 8,000 franchisees a chance to enhance their entrepreneurship skills by running their own business, including new store formats such as by a motorway. Along with our business partners, we are developing relationships based on cooperation and trust – 65% of franchisees stay with us for more than three years and our NPS score grew by 13 points. We value the opinion of our franchisees, and we appreciate the positive

feedback from our suppliers – we ranked first out of more than 20 retail chains in the nationwide satisfaction study (NFS). In addition, we are looking for business partners with whom we will be able to develop new solutions offered through the convenience ecosystem. This approach is reflected in our Venture Studio and its acceleration programmes – the Foodtech Lab, the Startup Impact Programme and the Future Lab, through which we had contact with 1,335 unique start-ups, met with more than 100 entities and invited 13 to pilot a product or a solution with us.

## RESPONSIBLE ORGANISATION

According to the Gallup Institute, we are among the top 23% of employers in the world with the most engaging organisational culture – the engagement level of our employees is five times higher than in the average Polish company. We achieved this by ensuring that our employees receive equal pay regardless of gender, making us the first Polish company with EQUAL-SALARY certification. We are also constantly working on increasing our credibility by publishing our fifth Responsibility Report, which has been externally assured, and disclosing information

on the implications of climate-related risks and opportunities under the TCFD framework. In order to better serve our stakeholders and improve our sustainability practices, we undergo external assessments and ratings – our Platinum medal in the EcoVadis certification places us among the 1% of companies in the world that best integrate ESG factors. Our responsible approach to ESG enables us to access different sources of capital, and we have signed six ESG-linked agreements with financial institutions.

## GREEN PLANET

Over 3 million customers use our convenience ecosystem solutions every day. The scale of our operations does affect the environment, but it also provides the opportunity to jointly combat climate change. We tested our new Eko Smart store, combining ecology with modern technological solutions, a hybrid and electrical fleet and energy saving initiatives. In the area of circularity, we want to minimise the amount of waste by maximising recycling and recovery, so giving it new value. We implemented a packaging strategy and introduced cellulose coffee lids, 100% rPET in

our own brand bottles and recycled packaging in our own brand products. We also supported our franchisees in recycling more materials. This led to the reduction of the amount of 'virgin' plastic introduced to the market, achieving plastic neutrality in our own operations for the third year in a row. We engage our customers in closing the loop – the pilot of our new deposit system in Bydgoszcz encouraged the use of EKOmats, machines which allow the selective collection of plastic and aluminium cans. It also awards points for the Żappka mobile app.

Legend: expectations for 2022 not met ○ | expectations for 2022 partially met ◐ | expectations for 2022 met ●

Area	Strategic commitment	2022 status	2022 result
1.1 Good nutrition	Multiple the sales value of own brand products promoting a sustainable lifestyle by 2025	●	PLN 982 million
1.2 Food waste prevention	-25% food waste intensity in own operations and in stores by 2025	●	-27% in own operations & set of initiatives tested in stores
1.3 Services for sustainable lifestyle	Increase in customers' NPS score by 2 points each year until 2025	○	46 points
2.1 Fostering entrepreneurship	Increase in franchisees' NPS score by 15 points by 2025	●	Increased by 13 points
2.2 Partnerships for positive change	The best partner supporting innovative and responsible solutions	●	Business acceleration programmes
2.3 Communities activation	50,000 interactions for sustainable growth by 2025	●	73,326 interactions
3.1 Empowering culture	Top 25% of the best employers according to the Gallup survey	●	77 <sup>th</sup> percentile (top 23%)
	Increase the employees' NPS score to 65 points by 2025	◐	60 points
3.2 Resilient management	100% of employees trained on business ethics principles by 2025	◐	99.7%
	100% of business partners familiarised with the Code of Conduct by 2025	●	35.4%
	ESG factors taken into consideration in all key decisions and investments by 2025	◐	Policies preparation started
3.3 Trust and transparency	External reporting in accordance with best practices and standards	●	ESG report
4.1 Circularity	Packaging neutrality for own brand products by 2025	●	Plastic neutrality achieved
4.2 Decarbonisation	-25% total scope 1 and 2 greenhouse gas emissions by 2026 (base year 2020)	●	-24% vs. 2020 18,275 tCO <sub>2</sub> e
	-70% reduction of franchisee emissions intensity by 2026	●	-57% vs. 2020 14.4 tCO <sub>2</sub> e/mPLN



# Ultimate convenience ecosystem

Żabka is expanding its physical and digital channels, increasing the number of customer interactions and providing vital solutions rather than just products.



# From neighbourhood store...

Since the day one, Żabka Group has been constantly transforming. Our goal is to deliver the best convenience solutions on the market for our customers.

1998



## Top 10 in Poland

Żabka already has more than 2,350 stores, making it the largest centralised and formatted small stores chain in Central and Eastern Europe. It is also among the top-10 largest retail chains in Poland.

## First Żabka stores

Seven experimental Żabka stores are opened in Poznań and Swarzędz, designed to be a 'convenient alternative' to the increasingly intensive development of super- and hypermarkets.



2010

2016



## Modern convenience format development

Żabka now has a network of 4,500 stores and is starting the process of transformation to the new store format, with a new logo, innovative equipment and store design, to expand the convenience food category. Żabka wants to be even closer to its customers, so it introduces a variety of store formats and accelerates the store expansion.

# ...to ultimate convenience ecosystem in 25 years

2023

2019



## Digital transformation

Within two months of its release the Żabka app is already among the most frequently downloaded free applications in Poland. It's widely available to customers and is constantly adding new functionalities - it offers customers exceptionally attractive promotions that change every two hours, using AI to create individualised deals.

## Integration of responsibility

Our Responsibility Strategy, adopted in 2020, is fully integrated with the Żabka Group's Business Strategy. It clearly articulates our commitment to creating conditions that empower our customers to make more responsible choices, enabling them to live in a green and sustainable way, every day.



2020

2021



## Ultimate convenience ecosystem

We integrate products and services to provide a complete ecosystem of solutions for every part of the day, every need and every craving. We call this 'the ultimate convenience ecosystem'. It empowers customers to earn a new currency: free time. Time they can spend on the things that matter most to them.

# About the Żabka Group

The Żabka Group is a unique ultimate convenience ecosystem, comprising solutions designed for customers who value their time and comfort. We respond to their various needs, and our services are available both via physical and digital channels. We play across three megatrends – convenient solutions, digitalisation and responsible choices. And we are always focusing our attention on the customer.

Over  
**9,000**  
Żabka stores

Nearly  
**8,000**  
franchisees of Żabka stores

Over  
**50**  
autonomous Żabka Nano stores



Over  
**6 million**  
users of Żappka app

Nearly  
**2,200**  
towns and cities in Poland reached by Maczfit

Dietly No. **1**  
the leading online D2C meal marketplace and SaaS provider

## ŻABKA OWN BRANDS

Our unique own brand products complement our ecosystem. We actively introduce and develop them to provide our customers with one-of-a-kind products that are not available anywhere else and sure quick meal solutions through out the whole day.



# Business model

Our business model is based on creating and developing various solutions within the modern convenience ecosystem that enables us to accompany consumers at every moment of every day. We help them save time and effort when shopping, having a hot meal on the go, send a parcel, withdraw cash or take advantage of dietary catering.

Our largest business unit is Żabka Polska. Under the direction of Adam Manikowski, it manages our physical store locations and those operational teams responsible for tasks ranging from expansion and site adaptation to supply chain, product range and marketing communications. Żabka Future is another important Group unit, responsible for identifying and developing businesses and new technology-based tools to support our business growth. Headed by Tomasz Blicharski, it also oversees new Group entities such as Maczfit, Dietly, Lite and Cool-Logistics.

Our Strategic Leadership team plays an important governance role across the Group, providing strategic direction to those divisions most responsible for Group development. Consumer Strategy is led by Anna Grabowska (Chief Commercial Officer), Financial Strategy by Marta Wrochna-Łastowska (Chief Financial Officer) and People Strategy by Jolanta Bańczerowska (Chief People Officer). Anna Grabowska also oversees our Responsibility (ESG) Strategy.



As our ESG Strategy is fully integrated with the Group's Business Strategy, members of the Management Board also lead the implementation of ESG initiatives in their specific areas of responsibility. We have continued our strategy of expanding the Group by integrating with brands that have a key role to play in

expanding the convenience ecosystem. In 2022, this included an investment in Cool-Logistics, which specialises in transporting products at controlled temperatures. This complements our investments during 2021 in brands including: Maczfit – the leader of dietary catering in Poland, Dietly – a marketplace

allowing to compare, select and manage box diet orders, start-ups Żabka Jush! and Delio, which are developing q-commerce and e-commerce services, and Żabka Nano, which focuses on the development of the autonomous stores format.

## Our lead in creating the new convenience ecosystem is thanks to a transformation process focusing on three key areas



### Ultimate convenience

In our efforts to get ever closer to our customers, we are continuously expanding into new locations and developing new formats that meet emerging needs and our ambitious growth plans. We ensure customers get what they want from us through our tailored and cutting-edge product offering, supported by attractive promotional campaigns. We continue to innovate, using emerging communications channels and launching new services. As a result, 93% of Poles recognise our brand.

### Digitalisation

We continuously create value by seeking, creating and developing innovative services, new sales channels and the tech-based tools of the future. We use digital solutions to improve our working tools, streamline store-management processes and support effective communication, both internally and externally with our customers. Moreover, we use Artificial Intelligence (AI) as an enabler when making business decisions in areas like ranging, pricing and store locations.

### Responsible choices

The comprehensive ESG Responsibility Strategy we adopted in 2020 is fully integrated with the Żabka Group's Business Strategy. It contains a clear definition of its objectives and indicates the Group's future direction. Our Responsibility Strategy clearly articulates our commitment to creating conditions that empower our customers to make more responsible choices, enabling them to live in a green and sustainable way, every day.

# Value creation in 'the Żabka way'

We strongly believe that **integrated thinking** leads to more integrated decision-making and the ability to take actions that consider how value is created over time. Active consideration of our relationships between various operating and functional units, stakeholders and the **six capitals** according to the Integrated Reporting Framework (IIRC) - financial, manufactured, intellectual, human, social & relationship and natural - is vital to understand the true elements needed for **value creation and preservation**.

Here we disclose how financial, social, environmental and governance inputs and performance are interlinked with respect to the Żabka Group's mission, vision and business model, leading to value creation in **'the Żabka way'**.

Through the newly developed model presented below, we aim at more comprehensive communication on how our strategy, governance, performance and prospects **drive the creation of financial and non-financial value**, in the context of the external environment and inputs needed.

This approach allows us to generate various benefits, such as improved quality of information provided to our stakeholders, enhanced accountability, better understanding of the independencies impacting our business and a more cohesive approach to reporting that allows more informed decision-making.



WHAT WE RELY ON		METRICS (VS. 2021)
<b>Global talent</b>	Fully committed employees and co-workers guarantee superior skillset for continuous development of our Group and boost our capacity to innovate.	<b>2,573</b> Employees (+16%) <b>12,8%</b> Employees digitally upskilled
<b>Data &amp; technology platforms</b>	State-of-the-art technology and data analytics enable us to expand our convenience ecosystem and achieve operational excellence.	<b>450TB</b> Amount of data processed daily (+11%) <b>6.1m</b> Żabka users (+15%)
<b>Committed partners</b>	We develop strong, meaningful relationships that go beyond the surface. Our goal is to help each other fulfill our respective visions and to deliver superior business results.	<b>7,830</b> Franchisees (of which 70% women) (+18%) <b>3.6m</b> Customers (+29%) <b>484</b> Suppliers <b>7</b> Strategic technology partners
<b>Points of sale, distribution network &amp; own brand production</b>	Best-in-class logistics leveraging our data platform and green solutions supporting our nationwide sales & distribution networks and production facilities.	<b>9,021</b> Points of sale (+13%) <b>9</b> Distribution centres <b>2</b> Maczfit production plants
<b>Financial resources</b>	We utilise equity, debt and internally generated cash to fund our winning long-term growth strategy.	<b>PLN 13,293m</b> Total liabilities & equity (+1%) <b>PLN 2,211m</b> Net cash flow from operating activities (+7%)
<b>Natural resources</b>	We consume water, energy, fossil fuels and food ingredients in all elements of the value chain. We work on sustainable sourcing standards implementation and manufacturing process optimisation.	<b>38,635 m³</b> Water consumed (+8%) <b>45,093 MWh</b> Fuel used (+10%)

CREATING VALUE FOR	THROUGH	RESULTS (VS. 2021)
<b>Customers</b>	Proximity & Convenience Responsible choices Time savings Shopping experience	<b>16m Poles</b> Poles less than 500m away from one of 9,021 points of sale (+7%) <b>PLN 982m</b> Sales of own brand products promoting sustainable lifestyle <b>~2 min.</b> average time per visit while shopping in Żabka <b>19m</b> Meals delivered <b>46</b> Customer NPS (-4 points)
<b>Franchisees</b>	Entrepreneurial skills Stable business Attractive revenue profile Development & Training	<b>2,401</b> New franchisees (+9%) <b>65.3%</b> Franchisees cooperating with Żabka for at least 36 months (-0.2pp) <b>PLN 2.9bn</b> Franchisee margin (+31%) <b>100h</b> Onboarding training hours for each new franchisee (+25%)
<b>Communities</b>	Volunteering Community engagement activities Sustained employment	<b>659.8h</b> Employee hours spent on volunteering <b>73,326</b> Interactions related to sustainable development (+95%) <b>56,400</b> Jobs maintained in the wider PL economy
<b>Business partners</b>	Sharing insights through ACIT platform Co-operation Long term partnerships ESG guidance	<b>383k</b> Reports for suppliers who represent 70% of our purchases <b>20</b> Joint ventures & business partnerships <b>1st place</b> Suppliers' NFS survey <b>35.4%</b> Suppliers by turnover familiarised with the Code of Conduct
<b>Employees &amp; co-workers</b>	Purpose Development Rewards & Recognition Equity, Diversity, Inclusion	<b>77th percentile</b> Employee engagement level (Gallup 'Q12 survey') (+11 percentiles) <b>23h</b> Training hours per employee (+1%) <b>EQUAL-SALARY certificate</b> <b>50%</b> Gender parity in the Management Board
<b>Investors</b>	Dynamic growth Focus on sustainability Socio-economic development	<b>PLN 18.5bn</b> Sales to end customers (+28%) <b>EcoVadis platinum medal</b> <b>PLN 7bn</b> Value added to PL economy by Żabka and franchisees
<b>Planet</b>	Circularity Decarbonisation	<b>94%</b> Own brand products packaging suitable for or originating from recycling (+0.6%) <b>18,275 tCO<sub>2</sub>e</b> Emission (scopes 1 and 2) <b>14.4 tCO<sub>2</sub>e/PLNm</b> Store emissions intensity (scope 3)

# Calculating our impact

For yet another consecutive year we decided to analyse our impact based on a proven methodology to better understand our contribution to the socio-economic development of Poland.



How we analysed our impact

There are four main ways in which the Żabka Group's comprehensive convenience ecosystem positively impacts the Polish economy: directly - through our core operations; indirectly - through the actions of suppliers and organisations providing goods and services in aligned industries and sectors; induced - additional growth stimulated by increased household income; and commercial - driven by franchisees' entrepreneurial activities in the commercial sector, selling goods and services to end customers. Collectively, these elements represent our total impact.

Our activities drive the growth of other industries as well as increasing demand for the goods and services we offer, generating added value in the economy and creating new jobs while sustaining existing ones. Wages paid increase household incomes and boost consumption. Our total impact is measured with use of four indicators. These are: added value, sustained employment, household revenue, and the value of paid taxes, dues and fees.

To have these effects, we purchase goods (e.g. products for sale in-store) and services (e.g. transport) that enable us to operate. We co-create positive economic outcomes for Poland's national and local economies by working in the value chain, with business partners including our franchisees and suppliers.

## Added value

The total added-value impact of the Żabka Group and our franchisees on the Polish economy in 2022 was PLN 7.0 billion, 31% higher than in 2021 (PLN 5.3 billion). The figure equals to an amount that would be sufficient for funding the renovation of approx. 12,700 km of asphalt municipal roads. This is our contribution to the creation of gross domestic product (GDP), which is the sum of added value from all economic sectors plus taxes on products minus any subsidies. Every single PLN of added value we directly generated during 2022 created an additional economic value of PLN 2.42, including through franchisee activities (+ 13% y-o-y). In 2022 Grupa Żabka together with its franchisees generated 0.26 percent of added value in Poland.



## Household revenue

The total income generated in households across the entire Polish economy due to our and our franchisees' activities stood at PLN 2.3 billion in 2022, nearly 37% higher than the PLN 1.69 billion generated in 2021. Wages paid are an important indicator of household wealth. The effects on all parts of the Polish economy are generated via our direct employment and payments to entrepreneurs and businesses including franchisees, suppliers and sub-suppliers, who in turn pay their own employees. The value of this total income would be sufficient to finance cost of building of an onshore wind farm in Europe of about 375 MW capacity.



## Employment level

Our own and our franchisees' total impact on the labour market in 2022 took the form of sustaining more than 56,400 jobs in the Polish economy, up by 24% on the 45,400 recorded in 2021 and 55% higher than 2020's 36,500. However, our impact extends far beyond the numbers employed directly by us and our business partners, thanks to purchases made through other interlinked industries. This positive impact on employment is felt in all labour markets and sectors across the Polish economy. The numbers involved in 2022 are roughly equivalent to the population of towns of Swarzędz and Jarocin together located in Greater Poland Voivodeship.



## Taxes, dues and fees

During 2022, entities within the Żabka Group paid more than PLN 458 million in taxes, dues and fees. Of these, 16% went to the budgets of municipalities, poviats and voivodeships, with the balance going to the central budget. Last year's figure was 63% higher compared to previous year. Our core activities, such as those relating to household purchases and our work with franchisees, enable us to stimulate the Polish economy positively. The public levies we pay strengthen Poland's central and local budgets alike. The amount paid in 2022 could cover 6.5 'Sport for All' programme of the Ministry of Sport and Tourism offered in 2023.



# ESG Governance

The Żabka Group is managed by experienced managers at every level, all supported by the Supervisory Board. ESG is managed on three levels: strategic leadership, strategic management and operational management.

## Strategic leadership

The Management Board is ultimately responsible for ESG leadership, including the identification and management of risks and opportunities. It also leads on strategic planning and supervises the implementation of business strategy. Individual Board members are responsible for specific objectives within the Responsibility Strategy, which are cascaded through the organisation and used in the annual evaluation of our employees' performance. Chaired by our CEO Tomasz Suchański, the ESG Committee monitors strategy implementation. Meetings are attended by all Management Board members and the ESG Director, and by other internal stakeholders as required. The meetings are designed to assess Żabka Group's progress in implementing our Responsibility Strategy, and any recommendations made regarding future plans are subsequently prioritised for consideration at Board level. Since January 2021, Anna Grabowska, our

Chief Commercial Officer and Executive Vice President in Charge of Consumer Strategies, has been leading a team to identify our future growth strategies. As well as considering our evolving approach to consumer engagement and brand development, the ESG team is directly in charge of implementing our Responsibility Strategy. We have also integrated the management of ESG-related risks, including risks related to climate change, under the corporate risk-management system, which is supervised by our Chief Financial Officer, Marta Wrochna-Łastowska. In addition, to maintain high standards of ESG data, Finance Department is responsible for ESG data validation and reporting. The two investment funds that are Żabka Group's main shareholders - CVC Capital Partners and Partners Group - select the members of our Supervisory Board. They and the members of our Management Team are appointed for their skills and understanding around our economic, environmental and social impact.

During 2022, the Supervisory Board continued to oversee the implementation of the Responsibility Strategy proposed by the Management Board in 2021. This process involves a range of elements, including the creation and review of monthly progress reports and the discussion of sustainability issues at Supervisory Board meetings. In 2022, Jacques de Vaucleroy was dismissed as a member of the supervisory board. Two new independent board members were appointed: Giulia Fitzpatrick who has experience in technology, digital, innovation and ESG, and Olga Grygier-Siddons who has combines business transformation with responsible leadership and personal growth. All members of the Supervisory Board attended all six meetings that were held in 2022. The Responsibility Strategy also sets out the scope of an annual assessment of the Management Board's performance, which is undertaken in any given year by the Supervisory Board. The findings of this assessment are directly related to the team's remuneration.

*'Having the right ESG governance and close collaboration between engaged stakeholders is central to successful strategy delivery. A good example of such an approach is our dedicated team responsible for activities relating to climate issues under our Green Planet pillar. The team consists of representatives of key areas, working closely together to implement our decarbonisation plan on daily basis and monitor the risks at least once per quarter.'*



**Rafał Rudzki**  
ESG Director

## Strategic management

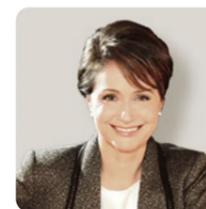
Żabka Group's Directors are responsible for strategic management across the organisation. We have now had an ESG Director in place since 2021, reporting to Anna Grabowska in her role as Executive Vice-President in charge of Consumer Strategies. As the leader of the ESG area in the Group, the ESG Director's role includes the ongoing supervision and control over the Group-wide delivery of those strategic objectives defined in the Responsibility Strategy. The Director also heads up

the ESG Department, which oversees the operational implementation of ESG priorities across the Group's different departments. The Director of the Risk and Internal Audit Department, meanwhile, is responsible for monitoring and supervising how we manage the ESG risks, including climate risks and opportunities that arise. This is an essential role with relation to our Task Force on Climate-Related Financial Disclosures (TCFD) reporting responsibilities.

## Operational management

A number of employees representing specific areas of the business are actively involved in implementing operational activities arising from our Responsibility Strategy. Our ESG objectives are integrated into employee-performance assessments, linked to a variable compensation scheme. We continue to operate the quarterly ESG monitoring, validating and reporting system we introduced in 2021 to help us make informed decisions around the future development of our Responsibility Strategy.

## Supervisory Board



**Giulia Fitzpatrick**  
Independent Member  
of the Supervisory Board



**Olga Grygier-Siddons**  
Independent Member  
of the Supervisory Board



**Krzysztof Krawczyk**  
Chairman  
of the Supervisory Board



**Jean-Rémy Roussel**  
Member of the Supervisory  
Board experienced in risk  
management, supervises  
the implementation of the  
Responsibility Strategy



**István Szöke**  
Member  
of the Supervisory Board



**Stephan Schäli**  
Member  
of the Supervisory Board

## Management Board



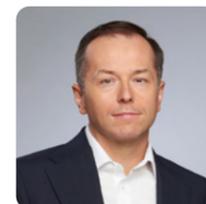
**Jolanta Bańcerowska**  
Member of the  
Management Board,  
Chief People Officer  
(CPO)



**Anna Grabowska**  
Executive Vice President  
of the Management Board,  
Chief Commercial Officer  
(CCO)



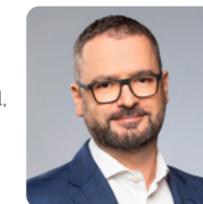
**Marta Wrochna-Łastowska**  
Member of the  
Management Board,  
Chief Financial Officer  
(CFO)



**Tomasz Blicharski**  
Executive Vice President  
of the Management  
Board, Managing  
Director of Żabka Future



**Adam Manikowski PhD**  
Executive Vice President  
of the Management Board,  
Managing Director  
of Żabka Polska



**Tomasz Suchański**  
Chief Executive Officer  
of Żabka Group

# Risk management

The Enterprise Risk Management (ERM) model we created in 2021 empowers us to apply best practice in all areas and to define all the risk-management methods and processes in place across the organisation. The ERM model covers financial and non-financial outcomes and allows us to consider the strategic impact of any given risk.

Our organisation-wide risk-management system embraces all the activities of the Management Board, the Supervisory Board and our employees, supporting a planned response to a wide range of specific risks. Its implementation has increased awareness across all business units of the risks the Group is exposed to, as well as providing us with tools that help identify actions for reducing both the likelihood and the impact of damaging events. Risks are evaluated on a periodic basis, in line with Risk Management Procedure. Its purpose is to ensure a uniform, consistent and effective approach to managing risks in the Group. Additionally, in order to strengthen the culture of managing risk, we conduct educational and training activities that raise employees' awareness of climate change and its impact on our business model, strategy and value chain. All employees are also encouraged to proactively identify and report potential risks throughout the organisation. Our Risk

and Compliance Committee, comprising members of the Management Board and Senior Management, met at least once a quarter during the year to discuss key issues relating to risk, internal audit and compliance.

Key issues from the Committee are also discussed with the Supervisory Board, on which Jean-Rémy Roussel is responsible for risk management oversight. When it comes to managing ESG-related risks, we use the same disciplines as those we apply to risk factors affecting all areas of the business.

When identifying and analysing ESG-related risks, we are aware that ensuring regulatory compliance and implementing our ambitious ESG strategy both involve challenges that potentially generate risk. The factors we consider during the risk-management process include among others the lack of ready-made solutions

that meet our specific needs or match the scale of our business activities. Issues include inappropriate cost, the lack of involvement by certain key stakeholders, increased energy costs and changing customer behaviours.

We distinguish between two main kinds of risk relating to our business activities: strategic risks and area-specific risks. We create specific action plans to address and mitigate those risks identified as the most material by the Management Board and area owners. And we assign 'risk owners' from each relevant business unit to oversee the delivery of these plans, working with the Risk Manager to regularly assess and verify mitigatory activities.

The table opposite presents those key risks we have selected as having significant potential to affect our financial results and growth. In it, we describe those risks, their potential impacts and the preventative measures we have assigned to them.



*'The objective of the Żabka Group's risk-management system is to effectively control, monitor and mitigate risks by undertaking reasonable measures. In order to take account of ESG-related issues while making business decisions, it is of particular importance to analyse the environmental, social and corporate governance risks affecting our operations and the entire value chain.'*

**Agata Dopieralska**  
Director of the Risk  
& Internal Audit Department

Key risk	Description	Impact	Actions
<b>Strategy and planning</b>			
External regulations	Risk of unfavourable external regulations being introduced (e.g. commercial law, regulations concerning trading on Sundays, introduction of new taxes, climate regulations).	New unfavourable regulations may result in the inability to achieve the intended business objectives.	<ul style="list-style-type: none"> <li>Active monitoring of external regulations.</li> <li>Establishing internal working groups to assess and counteract the effects of adverse developments.</li> </ul>
Development of new business activities	Risk of failure of new business projects, e.g. q-commerce, as a result of competitors' activities, market activities, or adoption of incorrect project assumptions.	Risk of failure to achieve the business objectives assumed for the new project.	<ul style="list-style-type: none"> <li>A value creation plan is established for each new business concept, start-up or acquired company, which is then monitored, and remediation actions are taken in the event of any deviations.</li> </ul>
Acquisition of new franchisees	Increase in the franchisee churn rate or inability to attract new franchisees.	Reduced pace of expansion and, in consequence, failure to meet our strategic growth.	<ul style="list-style-type: none"> <li>An on-going dialogue with franchisees to improve operational excellence.</li> <li>Financial support for the first 12 months of a new franchise operation.</li> <li>A set of dedicated trainings for new franchisees and a referral programme.</li> <li>Flexibility and procedure adjustment to current business environment.</li> </ul>
Customer habits and competitive environment	Risk of long-term changes in customer behaviours and/or significant changes in the competitive and macroeconomic environment.	Materialisation of this risk may necessitate adjustments to the business model which, in consequence, may result in failure to achieve the projected financial results.	<ul style="list-style-type: none"> <li>Monitoring trends, changes in customer behaviour, conducting advanced analytical surveys.</li> <li>Monitoring activities of competitors and the image of Żabka Group entities.</li> <li>Product innovations.</li> <li>Expansion of the range of our own brand products.</li> </ul>
<b>Operations and infrastructure</b>			
Data security	Risk of breach in data security in informational systems.	Materialisation of this risk may result in significant financial and reputational consequences.	<ul style="list-style-type: none"> <li>Implementation of Information Security Management System ISO27001.</li> <li>Development and implementation of appropriate procedures and instructions in the area of IT supplier management and purchasing of IT goods and services.</li> <li>Implementation of IT tools supporting the management and safety of data.</li> <li>Regular trainings for employees and franchisees.</li> </ul>
Employees & Talent access	Shortage of employees and candidates with the required competences.	Inability to achieve business goals, because reduced productivity and lower input of the company. A shortage of talented employees can make a company less competitive on the market. Negative impact on company culture, as it may lead to increased stress and pressure on existing employees.	<ul style="list-style-type: none"> <li>Defining corporate values helping to attract talent, development and implementation of employer branding strategy.</li> <li>Competitive compensation and benefit offering.</li> <li>Offering opportunities for career advancement and personal growth as well as investing in employee training and development.</li> </ul>

# Looking into the future from an uncertain present

Here, we look at some of the trends that are set to shape the years ahead – and we find some causes for optimism among ESG-related factors driving positive change. Key to progress is to ensure today that we do not allow our sustainable-development activities to slow down. And that will take drawing on our shared human spirit to ensure we unite and act together.

‘Uncertainty’ is the word that best embraces the challenges we face, springing from fast-changing global economic and security issues as well as people’s individual moods. The main risks for the years ahead, identified in a global survey by the World Economic Forum, are the growing cost of living, extreme weather events and geopolitical instability. Such risks both impact and drive consumer trends. On the one hand, people are seeking ways of securing their basic needs, which may cause them to ignore their environmental responsibilities. On the other, recent violent weather phenomena are driving awareness of the climate crisis. The question is how best to reconcile two such polarised attitudes, so that sustainable-development activities do not decelerate at such a critical moment as today. The opportunity we face is that

those economic and geopolitical factors doing most to inhibit development also relate to positive environmental factors. Renewable energy sources, for example. These are not only a valuable means of reducing future emissions. They are also a pragmatic choice for today, as the answer to temporary energy shortages. Similarly, closing the plastic cycle not only reduces pollution from micro-plastics, it also ensures continuity of production when raw materials are in short supply. And reusable packaging doesn’t just benefit the planet, it also means real savings for purchasers. This final point is critical in times of uncertainty and economic slowdown, when ESG activities should both address issues while delivering measurable short or long-term benefits for people. Particularly at this challenging moment whose duration no one can predict, being eco-aware is the smart thing to be. We must

use it as an accelerator of transformation, not a brake or reason to return to a past whose actions brought us here. We know what negative factors are driving change, but what of the positives? Most important is growing climate awareness, particularly among younger people, spreading understanding that change is needed and leading growing numbers to change their behaviour. Another is the rapid development of science and technology: finding, scaling and monitoring new sustainable solutions faster than ever before on a global scale. Then there is the acceptance by business, government and society that action to stop climate change is a shared responsibility, without which real change would be impossible. And finally, there is the power of the human spirit, which enables us to unite and act together in the face of threats like war and natural disaster.

*‘We must use the tools at our disposal in such uncertain times as an accelerator of transformation, not see today’s challenges as a brake or reason to return to a past whose actions brought us here. There are many positive factors we can leverage together to help us stop climate change for future generations, from growing eco-awareness and new sustainable technologies to an increasingly shared sense of responsibility across business, government and society.’*



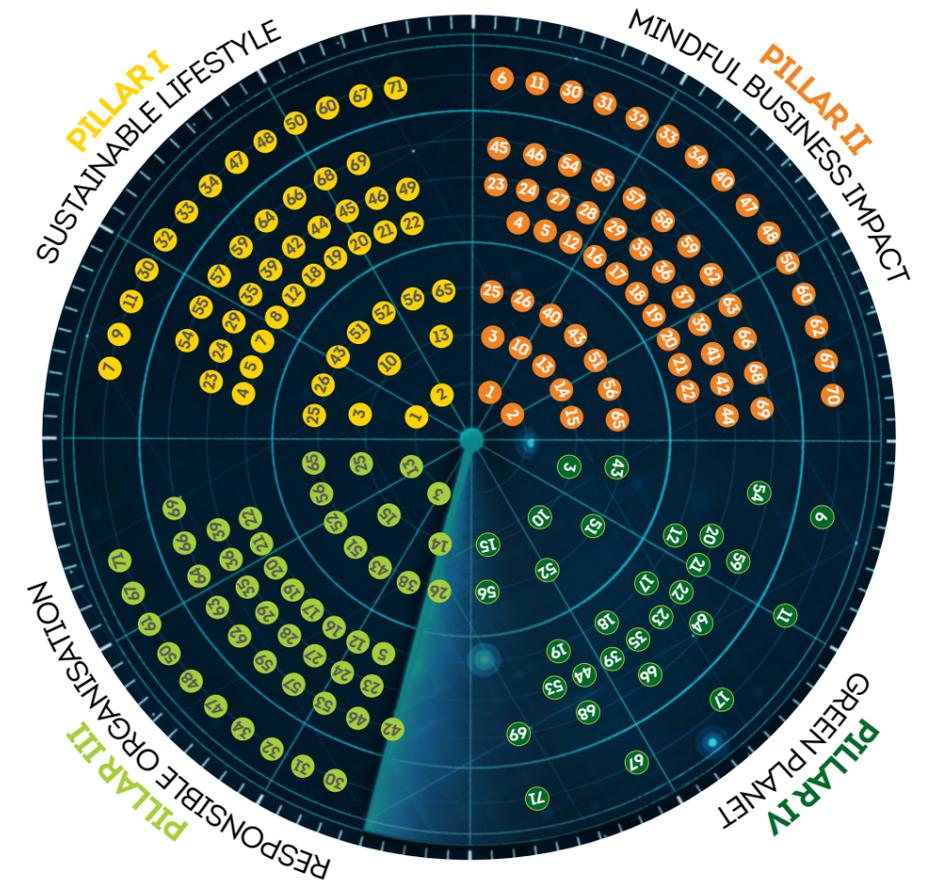
**Jan Kisielewski**  
Head of Foresight

## THE TREND RADAR

The Trend Radar was created on the basis of a report on the trends affecting our Responsibility Strategy, which we developed together with infuture.institute. The trends that are closest to the middle of the chart are the leading trends that need to be addressed the soonest. Those in the middle zone should be taken into account particularly when working on a strategy that’s assumed to have a three-to-five year perspective. Although those furthest from the centre have a lesser impact on day-to-day operations, they are worth watching in the context of how the world is changing.



Read more about trends



### Trends list

- 1. Social Commerce
- 2. Hyper-Personalisation
- 3. Local Stores
- 4. Shop and Go
- 5. Click and Collect
- 6. Subscriptions
- 7. Nootropics
- 8. Sleep Support
- 9. Cognitive Health
- 10. Urban Touchpoints
- 11. Microformat
- 12. Implementation of AI
- 13. Crisis in Raw Materials
- 14. Loss of Biodiversity
- 15. Supply Chain Bottlenecks
- 16. Migration
- 17. Clean Energy
- 18. Autonomous Transport
- 19. Conscious Consumerism
- 20. Closed Loop Economy
- 21. Smart Living
- 22. Life After Plastic
- 23. Waste Redefinition
- 24. Silver Tsunami
- 25. GenZ Impact
- 26. Urbanisation and Suburbanisation
- 27. Women Empowerment
- 28. Loneliness
- 29. Customer Centricity
- 30. Longevity
- 31. A Multi-generational City
- 32. Tribalism
- 33. The Future of Work
- 34. Self-sufficiency
- 35. Hyperlocality
- 36. Economy 5.0
- 37. War of Influence
- 38. Polarisation
- 39. Local Cooperation
- 40. Multisensory Perception
- 41. Brand Discovery
- 42. Multifunctional Spaces
- 43. Smart Retail
- 44. Home Economy
- 45. Gamification
- 46. Mental Wellbeing
- 47. City Well-being
- 48. Digital Health
- 49. Probiotics & Prebiotics
- 50. Personalized Health
- 51. Everyday Immunity
- 52. Plant-based Products
- 53. Sustainable Communication
- 54. Backlash Against Science
- 55. Against Technology
- 56. Searching for Values
- 57. Privacy
- 58. Experience Stores
- 59. Re-location
- 60. Social Shopping
- 61. Social Retail
- 62. The Humanization of Shopping
- 63. City vol. 2.0
- 64. Transparency
- 65. Being Good
- 66. Robotic Life
- 67. Seamless Experiences
- 68. Consistent Technologies
- 69. Data Mining
- 70. Metaversum
- 71. Holistic Experiences



PILLAR

01

# Sustainable lifestyle

We make it easy for customers to change their habits for the better – for them and the planet.

 <p>2 ZERO HUNGER</p>	 <p>3 GOOD HEALTH AND WELL-BEING</p>	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	 <p>13 CLIMATE ACTION</p>	 <p>15 LIFE ON LAND</p>	 <p>THE GLOBAL COMPACT WE SUPPORT</p>	 <p>GC 8</p>
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# 1.1 Good nutrition

1.1 Good nutrition	2022 status	2022 result
Multiply the sales value of own brand products promoting a sustainable lifestyle by 2025	●	982m
Increase the share of own brand products promoting a sustainable lifestyle to 55% by 2025	●	53%

Legend: ○ expectations for 2022 not met | ◐ expectations for 2022 partially met | ● expectations for 2022 met

## OUR PROGRESS IN 2022

When buying food, 79% of Polish consumers consider quality, health and sustainability as well as price, so we have numerous opportunities to meet the needs of our customers.<sup>1</sup> We use Nutri-Score labelling on all our ready-to-eat and ready-to-heat products, and 45% of our own-brand products are scored A or B on an A to E scale. In addition, the yellow versions of our leading Szamamm range of ready meals provide 2/5 of suggested daily intake of vegetables. Our SI! shots use turmeric to aid digestion and relaxation, and from January 2023 we've been selling Wycisk juice, squeezed from Polish apples, with no preservatives or artificial colourants. We have also introduced new Foodini smoothies. These are 100% plant-based, no added sugar with carefully selected compositions of fruit and vegetables: refreshing green, velvety yellow and gazpacho. We have also removed artificial flavours from selected Szamamm products, and have introduced Tomcio Paluch sandwiches made with protein bread. Our Żabka Café concept, meanwhile, is selling hot dogs made with turkey meat and no preservatives.

In our focus on education, we supported the National Nutrition Test of Poles, alongside the online Medonet platform. This encouraged people to fill in a nutrition questionnaire in exchange for a Healthy Plate analysis and personalised nutrition experts' recommendations. This work revealed a large gap between what experts recommended and what people actually eat. In 2020, we made a commitment to double the sales value of our own brand products promoting a sustainable lifestyle by 2025. Thanks to actions taken, such as our reformulation programme, promoting a plant-based diet, eliminating palm oil from own brand products and requiring RSPO-certified branded products, we managed to achieve this goal two years ahead of the planned timeline. Therefore, in 2022 we redefined our approach to good nutrition, and we identified four aspects we want to focus on in the years ahead. These involved promoting products achieving Nutri-Score A, B or C ratings, and that were clean-label, plant-based or with nutrition and health claims in line with the EU legislation.

<sup>1</sup> <https://www2.deloitte.com/pl/pl/pages/press-releases/articles/prawie-80-proc-polakow-przedklada-jakosc-zywnosci-nad-cene.html>

## SELECTED ACTIVITIES



## NUTRI-SCORE LABELLING SYSTEM

During 2022, we were very proud at Żabka Group to succeed in labelling 100% of our own brand ready-to-eat and ready-to-heat products under the Nutri-Score scheme.

This was a significant step forward in helping our customers make the right purchasing decisions: Nutri-Score is an official, science-based colour-coded food-labelling system, promoted as a candidate to enable uniformity across the European Union and empower people to enjoy well-balanced diets. It does this by indicating at a glance how healthy and nutritious a product is, ranging from A (with plenty of fibre, proteins and vegetables etc) to E (with high levels of saturated fats, sugars, salt and more). Clearly, consumers are encouraged buy products at the healthy end of the spectrum, and research shows that 91% see Nutri-Score as helpful in making the right choices. Close to half (45%) of our own brand products are rated A or B, and this proportion is continuing to improve. To create increased awareness of the system, its value and simplicity, we ran a digital campaign in 2022 with the powerful message: 'Nutri-Score: it's a cakewalk ABC'.

## 0% ZONE

One of the positive consumer trends on the market is the growing popularity of non-alcoholic beverages, with the low and non-alcoholic beer segment growing by 128 million PLN last year to 1.3 billion PLN.<sup>1</sup>

This is a result of the increasing focus on leading a healthy lifestyle, the desire to avoid long-term health consequences and the changing preferences towards drinking alcohol<sup>2</sup> of consumers in the millennial and generation Z segments. This trend is also reflected among Żabka consumers - we noticed a significant increase in the value of sales of non-alcoholic beer compared to the previous year. For a growing group of consumers who appreciate the taste of the product itself rather than the amount of alcohol it contains, we have prepared a special offer in our '0% Zone', marked with blue labels to be easily found on-shelf or in cooling cabinets. We offer not only 0% beers such as lager, flavoured or speciality, but also wines and gin. This includes a unique product offer dedicated to our customers, which is solely distributed in Żabka stores.

<sup>1</sup> <https://www.browary-polskie.pl/wp-content/uploads/2023/03/Rynek-piwa-w-Polsce-w-2022-r..pdf>  
<sup>2</sup> <https://www.euromonitor.com/spirits-in-eastern-europe/report?recid=2273335833965&id=679498>



## FREE UP YOUR FREE TIME AND GRAB YOUR MEAL FROM ŻABKA

One of the most important pillars of health is proper nutrition. Increased nutritional awareness among consumers has contributed to the fact that, as an organisation that offers hundreds of food products to our customers every day, we undertake initiatives designed to make conscious choices easier. These include introducing Nutri-Score labels, making plant-based alternatives available, and ensuring the good composition of the products we sell.

Żabka, meeting the expectations of various consumers, has a very wide portfolio of products that can be classified under the 'Good

Nutrition' banner. We give customers a choice, which means they can have a warm and filling panini or a lighter sandwich for breakfast. Liquid snacks based on vegetables, fruits and cereals will work well as a second breakfast, which should be a small meal between breakfast and lunch. For lunch, which should be the most calorific meal of the day, we offer a variety of soups and main courses suitable for meat eaters, vegetarians and vegans. A small afternoon snack will satisfy minor hungers, and a range of salads will be appropriate for dinner, which should be light. Importantly, there are no bad products; there are only bad diets, and all our products have their place in a healthy, balanced diet.

*'When we think about good nutrition, we think about what products we should choose in our daily diet, both so that our body has the energy to operate while ensuring that we can stay in good condition, both mentally and physically. In fact, proper nutrition is based on three pillars: quantity, quality and frequency. This means the regular consumption of five meals, properly balanced and prepared with high-quality ingredients, so that the body can constantly use the nutrients they provide.'*



**Agnieszka Piskata-Topczewska**  
Good Nutrition Manager

## A GOOD MEAL FOR ANY TIME OF THE DAY

### 8:00 BREAKFAST

25%\*



\*% of the daily energy requirement that a given meal should provide.

### 10:30 II BREAKFAST

10%



### 14:00 LUNCH

30%



### 16:00 AFTERNOON SNACK

15%



### 18:00 DINNER

20%



# 1.2 Food waste prevention

1.2 Food waste prevention	2022 status	2022 result
-25% food waste intensity in own operations and in stores by 2025	●	<b>-27% in own operations</b> set of initiatives tested in stores
50% of unsold food in internal operations redistributed by 2025	●	<b>43.6%</b>

Legend: ○ expectations for 2022 not met | ◐ expectations for 2022 partially met | ● expectations for 2022 met

## OUR PROGRESS IN 2022

Every year, as much as 1/3 of the food produced around the world is wasted, including 5 million tonnes in Poland<sup>1</sup>. This is an environmental as well as an economic problem, driven by the increased use of resources and overproduction of waste. To address the situation, in 2022 we set up a food-waste prevention programme, for which we agreed a strategic roadmap. We noticed the rising challenge of food waste that is impacted by the rapid growth of our chain. We have reviewed our own operations and reduced food waste intensity by 27%, and we have been testing new initiatives and will gradually implement them in the network. With a focus on customer satisfaction as well as waste optimisation, we are finalising a pilot phase for five initiatives across the whole product life-cycle, from supply planning right through storage, distribution and store implementation to sale or withdrawal. In the first step, we have introduced a number of stock-management initiatives in our distribution centres, allowing us to increase delivery efficiency and flexibility. Thanks to the introduction of GS1 bar codes in recent years, our

franchisees can now analyse inventory in their stores in real time. They now know when the best-before date of own brand products is approaching, meaning they can reduce their prices or change their display in store. As a result, the store reduces possible losses, and the customer can buy a high-quality product at an attractive discount. Products with a short best-before date are donated to Caritas, to which they go directly from our logistics centres, and to the Federation of Polish Food Banks and the Camillian Social Welfare Mission. From the branches of these non-governmental organisations, food products are then delivered to local communities through various facilities and institutions, including canteens, social therapy centres and shelters for homeless people. These organisations also provide food as packages directly to their beneficiaries, including specific individuals and families. In 2022, the Żabka chain donated a total of close to 403.4 tonnes of food to public-benefit organisations in this way.

<sup>1</sup> <https://www.wwf.pl/ekosumpcja/zywnosc>

## SELECTED ACTIVITIES



**-27%**  
food waste intensity in own operations

### FOOD WASTE REDUCTION IN OWN OPERATIONS

According to UN's agenda, the amount of food wasted shall be reduced by half by 2030 (compared to 2014). As a dynamically growing chain with an annual growth rate with more than one thousand new stores, we face challenges connected with managing food waste. Therefore, we are actively seeking solutions that will enable us to reduce food waste in the whole value chain. In 2022 we looked closer at our own operations and implemented effective improvements, which led to 27% reduction of food waste intensity in our own operations. Having in mind goal of reduction -25% till 2025 we don't stop and plan actions to reduce food waste further till 2030 to be able to reach UN Goal. We expanded our approach to food waste by testing new initiatives in areas with highest losses and now we tend to minimise the causes of waste at each stage of the process, from supply planning, through storage to distribution. We set a reporting process focused on food waste reduction, including daily reporting of reasons for food liquidation and products at risk of expiry. Moreover, thanks to a close cooperation with our suppliers we managed to optimise stock levels of fresh produce and implemented additional quality verification for fruits and vegetables with the possibility of longer release to franchisees without loss of quality.

## GOOD PACKAGE

Expanding our 'simple solution for zero waste.'

Following a successful pilot after its initial launch in late 2021, we extended our special Good Package service in August 2022 to reach more customers through additional stores in Poznań and Wrocław. It is now available at over 1000 Żabka stores. The service, positioned as a 'simple solution for zero waste' enables customers to buy a parcel containing two or three full-value products at half price on the last day of their shelf life. Interestingly, the customers do not know precisely what they are buying - merely that the 'surprise' packages have been specially created to meet the needs of either vegans, vegetarians or those with no specific preferences. The popularity of the scheme has grown rapidly since launch, engaging customers and leading to the decision to increase its reach. Its benefits also extend beyond reducing waste, to helping people cut the cost of living and enabling franchisees to sell more and reduce the expense of disposal after a product's expiry date.



Available at over **1000** stores

# 1.3 Services for sustainable lifestyle

1.3 Services for a sustainable lifestyle	2022 status	2022 result
Increase in customers' NPS score by 2 points each year until 2025	○	46 points
Increase in the number of application downloads	●	11.2m
5 new services supporting sustainable lifestyle introduced each year until 2023	●	16 new services

Legend: ○ expectations for 2022 not met | ● expectations for 2022 met

## OUR PROGRESS IN 2022

We are expanding our convenience ecosystem to show how everybody can enjoy their lives, every day. For example, the Żabka app (Żappka) has now been downloaded more than 11 million times, and we continue to develop new services, that improve our customers' quality of life. Examples of developments from 2022 include the launch of a coffee-subscription model, a unique deal for coffee-lovers in Poland that costs just PLN 49,99 a month (PLN 1,61 each day). In a more hi-tech solution, we launched a world first in the shape of Robbie the Robot, who takes just 40 seconds to serve hungry customers with hot dogs. During his first weekend in action, Robbie served several hundred meals and in 2022 served over 18,000 hot dogs. We expanded the range of digital solutions we offer our customers with a new entertainment tool that provides access to the world of mobile gaming. The character created to be at its heart is Żabu, created with direct input from users of our Żappka app. The test version of the game is available to 5,000 initial players, and the final version will be open to all Żappka users during 2023. With its combination of communication, business and technology, this

is more than a game - it's a novel business solution developed in close partnership with our customers. More than 50 autonomous Żabka Nano stores, powered by artificial intelligence company AiFi, mean we now have Europe's largest network of autonomous stores. The 50th store was opened in 2022 in the Norblin Factory on Warsaw's historic Żelazna Street, adding to the existing cultural diversity of an area where the historical meets the ultra-modern. The Żabka Nano network has been created under the Żabka Future Business Incubator initiative, which combines three elements: first seeking and managing innovations, then transforming them into new products and services, and finally commercialising them. Because the stores are powered exclusively by green energy or its equivalent, the Nano project also fits perfectly within our strategic approach to sustainability. The Żabka Group ecosystem is completed by brands Maczfit, Dietly, Delio and Żabka Jush!, to ensure easy access to high-quality products, freeing up time for our customers and making their lives easier.

## SELECTED ACTIVITIES



1st subscription model

### PIONEERING COFFEE SCHEME SETS THE STANDARDS FOR SERVICE AND VALUE

In a step to continue differentiating itself by offering the highest levels of customer service and value, Żabka has become the first Polish retailer to offer a coffee-subscription service at a monthly cost of just PLN 49.99.

This enables consumers who elect to have any coffee once a day for 30 days to pay an average of just over PLN 1.61 per cup. This is made possible because Żabka stores are open on Sundays and public holidays. In addition, any customer who uses up the daily limit is eligible once during the subscription period to receive a free muffin or a 200ml coffee from an instore machine. Importantly, this new service is enabling Żabka to plan a range of other subscription-based offers to provide exceptional value based on using the unique Żappka app. All users need to do is launch the app, select coffee from the list of subscription schemes, activate it, select their payment method and pay. The service has proved itself to be an immediate success among customers. In the first month following launch, Żabka sold more than 6,500 subscriptions.



Subscription-based, market-leading D2C meal-solutions provider. Operating via a dedicated app and website, Maczfit offers a broad range of balanced meals with their calorific value and ingredients adapted to the individual needs of each customer. Meals are delivered on a daily basis to customers' doors in close to nearly 2,200 towns and cities across Poland. Perfectly balanced, restaurant-quality Maczfit dishes are also available for customers via the Żabka Jush! App and will soon be available via Dietly.



One of the leading q-commerce services in Poland, aiming to fulfil customers' immediate consumption needs. Żabka Jush offers 15-minute home deliveries from dedicated Żabka Jush magazines. Via the Żabka Jush app, customers have access to one of the widest ranges of products in q-commerce category. The service is currently available in seven cities across Poland (Warsaw, Piaseczno, Gdansk, Sopot, Katowice, Cracow and Poznań) and is still expanding.



A software-as-a-service (SaaS) marketplace providing customers with online access to around half of all D2C meal-plan suppliers across Poland. The Dietly platform allows customers to easily compare, choose and manage a D2C meal service based on geographic location, nutritional requirements, lifestyle preferences and nutritional goals. It has collected over 10 million customer reviews, which are particularly useful for customers seeking a new meal-plan provider.



An e-grocery service offering our customers same day deliveries of a supermarket-level range products, including fresh and mainly local produce. Thanks to its integrated, data-driven platform, delio's main competitive advantage is its ability to deliver in time slots within the same day, a preferred solution for most of its customers. Delio with the same day delivery option is currently available in Polish cities Warsaw, Cracow, Gdańsk, Sopot, Piaseczno and Konstancin-Jeziorna. The service with the option of delivery next morning is available in Poznań, Łódź, Szczecin, Wrocław and also in numerous, smaller towns.



PILLAR

02

# Mindful business impact

We make impact on entrepreneurs and local communities to drive positive change.



# 2.1 Fostering entrepreneurship

2.1 Fostering entrepreneurship	2022 status	2022 result
Increase in franchisees' NPS score by 15 points by 2025	●	Increased by 13 points
Increase in the percentage share of franchisees cooperating with Żabka for at least 36 months to 70% by 2023	●	65.3%
Reduce voluntary churn rate to no more than 5%	○	7.7%
Implementation of programmes expanding entrepreneurial knowledge and skills	●	Entrepreneurship+ programme kicked-off

**Legend:** ○ expectations for 2022 not met | ○ expectations for 2022 partially met | ● expectations for 2022 met

## OUR PROGRESS IN 2022

We opened our 9,000<sup>th</sup> and our 9,001<sup>st</sup> stores during 2022, demonstrating how in challenging times we continue to create opportunities and develop entrepreneurship in Poland. In parallel, we have continued to change and enhance the image and perception of our stores to reach and attract more customers. As a network that's driven by customer needs, for several years we've been creating new formats in line with customer locations and expectations. New formats are adapted to meet the needs of people on the move, who can take advantage of an expanded food offer around hot snacks, coffee, sandwiches and salads. This approach is also giving our franchisees the opportunity to run a strong local business, and the figures show this is succeeding. We survey franchisee satisfaction on a regular basis, enabling us to respond more quickly to their needs. This has shown a 13-point rise in their NPS score, and the proportion of franchisees leaving of their own accord is lower than 8%. The greatest challenge our franchisees report is the growing

difficulty they face in hiring and retaining employees, and those leaving the network often cite a lack of available talent as their reason for doing so. To address this key issue, during the year we launched the Sprzedawca Pro (the Seller Pro) project with the aim of reducing attrition among store employees by increasing their commitment and attachment to the workplace. This is supported by three key pillars:

- Image: with the launch of new, more modern corporate clothing;
- Development: with a focus on training materials for franchisees and salespeople; and
- Motivation: including the introduction of a new incentive programme for sales staff.

We have also launched the Entrepreneurship+ programme pilot in partnership with the Warsaw University of Technology, which is intended to be a long-term franchisee-development programme, strengthening competencies in the area of team management.

## SELECTED ACTIVITIES



See video

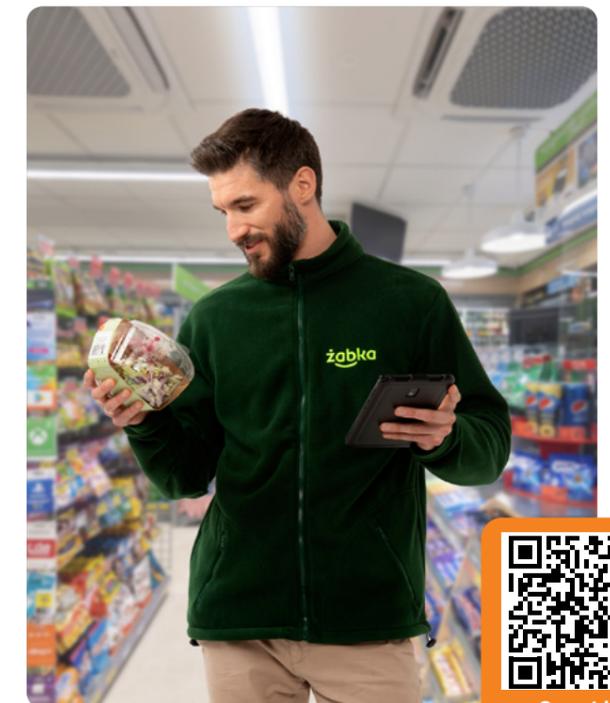
### CELEBRATING 9,000<sup>TH</sup> AND 9,001<sup>ST</sup> STORES

In an important milestone for the business, in late December 2022 Żabka opened the 9,000<sup>th</sup> and 9,001<sup>st</sup> stores in our network. These are on the A2 motorway, at Gnilec (the last stop before the German border) and Sosna (the first on entering Poland from Germany).

The new-format stores, which include self-service checkouts, are designed to give customers quick and convenient round-the-clock access to a wide range of hot snacks, sandwiches and salads, meeting the particular needs of those with little time. The new format gives franchisees a great opportunity to run a strong local business. The franchisees in this case are a married couple who have worked with Żabka for several years, making them living proof of the entrepreneurial opportunities that the right people can gain from a close relationship with us. The dynamic design of the new stores aims to enable private and professional drivers to easily identify where they can get the rest and nourishment they need before continuing their journeys.

## SMART SOLUTIONS SUPPORTING SMART BUSINESS

Żabka Group is committed to using smart technologies as a means of realising some of the primary aims of our Responsibility Strategy. These include reducing emissions intensity related to franchisees' stores by 2026, doing so in own operations by 25% by 2025, and empowering franchisees to operate safe and successful local businesses. Central to our efforts to provide our franchisees with only the best technology is Żabka Smart, our Poznań-based centre of excellence. From here we provide selected stores with a range of innovative, energy-efficient solutions for testing. These range from flood sensors and stock-control devices to automatic temperature and energy-consumption gauges that communicate with managers, enabling better customer service as well as more efficient energy usage. Vision and voice systems, meanwhile, are designed to deter potential burglars, improving security and making our stores a safer place to work. After analysing the test results, we then implement the best solutions across more stores. It's an approach that's driving environmental, satisfaction, safety and sales improvement in a single unified programme.



See video

# 2.2 Partnerships for positive change

2.2 Partnerships for positive change	2022 status	2022 result
The best partner supporting innovative and responsible solutions	●	<b>Business acceleration programmes</b>
1st place in the suppliers' NFS survey	●	<b>1st place</b>

Legend: ○ expectations for 2022 not met | ◐ expectations for 2022 partially met | ● expectations for 2022 met

## OUR PROGRESS IN 2022

We seek innovative solutions that accelerate the development of the convenience ecosystem. We work with our suppliers on product innovations, which are exclusive to Żabka stores. We attract new partners through our Venture Studio and its following programmes:

The Startup Impact Programme: delivered in partnership with the Kozmiński Business Hub, this aims to support young companies which have a positive environmental impact and deliver against selected UN SDGs. Winners work with experts, enabling them to accelerate progress and test their solutions in Poland's fastest-growing convenience chain.

Foodtech Lab: aiming to identify new protein, recycling and

repackaging opportunities, this enables start-ups to pilot their solutions within our ecosystem. Following launch, we rapidly received close to 150 applications from 20+ countries.

Żabka Future Lab: enabling us to find solutions that deliver a better shopping experience. In total, we contacted 1,335 start-ups from 69 countries, with the majority from Poland (25% of the total), Germany and Israel.

We've also partnered in the programmes of external experts, including the MIT Enterprise Forum CEE and the Huge Thing. We've encouraged hundreds of start-ups across the world to increase their activities in our region. We've tested various digital-twin, carbon-farming and digital-signature solutions.

*'Leading a healthy and sustainable lifestyle, preventing food waste and achieving the optimal use of resources are challenges that fit in with the Żabka Group's Responsibility Strategy. That is why we have established the Foodtech Lab acceleration programme, to give the creators of such solutions a chance to develop their products or services in the Group's ecosystem. We want them to help our clients change their daily habits for the better.'*



**Karol Gajewicz,**  
Head of Venture Studio

## SELECTED ACTIVITIES



**No. 1 business partner**

### SUSTAINABLE COLLABORATION

Sustainable development requires efficient cooperation, sharing experiences, inspiration and joint actions.

*'We believe that the key to success is sustainable and collaborative action. Our business partners play a key role in fulfilling our mission, so we actively want to engage them in building a partnership based on shared values, principles and trust. We believe that this is the only way our business can bring real change and enable responsible business and value creation for our customers. To strengthen our collaboration we introduced fair business platform - an online space, where we support and communicate on various shared projects. We regularly gather feedback as part of the dialogue. We obtained first place in the nationwide satisfaction study (NFS), ahead of the 20 retail chains participating. Moreover, we received the Grand Prize 'Retailer of the Year 2022 - Chosen by Suppliers' in the category Small Format/Convenience Chain and special award Sustainable Retailer of the Year.'*

**Piotr Rajewski,**  
Trading Director

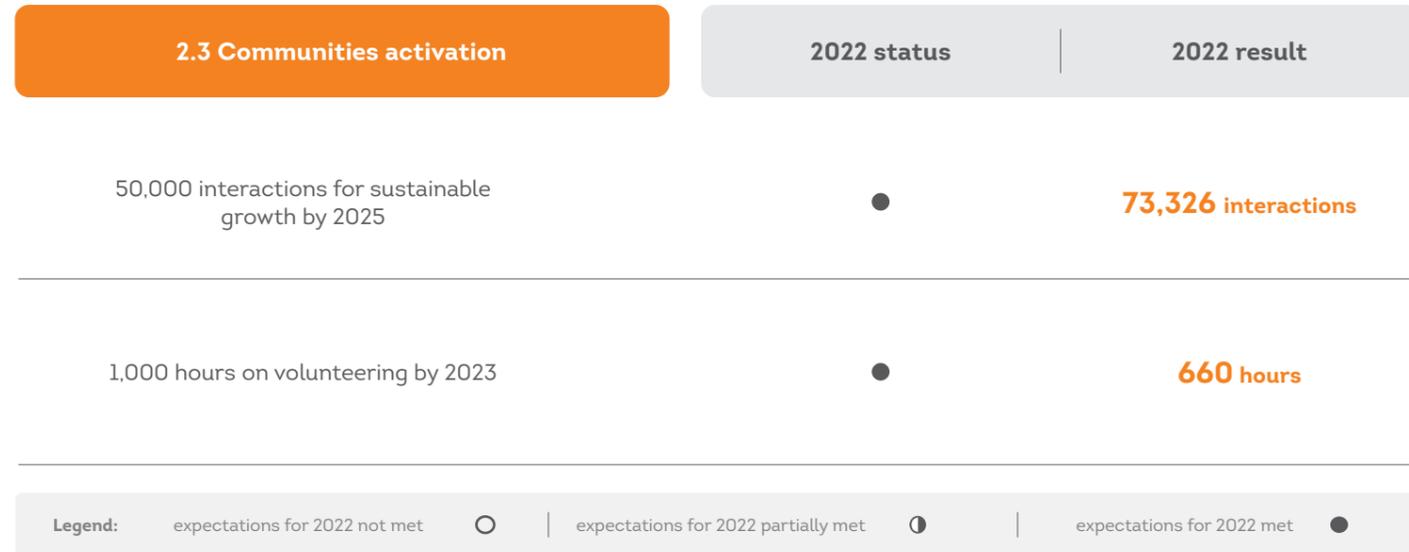


### FOODTECH LAB ACCELERATION

The Żabka Group is always seeking solutions whose implementation will accelerate the development of the convenience ecosystem. We do this through our Venture Studio, whose task is to search for and attract to the organisation modern solutions that give a new perspective to the whole Group. 150 startups from 20 countries have taken part in the Foodtech Lab Acceleration Programme launched in 2022, in which we seek solutions that approach nutrition and its impact on the planet in an innovative way. Projects were selected according to current business needs, considering the most important trends that stimulate the development of the retail industry - not only in Poland but also across the world. For the best startups the Group offers collaboration, consumer tests, commercial pilots, and even financial support for further development. In addition, startups can receive access to a sensory laboratory, expert support and personal opportunities to navigate key relationships in this industry. During the final, held in January 2023, 11 companies presented their products, from which we selected five winners.



# 2.3 Communities activation



## OUR PROGRESS IN 2022

In 2021, we revised our approach to social engagement, defining areas that are important for society and emphasising those activities that contribute to real and positive change. Our Social Engagement Strategy consists of three pillars and supports five UN Sustainable Development Goals: Good health and well-being; Sustainable cities and communities; Quality education; Decent work and economic growth; and Reduced inequalities. Under our Well-being pillar, we are encouraging our employees to undertake physical activity. During the year, 35 employees supported the Healthy Movement Foundation's Run into the Future programme by running in the 1MILA event in Warsaw and Poznań. Around 70 employees in 14 teams also participated in the Poland Business Run. Under the Neighbourhood pillar we made it formally possible for every employee to spend eight hours each month on volunteering activities within working hours. We not only give our employees various volunteering opportunities, we also encourage them to find their own local activities to support. This approach contributed to over 660 hours of volunteering activities, mainly consisting of help for Ukrainian refugees. Just 12 hours after the war broke out, we sent our first humanitarian aid for people fleeing conflict. In total, we donated over 525 tonnes of food products across 87 transports. We were working with partners to send

four trains of humanitarian aid, as well as financial and material support for the Polish Red Cross and Polish Centre for International Aid. We donated food and hygiene products with partners including Podkarpacki Voivodship Office, Polish-Ukrainian Chamber of Commerce, the United Nations Global Compact, Caritas, Grupa Centrum, In\_Spire Foundation and Polish Humanitarian Action. Together with our franchisees we directly supported nearly 350 Ukrainian citizens. Our customers have helped too, donating Żapps points worth more than PLN 1 million to support refugees from Ukraine. Moreover, as a symbol of solidarity with Ukraine, we have suspended orders for products from the Russian Federation and Belarus. For the 23rd year we have supported WOŚP. Thanks to the commitment of our franchisees and the generosity of our customers, we donated PLN 2,000,000 to the 31st WOŚP Finale. Under the Equal Opportunities pillar we supported 62 internships totalling 8,888 hours through our Safe Internship with Żabka programme, in partnership with Fundacja Samodzielni Robinsonowie. We are grateful to 35 franchisees who acted as mentors, sharing their experience and helping our trainees build entrepreneurial skills. We and our partners participated in more than 73,326 interactions for sustainable growth, nearly double the year before.

## SELECTED ACTIVITIES

### ŻABKA HELPS

The Żabka Group is in full solidarity with the Ukrainian community. Many Ukrainian citizens are our employees, franchisees, or their associates and we have immediately declared our readiness to provide them with the necessary assistance. We are taking steps to provide support to those personally affected by the war in Ukraine.



## HELPING PEOPLE SETTLE IN ŻABKA AND IN POLAND

It is important to Żabka that the business presents a friendly face to everybody in the workplace. The Group has therefore created the role of 'Cultural Assistant', especially to help colleagues for whom Poland is a new country. The key aim is to prove that diversity – of nationality as well as of age and gender – can help the business be more successful and profitable. To this end, the Cultural Assistants have been recruited to help find a common language between recent arrivals and native Poles, helping them settle in and properly feel part of the organisation. There are many areas in which the Cultural Assistants are able to provide support, from helping with documentation to explaining cultural and linguistic differences. Offering guidance on settling into life in Poland can be very valuable too, from dealing with public organisations to getting the right work-life balance. They can also help our recruitment professionals by preparing written information in various languages for recent joiners, as well as helping with workshops, webinars and materials on equality, diversity and cultural inclusivity.

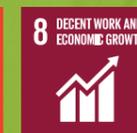




# PILLAR 03

# Responsible organisation

We shape a purpose-led trusted organisation  
of empowered people.



GC 6, 10

# 3.1 Empowering culture

3.1 Empowering culture	2022 status	2022 result
Top 25% of the best employers according to the Gallup survey	●	77 <sup>th</sup> percentile (top 23%)
Increase the employees' NPS score by 65 points by 2025	ⓘ	60 points
Obtain the EQUAL-SALARY certificate by 2023	●	Certification obtained
Gallup Inclusion Index	●	Survey performed

Legend: ○ expectations for 2022 not met | ⓘ expectations for 2022 partially met | ● expectations for 2022 met

## OUR PROGRESS IN 2022

Gallup Institute data puts us among the world's top 23% of employers when it comes to employee engagement: five times higher than the average Polish company in the Gallup Institute survey. We are improving too – at 4.44/5, in 2022 we scored 0.14 higher in the survey than the previous year. This reflects the seriousness with which we take engagement, with activities focused on the three pillars of Knowledge, Understanding and Practice being designed to ensure every employee and manager understands its importance.

Activities include an expanding range of educational materials and tools being made available for managers, as well as online sessions with external experts and dedicated training events. Our year-round 'Lupa na Gallupa' newsletters remind employees how everyday activities build engagement. And our 'Praising Days', when employees are encouraged to convey thanks in a creative and amusing way, are highly effective in building enthusiasm and loyalty. During 2022, we were pleased to see the Chwaling Days (Praising Days) initiative win the internal campaign category of the Employer Branding Excellence Awards to mark Poland's best employer branding practices.

We continued to run many initiatives during the year designed to teach, develop and inspire employees at every level, including our Żabka Academy and #GROW programmes.

Competence, experience and willingness to develop are key values for us, and we see the diversity of our employees as a vital corporate advantage. That's why we have created the Equity Zone, a place for people to find a wide range of materials on equality and diversity matters. We also provide inclusivity workshops and encourage people to complete an e-learning course on our Equity Policy.

Most important, we have created the new Cultural Assistant role to actively support our D&I practices. As a first step, we have invited six women of Ukrainian and Belarusian origin to help us adopt refugee families and support a truly intercultural environment within our organisation. This is a key part of our plans to build an organisation that's focused on openness, diversity and inclusivity.

## SELECTED ACTIVITIES



Among 23% best employers in the world

## MEASURING ENGAGEMENT AND INCLUSIVITY ACROSS THE GROUP

According to Gallup Institute, our employee's engagement level is five times higher than the average Polish company.

Behind our business success are several thousand committed employees, and franchisees. Together we have created an organisation based on standards of equal treatment and transparency, where every employee, co-worker and franchisee has equal opportunities and can openly talk about and implement their ideas. Achieving this requires an appreciation of many different needs and points of view, which is why we conduct the Gallup Q12 (measuring engagement level of employees) and Gallup Inclusion Index survey.

The Gallup questions are a framework for us to know how to create and improve our working environment. We analyse the data and prepare action plans to address issues that have impact on engagement and inclusion of our employees. As a result, we create a unique organisational culture, able to recognise the potential of everyone, while creating an environment for open collaboration and sharing experiences.

## ŻABKA WITH EQUAL-SALARY CERTIFICATION

Żabka has become the first Polish company to receive certification from the EQUAL-SALARY Foundation, confirming that gender has no role to play in determining how much employees are paid.

The certification is based on UN guidelines and recognised by the EU. The awarding body is the Swiss EQUAL-SALARY Foundation, an independent non-profit organisation formed in 2010 to take a science-based approach to the inspection and certification of organisations' payroll policies. As well as auditing salary data, the inspectors ran focus groups where employees could openly discuss their perceptions of equal pay. The certification therefore confirms the Żabka's credibility in the eyes of the workforce as a true equal-pay employer. Żabka is naturally pleased with this recognition, as its values-based Payroll Policy is designed to ensure that employee remuneration depends entirely on an individual's skills, the results they achieve and their impact on the organisation. The requirement for certification to be renewed after three years means the Group needs to continuously monitor and improve its salary processes.



# 3.2 Resilient management

3.1 Resilient management	2022 status	2022 result
100% of employees trained on business ethics principles by 2025	○	99.7%
100% of business partners familiarised with the Code of Conduct by 2025	●	35.4%
ESG factors taken into consideration in all key decisions and investments until 2025	○	Policies preparation started
100% of employees trained on cyber security related issues by 2023	●	97%

**Legend:** ○ expectations for 2022 not met | ○ expectations for 2022 partially met | ● expectations for 2022 met

## OUR PROGRESS IN 2022

At Žabka, our focus is on building a comprehensive system of ethics. We therefore operate to the highest ethical standards and make it a key obligation of all employees and franchisees to comply with the law, international standards and all adopted regulation including that relating to anti-corruption. Training is mandatory, and 99.7% of our people received training in the second year following the implementation of our Code of Conduct and Ethics for Employees. Any violations of the Code are dealt with by the Ethics Committee, which, if necessary, conducts an investigation and makes recommendations. We have also shared our Code of Conduct for Business Partners with all business partners and 35% of our suppliers by turnover have confirmed they comply with our Code of Conduct or its equivalent. In addition, we have made it obligatory for our Commercial Team and supplier-facing employees to complete the Code of Practice online course. It is a company priority that we respect competition law. Our business model is based on collaboration with many independent entrepreneurs, including partners, contractors and franchisees. We recognise that the number and range of relationships

exposes us to risk in this area. As the obligation to respect competition law resides with all employees and associates, we have introduced several documents which collectively comprise the Žabka Group's Competition Policy. This presents the basic principles of competition law and provides practical guidance on how to comply with the law and what to do in the event of a potential breach. Ensuring cybersecurity is a key aspect of our digital-transformation process that is of critical importance to our company, customers and partners. In 2022, we included this our catalogue of compulsory training programmes, and to date almost 97% of employees have completed cybersecurity training. In a closely related initiative, we aim to ensure our data is properly secure by using a system that's compliant with the ISO27001 standard covering the creation, maintenance and development of systems to manage information security. This is our fifth ISO certification, alongside ISO 9001, ISO 14001, ISO 22001 and ISO 50001 which all together created an Integrated Management System.

## SELECTED ACTIVITIES



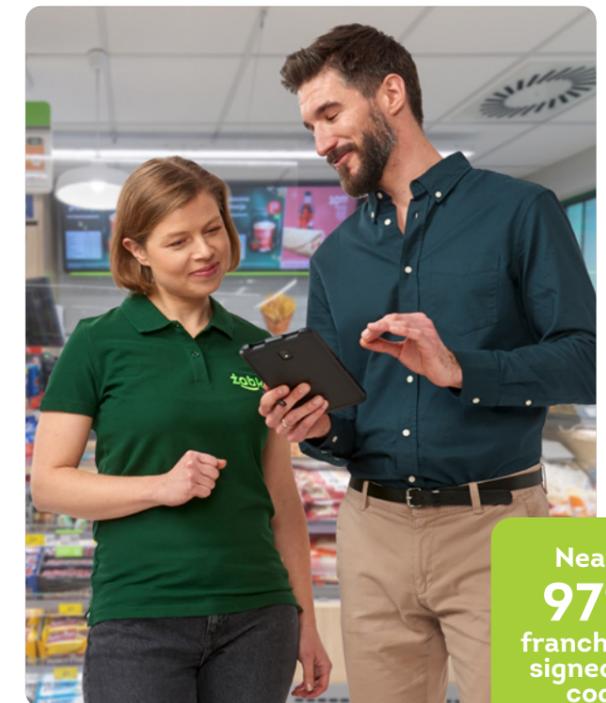
### NEW POLICIES FOR SUPPLIERS

**We want the process of making products to have no negative impact on forests, soils, waters or animals, and that those employed in production are treated in a way that respects human rights by providing decent working conditions and preventing child labour.**

We have taken steps to minimise the ecosystem impact of our own brand products, including coffee, tea, cocoa, soya, fish and seafood across our own brands ranges. Therefore, we implemented an Animal Welfare Policy and Policy of Sustainable Harvesting of Plant Raw Materials and Sustainable Fishing of Fish and Seafood. We have eliminated palm oil from our own brand products and in accordance with our Sustainable Palm Oil Policy - from 1 January 2023, 100% of producers brand products contain only palm oil from certified sources. We implemented Water Policy that sets out the rules relating to the reduction of water use and the protection of water resources and Waste Management Policy, by which we aim at reducing the amount of waste that is sent to landfills. We are conducting an analysis of our own operations to limit the risks of operational activities in areas in close proximity to critical biodiversity of global or national importance, which will conclude as Biodiversity Policy in 2023.

## CODE OF ETHICS AND CONDUCT FOR FRANCHISEES

We are concentrating on building a complex ethical system that covers all of our operations. In order to do this, apart from Code of Ethics for our employees and business partners, we have also implemented the Code of Ethics and Conduct for our franchisees. To date, nearly 97% of franchisees have signed it and more than 60% have completed the associated e-learning course. The document is aimed at supporting franchisees and their employees in making decisions that comply with the ethical standards adopted by Žabka. It therefore addresses aspects such as the need to operate in compliance with the law, respect for human rights, principles of fair competition, conflict of interest, environmental protection, working and pay conditions or relations with the environment. In order to check franchisees' compliance with the Code, Žabka reserves the right to external verification. The franchisee is obliged to report any violations through the whistleblowing platform or in writing, by sending a letter addressed to the Žabka headquarters and in in case of any questions concerning the provisions of the Code, the Compliance Department is there for a help. We guarantee a full anonymity to a person who reports any violation.



Nearly **97%** franchisees signed the code

# 3.3 Trust and transparency

3.3 Trust and transparency	2022 status	2022 result
External reporting in accordance with best practices and standards	●	ESG report
Regular external verification of selected ESG aspects	●	Platinum EcoVadis Medal

Legend: ○ expectations for 2022 not met | ◐ expectations for 2022 partially met | ● expectations for 2022 met

## OUR PROGRESS IN 2022

As responsibility and trust become ever more valuable company assets, businesses increasingly need to communicate both credibly and transparently. We aim to improve our accountability and trust, showing how our strategy, corporate governance and results empower us to create value over the short, medium and long terms. It is to ensure that our stakeholders receive reliable information they can trust about our data and management practices that we have now implemented a set of widely accepted international standards and guidelines, including those from the Global Reporting Initiative, United Nations Global Compact, World Economic Forum, Sustainability Accounting Standards Board and Task Force on Climate-Related Financial Disclosures. We have also built a comprehensive reporting and monitoring system involving key internal stakeholders across the company. We monitor our level of strategy implementation by analysing non-financial data from across the organisation, using tailor-made solutions such as our ESG application and dashboards. Non-financial data is collected on a quarterly basis, verified by

a dedicated ESG controller and approved by business owners. Quarterly results are then presented to the Management Board during ESG meetings and to the Supervisory Board. We use external auditors to provide independent data assurance. We also see great value in external reviews performed by independent rating agencies. International sustainability rating agency EcoVadis has positively verified our ESG-related activities, awarding us with its highest distinction, the EcoVadis Platinum Medal. This identifies us as one of the 1% of companies across the world that are successfully integrating non-financial factors into their strategies and operations. Moreover, we value the opportunity to exchange experiences with other companies, our suppliers and business partners - we want to inspire them to take ESG-related actions, are willing to share our knowledge and are open to feedback. These high standards of transparency, alongside the commitments made under our Responsibility Strategy, have enabled us to gain financing based on our ESG targets.

## SELECTED ACTIVITIES



6  
ESG-linked instruments secured

### ESG-LINKED FINANCING

**Modern business must be credible and transparent in its operation, and responsibility and trust are currently the most valuable assets.**

Our goal is to plan the development of our entire organisation in a responsible manner. We have already signed six agreements related to sustainable finance instruments, and we are actively cooperating with other market participants in this matter. Financial instruments based on ESG goals are an additional motivation for us to meet our commitments and proof that we take these commitments seriously. All agreements contain the company's commitments related to the implementation of selected, measurable ESG goals, consistent with the Responsibility Strategy announced by Żabka Group in 2021. The first aspect is decarbonisation with goals validated by Science Based Target Initiative, the second one related to good nutrition area, where we support our customers to make more informed choices. The progress in achieving the objectives set out in the agreement will be verified after the end of a given financial year by an independent assurance provider. If we fail to achieve specified targets within an agreed timescale, we will provide additional funding for activities supporting United Nations Sustainable Development Goals (SDGs).

## OUR COMMITMENT TO TRANSPARENT REPORTING

Reporting on our ESG performance is a key aspect of our stakeholder communications and an essential way of building the credibility of the Żabka Group. To ensure the highest standards of disclosure, we have prepared this, our fifth Responsibility Report, according to the latest Global Reporting Initiative Standards and the requirements of the Sustainability Accounting Standards Board (SASB). To ensure compliance and data reliability, we have procured an independent external verification in accordance with ISAE (International Standard on Assurance Engagements) 3000. Having in 2020 become one of the first companies in Poland to publish a Climate Report, we have included this as part of this Responsibility Report, setting out our decarbonisation plan and reporting on progress against our science-based targets. Our approach has been rewarded in the past by prestigious awards. Our 2021 report was selected in the Hallbars Awards 2022 as one of the five best such disclosures in Central Europe.



See more



PILLAR

04

# Green planet

We minimise our environmental impact across the whole value chain.



7 AFFORDABLE AND CLEAN ENERGY



13 CLIMATE ACTION



17 PARTNERSHIPS FOR THE GOALS



THE GLOBAL COMPACT

WE SUPPORT

GC 7, 8, 9

# 4.1 Circularity

4.1 Circularity	2022 status	2022 result
Packaging neutrality for own brand products by 2025	●	<b>Plastic neutrality achieved</b>
-25% share reduction of virgin plastic in the weight of own brand plastic packaging by the end of 2025 (vs. 2019)	●	<b>-26%</b>
100% of own brand products packaging suitable for or originating from recycling by 2025	○	<b>94%</b>

**Legend:** ○ expectations for 2022 not met | ● expectations for 2022 met

## OUR PROGRESS IN 2022

We have made significant progress with our Circularity Programme, including the agreement of a programme roadmap with strategic goals. We've completed the analysis of all packaging materials in our own brand products, and we've implemented a packaging strategy.

As result, we have transformed the packaging of our products to make them more eco-friendly, according to our eco-design policy. Examples include burger plates made from recycled and mono materials, ceasing the use of foil for our Szamamm brand and eliminating the use of black colouring in the packaging for sauces at the Żabka Café.

Moreover, we promote the multiple usage of bottles, whether plastic or glass. We encourage customers to bring empty beer bottles to nearby Żabka stores and rewarding them with additional discount. We started implementation of Water Refillomats by providing machines at stores where customers can fill their own bottles with water and plan to install a further nine machines in the near future.

We also collaborate closely with our franchisees to increase the impact of our Circularity Programme - in Naturally Together programme, we support them in the collection of plastics and paper, which are forwarded to recycling. Together we enabled the recycling of 15,000 tonnes of materials. We encourage everyone to donate empty bottles and cans.

We do it already through our 29 EKomat machines located in Poznań, Warsaw and Łódź - we collected so far 560,000 PET bottles and 260,000 aluminium cans. Moreover, we started the pilot project of the deposit system 'Green Renewal' in every store in Bydgoszcz which allow selective collection of plastic and metal bottles.

Moreover, supporting our customers in making more environmentally aware decisions every day, during the summer, we launched a 'Bring Your Own Cup' selling coffee at a discount to customers who bring their own mugs. All those activities enabled us to achieve plastic neutrality in our own operations the third successive year.

## SELECTED ACTIVITIES



### SMALL GESTURE, GREAT IMPACT

It's a remarkable fact that a returnable glass bottle is used on average between 15 and 26 times, significantly reducing the carbon footprint during its lifecycle.

This is why during summer 2022 Żabka Poland ran an educational programme to encourage customers to bring empty returnable beer bottles back to our 8,400+ stores. Anyone doing so received a 50 gr price reduction on a full replacement bottle, up to a total of 20 bottles per transaction. We noticed year-on-year increase in returns by 10 p.p.

This is particularly heartening because the positive impact of any increase in the re-use of glass bottles is significant.<sup>1</sup> According to The Union of Brewing Industry Employers - Polish Breweries, producing one ton of glass consumes on average 800kg of sand, 280kg of calcium, 230kg of soda and 30kg of dyes. It also takes an average 1.1 MW of power per bottle. The fact that we at Żabka reach millions of customers across Poland every day enables us to have a significant impact on consumer habits across many areas. This promotion shows how important even small gestures can be to the environment when made en masse.

<sup>1</sup>www.browary-polskie.pl/wp-content/uploads/2021/07/butelka-zwrotna\_-infografika.pdf

Increase in returns by **10 p.p.**

## THE SECOND LIFE OF PACKAGING

As part of our 'Green Renewal' pilot project, implemented in partnership with the Bydgoszcz City Hall, our customers can return disposable beverage plastic and aluminium packaging in 120 Żabka stores across the city. The collected raw materials will be used to create new packaging, thanks to which less waste will be sent to landfill. The campaign also aims to build environmental awareness among customers and develop the habit of returning plastic and aluminium beverage packaging. Our advantage lies in the proximity of the stores: the multiple collection points, and the ease and speed involved in returning the packaging. We are also rewarding customers for their pro-ecological attitude: for every plastic bottle or aluminium can returned, they receive 50 zapps. There are two ways to return packaging: via special EKomat machines for selective waste collection or it is possible to return the packaging directly to the salesperson, who will also award the bonus zapps.



**Pilot in 120 stores in Bydgoszcz**

# 4.2 Decarbonisation

4.2 Decarbonisation	2022 status	2022 result
-25% total scope 1 and 2 greenhouse gas emissions by 2026 (base year 2020)	●	<b>-24% vs 2020</b> <b>18,275 tCO<sub>2</sub>e</b>
-70% reduction of franchisee emissions intensity by 2026 (base year 2020)	●	<b>-57% vs 2020</b> <b>14.4 tCO<sub>2</sub>e/m PLN</b>
Involvement business partners responsible for 75% of purchasing and service expenditures in science-based reduction targets by the end of 2026	●	<b>62.0%</b>

**Legend:** ○ expectations for 2022 not met | ◐ expectations for 2022 partially met | ● expectations for 2022 met

## OUR PROGRESS IN 2022

In 2022, we continued to implement initiatives defined in our decarbonisation plan validated by SBTi. This year, we had a strong focus on energy demand, as energy prices continued to increase, due to global energy prices. For yet another consecutive year, we covered a 100% of electricity consumed in operations with guarantees of origin. We also extended this approach to Żabka stores run by independent franchisees. More than 57% of electricity used comes from renewable sources thanks to own PV installations and guarantees of origin. In addition, we implemented several initiatives reducing the energy consumption at store, e.g. further LED and adaptive light replacements, extended hours without outdoor store lighting, as well as further rollout of closed-door cooling cabinets. As a result of actions taken, we managed to save 9,5 GWh of energy and avoid more than 200 thousand of CO<sub>2</sub>e in franchise stores. We also invested in gradual fleet replacement – 500 hybrid cars were introduced in 2022, mainly for our sales field-forces, with

further rollout expected in 2023. We also introduced first electric vehicles for our employees whose voluntarily joint e-mobility programme as its ambassadors. As per decarbonisation plan, we will continue fleet replacements in the upcoming years. In addition, we also avoided CO<sub>2</sub>e emissions, by optimising dry ice consumption by replacing deliveries chilled with this refrigerant with dedicated cooling transport delivering goods to the stores. We also performed more frequent technical inspection of installations in distribution centres. As a result of actions taken, we were able to maintain 25% GHG emissions reduction comparing to base year 2020 and avoid more than 20 thousand of CO<sub>2</sub>e in own operations. We also continued to cooperate with our business partners in the supply chain. During 2022 suppliers' meeting, we introduced Fair Business platform, where suppliers can share their carbon management practices.

## SELECTED ACTIVITIES



### LOWERING GHG EMISSIONS IN OWN OPERATIONS

We approach the issue of reducing CO<sub>2</sub> emissions in a comprehensive manner. In 2022, our focus was on driving down emissions in our own vehicle fleet and energy efficiency.

We progressed with decarbonisation of our own fleet of around 1,600 passenger cars by taking on 500 new Toyota Yaris Cross hybrids. They are used by field employees who historically consume significant amount of fuel due to their type of work. In addition, we have invested in our own charging stations for electric cars at our Poznań headquarters and logistics centres in Nadarzyn and Plewiska to support employees traveling with electric vehicles. In addition, we organized a competition for energy efficiency ideas for franchisees and employees, which received 999 entries, mainly related to areas of equipment, lighting and heating. We also initiated the construction of two photovoltaic power plants in the Gliwice and Radzymin distribution centres. For consecutive years, 100% of electricity in our own operations comes from renewable sources.

### REDUCING ENVIRONMENTAL IMPACT ACROSS THE VALUE CHAIN

In 2022, we introduced the first climate neutral product of our own brand - Od Nowa water. By calculating its carbon footprint, we managed to ascertain the emissions that arise in the product life cycle. We then reduced the carbon footprint as much as possible - using bottles from recycling, which have a lower carbon footprint than bottles made from virgin materials and supplying energy from renewable sources for a half of the Żabka stores. However, it was not possible to eliminate all the greenhouse gas emissions arising from the life cycle of Od Nowa water, so we neutralised the remaining emissions by purchasing offset credits. Apart from environmental impact of products sold in Żabka stores, we also care about the place itself. In 2022 in Poznań, Żabka opens its first Eko Smart store - a laboratory of ecological innovations enriched with smart solutions, e.g. green energy - PV panels, new innovative perovskite photovoltaic installation on the wall, refrigerators with glycol-filled shelves for better efficiency. On top of that, the entire wall is covered with plants to produce oxygen and digest harmful substances. Customers are also encouraged to use EKOMat - a machine for collecting plastic packaging and cans for recycling.



See more

## Summary of key points in accordance with the TCFD recommendations

We continuously improve data collections methods aimed at revealing information related to the climate. This report is our third publication responding to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

### Governance

Oversight of business and ESG strategy, including climate-related risk management and identification of climate-related opportunities, is a task of the Supervisory Board. The Management Board takes on the leadership in ESG, perform regular reviews of the risk of climate mitigation plans and greenhouse gases emissions to ensure awareness of emerging issues that impact the strategy and operational level. Full scope of activities related to governance of climate change risk management and strategic approach is described in ESG Governance and Risk Management section. The Decarbonisation Programme Manager's duties are wide-ranging, including the development and implementation of a decarbonisation strategy across our own operations and our value chain. Responsibilities also include supervising and monitoring strategic decarbonisation projects and engaging internal and external stakeholders to combat climate change and its impacts. At Żabka Group, we have created a dedicated team, which is responsible for activities defined as relating to climate issues under our Green planet pillar. The team consists of representatives of key operational areas, who supervise the implementation of the decarbonisation plan and monitor the risks at least once per quarter. In addition, we progressed with development of a quarterly monitoring, reporting and validating system of carbon emissions data. We calculate carbon footprint in accordance with the international standard GHG Protocol Corporate Accounting and Reporting. Emissions reported refers to the Group's business activity under operational control, as well as those related to the value chain, including business partners and franchisees. Scope 1, 2 and 3 emission data covered by the GRI 305-1, 305-2, 305-3 indicators (on p. 81), were externally assured by an independent auditor.

### Strategy

The Responsibility Strategy of the Żabka Group announced in 2021 is fully integrated with our business strategy. One of our priorities is to reduce the carbon footprint of both direct and indirect emissions. Considering this goal, we have been monitoring our carbon footprint along the value chain since 2020. The next step on our decarbonisation pathway is identification and assessment of climate-related risks and opportunities. We analysed different climate-related scenarios to understand the potential implications to the strategy over the 18-month (short-term), up to 10 years (medium-term), and more than 10 years (long-term). We have introduced a comprehensive system of risk monitoring and prepared mitigation plans for each type of risk. Being aware of strategic obligations, we joined the Science Based Targets initiative (SBTi), and we defined measurable decarbonisation targets in line with the goals proposed by the Paris Agreement. The targets validated by SBTi cover 85% of the greenhouse gases emissions in Scopes 1, 2 and 3.

### Risk management

In line with the recommendations of the TCFD, our methodology for assessing climate risk focuses on a longer term than those for other risks. This takes into account the distinct nature of climate risk, which involves a significantly longer time frame than those used in strategic planning or under our ERM risk-management model. Regarding key climate risks and opportunities, for each activity it has been assigned a dedicated person from corresponding business units responsible for risk mitigation actions. These initiatives are regularly assessed based on pre-defined indicators and supervised through the process of periodic updates of the risk management system. Our response is comprehensive and concerns both the activities undertaken by the Group and the broader actions initiated in cooperation with our partners. Risks have been defined according to the methodology presented in the chapter Methodology for identifying risks and opportunities (p. 24-27) in our 2021 Climate report.



*'Delivering goods to more than 9,000 stores is a great challenge. Having in mind our decarbonisation plan, we are looking for solutions allowing us to optimise refrigerant consumption, at the same time maintaining quality of products delivered and meeting expectations of our franchisees in terms of time of delivery. In 2021, we piloted dedicated cooling transport to selected stores and after positive results we decided to extend this solution. Currently goods for ca. 35% of stores is served with this solution.'*



**Katarzyna Słabowska**  
Director of Logistics

## Key climate-related risks & Żabka response

The overall financial of Żabka's climate risks increases both in medium and long term (both for scenario assuming increase of average temperature by 1.5°C and by 4.5°C), however it still remains within the medium level range (except for risk of floods and sea level rise, which financial impact is in within the low valuation range).

This is caused both by the external (greater predictability of surroundings, the predicted increase in regulatory pressure related to the attainment of climate-related goals at the level of the European Union) and internal factors (decarbonization activities and pre-emptive actions, along with the adoption of the Responsibility Strategy and confirmed ambitions in the context of climate-related goals). In 2022, we identified a wider list of risks

compared to previous years. The list below presents risks which we rated as medium or higher, according to the adopted methodology. The largest identified climate risk in 2022 is regulatory changes in the ESG area impacting business activities. We also expect further increase of energy prices resulting from current market conditions and long-term transition to renewable energy sources. We also assessed climate-related physical hazards such as: convective storm, floods, heat waves, droughts, wildfires, and sea level rise on distribution centres and selected stores clusters covering more than 70% of the chain, under RCP2.6 and RCP8.5 scenarios. In both scenarios heatwaves, including draughts, and convective storms have the most significant impact (altogether assessed as medium), with immaterial increase in case of RCP8.5 scenario. Floods and sea level rise have negligible impact on key locations both under RCP2.6 and RCP8.5 scenarios in both time perspectives.

Category	Risk	Short-term (up to 18 months)	Mid-term (up to 10 years)		Long-term perspective (more than 10 years)		Our response
			1.5°C (RCP2.6)	4.5°C (RCP8.5)	1.5°C (RCP2.6)	4.5°C (RCP8.5)	
Physical /Acute	Convective storm	●	=	=	=	=	<ul style="list-style-type: none"> <li>Defining business continuity plans, including logistics chain management ensuring contingency plans for distribution to stores</li> <li>Supply chain diversification</li> <li>Insurance plan ensuring coverage of acute risks</li> </ul>
Physical /Chronic	Heat waves	●	=	=	=	=	<ul style="list-style-type: none"> <li>Vulnerability assessments of key locations (stores and distribution centres) to extreme and chronic weather events (climate change related physical hazards).</li> <li>Testing low energy consumption solutions in our Eko Smart stores in Warsaw, Łódź and Poznań, with further chain rollout if results are successful</li> </ul>
	Droughts	●	=	=	=	=	
Transitional Policy and Legal	Regulatory (ESG related) changes impact on business activities	●	△	=	△	=	<ul style="list-style-type: none"> <li>Dedicated resources analysing legislation related to ESG and climate change, implementing relevant requirements in order to ensure compliance</li> <li>Improving internal monitoring, controlling and reporting practises to ensure quality and to increase transparency in climate reporting</li> </ul>
	Restrictions for internal combustion vehicles deliveries in city centres	●	△	▽	△	▽	<ul style="list-style-type: none"> <li>Dedicated resources analysing legislation related to ESG and climate change, implementing relevant requirements in order to ensure compliance</li> <li>Introducing long-term Logistics Strategy which will determine details of the Transportation Policy</li> </ul>
Transitional/ Market	Further increase of energy prices resulting from current market conditions and long term transition to renewable energy sources	●	=	=	=	△	<ul style="list-style-type: none"> <li>Engaging our stakeholders in development of energy consumption reduction initiatives</li> <li>Feasibility study of obtaining electricity from RES at Żabka premises</li> <li>Defining business continuity plans in case of blackouts</li> <li>Securing a 100% of electricity from renewable source by purchasing guarantees of origin</li> </ul>
	Limited access and profitability of Green Investments (incl. Renewable Energy Sources)	●	▽	△	▽	△	
	Power outages or supply limitations	●	▽	=	▽	=	

Risk score according to ERM methodology: ● Medium ● High ● Very High

### Key climate-related opportunities & Žabka response

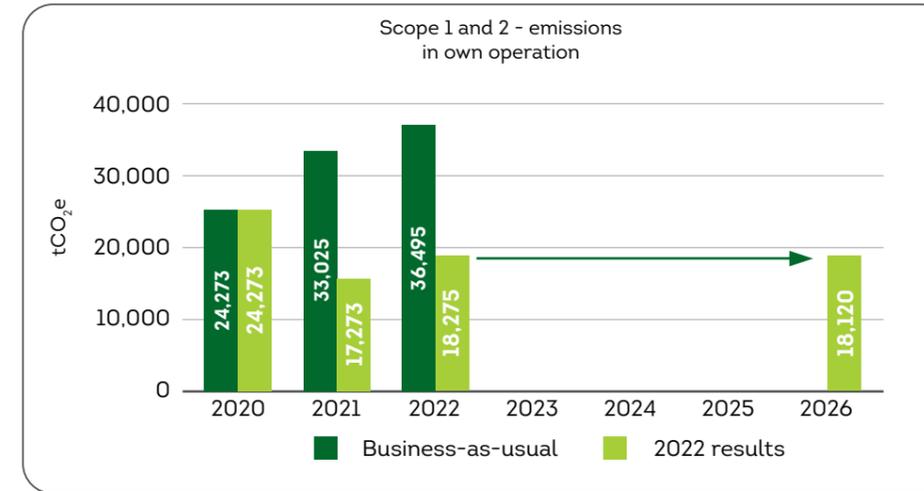
Although Žabka perceive climate change as one of the key risks for the Žabka Group, we understand that it also creates an opportunity for business development for companies that operate in a competitive environment. Climate action can save energy and resource costs, meet new customer needs, improve a company's reputation, and attract and retain talent. The climate opportunities identified in previous years remain valid

in 2022. First, we see opportunities related to increase loyalty of environmentally involved customers. In the long term, we also pay attention to strong employer branding due to Žabka's climate engagement and increased motivation of employees and business partners through achievement of climate-related goals. In the shorter period, we pay attention to the reduction of energy consumption through climate-friendly initiatives. The following table shows a list of key identified climate opportunities, which can influence the Group's further development.

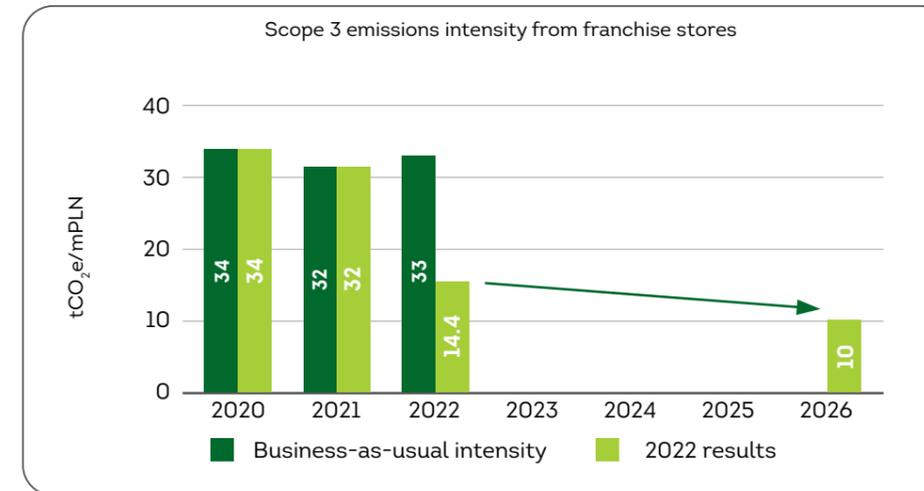
Category	Opportunity	Short-term (up to 18 months)	Mid-term (up to 10 years)		Long-term perspective (more than 10 years)		Our response
			1.5°C (RCP2.6)	4.5°C (RCP8.5)	1.5°C (RCP2.6)	4.5°C (RCP8.5)	
Resource efficiency	Reduction of energy consumption through climate-friendly initiatives	●	▲	▼	▲	▼	<ul style="list-style-type: none"> <li>Piloting and further rollout of the most successful climate-friendly and financially feasible solutions</li> <li>Launching 'Fair Business' knowledge sharing platform for business partners</li> <li>Educational activities for employees and franchisees</li> </ul>
	Increased motivation of employees and business partners through achievement of climate-related goals	●	▲	▲	▲	▲	
Energy source	Reducing investment costs in Renewable Energy Sources and improving efficiency of renewable energy generation	●	▲	=	▲	=	<ul style="list-style-type: none"> <li>Ensuring access to financing at preferable conditions in a long term horizon</li> <li>Feasibility study of accessing renewable Energy sources in a cost-effective and technologically optimal manner</li> </ul>
Products and services	Increase in demand of low- or zero-emissions products	●	▲	=	▲	▲	<ul style="list-style-type: none"> <li>Launching a 100% plant-based product line Plunt Hunter</li> <li>Achieving carbon neutrality for selected own brand products and communicating it to the clients</li> </ul>
Markets	Increase loyalty of environmentally involved customers	●	▲	=	▲	▲	<ul style="list-style-type: none"> <li>Understanding customers needs and effective way of communication in environmental related matters</li> <li>Launching employer branding strategy</li> <li>Monitoring the position of the Žabka Group against the competition</li> <li>Expanding product offering with plant-based products</li> </ul>
	Strong employer branding due to Žabka's climate engagement	●	▲	▲	▲	▲	
Resilience	Increase resilience of the value chain due to climate-friendly initiatives	●	▲	=	▲	▼	<ul style="list-style-type: none"> <li>Announcing decarbonisation targets at the annual Business Partner Meeting.</li> <li>Conducting individual strategic planning sessions with key partners on joint activities</li> <li>Launching 'Fair Business' knowledge sharing platform for business partners</li> </ul>

Opportunity score according to ERM methodology: ● Medium ● High

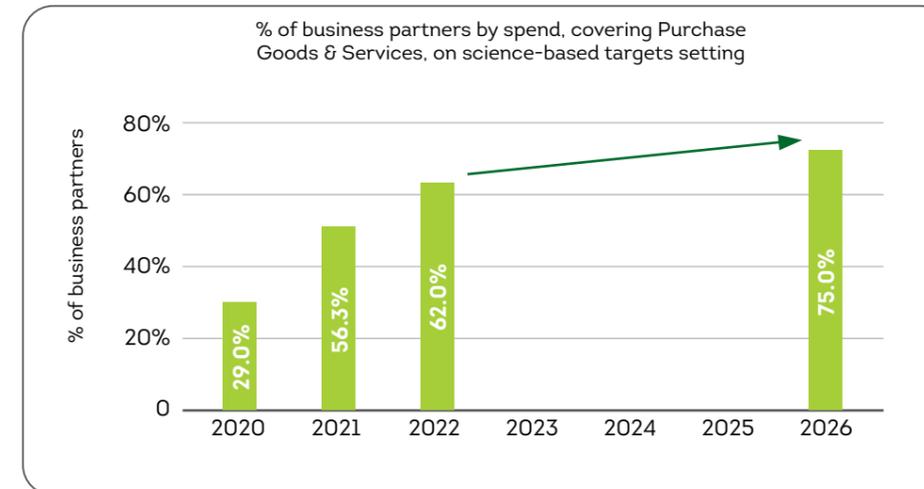
### Metrics and targets



In the area of own fleet, we progressed with replacement of 500 vehicles with hybrid and electric cars. In addition, facing dry ice shortages on the market, we accelerated dedicated cooled transport delivery programme, covering nearly 35% of the chain with further development planned. In addition, we performed more frequent technical inspection of installations in distribution centres to avoid potential refrigerants leakage. We also powered 100% of electricity from renewable energy sources by using REGOs. As a result, our Scope 1&2 emissions decreased by 24% compared 2020 base year.



Facing global energy crisis and further prices increase, we continue to rollout energy efficiency projects across the chain. We accelerated initiatives tested in 2021, e.g. further LED and adaptive light replacements, extended hours without outdoor store lighting, as well as further rollout of closed-door cooling cabinets. We also applied our approach to green energy to stores. More than 57% of electricity used comes from renewable sources thanks to own PV installations and guarantees of origin. As a result, our Scope 3 emissions intensity decreased by 57% compared to 2020 base year.



We collaborate with business partners at different stage of their maturity when it comes to climate change management and their decarbonisation pathway. In 2022, we launched a dedicated engagement platform for our suppliers Fair Business where we can expand our knowledge in this area and improve climate data reporting processes. We also continued our dedicated sessions with selected suppliers with the biggest impact. As a result, 62% of our business partners by spend, covering Category 1 Purchased Goods and Services has announced their science-based emission reduction targets.



# About the report

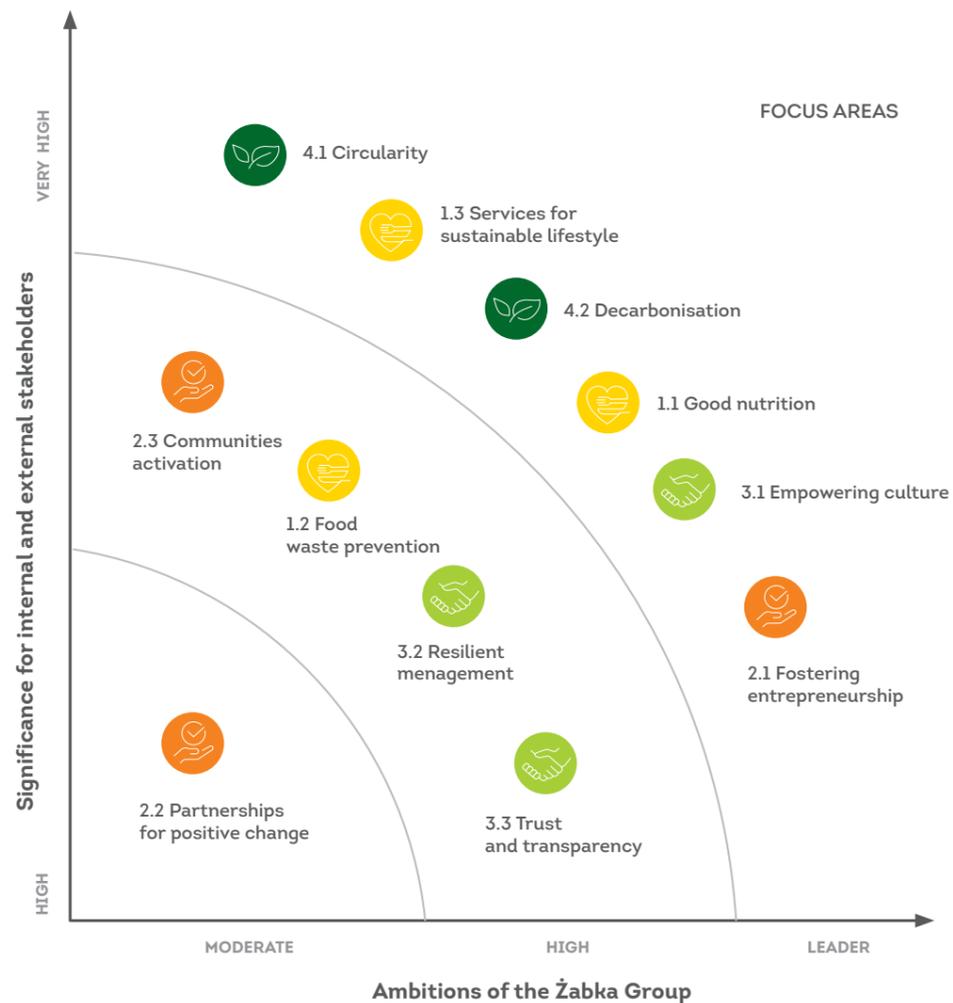
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The fifth Responsibility Report summarises the activities Žabka Group undertook under its Responsibility Strategy in 2022.

# 2022 Responsibility Report

## Materiality assessment process

Operations of the Żabka Group are based on a continuous dialogue with stakeholders. We engage them, using various communication channels, in activities focusing on sustainable development and doing business in a responsible manner. Their opinions have been taken into account, among other things, when drawing up our Responsibility Strategy. By conducting a study among more than employees, franchisees and customers, we intended to learn and understand the environmental and social needs of each of those groups, and to verify the potential of our influence in these areas. Having identified those aspects of our operations that are of key significance for our stakeholders, we prioritised and validated them in accordance with applicable international guidelines. Analysis of the responses received allowed us to develop specific pillars of the Strategy and translated into the selection of strategic areas and objectives assigned to them, which aim at strengthening the company's already existing positive economic, social and environmental impact (real and potential), and at reducing the negative impact, where such was identified. The list of relevant topics has not changed compared to the previous year.



## PARTNERSHIPS

 <p><b>Advertising Council</b> is an entity that establishes and promotes the highest standards in advertising, protecting consumers from unethical and unfair communications.</p>	 <p><b>Polish Chamber of Commerce</b> allows us to participate in the process of consulting draft legislation and to take part in sessions of parliamentary committees.</p>
 <p><b>American Chamber of Commerce in Poland</b> – a politically indifferent, non-profit organisation working to develop Polish-American economic relations.</p>	 <p><b>Polish Coalition for Sustainable Palm Oil</b> is a forum allowing us to work on raising awareness of palm oil from sustainable sources.</p>
 <p><b>The Association of Business Service Leaders (ABSL)</b> is a leading organization representing business services in Poland</p>	 <p><b>Polish Lewiatan Confederation</b> – is a venue allowing us to ensure competitive business conditions, sustainable economic growth, better laws, healthy competition, increased employment and strengthened social capital.</p>
 <p><b>The Charter of Diversity</b> is an international initiative under the auspices of the European Commission, with its members undertaking to promote diversity and build an inclusive organisational culture.</p>	 <p><b>Polish Organisation of Franchisors</b> protects the rights of and represents employers in accordance with the Code of Good Practices for the Franchise Market.</p>
 <p><b>Club of Poznań Economic University's Partners</b> a venue to share our knowledge with students, club members and the scientific community.</p>	 <p><b>Polish Plastic Pact</b> – having joined the Plastic Pact initiative of the Ellen MacArthur Foundation, we are working towards changing the model of using plastics in packaging materials and promote the circular economy principle.</p>
 <p><b>The Consumer Goods Forum</b> – we are a signatory of the Global Food Safety Initiative (GFSI) and a member of two coalitions – with one of them preventing food waste and the other reducing the generation of plastic waste.</p>	 <p><b>Polish Trade and Distribution Organisation</b> aims to improve conditions stimulating the growth of trade protecting free competition and free access to markets.</p>
 <p><b>Employers of Poland</b> the oldest and largest employers' organization in Poland</p>	 <p><b>UN Global Compact</b> the largest global initiative bringing together companies and institutions contributing to sustainable development</p>
 <p><b>National Chamber of Commerce</b> – we undertake actions aimed at improving the business environment and restoring the right position for entrepreneurs in economic and social life.</p>	 <p><b>Warsaw Enterprise Institute</b> think-tank which is the expert and intellectual base of the Union of Entrepreneurs and Employers</p>

# Impact and management of material aspects

We have analysed the impact of the Żabka Group on society, the economy and the environment through the activities carried out within each of the eleven strategic areas of the Responsibility Strategy. We have also defined those activities that are most significant from the point of view of three aspects. Impact management methods applies within the identified strategic areas are presented in chapters corresponding to the different strategic pillars, and their results are presented and discussed in tables presenting 2022 results related to the objectives defined in the Responsibility Strategy.

## Pillar 01 Sustainable lifestyle

### Strategic areas

- 1.1 Good nutrition
- 1.2 Food waste prevention
- 1.3 Services for sustainable lifestyle



The measures taken by the Żabka Group to promote a sustainable lifestyle exert a positive impact on society and the economy. The positive impact on the economy stems mainly from the development of products supporting a healthy and balanced diet, as well as services and solutions supporting a sustainable lifestyle. This is also relevant in the social dimension. In both cases, new products and services are created based on the analysis of trends and consumers' expectations and constitute a response to their changing needs. The moderate negative impact of the Żabka Group on the environment results from the growing use of raw materials due to the expansion of its network. In order

to mitigate our impact, we are striving to prevent food waste in own operations. We also analyse our value chain and look for potential solutions which are then tested and implemented together with our franchisees. In the Żabka Group, impacts related to the Sustainable lifestyle pillar are managed through a number of policies and procedures, including among others: Sustainable Palm Oil Policy, Policy on Sustainable Sourcing of Plant Raw Materials and Sustainable Harvesting of Fish and Seafood, Procedure for introducing Żabka Polska own brand products, Supplier Quality Qualification Manual, documents related to compliance with ISO 22001, Code of Conduct for Business Partners.

## Pillar 02 Mindful business impact

### Strategic areas

- 2.1 Fostering entrepreneurship
- 2.2 Partnerships for positive change
- 2.3 Communities activation



We are the biggest franchisor in Poland and we have a real impact on the Polish economy. The significant positive economic impact of the Żabka Group results mainly from activities that foster entrepreneurship and from building partnerships for positive change. We have introduced a comprehensive system of supporting franchisees, including through a long-term business risk mitigation programme, and are offering a functional set of tools to improve their financial performance and to manage their business operations more effectively. We are successfully reducing the level of turnover of our

franchisees. Despite the dynamically changing commercial and services markets, this remains one of our strategic commitments. In the Żabka Group, impacts related to the Mindful business impact pillar are managed through a number of policies and procedures, including: Franchisee agreement, documents related to the functioning of the Franchisee Council, Social Engagement Strategy, the Code of Conduct for Franchisees.

## Pillar 03 Responsible organisation

### Strategic areas

- 3.1 Empowering culture
- 3.2 Resilient management
- 3.3 Trust and transparency



Our efforts to increase transparency and boost credibility have a positive impact on the economy, society and the environment. They also contribute to establishing cooperation with financial institutions looking for business partners who take ESG factors into account in their operations. Publication of the Responsibility Report fits in with one of the Group's core values, which is openness and the transparency that comes with it. Initiatives such as the EcoVadis rating, extension of the existing compliance system to include the Code of Conduct for Business Partners, integration of ESG goals into the annual employee performance evaluation and completion of the EQUAL-SALARY certification process contribute to promoting, in cooperation with our partners, responsible business conduct, improving the quality of jobs offered

and combating inequalities. In the Żabka Group, impacts related to the Responsible organisation pillar are managed through a number of policies and procedures, including: Risk Management Policy, Tax Transparency Policy, documents related to the requirements of ISO 45001 and ISO 27001, Equity Policy, Code of Conduct and Ethics for Employees, Anti-mobbing Policy, Work Regulations, Procedure for Handling and Acceptance of Gifts and Samples, Conflict of Interest Management Procedure, Procedure for Reporting Irregularities, Compliance Policy, Anti-Corruption Policy, Forensic Procedure, Procedure for Donation and Sponsoring, Code of Conduct for Business Partners, Procedure on Good Commercial Practices, Procedure for Verification of Business Partners.

## Pillar 04 Green planet

### Strategic areas

- 4.1 Circularity
- 4.2 Decarbonisation



The production of goods and services offered under the convenience ecosystem exerts a moderate negative impact on the environment. This is due to the use of natural resources in the production processes. As part of the Green planet pillar, acting together with our business partners, we implement the decarbonisation plan and undertake a number of initiatives aimed at adapting the business model to the requirements of circular economy. We are working on reducing energy consumption and continue looking for green-energy sources. We are also launching pilot solutions ensuring materials circularity and strengthening

our impact by establishing business partnerships. We encourage our customers to properly segregate waste from our own brand products, by placing dedicated labels on their packaging. In the Żabka Group, impacts related to the Green planet pillar are managed through a number of policies and procedures, including: Energy Policy, Plastic Circularity Policy, Eco-design Policy, ISO 14001 environmental management standard and ISO 50001 energy management standard, Water Policy, Waste Management Policy.



# Stakeholder groups and their engagement

At Żabka Group, our scale and impact mean we have identified six core stakeholder groups. We communicate with them regularly, and take into account their needs and expectations around our activities whenever we make important decisions.

## Our stakeholder groups are:

### Customers and consumers

We serve around 3 million customers every day. We always aim to simplify our customers' lives, free up their free time and help them make sustainable choices. In all areas of activity, we aim to be close to them and offer services that meet their needs. We identify those needs through monthly NPS satisfaction surveys, responding to their findings with new solutions and tools. For example, rising awareness of the impact of packaging on the environment is focusing our attention on ensuring plastic circularity in our operations. We also use the Żabka mobile app to analyse our customers' purchasing behaviours, satisfaction with store visit, to adapt our offering in line with their preferences, to improve our quality of customer service and to engage them in charity work.

### Franchisees

We support the business success of thousands of entrepreneurs across Poland, helping franchisees open and run their stores and continually expanding our services to support their daily operations. We take partner relations very seriously and pay close attention to Franchisee Council recommendations. We also offer advice on the daily running of stores, including through the support of our sales partners in helping franchisees optimise

store routines. We continued our 'Station: Innovation' ambassador programme in 2022, seeking franchisees' assessment of solutions under development or that have recently been launched. Around 500 franchisees applied to participate in the programme and offered to jointly develop digital store-management tools. We also use NPS surveys to measure franchisee satisfaction, and include among our strategic objectives the need to improve satisfaction and reduce churn. As a co-author of and signatory to the Code of Good Practices in the Franchise Market, we guarantee the highest standards of collaboration.

### Business Partners

The 484 suppliers we worked with in 2022, included 460 from Poland. These companies range widely in the volume of deliveries they provide, with 47% of the value of goods we bought in 2022 originating from our 10 largest suppliers. 98% of the value of our procurement is from domestic suppliers. In a recent NFS supplier survey, Żabka Group ranked first out of more than 20 retail chains. We are recognised as a credible and trustworthy business partner that supports the growth of many domestic companies. We attach particular importance to environmental partnerships, and work with our partners to achieve shared decarbonisation and circular-economy aims. As well as through day-to-day contact, we aim to understand our partners' expectations through

dialogue sessions and when collaborating on Green planet programmes. Our Venture Studio enables us to work with start-ups and to partner with innovative businesses in developing and improving new and existing ESG tools and services.

### Local communities

Around 15.5 million Poles have less than 500 m to Żabka store, therefore we have a great opportunity to work in close proximity with local communities. We continuously seek to improve our positive social impact, and our Social Engagement Strategy enables us to provide real and effective support in those areas where our impact is strongest. To help define what is most important to us, we have carried out a detailed analysis of surveys designed to diagnose real current social needs. We have identified three strategic pillars as a result:

- Well-being,
- Neighbourhood,
- Equal opportunities.

We are also focused on a range of philanthropic endeavours to achieve specific social aims. We closely monitor charity campaigns to identify those in which to participate. We also continue each year to support the activities of Great Orchestra of Christmas Charity. And we work with franchisees to promote the health of local communities: we have now delivered nine editions of the 'Safe Internships with Żabka' programme to support young people at risk of exclusion.

### Employees and co-workers

We support more than 2,000 direct jobs for the team of creative and committed employees who ensure the Żabka Group's success. Our Code of Conduct and Ethics for Employees, together with our Equity Policy, enables us to create a values-based work environment that fosters fairness and diversity. We maintain continuous dialogue with our people, including through regular town halls that enable us to identify needs and expectations and allow us to hold regular Q&A sessions. We are very open to initiatives proposed by employees - for example, they can use the 'Your Żabka' intranet site to put forward ideas for new products, services and internal tools. We also hold a quarterly Council of Employees meeting, which is attended by the Management Board member

in charge of People Strategy. This serves as a venue to discuss issues relating to many areas, including the internal management system for occupational health and safety. We use NPS surveys to measure employees' satisfaction with their work and the Gallup Institute method to monitor their engagement and sense of belonging. We use the conclusions gained to improve the workplace by introducing new tools or systems in response to identified needs.

### Investors and institutions

We are proud that leading members of the global Private Equity market have placed their trust in the Żabka Group. We make every effort to meet the growing expectations of our investors. Today, they look beyond financial performance alone

to consider the credibility of our operations and the transparency of our communication. We use Supervisory Board meetings to hold constructive dialogue and debates on the future of our business. We also hold one-to-one conversations and deep-dive sessions with representatives of our investor groups, responding to their expectations around our areas of impact. Another communications route involves our ESG reports. In line with strategic commitments, we regularly undergo external verification processes related to sustainability in order to increase our transparency and credibility. We make every effort to co-operate with widely recognised bodies that rely on transparency in communication, thereby building the confidence of our investors and institutional shareholders.



EcoVadis sustainability rating - Platinum Medal



The winner of the 14th edition of the CEE Retail Awards in the Small Format and Convenience Chain category.



Best Quality Employer in Poland award granted by the decision of the National Certification Chapter



Best Employer 2022 as ranked by Gazeta Finansowa



Responsibility Report of the Żabka Group for 2021 as five the best documents in the Central Europe according Hallbars Awards 2022



Sustainable Economy Diamonds' in the category of Technology Leader for Sustainable Development



The Equal Salary certificate indicating equal pay in the organization regardless of gender



2022 Golden and Green POLITYKA CSR Leaves



Żabka Group is one of the best work places in the world



# Quantitative and qualitative data

[GRI 2-7] Employees

	2020			2021			2022		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Number of employees, by seniority									
Employed for a definite period of time	136	402	538	195	340	535	268	414	682
Employed indefinitely	616	870	1,486	693	995	1,688	801	1,090	1,891
Number of employees by type of employment									
Full time	739	1,271	2,010	875	1,334	2,209	1,061	1,500	2,561
Part-time	13	1	14	13	1	14	8	4	12
Total number of employees	752	1,272	2,024	888	1,335	2,223	1,069	1,504	2,573

Data refer to the number of employees calculated as of 31.12.2022. Increase in number of employees is proportional to the scale of business growth.

[GRI 2-8] Workers who are not employees

Number of co-workers who are not employees broken down by:	2020			2021			2022		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Employed under a contract of mandate	45	32	77	46	38	84	73	38	111
Employed under a deed contract	0	0	0	1	0	1	0	0	0
Employed under an internship contract	3	6	9	4	5	9	1	2	3
Self-employed	324	493	817	381	543	924	444	606	1,050
Total number of co-workers	372	531	903	432	586	1,018	518	646	1,164

Data refer to the number of co-workers calculated as of 31.12.2022. Increase in number of co-workers is proportional to the scale of business growth. Services provided by co-workers is advisory in nature and is performed in all business areas of the company. Moreover, there were 1196 persons (as of 31.12.2022) contracted through external employment agency, whose task was to provide logistics services at logistics centres.

[GRI 202-1] Ratios of standard entry level wage by gender compared to local minimum wage

	2020	2021	2022
Minimum wage in Poland (gross) in PLN	2,600	2,800	3,010
Ratio of standard entry level wage of women compared to local minimum wage	1.2	1.2	1.45
Ratio of standard entry level wage of men compared to local minimum wage	1.5	1.4	1.5

The roles at the lowest level vary greatly in terms of job characteristics. In 2022, the unadjusted equal pay ratio for the entire organisation was 6.5%. In 2022, the company obtained the EQUAL-SALARY certificate, ensuring that our employees receive equal pay regardless of gender, with the gender pay gap analysis carried out by an independent certification body being a part of this process.

[GRI 401-1] New employee hires and employee turnover

Total number of new employee hires in a given category	Number of new employee hires		Rate of new employee hires		Number of new employee hires		Rate of new employee hires	
	2020	2020	2020	2020	2021	2021	2022	2022
Female	145	19.3%	208	23.4%	285	26.7%		
Male	417	32.8%	339	25.4%	469	31.2%		
Aged <30	289	44.8%	257	39.7%	419	47.2%		
Aged 30-50	258	20.6%	271	18.9%	316	20.7%		
Aged >50	15	11.9%	19	13.4%	19	11.8%		
Total	562	27.8%	547	24.6%	754	29.3%		

Total number of employee turnover (per person), by:	Number of employee turnover		Rate of employee turnover		Number of employee turnover		Rate of employee turnover	
	2020	2020	2021	2021	2022	2022	2022	2022
Female	55	7.3%	75	8.5%	85	8.0%		
Male	184	14.5%	286	21.4%	288	19.1%		
Aged <30	99	15.4%	144	22.2%	172	19.4%		
Aged 30-50	129	10.3%	195	13.6%	185	12.1%		
Aged >50	11	8.7%	22	15.5%	16	9.9%		
Total	239	11.8%	361	16.2%	373	14.5%		

Total number of employees by employment categories	Number and rate of new employees in a given group				Number and rate of employee departures in a given group			
	2021		2022		2021		2022	
	Number	Rate	Number	Rate	Number	Rate	Number	Rate
Operational positions	162	38.6%	212	45.7%	160	38.1%	132	28.4%
Specialists	115	22.3%	139	24.4%	73	14.2%	84	14.8%
Independent specialists	170	20.1%	292	30.0%	90	10.7%	113	11.6%
Managerial staff/experts	83	24.1%	95	21.4%	34	9.9%	39	8.8%
Senior managerial staff	11	15.7%	14	14.9%	3	4.3%	4	4.3%
Top managerial staff and management board	6	26.1%	2	0%	1	4.4%	1	0%
Total	547	24.6%	754	29.3%	361	16.2%	373	14.5%

[GRI 404-1] Average training hours per year per employee

Average number of training hours per criterion	2020	2021	2022
Female	27.6	28.8	28.3
Male	15.8	18.3	18.8
Operational positions	1.73	2.4	2.4
Specialists	6.89	5.9	6.5
Independent specialists	25.84	30.2	27.2
Managerial staff/experts	35.83	43.5	47.9
Senior managerial staff	52.36	55.5	49.8
Top managerial staff	32.29	68.9	44.4
Average number of training hours	20.2	22.5	22.8

[GRI 405-1] Diversity of governance bodies and employees\*

2022	Percentage of employees from each category compared to the total number of employees in the organisation			Percentage of Management Board members by age and gender			Percentage of Supervisory Board members by age and gender		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Aged <30	15.6%	18.9%	34.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Aged 30-50	24.2%	35.1%	59.3%	33.3%	50.0%	83.3%	0.0%	16.7%	16.7%
Aged >50	1.8%	4.5%	6.3%	16.7%	0.0%	16.7%	33.0%	50.0%	83.3%
Total % by gender	41.6%	58.5%	100.0%	50.0%	50.0%	100.0%	33.3%	66.7%	100.0%
Including foreign nationals	1.7%	3.8%	5.5%	0.0%	0.0%	0.0%	17.0%	50.0%	67.0%

2022	Percentage of employees in each group in relation to the total number of employees in the organisation according to a given criterion						
	aged <30	aged 30-50	aged >50	Total	Female	Male	Total
Operational positions	6.5%	8.9%	2.6%	18.0%	1.4%	16.6%	18.0%
Specialists	8.9%	11.6%	1.7%	22.1%	9.6%	12.5%	22.1%
Independent specialists	16.5%	20.4%	0.9%	37.9%	20.9%	17.0%	37.9%
Managerial staff/experts	2.6%	14.0%	0.6%	17.2%	8.1%	9.1%	17.2%
Senior managerial staff	0.0%	3.3%	0.3%	3.7%	1.2%	2.5%	3.7%
Top managerial staff & management board	0.0%	1.0%	0.2%	1.1%	0.3%	0.8%	1.1%

\*Total values exceeding 100% result from the numbers up or down.

**[GRI 415-1] Political and charity contributions**

Type of support	Value of support in PLN	
	2021	2022
Lobbying, representation of interests or similar activities	0.00	0.00
Local, regional or national campaigns/organisations/political candidates	0.00	0.00
Trade associations or tax-exempt groups, including:	8,550,415.89	11,969,264.84
Industry organisations	763,996.89	921,306.05
Charity organisations	7,786,419.00	11,047,958.79

**[GRI 205-2] Communication and training about anti-corruption policies and procedures**

Employment categories	Total number of employees broken down by employment category	Number of employees to whom anti-corruption policies and procedures have been communicated	Percentage share of employees who have familiarised themselves with company anti-corruption policies and procedures	Number of employees who have received training on anti-corruption	Percentage share of employees who have received training on anti-corruption
Operational positions	454	453	100%	453	100%
Specialists	529	528	100%	528	100%
Independent specialists	900	900	100%	900	100%
Managerial staff/experts	402	402	100%	402	100%
Senior managerial staff	90	91	100%	91	100%
Top managerial staff	29	24	83%	24	83%

Anti-corruption procedures cover all areas of the Company's activity. The total number of employees and the number in each employment category differs from that in indicator GRI 2-7 due to the exclusions of long-term absences and those on notice. Anti-corruption policies and procedures have also been communicated to our co-workers and interns.

We received four reports about potential violations of the Code of Ethics and Conduct for employees. They were all subjected to internal investigations performed by the Ethics Committee and were deemed justified. They included conflict of interests, allegation of discrimination and violation of internal procedures. The Ethics Committee made recommendations for specific actions to be taken and monitored their implementation - in all cases these were implemented. Moreover, we have taken steps to prevent the similar situations from occurring in the future e.g. dedicated trainings, an obligation to re-familiarise oneself with the applicable rules and policies, in accordance with the procedures in effect.

**[GRI 205-1] Operations assessed for risks to corruption**

We are taking numerous measures to prevent corruption. We implemented an anti-corruption policy, which, together with the compliance and conduct procedure for the public sector (internal) and the codes of ethics and conduct (external), form an anti-corruption system. We build awareness among our staff - we included the issue of anti-corruption to the compliance training for employees and co-workers. In 2022, all business units of the company were analysed for threats related to corruption and we did not identify any significant risks in that area.

**[GRI 205-3] Confirmed incidents of corruption and actions taken**

In 2022, no cases of corruption were identified.

**[GRI 2-27] Compliance with laws and regulations**

In 2022, there were no material breaches of the law or regulations resulting in financial and non-financial penalties.

**[GRI 206-1] Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices**

In 2022, no violations of the principles of free competition and no monopolistic practices were identified, and there were no legal steps were taken by external authorities in this area.

**[GRI 418-1] Substantiated complaints concerning breaches of customer privacy and losses of customer data.**

In 2022, we received 12 complaints lodged by external parties (all concerning data protection violations and were confirmed by the company) and 2 complaints by regulatory authorities.

**[GRI 201-1] Direct economic value generated and distributed in million PLN**

	2020	2021	2022
<b>Total revenue</b>	<b>10,364</b>	<b>12,464</b>	<b>15,865</b>
Revenue	10,190	12,363	15,751
Other operating income	17	23	23
Financial income	157	78	91
<b>Total costs</b>	<b>9,974</b>	<b>11,943</b>	<b>14,856</b>
<b>Operating costs*</b>	<b>9,211</b>	<b>11,113</b>	<b>14,118</b>
Other operating costs	42	35	32
Financial costs	375	382	706
Employee benefits costs	216	258	366
Payments to providers of equity	0	0	0
Payments to the government	130	155	224
<b>Economic value retained</b>	<b>390</b>	<b>521</b>	<b>419</b>

\*Depreciation and amortisation, Materials and energy used, External services, Other costs by nature, Costs of goods sold.

**[GRI 207-4] Country-by-country reporting**

	Polish tax jurisdiction - Żabka Polska sp. z o.o.	
	2021	2022
Names of entities being tax residents	Żabka Polska sp. z o.o.	Żabka Polska sp. z o.o.
Primary activities of the company	Activities of head offices and holding companies, excluding financial holding companies (PKD 70.10.Z)	Activities of head offices and holding companies, excluding financial holding companies (PKD 70.10.Z)
Number of employees (as at 31.12.2021)	2,223 persons (as at 31.12.2021)	2,573 persons (as at 31.12.2021)
Revenue (in thousands PLN)	PLN 12,363,188	PLN 15,750,953
Revenues from intra-group transactions with other tax jurisdictions	PLN 0	PLN 163,000
Profit before tax (in thousands PLN)	PLN 671,811	PLN 638,177
Property, plant and equipment and inventory (in thousands PLN)	PLN 2,396,776	PLN 3,047,851
Income tax paid (in thousands PLN)	PLN 81,851	PLN 163,909
Current tax (in thousands PLN)	PLN 160,584	PLN 241,685
Reasons for differences between corporate income tax accrued on profit/loss and the tax due if the statutory tax rate is applied to profit/loss before tax	Permanent differences between the accounting and tax law relate mainly to interest and exchange rate differences on bank loans and borrowings received. The costs of debt financing obtained in order to acquire shares, in accordance with Art. 16 sec. 1 point 13e) of the Corporate Income Tax Act, do not constitute tax deductible costs.	Permanent differences between the accounting and tax law relate mainly to interest and exchange rate differences on bank loans and borrowings received. The costs of debt financing obtained in order to acquire shares, in accordance with Art. 16 sec. 1 point 13e) of the Corporate Income Tax Act, do not constitute tax deductible costs.

**[GRI 301-1] Materials by weight**

	Total weight of materials that are used to produce and package the primary products and services [t]		Weight of internally sourced materials [t]	
	2021	2022	2021	2022
Raw materials	14,148.29	13,672.44	26.5	37.05
Packing materials (including paper, cardboard and plastics)	759.2	937.6	0	0
<b>Total</b>	<b>14,907.49</b>	<b>14,610.05</b>	<b>26.5</b>	<b>37.05</b>

**[GRI 301-2] Recycled input materials used**

	2020	2021	2022
Percentage of recycled materials used in the production process for plastics	10.1%	9.7%	12.1%
Ratio of recycled materials to the total weight of materials that are used to manufacture the primary products and services.	2.4%	2.4%	2.7%

**[GRI 301-3] Reclaimed products and their packaging materials**

	2020	2021	2022
Products and their packaging materials reclaimed within the reporting period [t] reporting period	19,536.60	22,758.29	22,186.50
Products sold within the reporting period [t]	11,234.48	14,907.49	14,610.05
Percentage of reclaimed products and their packaging materials	174%	153%	152%

Data taken from product packaging fee reports and waste transfer cards.

**[GRI 302-1] Energy consumption within the organisation**

Direct energy consumption		2020 [MWh]	2021 [MWh]	2022 [MWh]
Total energy consumption from non-renewable sources, by type of raw material	Natural gas	10,505	13,276	13,611
	LPG	808	2,907	2,174
	Diesel	20,065	18,962	18,633
	Petrol	975	5,914	10,673
	Total	32,353	41,059	45,093
Total consumption of independently generated or purchased energy, by electricity (market-based) and heat	Electricity	15,011	20,248	24,232
	Heat	1,515	1,999	1,788
	Total	16,526	22,247	26,021
<b>Total energy consumption in the organisation</b>		<b>48,879</b>	<b>63,306</b>	<b>71,114</b>

Data are taken from invoices received from suppliers that have been issued in the nominal units for each type of energy. In order to convert them into MWh, the calorific value rates provided by DEFRA for a given year were used. The indicator for natural gas has been adjusted to the units in which gas is purchased (m³).

**[GRI 302-2] Energy consumption outside of the organisation**

	2020	2021	2022
Electricity consumption in stores (franchisees) [MWh]	368,280	428,522	479,402

Data come from the smart-metering system, whose meters are installed in stores run by franchisees. Energy consumption from NANO stores was included.

**[GRI 302-3] Energy intensity**

	2020	2021	2022
Energy intensity as the ratio of total energy consumption by the organisation to revenue [MWh / mln PLN]	4.8	5.1	4.5
Energy intensity as the ratio of total energy consumption outside the organisation to revenue [MWh / million PLN]	36.1	34.7	30.4

**[GRI 303-3] Water withdrawal**

	2020	2021	2022
Withdrawal of water from the municipal network at the headquarters and distribution centres [thousands of m³]	23,745	35,805	38,635

Data is taken from meters installed in distribution centres. In accordance with the World Resources Institute, Poland is not located in an area of heightened water stress risk.

**[GRI 305-1] Direct (Scope 1) GHG emissions**

Direct (Scope 1) GHG emissions [tCO <sub>2</sub> e]	2020	2021	2022
Fuel consumed to generate heat/cold	2,109	3,107	3,046
Own fleet	5,357	6,190	7,268
Refrigerants at logistics centres (including dry ice)	5,923	7,635	7,655
<b>Total direct emissions</b>	<b>13,388</b>	<b>16,932</b>	<b>17,969</b>

Direct emissions from fuel combustion in distribution centres and emissions related to the fleet and refrigerants. When calculating GHG emissions for fuels, the emission factors used were obtained from the DEFRA database (Department for Environment, Food & Rural Affairs, UK). For GHG emissions related to refrigerants, the GWP coefficients were derived from the DEFRA database or data sheets for specific refrigerants. For the GHG emission related to the purchased district heat, the emission factors were obtained from the DEFRA database.

**[GRI 305-2] Energy indirect (Scope 2) GHG emissions**

Indirect emissions	Indirect emissions of GHGs [tCO <sub>2</sub> e, location-based]			Indirect emissions of GHGs [tCO <sub>2</sub> e, market-based]		
	2020	2021	2022	2020	2021	2022
Indirect emissions of GHGs from electricity	10,891	14,279	17,352	10,624	0	0
Indirect emissions of GHGs from heating	261	341	305	261	341	305
<b>Total indirect emissions</b>	<b>11,153</b>	<b>14,620</b>	<b>17,657</b>	<b>10,885</b>	<b>341</b>	<b>305</b>

Indirect emissions from electricity consumption by distribution centres and company headquarters. For the calculation of GHG emissions for electricity, data from the National Centre for Emission Balancing and Management and DEFRA were used for both location- and market-based methods. For the GHG emission related to the purchased grid heat, the emission factors were obtained from the DEFRA database.

**[GRI 305-3] Other indirect (Scope 3) GHG emissions**

Other indirect (Scope 3) GHG emissions [tCO <sub>2</sub> e]	2020	2021	2022
Goods and services purchased	1,388,071	1,541,107	1,665,975
Capital goods	275,577	312,846	347,537
Fuel- and energy-related activities	3,164	2,119	2,402
Transport and distribution	19,970	24,458	30,654
Franchisees	343,184	391,811	226,168
<b>Total other significant indirect emissions</b>	<b>2,029,965</b>	<b>2,272,341</b>	<b>2,272,735</b>

Upstream: emissions related to purchased products and services, capital goods, and transportation to stores. When calculating GHG emissions using the average-data for the purchased products, emission factors from the EcoInvent database and other scientific, publicly available sources were used. GHG emissions from purchased products, calculated using the spend-based method and purchased services and capital expenditure, were calculated using the EEIO (Environmentally extended input-output) computational model, using the Exiobase database. Emission factors for WTT (well to tank) and transport and distribution were sourced from the DEFRA database.

Downstream: Emissions resulting from the consumption of electricity and refrigerants in stores. For GHG emissions related to refrigerants, the GWP coefficients were derived from the DEFRA database or data sheets for specific refrigerants. When calculating GHG emissions for electricity, both the location-based and market-based methods, data from the National Centre for Balancing and Management of Emissions and DEFRA were used.

**[GRI 305-4] GHG emissions intensity tCO<sub>2</sub>e/mPLN revenue**

Intensity of emissions	2020	2021	2022
Scope 1 (direct emissions)	1.3	1.4	1.1
Scope 2 (indirect market-based emissions)	1.1	0.0	0.0
Scope 3 (other indirect emissions)	199	184	144
<b>Total</b>	<b>202</b>	<b>185</b>	<b>145</b>

The emission intensity was calculated as the emissions in a given scope divided by the sales revenues. For Scope 2, emissions calculated on the basis of the market-based criterion were used. Emissions are expressed as CO<sub>2</sub> equivalent and include greenhouse gases according to the GHG Protocol.

**[GRI 306-3] Waste generated**

Total weight of hazardous and non-hazardous waste, by method of treatment	Waste weight in 2020 [t]		Waste weight in 2021 [t]		Waste weight in 2022 [t]	
	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste
Reuse	0	0	0	0	0	0
Recycling	10,073.0	2.3	10,050.2	1.6	11,427.6	1.2
Composting	217.8	0	214.4	0	32.3	0
Recovery (including energy recovery)	308.2	0.2	1,433.0	0.7	1,448.2	0.9
Incineration (or use as fuel)	1,098.5	0.3	79.1	2.5	214.3	0.1
Storage in deep wells	0	0	0	0	0	0
Landfilling	419.3	2.6	172.0	34.8	270.1	0
On-site storage	0	0	0	0	0	0
Other	214.1	0	613.8	2.8	390.9	140.4
<b>Total</b>	<b>12,330.9</b>	<b>5.4</b>	<b>12,562.5</b>	<b>42.5</b>	<b>13,783.4</b>	<b>142.7</b>

The quantities shown include non-hazardous waste, hazardous waste, municipal waste and category III. The data for recycling does not include data from the collection of film and waste paper from shops, but does include data on quantities of film and waste paper from warehouses.

**[GRI 403-1] Occupational health and safety management system**

We have an ISO 45001 Health and Safety Management System in place, which is a part of our Integrated Management System. Every quarter we conduct reviews of validity of the processes correlated with this management system. We were also subject to internal and external audits of compliance with legal requirements and updates throughout the integrated system. In addition, we continued our Safety and Hygiene+ certification system, which has been with Żabka for over 3 years. We have covered all our stores, logistics centres and own brand suppliers. It was created in cooperation with an independent, accredited certification unit TÜV NORD Polska. In 2022 Maczfit, Dietly and Nano joined the programme. All stores that have successfully passed the audit have been awarded with a certificate.

**[GRI 403-2] Hazard identification, risk assessment and incident investigation**

In 2022, 763 Health and Safety Patrols were performed. As a result, 1,551 irregularities were detected and 1,623 actions were taken. The completion rate of patrols was 94%.

**[GRI 403-3] Occupational health services**

In 2022, 1,158 (413 Women, 745 Men) occupational health examinations were carried out (22% of these were initial examinations, 69% were periodic examinations and 9% were follow-up examinations). 100% of employees were given fitness for work.

**[GRI 403-5] Worker training on occupational health and safety**

We have prepared Occupational Health and Safety Starter Kits for our distribution staff – they contain binders with all necessary procedures and manuals. All newly hired employees, on completion of the OHS training, receive OHS Knowledge Compendium. We have also completed work on the OHS Knowledge Compendium - a publication that will be distributed to all newly hired employees after completion of general OHS training. We provided workshop training to managers on raising awareness of health and safety responsibilities, shaping and consolidating pro-safety attitudes, highlighting and enhancing the role of safety in the working environment. We trained 141 people in 8 locations. The training was positively received and appreciated by the audience based on feedback received in post-training satisfaction survey. Residential first aid training was also conducted (24 training sessions). 104 people were trained in the basics of first aid. 86 persons were trained as emergency group members. 969 hours were dedicated to training.

We are also regularly conducting first aid training and contests. In 2022, 269 people completed such training courses.

**[GRI 403-6] Promotion of worker health**

We started the 'ZDROWIEDZĄCY' programme promoting healthy eating, physical activity as well as disease prevention – we implemented fresh fruit and vegetable deliveries, webinars with experts and informational and educational brochures. Topics discussed include among others: remote work, well-being, work-life balance or ability to concentrate. We encourage our employees to participate in various sports activities e.g. the Poland Business Run. In addition, we offer the Employee Assistance Program, a free and confidential counselling programme for employees, co-workers and franchisees and their relatives on psychological, legal and financial issues. The EAP gives access to both knowledge and training resources, but also the possibility of individual consultations with experts, including a lawyer, nutritionist, psychologist, coach for managers, financial advisor.

**[GRI 403-7] Prevention and mitigation of occupational health and safety impacts directly linked by business relationships**

71 measurements of the working environment were taken. No exceedances were found in any area (noise - 25 measurements, general mechanical vibration - 20 measurements, cold microclimate - 25 measurements, local mechanical vibration 1 measurement. In 2022, a total of 6 inspections were carried out From the State Sanitary Inspection (no recommendations) and 3 inspections from the State Labour Inspection (the recommendations were implemented). We are conducting extensive preventive measures – we have created a dedicated website for employees, where key health and safety documents, such as accident reporting forms and occupational risk assessment procedures, are published.

**[GRI 403-9] Work-related injuries**

	2020	2021	2022
Number of fatalities as a result of work-related injury	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	1	0	0
Number of recordable work-related injuries	16	15	17
Number of hours worked	3,183,400	3,564,200	4,074,900
Lost Time Injury Frequency Rate (LTIFR)	5.34	4.21	4.17

Data related to accidents are taken from the register of accidents kept by the company, according to the requirements of law. The accident frequency rate per million hours worked LTIFR = (number of accidents / number of hours worked) x 1,000,000. We do not gather data concerning time of work of workers who are not employees. Hazard identification, risk assessment and incident investigation are described in [GRI 403-2] on page 82. Typical work-related risks include being hit by a forklift, and injuries include twisted limbs, contusions.

**[GRI 404-3] Percentage of employees receiving regular performance and career development reviews, according to gender and employment category**

In 2022, the share of employees subject to the regular job quality assessments equalled 100% and covered all employees regardless of gender or job category.

**[GRI 416-1] Assessment of the health and safety impacts of product and service categories**

We expect our suppliers to implement and certify quality and food safety management systems, as well as we look closely at their environmental and social practices. We check whether they comply with environmental management standards and communicate our approach towards biodiversity. Our own brand suppliers, who do not comply with our safety standards, are qualified as a high-risk group and may cooperate with us only after undergoing a qualification audit. We conducted thirty-three qualification audits – two suppliers were negatively qualified and we refused cooperating with them. We also conducted fifty six announced and unannounced audits. Twenty-four suppliers were obliged to establish a remediation plan addressing deficiencies identified. Qualification audits with regard to suppliers of producers' brand products revealed that eight of them failed to receive a positive result, prompting us to refrain from commencing cooperation with them. If any complaints are submitted or improper product quality is reported, we perform intervention audits at our business partners - five suppliers were subjected to such audits. The introduction of additional controls is a response to the challenge of ensuring the highest quality of the food produced and is intended to reduce the number of recalls caused by quality defects. We recorded six such events – all of them, apart from one concerning own brand product, related to producers' brand products.

**[GRI 417-1] Requirements for product and service information and labelling**

The information defined by the requirements of the internal procedures, regarding the labelling of products and services, is the sourcing of components, elements and intermediates, the composition of the products, in particular regarding substances that may have a negative impact on the environment, the principles for the safe use of the product or service, the disposal of the product and its impact on the environment or society. Eight product categories are assessed in this respect. 100% are subject to information requirements.

**[GRI 417-2] Incidents of non-compliance concerning product and service information and labelling**

Type of incident	number	
	2021	2022
Incidents of non-compliance with regulations resulting in a fine or penalty	0	0
Incidents of non-compliance with regulations resulting in a warning	2	1
Incidents of non-compliance with voluntary codes	0	0

In 2022, we recorded 1 incident of non-compliance with regulations resulting in a warning: labelling of own brand water product (Od Nowa) - as a result of the incident, the label was adapted to meet the applicable requirements.

# Assurance report



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## Independent limited assurance report

To the Management Board of Żabka Polska Sp. z o. o.

### Scope

We have been engaged to perform limited assurance engagement in relation to selected non-financial information presented in the Żabka Group's ("the Company") "Responsibility Report 2022 (the "Report") prepared based on GRI Guidance issued by Global Reporting Initiative.

The following non-financial information (GRI indicators) in the Report were subject to verification: 2-7, 2-8, 202-1, 301-1, 301-2, 301-3, 302-1, 302-2, 302-3, 303-3, 305-1, 305-2, 305-3, 305-4, 306-3, 401-1, 403-9, 404-1, 405-1 („Selected Information”).

The subject to our verification was only the Selected Information and other than as described in the preceding paragraph which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on the Report as a whole.

### Management's responsibility

The Company's Management is responsible for preparation and presentation of the Report in accordance with GRI, in all material respects. This responsibility includes establishing and maintaining internal controls and making estimates that are relevant to the preparation and presentation of the Report, such that it is free from material misstatement, whether due to fraud or error.

### Our responsibility

Our responsibility is to express a limited assurance conclusion on the presentation of the Selected Information included in the Report subject to our attestation service based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard on Assurance Engagements 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. Those standards require that we act in accordance with ethical requirements, as well as, plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Selected Information is presented in accordance with GRI.

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

### Our Independence and Quality Control

Our firm applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the requirements of independence and other requirements of professional ethics in accordance with the provisions of the International Ethics Standards Board for Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which defines key principles of fairness,

objectivity, professional competence, due care and confidentiality and professional conduct.

### Summary of procedures performed

Our procedures performed with respect to the Selected Information were designed to obtain a limited level of assurance on which to base our conclusion and included:

- analysis and identification of Selected Information included in the Report;
- interviews with persons responsible for reporting non-financial information contained in the Report;
- comparing of Selected Information included in the Report with the received Company's documentation.

The procedures used have been selected by us at our discretion and include an assessment of the risk of material misstatement of Selected Information included in the Report. Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Report and applying analytical and other appropriate procedures. Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

### Conclusion

Based on our procedures and the evidence obtained, we have not identified anything that would indicate that the Selected Information included in the Report and discussed in Scope paragraph above are not in all material respects in line with the guidance of GRI.

Warsaw, April 13, 2023

Rafał Hummel, Partner  
Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k.

# SASB table

Topic	Accounting metric	SASB Code	2022 data
Fleet Fuel Management	Fleet fuel consumed, percentage renewable	FB-FR-110a.1	The company does not have its own delivery fleet.
Air Emissions from Refrigeration	Gross global Scope 1 emissions from refrigerants	FB-FR-110b.1	7,655 tCO <sub>2</sub> e
	Percentage of refrigerants consumed with zero ozone-depleting potential	FB-FR-110b.2	100% of the refrigerants we use have zero ozone depletion potential.
	Average refrigerant emissions rate	FB-FR-110b.3	2.15%
Energy Management	(1) Operational energy consumed (2) Percentage grid electricity (3) Percentage renewable	FB-FR-130a.1	(1) 41,208 MWh (148,351 GJ) - the value includes fuel, electricity and heat consumption. (2) 57% - purchased electricity in relation to the total energy used in own operations. (3) 57% of all energy used in proprietary operations comes from renewable energy (100% electricity).
Food Waste Management	Amount of food waste and unsaleable food generated in tonnes	FB-FR-150a.1	Food waste in own operations: 1,050 tonnes.
Data Security	(1) Number of data breaches (2) Percentage involving personally identifiable information (PII) (3) Number of customers affected	FB-FR-230a.1	(1) 14. (2) 100% - a personal data breach is found when it involves data that identifies a specific person. (3) 495 in total, without the breach being a data leakage.
	Description of approach to identifying and addressing data security risks	FB-FR-230a.2	We operate in accordance with the ISO 27001 information security management system.
Food Safety	High-risk food safety violation rate	FB-FR-250a.1	In 2022, there was 1 incident of high-risk food safety violations.
	(1) Number of recalls (2) Number of units recalled (3) Percentage of units recalled that are private-label products	FB-FR-250a.2	(1) 6 product recalls. (2) 62,036 units recalled (from the market). (3) 3% of units recalled which were own brand products.
Product Health & Nutrition	Revenue from products labelled and/or marketed to promote health and nutrition attributes	FB-FR-260a.1	PLN 982 mln
	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	FB-FR-260a.2	We are consistently implementing a reformulation strategy for the own brand products we offer - reducing salt and sugar content, expanding our range of plant-based products, reducing the content of preservatives, glucose and glucose-fructose syrups or artificial flavours.
Labelling & Marketing Product	Number of incidents of no-compliance with industry or regulatory labelling and/or marketing codes	FB-FR-270a.1	In 2022 we recorded 1 incident. Marking on the own brand label water Od Nowa - as a result of a recorded incident, the label will be adapted to the reported requirements.
	Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labelling practices	FB-FR-270a.2	No fines were imposed in this regard in 2022.
	Revenue from products labelled as: (1) Containing genetically modified organisms (GMOs) (2) Non-GMO	FB-FR-270a.3	All of our own brand products are GMO-free. Producer brand products that contain GMOs are properly labelled. Data on revenues related to GMO labelling were not consolidated in the reporting period.

Topic	Accounting metric	SASB code	2022 data
Labour Practices	1) Average hourly wage and (2) percentage of in-store and distribution centre employees earning minimum wage by region	FB-FR-310a.1	The roles in the Logistics area vary greatly in terms of job characteristics, therefore we do not report the average hourly wage. All employees receive higher than the minimum wage, and additionally receive a number of financial and non-financial benefits.
	Percentage of active workforce covered under collective bargaining agreements	FB-FR-310a.2	There are no trade unions or collective bargaining agreements in the Company. Employees, however, have complete freedom to create bottom-up employee groups.
	(1) Number of work stoppages (2) Total days idle	FB-FR-310a.3	In 2022, there were no significant downtime at work.
	Total amount of monetary losses as a result of legal proceedings associated with: (1) Labour law violations (2) Employment discrimination	FB-FR-310a.4	In 2022, we did not record such cases.
Management of Environmental & Social Impacts in the Supply Chain	Revenue from products third-party certified to an environmental and/or social sustainability sourcing standards	FB-FR-430a.1	We did not consolidate data from this area in the reporting period.
	Percentage of revenue from: 1) Eggs that originated from a cage-free environment 2) Pork produced without the use of gestation crates	FB-FR-430a.2	We did not consolidate data from this area in the reporting period.
	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	FB-FR-430a.3	We have implemented the Sustainable Palm Oil Policy and 4 further policies addressing the sustainability issues in the supply chain: Water Policy, Waste Policy, Policy on sustainable sourcing of plant raw materials and sustainable harvesting of fish and seafood and Animal Welfare Policy. We carried out a pilot, where we communicated the Code of Conduct to our Business Partners 35.4% Business Partners were familiarised with our Code of Ethics and Conduct.
	Discussion of strategies to reduce the environmental impact of packaging	FB-FR-430a.4	Our Eco-design Policy determines our approach towards packaging. We design packaging, that is recycle-friendly (we avoid contrasting colours, carbon black-based pigments and inseparable labels made of a different material to the packaging itself). Incorporating recycled material into packaging allows us to minimise virgin raw materials, for many of our brands this is standard. Reducing the weight of packaging, removing laminates and education from packaging is what characterises our own brands. Through a system of pictograms on packaging, we tell consumers which waste fraction they should go to after the contents have been used.

Activity metric	SASB code	2022 data
Number of (1) retail locations and (2) distribution centres	FB-FR-000.A	Stores under the Żabka brand are run by a chain of independent entrepreneurs on a franchise basis.
Total area of (1) retail space and (2) distribution centres	FB-FR-000.B	Total area of distribution centres and terminals is almost 230,000m <sup>2</sup> .

# GRI table

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### The 2022 Responsibility Report was compiled with the participation of many people within the organisation. Thank you!

Any questions concerning the data contained in this Report should be submitted to the ESG Department which coordinated the publication process:



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