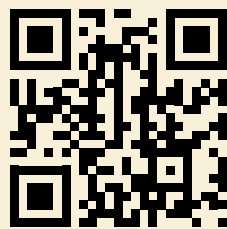


Żabka Group's ecosystem



Learn more about our modern convenience ecosystem



Conveniently and Responsibly

Responsibility
Report 2023

żabka group

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We make it easy for customers to change their habits for the better.

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We make a positive impact with entrepreneurs on the economy.

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

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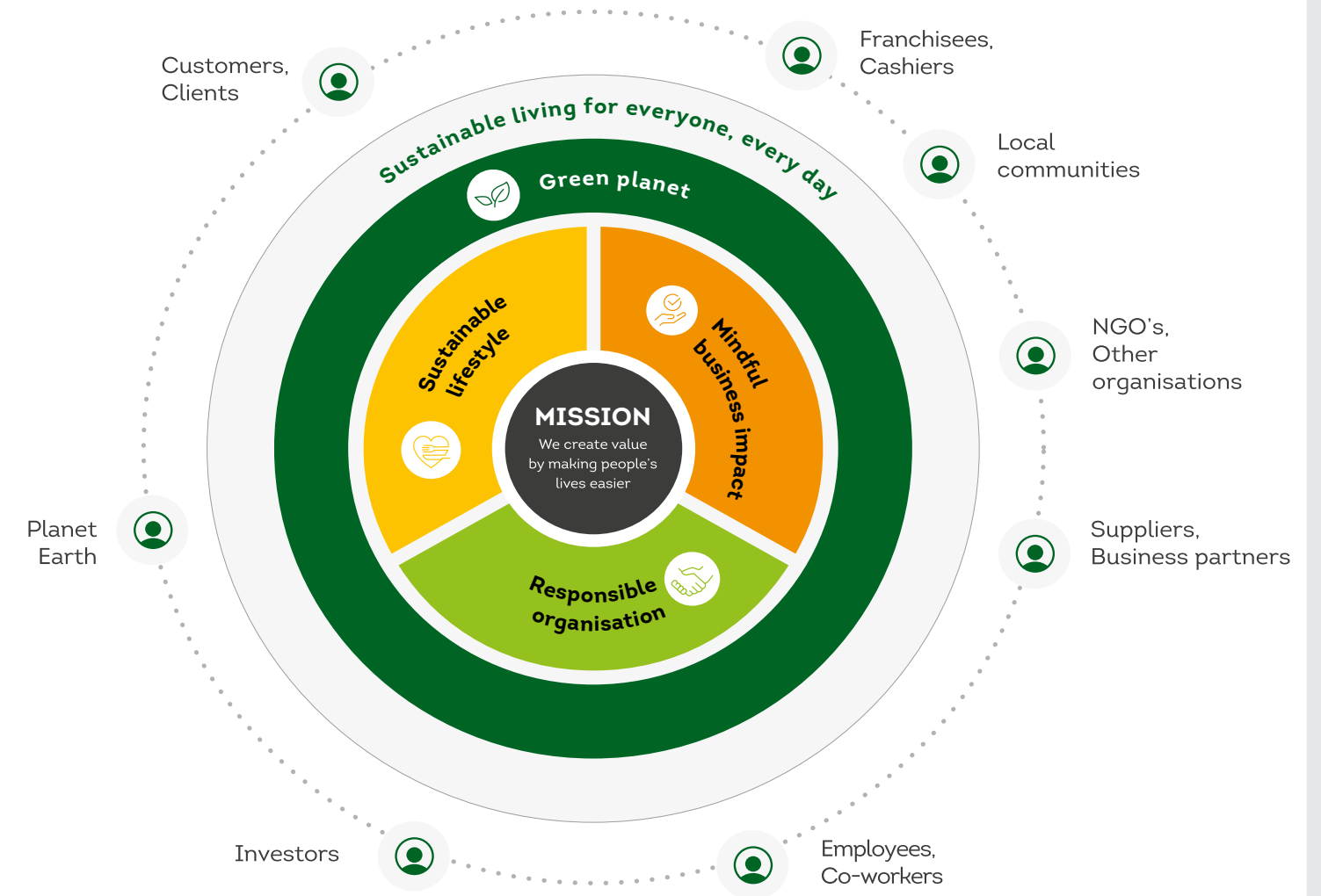
We minimise our environmental impact across the whole value chain.

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Žabka Group's Responsibility Strategy for 2021-2026

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



OUR VALUES

- RESPONSIBILITY
- OPENNESS
- CREDIBILITY
- AMBITION

Supporting entrepreneurship, simplifying life



This was a special year for Żabka Group, particularly as it was our 25th anniversary. Celebrating it under the slogan 'We support entrepreneurship. We simplify life,' we expressed our mission at the same time as making a commitment to those groups that are fundamental to the success of our network: franchisees and customers. We aim to successfully fulfil this commitment by delivering against the goals set out in our Responsibility Strategy, including our responsibility for the natural environment and our immediate surroundings.

But 2023 was not only special for us because of our anniversary. Over the last quarter century, we have built a leading position in Poland in the areas of modern convenience, quick-commerce and diet catering. We were also established with a view to multi-dimensional development, and our ambition was always to develop our ecosystem across the wider European market.

In December 2023, we took our first steps in this direction, taking a majority stake and entering into a strategic partnership with leading Romanian food distributor DRIM Daniel Distributie. We completed the formal merger process at the beginning of 2024, as a result of which we have now expanded our business into the Romanian market. We believe that having a partner with whom we share common values, significant experience and know-how, will enable us to implement many ambitious projects in the Romanian market. This will drive the diversification and, as a consequence, the growth of our business.

Ambition engraved into the DNA of the Żabka Group

When we started operating in Romania, our Polish organisation's pace of development did not slow down. We are the biggest modern convenience chain in our home country, maintaining a rapid rate of expansion throughout 2023 with the opening of more than 1,000 stores. Our chain now comprises more than 10,000 stores, run by ca. 9,000 franchisees.

Our direction of development is determined by the needs of the over 3 million customers who use the Żabka Group's services every day. This is why we continuously offer them

new service proposals, constantly enriching our stock and opening completely new store formats. In this year of celebration, we expanded our portfolio with the addition of Żabka Drive, Żabka Non Stop and Żabka - an island in the shopping centre. The strategy we have adopted allows our franchisees to run local businesses that not only meet customer expectations, but, as the numbers demonstrate, are also successful in their own right. In 2023, together with our franchisees, we sustained 63,000 jobs across Poland, making us a powerful economic force in the country.

Our Responsibility Strategy is integrated into our Business Strategy, and our ambition is to create the conditions in which sustainable living will be achievable for everybody, every day. We want people who use our ecosystem's services to be able to live both comfortably and responsibly. That is why, among other initiatives, we have launched the 'Porcja DobreGO!' programme, an outcome of the new approach to good nutrition that we defined in 2022. We want to provide our customers with easy access to complete meals at any time of day that achieve the highest Nutri-Score of A and B. All our own brand products carry Nutri-Score labelling, and nearly half have qualified for the highest score. Since launching the programme, we have seen an 85% increase in the sale of products with a Nutri-Score of A or B.

Partnerships on the road to sustainable development

While the scale of our activity is of course related to our impact on the environment, we also want to use that scale to establish partnerships that run activities to reduce our

negative environmental impact, including on the natural world. We want to share our knowledge and good practice, and you will find in this report many examples that illustrate how we are implementing our strategy and how we meet our obligations in the areas of decarbonisation, circularity, and building a committed workplace. We believe that successfully implementing our strategy requires the collaboration of entities right across the value chain. That is why we involve our business partners, franchisees, employees and customers in multiple shared projects and innovative targeted solutions that minimise our impact on the environment.

One example of such a partnership is our collaboration with Bydgoszcz and Zielona Gora as part of the 'Zielona Odnowa' pilot project. In this, we encourage consumers to return empty plastic bottles and beverage cans to our stores, either to the shopkeeper or to an EKomat, a selective waste-collecting machine that's available to customers in Lodz, Poznan and Warsaw. We believe such actions contribute to the stronger ecological awareness of consumers and the development of the circular economy.

We also use innovative solutions and technology to support our decarbonisation activities. To streamline the analysis of large amounts of decarbonisation data, last year we implemented a data management system using the Microsoft platform to report it. Now, thanks to the detailed analysis this enables of the Group's carbon footprint, we can make decisions based on current data to implement our decarbonisation strategy more effectively than ever.

An engaging work environment

Nothing we do, from developing the company to creating innovative solutions and implementing ESG programmes, would be possible without our people. For many years we have focused on employee development as a key element of building a values-based organisational culture. We also make sure we pay our people equally for work of the same value and organisational impact, as confirmed by certification from the EQUAL-SALARY Foundation. We were also proud last year to receive the Gallup Exceptional Workplace Award 2023, which honours our efforts to create one of the world's most engaging working environments.

The objectives set out in our Responsibility Strategy are a snapshot of our aspirations, expressed in quantitative and qualitative measures. I am delighted now to share this Report with you, presenting the results of our activities in 2023 and describing the good practices that underpin our next steps on the way to achieving our mission. I hope you find it an interesting read that provides material for deep thought and inspiring conversations.

Tomasz Suchański
Chief Executive Officer

Leadership on our ESG Strategy

We want to help customers make everyday choices that are simple and convenient for them and beneficial for the planet. This is the long-term aim of our comprehensive Responsibility Strategy, closely integrated with our business objectives, which requires us to consider non-financial factors in all our strategic and operational decisions.

We continuously seek feedback on our activities under our strategy, knowing that integrating environmental, social and governance (ESG) factors into our processes and decisions not only brings measurable benefits. It is also highly regarded by external rating agencies, as shown by the award for the second successive year of the EcoVadis Platinum rating, placing us among the top 1% of companies in the world that best integrate ESG factors into their strategies and operations. Continued positive action across multiple areas is, of course, more important than recognition. Having the right ESG governance and close collaboration between engaged stakeholders is central to successful strategy delivery. 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. This is why we work so hard to help create a better future as a key aspect of further strengthening our position as a leader of modern convenience in Poland.

Tomasz Blicharski

Executive Vice President of the Management Board, Chief Strategy & Development Officer

We base our non-financial reporting processes on the latest technologies and best international standards. This is because the credibility and transparency of all information we disclose are key strategic aspects of our stakeholder communications.

In 2023, we signed another ESG-linked financing agreement. This links the bank margin to our achievement of ESG goals, reflecting our commitment to sustainable business practices. The goals covered include reducing our Scope 1 & 2 emissions and Scope 3 intensity at stores, as well as increasing the sales of own brand products that promote a sustainable lifestyle. Decarbonisation is strategically important to us, one of our obligations to financial institutions: during 2023 we took a significant step forward in the digital transformation of our ESG-reporting capabilities. Our aim has long been to create and manage a transparent and simplified system for collecting, sharing, displaying and analysing ESG data. Now, we have implemented a comprehensive digital system for managing all data relating to our carbon footprint. This enables us to collect data more transparently and with greater quality than ever, and to track our strategic progress using customised solutions such as our own ESG app and dashboards. This is a very important step forward.

Marta Wrochna-Łastowska

Member of the Management Board, Chief Financial Officer



Jolanta Bańczerowska

Member of the Management Board, Chief People Officer

We have long understood the vital role our employees have to play in achieving our goal of creating a unique convenience ecosystem. Employee engagement is essential, requiring the involvement of everyone from front-line staff to line managers and our most senior leaders. According to the Gallup Institute Survey, our people are five times more engaged than those in the average Polish company. In fact, when it comes to

an engaging workplace, we are among the top 26% of all the companies in the world – as confirmed by the Gallup Exceptional Workplace Award 2023, when we became the first Polish organisation to win such a prize. The Gallup questionnaire provides a framework that helps us understand how to create a more conducive work environment where everyone can develop their talents and work with passion.

Our NPS franchisee satisfaction scores at the end of 2023 were the best we have ever recorded. This suggests that much of what we are doing is right, including investments in the latest technology to help our almost 9,000 franchisees and their 10,000+ stores to maximise sales, minimise losses and build those ever-closer customer relationships that sustain Żabka as Poland's biggest chain of mo-

dern convenience stores. Our close relationship with the Franchisees' Council gives us the insights we need to understand what they most want from us, including a close dialogue, care for the environment and above all opening new stores as close as possible to new customers. It's with our franchisees in mind that we continue to develop our network and make the franchise offer ever-more attractive.



Adam Manikowski

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



Anna Grabowska

Executive Vice President of the Management Board, Managing Director of Żabka International

Our journey at Żabka is focused on growth and innovation, with the development of customer-oriented programme and international expansion. We are excited to start a new chapter of expansion beyond Polish borders and bring our convenient solutions ecosystem to customers in other CEE countries - starting with Romania. As we continue to take steps forward, our ESG strategy focusing on four pillars:

Sustainable lifestyle, Mindful business impact, Responsible organization, and Green Planet, remains a focal point of our business. We believe that ESG is more than just a buzzword - it is ingrained into every aspect of our business. Our aim is to provide an ultimate convenience ecosystem that delivers immediate solutions to simplify life and promote sustainability, freeing up people's free time.

Our ability to create digitally enabled convenience solutions underpins our position as leaders in providing a unique, highly personalised shopping experience for everyone in the modern convenience stores segment in Poland. With a view to connecting the digital and physical worlds, we've created leading q-commerce service Żabka Jush!, the Delio e-grocery solution, our autonomous Żabka

Nano stores, and Robbie, our robotic hot-dog server. Add to that Maczfit, our dietary catering brand, and Dietly, our boxed diet range, and we have a full ecosystem of solutions. Our focus on innovation is constant, seeking investment opportunities and collaborative ventures to drive positive change. It's an approach that's reflected in the continuous acceleration programmes of our Venture Studio.



Wojciech Krok

Member of the Management Board, Managing Director of Żabka Future

Executive Summary

01 | Sustainable Lifestyle



We launched the 'Porcja DobreGO!' nutrition programme to help customers make healthier food choices leading to an 85% increase in sales of products with Nutri Score A and B. A healthy food ecosystem extends beyond nutrition, so we aim to reduce waste by enabling our customers to easily purchase only the amount of food they need at any given time. We also use AI to match the goods delivered to each store with local shopping trends, making it easy for people to find what they need, thereby reducing the environmental impact. Following a quality-focused supply chain review, we only

accept branded products with certified palm oil. We have acted to improve animal welfare and promote sustainable sourcing in our own brand products, and have removed cage-laid eggs from our products. Our policies ensure sustainable sourcing for plant ingredients, fish and seafood. Our Biodiversity Policy also sets out our principles of conduct, indicating our priorities for protecting ecosystems and preventing the loss of biodiversity, including deforestation.



03 | Responsible Organisation

Gallup ranks us among the top 26% of the world's most engaged organisations and has given us the Gallup Exceptional Workplace Award. Our commitment to equal pay regardless of gender makes us the first Polish company with EQUAL-SALARY certification. We undergo external assessments to serve our stakeholders and improve our sustainability practices, improving our score in every category. We have retained the EcoVadis Platinum medal, placing us among the top 1% of companies in the world for ESG integration. And we have published our fifth Responsibility Report, which

is externally assured and discloses information on the implications of climate-related risks and opportunities under the TCFD framework. We are building a comprehensive system of ethics, in which all employees and franchisees comply with the law, international standards and adopted regulation, including that related to anti-corruption. Following the launch of our Code of Conduct and Ethics for Employees, all our people have received training. We added cybersecurity to our programme of compulsory training programmes in 2023, and nearly 99% of employees received training.



LEGEND

expectations for 2023 met

expectations for 2023 partially met

expectations for 2023 not met

02 | Mindful Business Impact

We opened 1,000+ stores in 2023, expanding with our customers in mind and enabling nearly 9,000 franchisees to enhance their entrepreneurship skills by running their own business, including new store formats and development programmes. We are developing our franchisee relationships based on cooperation and trust, growing our NPS score by 10 points. We value our franchisees' opinions and appreciate the positive feedback from our suppliers, we have again obtained first place in the nationwide satisfaction study and received Grand Prize 'Retailer of the Year 2022 - Chosen by Suppliers.' With suppliers in mind,

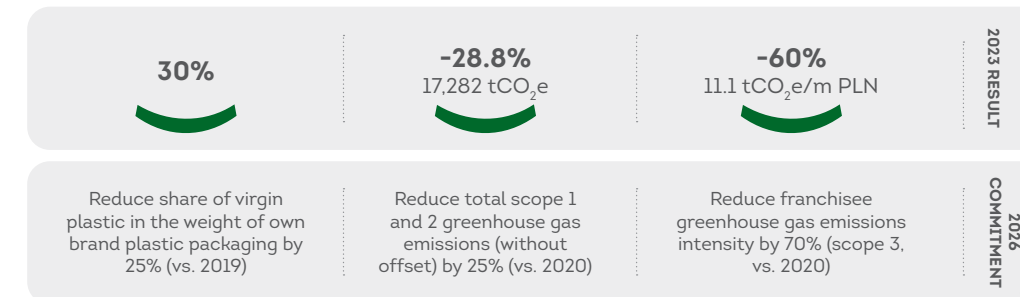
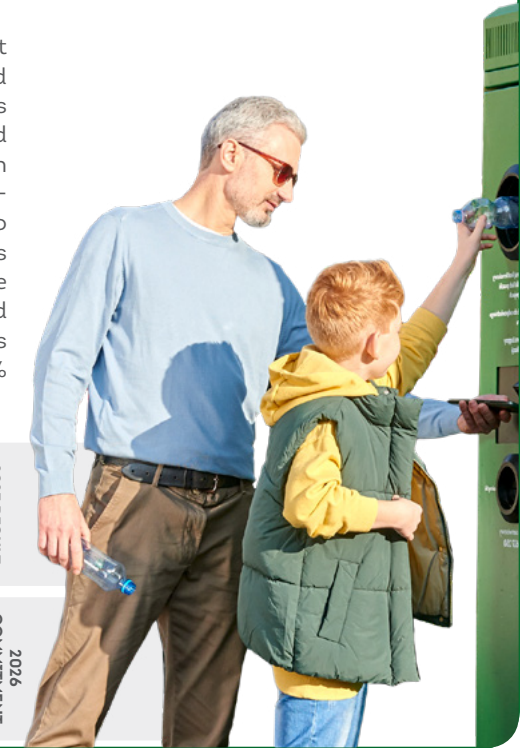
we have implemented The Human Rights Policy for Business Partners and The Code of Conduct for Business Partners. Good collaboration is also about sharing knowledge and inspiring each other, which is why we host our annual Suppliers Meeting and continually develop our Fair Business platform. We are creating an environment of innovation and experience-sharing with scientific institutions, business incubators and business partners. Our stores' integration in local neighbourhoods provides a unique opportunity to get involved in the life and activities of their communities, in line with our Social Engagement Strategy.



04 | Green Planet

Our circularity efforts, such as using 100% rPET bottles and recycled packaging in our own brand products and helping franchisees recycle more materials and reduce waste by maximising recycling. This has cut the amount of virgin plastic entering the market, achieving plastic neutrality in our operations for the fourth year in a row. Our pilot deposit system in Zielona Gora and Bydgoszcz encourages customers to return collection of plastic and aluminium cans, rewarding them with zapps points or a discount on the next drink.

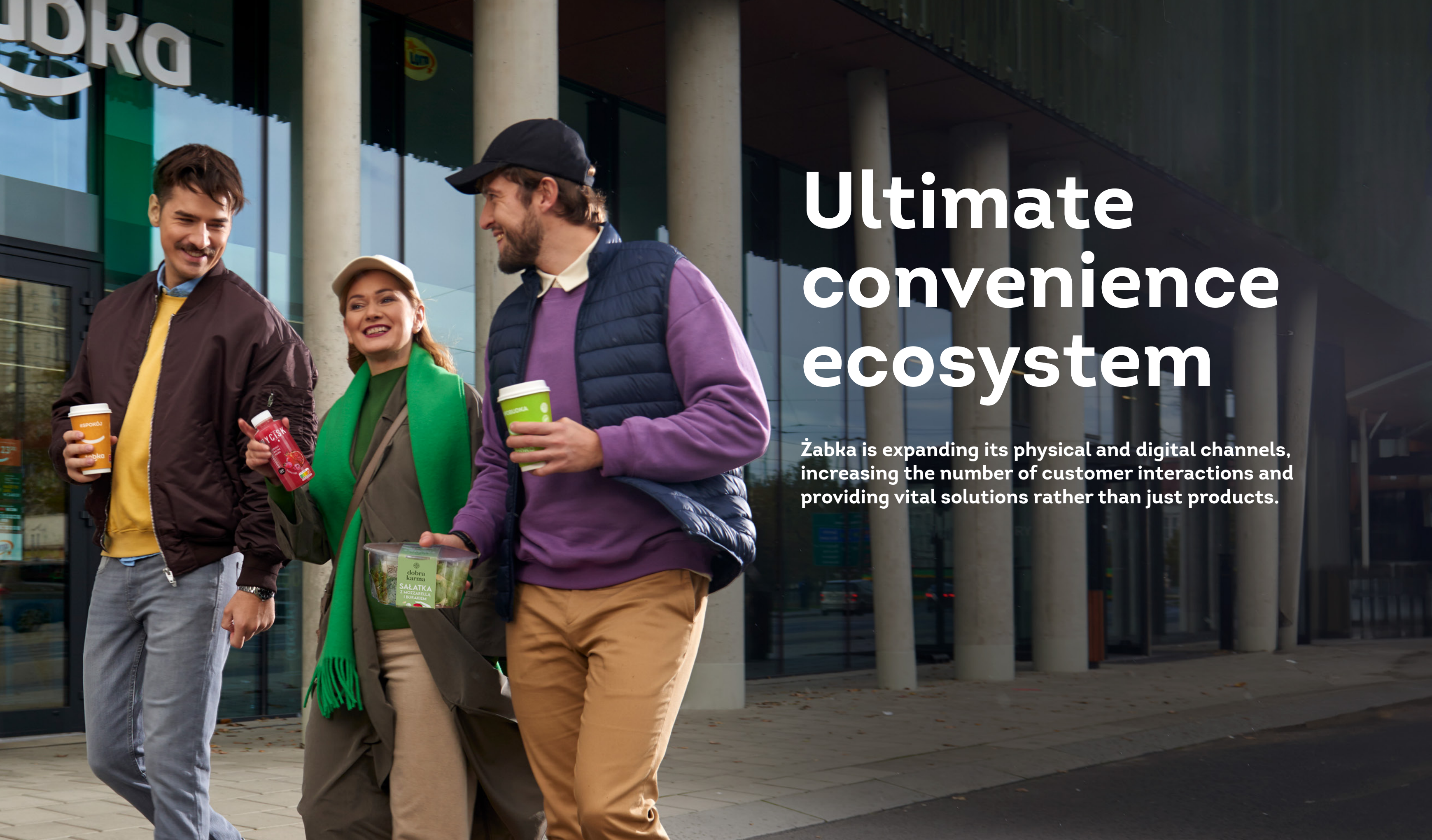
We're reducing GHG emissions from our fleet by replacing conventional cars with hybrid and electric ones, and installing chargers in our logistics centres, headquarters and employees' homes. We've implemented an incentive programme promoting safe and eco-friendly driving practices, and a Travel Policy to establish rules for the movement of employees and associates. We're also reducing dry-ice consumption, replacing it with dedicated transport. As a result, we've reduced emissions by 28.8% vs. the base year of 2020, with a 60% reduction in emission intensity in our stores.



DOBRA

Ultimate convenience ecosystem

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



About the Żabka Group

Over
10,000
Żabka stores

Read more about our store formats



CLICK OR SCAN



More than food, a multi purpose place, open every waking hour.

żabka

żappka

Leading consumer app. Personalised offers, payments and loyalty points.

Maczfit



A wide range of perfectly tailored ready-to-eat meal plans with home delivery.

Over
7.5 m
users of Żappka app



High-quality hot snacks, coffee and sweet pastries available on the go.

żabka café

Nearly
9,000
franchisees of Żabka stores



Nano

The largest network of unmanned, fully automated stores in Europe.

Dietly



An online marketplace aggregating the offering of majority of box diet suppliers in Poland.

Over
2,800
towns and cites in Poland reached by Maczfit

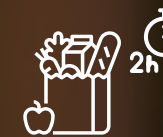
~3.6 m
daily transactions



Full suite of convenient, in-store everyday services.

wygodne usługi

delio



Same-day delivery online supermarket.

Dietly No.
1

the leading online D2C meal marketplace and SaaS provider



Leading q-commerce in Poland.

żabka jush!

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 trusted quick meal solutions through out the whole day.



Read more



CLICK OR SCAN

* All data presented in the 'About the Żabka Group' section represents the results as of 31.03.2024.

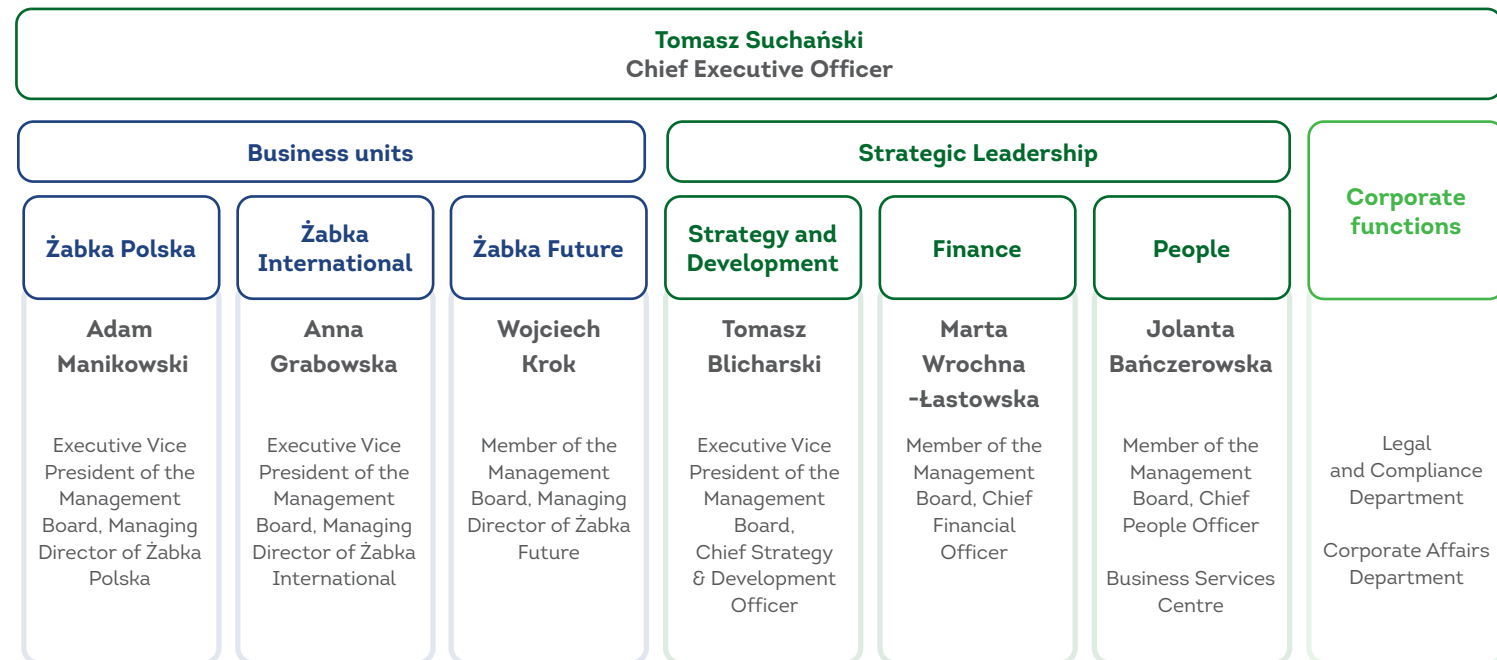
Business model

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.

Adam Manikowski heads the modern convenience business of Żabka Polska, including the management of our store network, its expansion, marketing communication, relationships with franchisees, sourcing and logistics. As part of the structural and organisational changes in February 2024, a new business unit was established – Żabka International, managed by Anna Grabowska. This unit is responsible for developing new markets and implementing our international expansion strategy. Żabka Future covers all the digital components of our convenience ecosystem, the use of AI & data, creating innovative solutions and the Group’s M&A activity. It has since 2024 been led by Wojciech Krok. Our Strategic Leadership team plays

an important governance role across the Group focusing on: Strategy and Development led by Tomasz Blicharski; Finance, led by Marta Wrochna-Łastowska; and People and Culture, led by Jolanta Bańczerowska. The corporate functions: legal, corporate affairs and value creation report directly to Tomasz Suchański. Tomasz Blicharski also oversees our Responsibility (ESG) Strategy, which 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. The Group is completed by brands that have a key role in expanding the convenience ecosystem to better respond to changing consumer needs. They include: Maczfit – the leader of dietary catering in Poland,

Dietly – a marketplace allowing customers to compare, select and manage box diet orders. Lite e-Commerce - responsible for the development of rapid grocery delivery services (Żabka Jush app) and e-commerce (Delio app), and Żabka Nano, which focuses on the development of the autonomous stores format. These are complemented by our investment made in 2022 in Cool-Logistics, which specialises in transporting products at controlled temperatures. Żabka Group aspires to extend its ecosystem beyond Poland, and in December 2023 entered into a partnership with DRIM Daniel Distributie, signing an agreement to purchase a majority stake in this company, which, when approved by the Romanian regulator, will be the first step in the Romanian market, starting a new chapter in the history of Żabka.



Our strategy is based on three key areas that continue to transform society and inspire our business.

EVOLUTION OF 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, 90.2% of Poles recognise our brand.

LEVERAGING AI & DATA


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 sustainable way, every day.



Our brands

 <p>TOMCIO PALUCH</p> <p>Nutritious sandwiches with balanced ingredients</p> 	 <p>dobra karma</p> <p>High-quality ingredients, minimally processed ready-to-eat products with healthy nutrition in mind</p> 	 <p>żabka café</p> <p>High quality streetfood. Hot snacks, coffee and sweet pastries available on the go.</p> 	
 <p>Szamamm</p> <p>Ready-to-heat dishes from Polish and international cuisines</p>	 <p>Le'Frog</p> <p>Perfectly composed restaurant-like meals</p>	 <p>PLANT HUNTER</p> <p>100% plant-based ready-to-eat meals and snacks</p>	 <p>HAPS!</p> <p>Everyday sweet or salty snacks – nuts, fruits, or both, all in handy, serving-size bags</p>

żabka is our core brand. Our competitive advantage lies in our carefully curated portfolio of unique own brands available only at Żabka.

 <p>WYCISK</p> <p>Squeezed from fresh fruit, unpasteurised juices and lemonades</p> 	 <p>OD NOWA</p> <p>Crystal clear mineral water, comes in packaging made from 100% rPET recycled bottles</p> 	 <p>LEVEL UP</p> <p>Energy drinks, available in a variety of flavours, formulated with caffeine, taurine, and vitamins</p> 
 <p>FOODINI</p> <p>Plant-based smoothies made from a blend of fruits and vegetables</p>	 <p>S!</p> <p>100% natural concentrated fruit shots in small, convenient bottles</p>	 <p>KUBEK LODEM</p> <p>A handy cup with ice, to enjoy any drink on the go</p>

The key objective for the Group is to provide its customers with 'ready-to-eat' as well as 'ready-to-heat' and 'ready-to-drink' solutions which are both convenient and nutritious. Żabka's philosophy has led to the creation of an own brand portfolio of products not available anywhere else. The offer consists mainly of the QMS category, among others Szamamm ready-made dishes, Dobra Karma nutritious meals, Foodini smoothies, healthy S! Shots, Wycisk juices, Tomcio Paluch sandwiches and Żabka Cafe streetfood offers with hot snacks and delicious coffee.

Anna Grabowska

Executive Vice President of the Management Board, Managing Director of Żabka International



Value creation in 'the Żabka Way'

We call our approach to creating and preserving value 'the Żabka Way'. It's a valuable property for the Group, based around the unique integration of financial, social, environmental, governance and performance factors with our own mission, vision and business model.

We believe that only this kind of integrated thinking can truly support an approach to the decisions and actions that help us consistently create value over time. It embraces how we relate through our operating and functional units with all our stakeholders and with the six essential 'capitals' of the IIRC's Integrated Reporting Framework: financial, manufactured, intellectual, human, social & relationship, and natural.

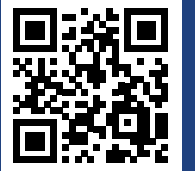
Here, we present the new model we have created to help us communicate more fully how we leverage our strategy, governance, performance and prospects to create financial and non-financial value for beneficiaries right across the external environment.

It's an approach that we believe enables us to generate wide-ranging benefits, including improved information for our stakeholders, greater accountability, better understanding of the external forces impacting our business, and a more cohesive approach to reporting that supports more informed decision-making.

WHAT WE RELY ON	METRICS (VS. 2022)
Global talent Fully committed employees and co-workers guarantee superior skillset for continuous development of our Group and boost our capacity to innovate.	2,600 Employees (+16%) 12.2% Employees digitally upskilled
Data & technology platforms State-of-the-art technology and data analytics enable us to expand our convenience ecosystem and achieve operational excellence.	471 TB Amount of data processed daily (+5%) 7.5 m Żappka users
Committed partners 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.	8,598 Franchisees (of which 5624 women) ~3.6 m Daily transactions 519 Suppliers 7 Strategic technology partners
Points of sale, distribution network & own brand production Best-in-class logistics leveraging our data platform and green solutions supporting our nationwide sales & distribution networks and production facilities.	10,014 Points of sale 8 Distribution centres 2 Maczfit production plants
Financial resources We utilise equity, debt and internally generated cash to fund our winning long-term growth strategy.	15,570,669 Total liabilities & equity (+17.1%) 2,179,343 Net cash flow from operating activities (-0.9%)
Natural resources 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.	44,094 m³ Water consumed (+8%) 44,783 MWh Fuel used (+10%)

Fast-paced, agile culture driven by relentless focus on AI & data and ESG principles as key differentiators of sustained success. Żabka delivers exceptional value for all its stakeholders.

See our website



CLICK OR SCAN

CREATING VALUE FOR	THROUGH	RESULTS (VS. 2022)
Customers Proximity & Convenience Responsible choices Time savings Shopping experience		17 m Poles less than 500m away from one of 10,014 points of sale PLN 1,392 m Sales of own brand products promoting sustainable lifestyle ~2 min. average time per visit while shopping in Żabka 41 pt Customer NPS (-5 points)
Franchisees Entrepreneurial skills Stable business Attractive revenue profile Development & Training		2,217 New franchisees PLN 3.7 bn Franchisee margin 150 h Onboarding training hours for each new franchisee (+50%)
Communities Volunteering Community engagement activities Sustained employment		936.32 Employee hours spent on volunteering 8,881 Interactions related to sustainable development (+95%) 63,000 Jobs maintained in the wider PL economy
Business partners Sharing insights through ACIT platform Co-operation ESG guidance		383 000 Reports for suppliers who represent 70% of our purchases 1st place Suppliers' NFS survey 60.51% Suppliers by turnover familiarised with the Code of Conduct
Employees & co-workers Purpose Development Rewards & Recognition Equity, Diversity, Inclusion		4.41 Employee engagement level (Gallup 'Q12 survey') +11 13 h Training hours per employee EQUAL-SALARY certificate sustained 50% Gender parity in the Management Board
Investors Dynamic growth Focus on sustainability Socio-economic development		PLN 22.8bn Sales to end customers EcoVadis platinum medal PLN 9.1bn Value added to PL economy by Żabka Group and franchisees
Planet Circularity Decarbonisation		91% Own brand products packaging suitable for recycling 17,282 tCO₂e Emission (scopes 1 and 2) 11.1 tCO₂e/m PLN Store emissions intensity (scope 3)

ESG Governance

No organisation can operate sustainably without an ESG strategy overseen at the highest level, implemented transparently, measured precisely and reported accurately. Here we describe our approach to ESG governance.

The Management Board is ultimately responsible for Żabka Group's ESG leadership, identifying and managing risks and opportunities, leading strategic planning and overseeing implementation. Members lead on specific objectives under the Responsibility Strategy, which are cascaded through the organisation and used to evaluate employees' performance. The ESG Committee is chaired by our CEO. Its meetings, held to consider our strategic progress and prioritise recommendations for Board consideration, are attended by Management Board members, the ESG Director and others as required.

ESG responsibilities

Since 2024, Tomasz Blicharski, Executive Vice President of the Management Board, Chief Strategy & Development Officer (from 2021 to 2023 this was the role of Anna Grabowska, former Chief Commercial Officer) has been leading a team to identify future growth strategies, ensuring that factors like consumer engagement and brand development are in line with the implementation of our Responsibility Strategy.

Our ultimate convenience ecosystem generates value by making people's lives easier and by allowing them to free up their time, while promoting sustainable living for everyone, every day. We have adopted a strategic approach to social and environmental responsibility by integrating ESG factors into our group's strategies. Achieving our ESG goals requires proper governance, engagement, time, resources, and most importantly, good teamwork. It is an honour to have a role in making a positive difference for our business and all its stakeholders.

Rafał Rudzki
Sustainability Director

ESG-related risks, including climate change, are managed within our corporate risk-management system, supervised by Chief Financial Officer Marta Wrochna-Łastowska. Finance is also responsible for ESG data validation and reporting. The members of our Supervisory Board are selected by CVC Capital Partners and Partners Group, the investment funds that are the main shareholders in Żabka Group. Like members of our Management Team, these individuals are chosen for their skills, experience and their understanding of how ESG creates impact for the organisation.

Delivering our strategy

In 2023, the Supervisory Board continued to oversee the implementation of the Responsibility Strategy that the Management Board devised in 2021. This included the delivery and review of monthly progress reports and the discussion of ESG issues at Supervisory

Board meetings, all six of which were attended by all members in 2023.

Our Responsibility Strategy sets out the scope of the Supervisory Board's annual assessment of the Management Board's performance, with its findings being directly related to members' remuneration.

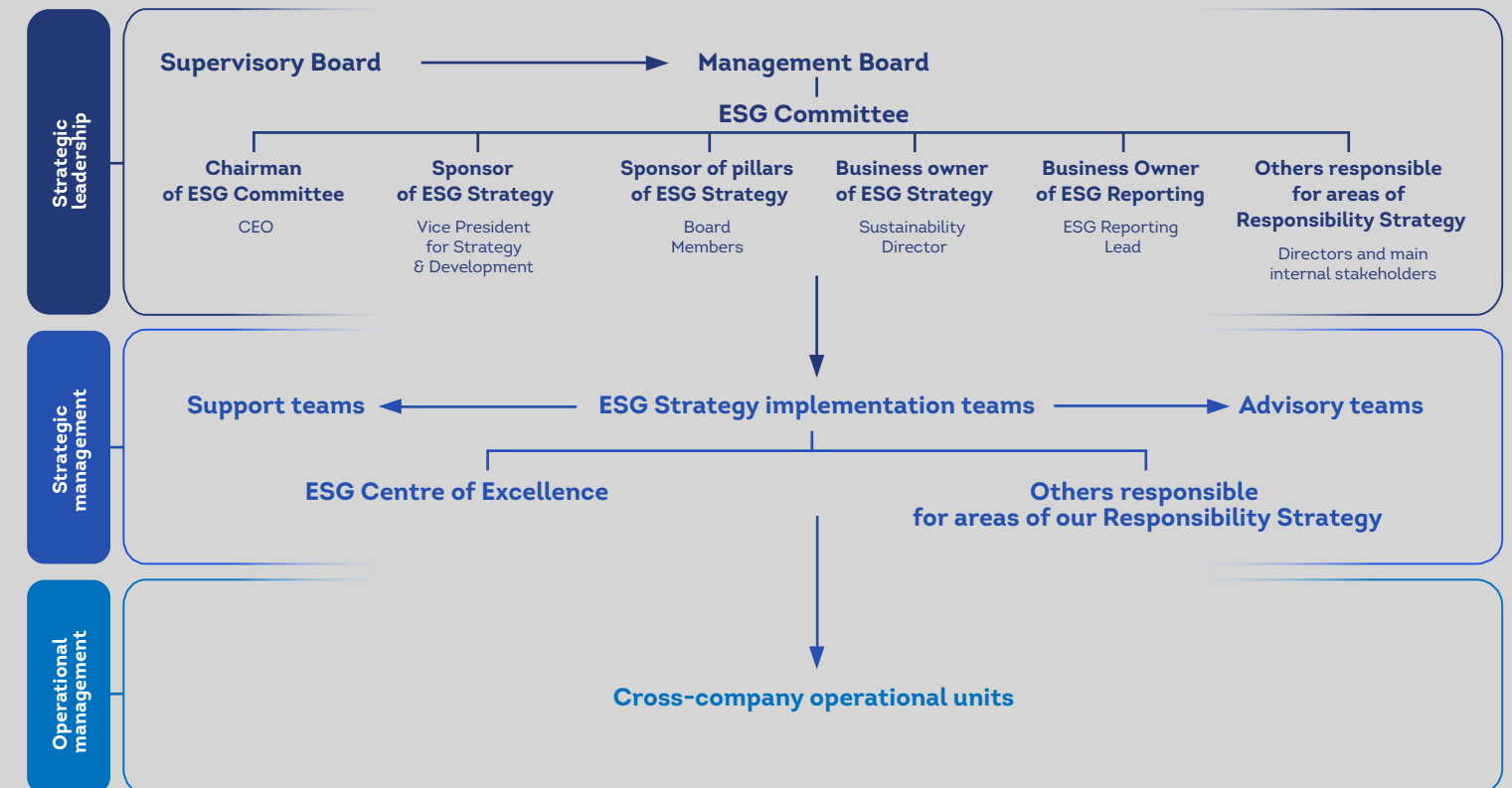
Strategic management

Our Directors are responsible for strategic management across the organisation. Rafał Rudzki has been in place as ESG Strategy owner since 2021, with responsibility for supervising the groupwide delivery of the strategic objectives identified in the Responsibility Strategy and reporting to the Vice President for Strategy and Group Development. He also heads up the ESG Department, which oversees the operational delivery of ESG priorities. He works alongside our ESG Reporting team, that reports directly to the CFO. Both teams constitute the ESG Centre of Excellence for Żabka Group.

In an essential role relating to our TCFD responsibilities, our Director of Risk and Internal Audit, Agata Dopieralska, is responsible for monitoring and supervising our management of ESG risks and opportunities, including those related to climate change.

Operational management

Several employees from across the business are actively involved in implementing those operational activities that arise from our Responsibility Strategy. Our ESG objectives are integrated into employee assessments, which are linked to a variable compensation scheme. We continue to operate the quarterly ESG monitoring, validating and reporting system created in 2021 to help us make informed decisions around our Responsibility Strategy's future development.



Management team

The Żabka Group is managed by experienced managers at every level, all supported by the Supervisory Board.

Supervisory Board



Giulia Fitzpatrick
Independent Member
of the Supervisory Board



Olga Grygier-Siddons
Independent Member
of the Supervisory Board



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



Krzysztof Krawczyk
Supervisory
Board Chairman



Stephan Schäli
Member
of the Supervisory Board



István Szöke
Member
of the Supervisory Board

The Supervisory Board's role is to oversee and advise the Management Board to ensure the effective execution of the Group's value creation strategy. The

Management Board oversees the daily operations of the company while providing strategic guidance and direction. Tasked with establishing the company's overall

goals and objectives, the Board is also responsible for formulating policies and procedures to ensure their successful achievement.

Due to an organisational change at the beginning of 2024, the Management Board has been joined by Wojtek Krok, who brings his experience in the digital and technological area, which is crucial for the functioning of the Żabka Group. The new position, and thus the area of activities

within the Group, includes Tomasz Blicharski, who is now responsible for the strategy and development of the entire Group, having previously set the direction for the development of Żabka Future. A new business unit, Żabka International, is led by Anna Grabowska who was previously

responsible for consumer strategy and ESG strategy. Her experience in managing international markets and knowledge of consumer needs and the convenience area have contributed to building the Group's success in Poland.

Management Board



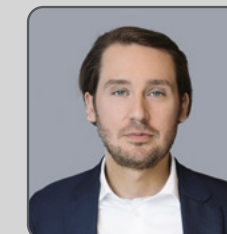
Jolanta Bańcerowska
Member of the Management Board,
Chief People Officer (CPO)



Tomasz Blicharski
Executive Vice President of the Management
Board, Chief Strategy & Development Officer



Anna Grabowska
Executive Vice President of the Management
Board, Managing Director of Żabka International



Wojciech Krok
Member of the Management Board,
Managing Director of Żabka Future



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



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



Tomasz Suchański
Chief Executive Officer

Calculating 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 the 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.

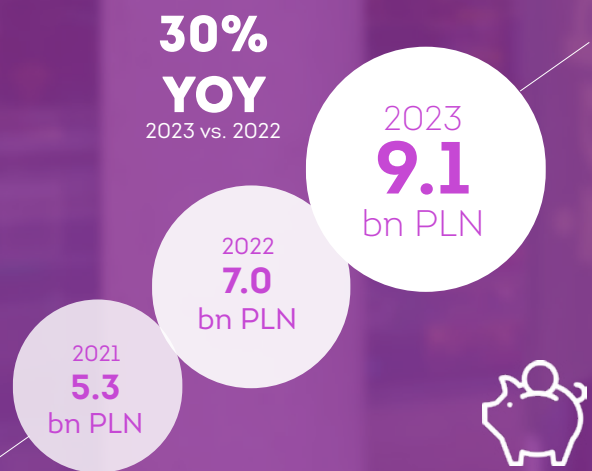
Every year, we analyse our impact by using a proven methodology to better comprehend our contribution to the socio-economic development of Poland.

How we analysed our impact

CLICK OR SCAN

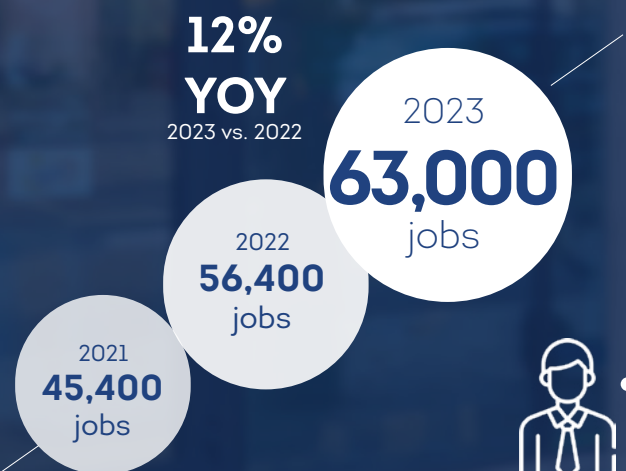
Added value

The total added-value impact of the Żabka Group and our franchisees on the Polish economy in 2023 was PLN 9.1 billion, 30% higher than in 2022. In 2023 Grupa Żabka together with its franchisees generated 0.3 % of added value in Poland.



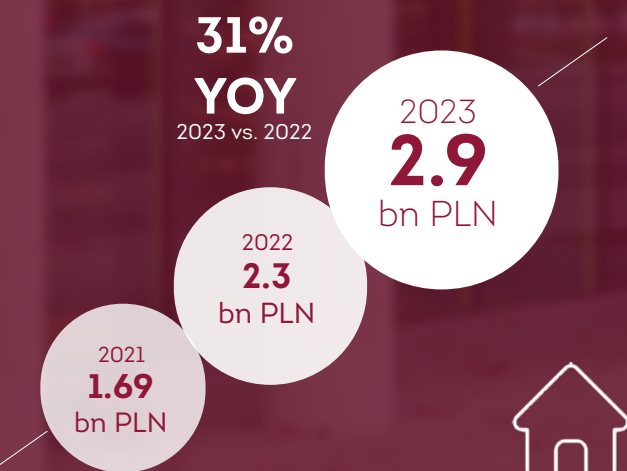
Employment level

Our own and our franchisees' total impact on the labour market in 2023 took the form of sustaining more than 63,000 jobs in the Polish economy, up by 12% on recorded in 2022. Our impact extends far beyond the numbers employed directly by us and our business partners.



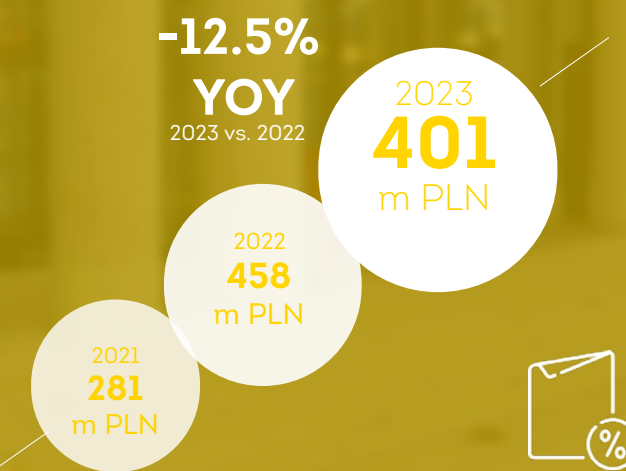
Household revenue

The total income generated in households across the entire Polish economy due to our and our franchisees' activities stood at PLN 2.9 billion in 2023, nearly 31% higher than the number generated in 2022.



Taxes, dues and fees

During 2023, entities within the Żabka Group paid more than PLN 401 million in taxes, dues and fees. Of these, 13% went to the budgets of municipalities, powiats and voivodships, with the balance going to the central budget.



Risk management

Our ERM model covers the entire scope of risk management, financial and non-financial outcomes, so we can consider the strategic impact of all risks.



As well as defining all methods for managing risk at Żabka Group, our Enterprise Risk Management model aligns with our strategy, planning and business objectives to reflect our needs and expectations. ESG is one of our strategic pillars, making it vital that we analyse all associated risks affecting our operations and value chain.

Our risk-management system covers all activities of the Management and Supervisory Boards and our employees, with a planned response to many specific risks. It has widely increased our awareness of the risks we face, providing tools to reduce their likelihood and impact.

We regularly evaluate risks in line with our Risk Management Procedure, which ensures a consistent and effective approach. We also carry out educational activities to raise awareness of the impact of climate change on our business model and strategy, and ask employees to identify and report potential risks.

Our Risk and Compliance Committee met at least once a quarter during 2023. Key issues arising are also discussed with the Supervisory Board, on which Jean-Rémy Roussell is responsible for risk oversight.

We are aware when identifying ESG-related risks that ensuring regulatory compliance and implementing our ESG strategy may potentially generate new risks. Other factors under consideration include the lack of ready-made solutions that meet our needs, rising costs, an absence of key stakeholder involvement and changing customer behaviours.

We distinguish between two areas of risk relating to our business activities: strategic, and area-specific. We create specific action plans to address and mitigate those identified as most material by the Management Board and area owners. And we assign 'risk owners' in our business units to oversee plan delivery, working with the Risk Manager to regularly assess and verify mitigation activities.

See the table for the risks we have identified as significant.

Few significant business decisions are free of risk. This is particularly true today, when so many businesses are in new territory relating to the environment and society as a whole. This is why it's so essential that we take full account of ESG-related issues when making our business decisions.

Agata Dopieralska
Director of the Risk & Internal Audit Department

Key risk	Description	Impact	Actions
Strategy and planning			
External regulations	Risk of unfavourable external regulations being introduced (e.g. commercial law, regulations concerning trading on Sundays, franchisee-related regulations, introduction of new taxes and climate regulations).	New unfavourable regulations may result in the inability to achieve the intended business objectives.	<ul style="list-style-type: none"> Active monitoring of external regulations. Establishing internal working groups to assess and counteract the effects of adverse developments.
Development of new business activities	Risk of failure of new business projects e.g. q-commerce, international businesses 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"> 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. Implementation of new business units structure which improves management of new business activities.
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"> An on-going dialogue with franchisees to improve operational excellence. Special financial and operational support at the start and for the first months of the new franchisee operation A set of dedicated trainings for new franchisees and a referral programme. Flexibility and procedure adjustment to current business environment. Using AI as a tool to support acquisition processes.
Operations and infrastructure			
Cyber and 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"> Implementation of Information Security Management System ISO27001. Development and implementation of appropriate procedures and instructions in the area of IT supplier management and purchasing of IT goods and services. Implementation of IT tools supporting the management and safety of data. Preventative actions (regular trainings for employees and franchisees, pentests, network and systems monitored by Security Operations Center).
Employees & Talent access	Shortage of employees and candidates with the required competences.	Inability to achieve business goals, because of 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"> Combined communication to candidates about career in Żabka Group. Defining corporate values helping to attract talent, development and implementation of employer branding strategy. Competitive compensation and benefit offering. Offering opportunities for career advancement and personal growth as well as investing in employee training and development.
Energy prices	The possibility of higher energy costs and energy supply due to factors such as: regulations boosting the cost of fossil fuel, increasing European Union Allowances (EUE), heightened demand for energy and/or the requirement to transition to low-emission sources.	Fluctuations in electricity prices can make budgeting and financial planning challenging. In extreme cases, if the price of electricity becomes too high, it may force Żabka to cut back on its operations.	<ul style="list-style-type: none"> Implementation of energy strategy including contracts with suppliers (cPPA) and contracts at energy exchange. Implementation of innovations to reduce energy consumption in stores and offices.

Looking into the future

We are constantly analysing the trends that are set to have the greatest impact on all our futures.



For some years, we have worked to identify the key, often interconnected forces in Poland and the wider world that will drive the greatest change for all over the years ahead. These fall under four main headings:

Environment and climate change. This is about more than just extreme weather phenomena. Climate change will transform how we produce and consume energy, driving change in food production, building design and city planning. It will enforce mass migration in some areas, and bring about new diseases for animals and humans. And it will increasingly force us not only to protect natural ecosystems, but also to rebuild them.

Geopolitical instability.

International tensions will continue to impact how people everywhere live, not only in conflict zones. Along with terrible suffering, significant social, political and economic impacts include the increased scale of military rescue services.

defence spending, and political action to sustain alliances. It is clear that the need to restore borders and control between areas of conflict is here to stay.

Technological change. AI and ML technologies are not only placing entire career paths under threat. They are also set to further automate multiple production and sales processes, integrating digital B2B and B2C solutions to create entirely new applications. We also anticipate the development of new technologies for cleaner, more efficient production and processing of raw materials.

Socio-economic change. We anticipate a more decentralised world, where the growing influence of communities will have a key role in developing and delivering local economic initiatives. This may help address the growing cost of living, finding new ways to control costs. There will be a sharper focus on sustaining mental and physical health, and new legislation will cover areas including transport, packaging, emissions and heating.

The threats arising from deep and rapid change are very real, from climate impacts to social unrest, energy crises to raw materials shortages. We all have a role in addressing these: at Żabka Group we're investing in multiple areas, such as supporting the development of new food technologies and ready-made nutritional products and services. We're focused on constantly deepening our understanding to sharpen our focus and cut development time.

Jan Kisielewski
Customer & Brand Strategy Director

The Trend Radar

We create value by making people's lives easier and by allowing them to free up their time, while promoting sustainable living for everyone, every day. Our approach is informed by the Trend Radar (below), based on a report we developed with the infuture.institute to identify the most important issues influencing our Responsibility Strategy now and over the next five years.

Read more



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Conscious consumption

Shoppers are increasingly recognising the social, environmental and economic importance of their buying decisions. This is driving 'conscious consumption', where people choose products that are good for their health and the planet. With 73% claiming to read food labels, Polish consumers are increasingly rejecting ingredients like palm oil, artificial colours and MSG. They're also buying and throwing away less, with 50% aiming to avoid waste. Climate is a major issue, with 40% of Poles now sorting waste more carefully and many recycling and avoiding disposable goods. More people are also seeking ethical accreditation for the sources of the goods they buy, coffee and cocoa in particular.

A local focus

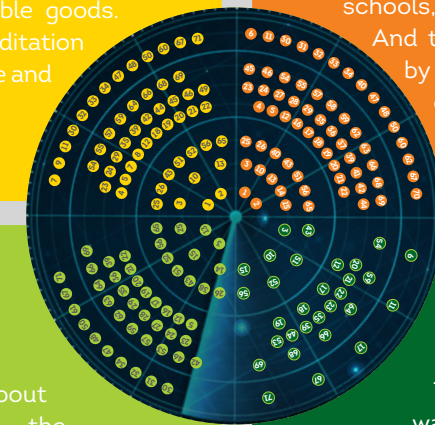
Local stores contribute to their communities in so many ways. They support economic growth by creating jobs, wages and tax revenues while helping to sustain local suppliers and producers. They provide important social hubs, where local people can meet, integrate and communicate. They help to boost sustainable development, supporting local ecological initiatives while enabling reductions in waste and energy consumption – particularly the fuel used on shopping trips. They can engage communities, supporting local projects, schools, sports clubs, charities and other local priorities. And they can make people's lives easier every day by offering a central point for a wide range of essential products and services – from buying a meal to paying bills, withdrawing cash and picking up parcels.

Transparency and inclusivity

Responsible organisations care about their communities, ethical standards, the environment, fairness and the welfare of their people. Transparency and inclusivity are essential for a truly responsible culture. Transparency means employees and other stakeholders can access clear, reliable information on a company's business and financial activities, including how it manages its resources. It also means involving employees in decision-making and being open about decisions made. Inclusivity means providing equal opportunities for everybody regardless of age, gender or origin, enabling all to gain from the broadest possible perspective. And it means promoting a healthy work-life balance while enabling everybody to improve their skills and experience for individual and collective gain.

Protecting nature

The circular economy approach minimises waste by closing the life cycle of products, materials and resources, with products designed to be reused or recycled, with long-term use, ease of repair and using the right materials as key considerations. As well as encouraging consumers to separate waste and use recycling systems, it's driving a shift from ownership to the subscription-based rental of products and services. It is also increasing interest in the secondary market, where used products are increasingly resold or exchanged via specialist stores and online platforms. The use of AI, the IOT and Blockchain to identify threats and new solutions is increasing, as more companies recognise the vital need to protect nature, support biodiversity and counteract climate change.



Artistic interpretations of 'Conveniently and responsibly'



Katarzyna Panek

In 2023, we were the main supporting partner of the 24. AMS Poster Gallery Competition, which has now been drawing attention to important social and cultural subjects for more than two decades. As the main partner, we awarded a special prize this year to the creator of the poster that achieves the best visual interpretation of our ESG motto: 'Conveniently and Responsibly'. Almost 900 entries were received in response to this testing creative challenge.

Amazing diversity

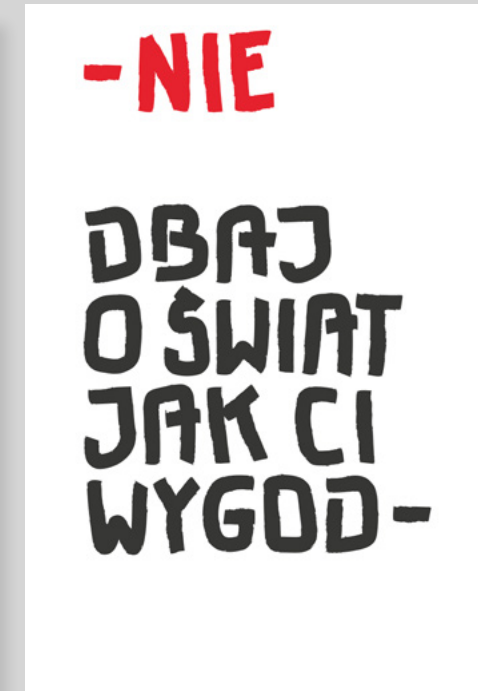
The entries touched on many important topics relating to sustainable development, environmental responsibility and social engagement. Their sheer scope clearly showed the amazing diversity of the ways in which artists approach creative thinking and decide how to express themselves. It was tremendously exciting for all concerned.

The winning entry of our special category was created by Katarzyna Panek, with two further works receiving distinctions. These were received by Anna Czochara, and by Agata Gołębiewska and Natalia Majchrzak who worked together on their entry.

The winners not only received a cash prize from Żabka Group - their work, as well as those of the winners of all categories, will also be displayed on traditional and digital OOH media across Poland in a travelling exhibition that started in January 2024.



Anna Czochara



Agata Gołębiewska
Natalia Majchrzak

Bringing convenience to people's lives

The works all demonstrate that convenient and responsible solutions can and should go hand in hand. Żabka Group proves, as do the amazing artists, that practical solutions and services can help make people's lives more convenient whether in the real or the digital domains. At the same time, the right responsible approach can support society and the natural environment by enabling us all to eat better, prevent food waste, engage socially and minimise negative environmental impacts.

Read more



CLICK OR SCAN



Sandra Różycka

The winner of the main award at the competition was artist Sandra Różycka, whose entry was one of the few posters that needed no typography. According to jury chairman Maciej Buszewicz, a graphic artist and professor of the Academy of Fine Arts in Warsaw, 'This is an illustration drawn with extraordinary freedom, with awareness of the importance of the elements of composition and everything that builds urban space. It's very positive, warm and joyful.'





PILLAR 01

Sustainable Lifestyle

We make it easy for customers to change their habits for the better.



PILLAR 01 Sustainable Lifestyle



expectations for 2023 met | expectations for 2023 partially met | expectations for 2023 not met



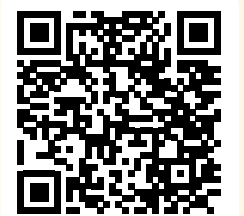
Our progress

In 2023, we at Żabka Group were active on many fronts in helping our customers enjoy a sustainable lifestyle and make informed buying decisions. It all starts with good nutrition. By using Nutri-Score labelling, for example, we clearly identify those products with low levels of potentially harmful contents such as sugar, salt and preservatives. Our 'Porcja DobreGO!' (portion of good food) programme aims to show people that good nutrition doesn't need to be expensive, time-consuming or complicated. With products characterised by high fibre, protein, fruit and vegetable content, it enables customers to choose from 170 of our own brand products with a high Nutri-Score of A or B, as well as multiple healthy items created by other brand owners.

We also cater for customers such as vegans or diabetics who have special dietary needs, with our Maczfit catering service brand making it easy for everybody to order the food that suits them best. And we're actively promoting healthy eating among young people via an educational game on the Roblox platform. A healthy food ecosystem extends beyond nutrition alone. We aim to reduce waste by enabling our customers easily to buy only the amount of food they need at the time. We also use AI to match the goods delivered to each store with local shopping habits, making it easy for people to find what they want and need and so reducing any unnecessary environmental impact. We also enable our customers to maximise the benefit of visiting our stores, with a particular focus on making the shopping

Management approach

Read more about our approach to managing this area, review our policies and other documents.



CLICK OR SCAN

experience as different as possible from the competition. Not only does our approach mean the average visit only takes each customer around two minutes. It also packs in the greatest possible convenience - for example, through our Kawonament coffee-subscription mechanism and our WoshWosh shoe-cleaning and repair service.

CASE STUDY

PREVENTING BIODIVERSITY LOSS

See more about our activities in this area



CLICK OR SCAN

To ensure access to nature's resources for future generations, we must preserve biodiversity, which is our heritage. To actively participate in the pursuit of the goals set out in the global forum, we implemented a Biodiversity Policy in 2023. The Policy sets out the general principles of conduct for the protection of biodiversity, and also indicates the main directions of activities in this area, aimed at ensuring the protection of ecosystems and preventing the loss of biodiversity including counteracting deforestation. The policy applies to both Żabka Polska and its franchisees, as well as the suppliers of own brands. Our commitments have led us to take a closer look at our supply chain. Starting in 2023, we now only accept branded products with certified palm oil, further contributing to the preservation of rainforests and wildlife habitats. We have taken steps to improve animal welfare and promote sustainable sourcing in our own brand products. We have removed cage-laid eggs from our offerings and implemented policies to regulate the commodities used in our products, ensuring sustainable sourcing for plant ingredients, fish and seafood.

Porcja dobreGO!

We make good nutrition easier.

170
own brand label
product marked
with nutriscore
A & B



Nearly
70%
of Polish adults
regularly buy
ready-to-eat
meals



+85%
increase in sales of
products with Nutri-Score
A & B after launching
the campaign



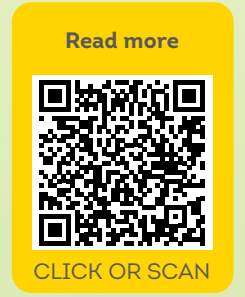
Approximately 3 million customers visit Żabka stores daily. Many associate good nutrition with complicated meal preparation. The 'Porcja DobreGO!' programme aims to change this perspective. Healthy and delicious food is now right at your fingertips, even in the category of ready-to-eat meals, which our research shows are purchased by 70% of adult Poles. Żabka recognizes this trend and aims to provide its customers with wholesome products that they can consume on a regular basis. With Żabka, consumers no longer have to worry about how to eat healthily and tastily, because we do it for them.

Jakub Malec
Sustainable Food Manager

The 'Porcja DobreGO!' programme aims to promote well-balanced foods and delicious meals that can be a quick solution for any time of day. It offers a wide range of ready-made meals and snacks, including popular classics as well as more exotic flavours. The initiative aims to show that good nutrition doesn't have

to be time-consuming or complicated. Customers can choose from 170 own brand label products marked with Nutri-Score A & B. Additionally, special 'Porcja DobreGO!' signs appear on other own brand products such as Szamamm, Haps, Dobra Karma and Tomcio Paluch. Both labels allow customers to make

more conscious purchasing choices for themselves and their loved ones. Our efforts to promote sustainable nutrition have been well recognised, as the 'Portion of Good!' received the Sustainability Awards in the Commercial category.





PILLAR 02

Mindful business impact

We make a positive impact with entrepreneurs on the economy.

2 ZERO HUNGER 	3 GOOD HEALTH AND WELL-BEING 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 	15 LIFE ON LAND 	 GC 8 WE SUPPORT
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PILLAR 02

Mindful business impact

2026 COMMITMENT

2023 RESULT

Increase in franchisees' NPS score as a result of co-operation with Żabka

+ 10 points

Retain total franchisees' churn rate at same level

16%

100% of business partners familiarised with the Code of Conduct

61%

Involve business partners responsible for 75% of purchasing and service expenditures in science-based reduction targets

61%

expectations for 2023 met

expectations for 2023 partially met

expectations for 2023 not met

Our progress

Żabka will soon reach a milestone of 9,000 franchisees, who operate their stores in all corners of Poland. New franchisees can expect comprehensive support, including a fully equipped store, training, innovative solutions such as the OptiPlan programme and the Cyberstore app and the opportunity to operate stores in various modern formats. The results of the Franchise Satisfaction Survey, conducted in December 2023, made us very happy: we have achieved the highest level of franchisee satisfaction not only in the last two years, but also since the beginning of these measurements! 44% of franchisees rated the cooperation as 9 or 10. Żabka also expands its service offerings by partnering with WoshWosh to offer shoe cleaning and repair. Żabka encourages customers to prioritize shoe repair over purchasing new ones.

We believe in sustainable and collaborative action, engaging our business partners in building a partnership based on shared values, principles and trust. 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 a Fair business online platform, 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 2023 - Chosen by Suppliers' in the category Small Format/Convenience Chain and special award Sustainable Retailer of the Year. We are creating an environment of innovation and experience-sharing with scientific institutions, business incubators and busi-

Management approach

Read more about our approach to managing this area, review our policies and other documents.



CLICK OR SCAN

ness partners. In 2023 we selected 5 innovative startups for Żabka Future Lab accelerator programme: Clevon, Farada Group, Perfect Data, Alphamoon, and MuchSkills. The selected startups will benefit from a tailored acceleration path, testing their solutions in Żabka stores, autonomous Żabka Nano stores, and with our logistics partners. They will receive mentorship from over 30 experts working at Żabka Group.

CASE STUDY

ENTREPRENEURIAL SKILLS FOR SUSTAINABLE BUSINESS

See more about our activities in this area →



CLICK OR SCAN

In 2023 we launched the Entrepreneurship Academy, aiming to bring the franchisees all the sales, financial, organisational and people-management expertise they need to make a success of their stores. We run it in partnership with franchise-market experts and the Warsaw University of Technology's Faculty of Management. Close to 70 franchisees participated in nearly 200 classroom-based events and more than 66 online sessions designed to teach them the entrepreneurial skills involved in running a store. As well as formal learning, the Academy also gave participants the opportunity to exchange insights, share knowledge with one another, and to leverage opportunities for personal development and self-realisation. Before completing the course, all students not only had to pass every module - they also had to take a final test and prepare the so-called Entrepreneurship Development Map - an individual entrepreneurial growth proposal for their franchise. From now on, everyone joining the franchise will be covered by a training programme of the Entrepreneurship Academy. In addition, we're providing access for all franchisees to our special educational platform, which includes knowledge and information resources, news, training courses and webinars.

Franchise - make it simple

With good cooperation, effective education and tailored technology solutions, franchising is easier.

Nearly
9,000
franchisees cooperate with Żabka

36 h
less spent on sales tasks per month thanks to the Żabka Assistant

About
18,000
participants of the SprzedawcaPRO programme

66
franchisees certified by the Entrepreneurship Academy

Franchise-centric solutions are a key part of the franchisees' operations. These are projects that support us and our employees in a real way in our daily work, help us optimise costs and help efficiency to become second nature. I cannot imagine functioning without such tools as Cyberstore, Żabka Assistant, Remote Access, intranet for franchisees, Entrepreneurship Academy or SprzedawcaPro. Thanks to such initiatives, our community gains a number of effective solutions. This not only fosters our individual development, it also builds strong bonds between franchisees, customers and the organisation as a whole, creating a space where we can all work closely together. It is also important to emphasise that franchisees are actively involved in delivering change, through the creation and development of franchise-centric projects. Initiatives like the Stacja Innowacja (the Innovation Station), Rada Franczyzobiorców (the Franchisee Council) and the Strażnicy Franczyzocentryczności (Guardians of Franchise-centricity) all enable us to work together with great commitment.

Izabela Jeniec-Kardasz
Head of the Franchisee Council



SELECTED FRANCHISE-CENTRIC INITIATIVES



INTRANET FOR FRANCHISEES

A modern and intuitive communication tool for franchisees and above all quick access to information and knowledge about Żabka.



CYBERSTORE

A digital tool for franchisees available in a mobile version - providing access to basic information, necessary for managing the store, and a web version - allowing access to detailed reports and analyses.



SPRZEDAWCAPRO

ShopAssistantPRO is a platform offering training, competitions and news for Żabka shop assistants, which aims to support the franchisee in training and motivating employees.



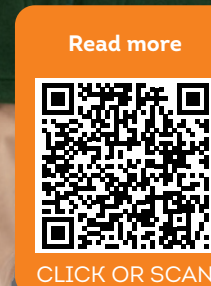
ENTREPRENEURSHIP ACADEMY

A series of trainings aimed at improving skills in running a store and managing staff and financial aspects.



ŻABKA ASSISTANT

A part of the OptiPlan, whose task is to support franchisees in optimising the work done in the store. It's a tool that facilitates the organisation of the franchisee's and their team's working time in the form of an application installed on the store's tablet.



fair business

Together we can do more. For customers, local communities and the planet.

Domestic suppliers were responsible for **98%** of the value of our procurement

489

of our suppliers were domestic

We worked with **519** suppliers

61%

Suppliers by turnover familiarised with the Code of Conduct

We are **No. 1** business partner*

*according to the nationwide satisfaction study (NFS), ahead of the 20 retail chains participating.

Fair business is a business that creates value sustainably and with respect for the planet. To ensure that our suppliers think the same way, we have implemented **Human Rights Policy for Business Partners** and **The Code of Conduct for Business Partners**. However, good collaboration is not only about expectations – it is more about sharing knowledge and inspiring each other. That is why our annual **Suppliers Meeting** is so important to us and our business partners. The meeting is a platform to share our best practices, collectively discuss our future growth and give us the opportunity to celebrate our partnership. In order to foster sustainable collaboration all year round and effectively share knowledge, we are continually developing our **Fair business** platform, to which we invite all of our suppliers to subscribe.

Piotr Rajewski
Trading Director

Read more

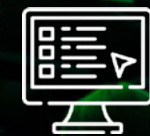


CLICK OR SCAN



SUPPLIERS MEETING

The annual meeting serving as a platform to share our strategy and development vision and discuss our best practices with our business partners. It's a chance to celebrate our partnership and to collectively discuss our future growth.



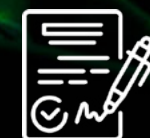
FAIR BUSINESS

A digital platform serving as a space for sharing experiences, inspiration, initiatives and joint actions for sustainable development with our suppliers.



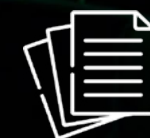
VENTURE STUDIO

A business unit responsible for our acceleration programmes. Startups selected to take part in these programmes receive expert help, meanwhile, their innovative products can make our consumers' daily lives easier.



THE CODE OF CONDUCT FOR BUSINESS PARTNERS

A set of rules shaping the company's relationships with its surrounding community. It defines ambitions and directions of development that we intend to follow together with our business partners.



HUMAN RIGHTS POLICY FOR BUSINESS PARTNERS

A document explaining how our business partners comply with internationally recognised human rights standards, including the Universal Declaration of Human Rights, International Labour Organisation conventions and others.



PILLAR 03

Responsible organisation

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

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
14 LIFE BELOW WATER
15 LIFE ON LAND
THE GLOBAL COMPACT WE SUPPORT GC 6, 10

PILLAR 03

Responsible organisation

2026 COMMITMENT

2023 RESULT

Get to top 25% of the best employers according to the Gallup Institute engagement survey

74th percentile (top 26%)

Increase employee satisfaction with the company's activities for their development (Question 12 in the Gallup Engagement Survey)

4.41 points

100% of employees trained on business ethics principles

100%

100% of employees trained on cyber security related issues

99%

expectations for 2023 met

expectations for 2023 partially met

expectations for 2023 not met

Our progress

For us to deliver against our mission, our employees must be appreciated, respected and enabled to achieve their full potential. That's why our culture is founded upon mutual respect, embracing diversity, equity and inclusion (DEI) and ensuring equal opportunities.

We apply policies and participate in initiatives that promote workplace inclusivity. We have signed the internationally recognised Diversity Charter, and the Equity Policy we introduced in 2021 guides our behaviour. We also take a systemic approach to measurement, continuously monitoring gender equity.

Our working environment is based on fairness, respect and equality across every dimension, ensuring we have no barriers affecting disabled people or gender pay. In 2023, our first audit of our Equal-Salary Certification status was suc-

cessful, highlighting management and employee awareness of equity-based issues. We were confirmed in 2023 as being in the 74th percentile of the world's most engaged organisations. We were also the first Polish organisation to win the Gallup Exceptional Workplace Award.

Recent initiatives include 'Żabka to ludzi' (Żabka - the people), enabling employees and co-workers to apply our ideals outside work. Our DEI Educational Learning Programme teaches our leaders, employees and co-workers about issues from inclusive leadership to preventing discrimination. We are building a comprehensive system of ethics, in which all employees and franchisees comply with the law, international standards and adopted regulation, including that related to anti-corruption. Following implementation of our Code of Conduct and Ethics for Employees, 100%

Management approach

Read more about our approach to managing this area, review our policies and other documents.



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of our people have received training. In 2023, we included cybersecurity in our programme of compulsory training programmes, and close to 99% of employees have been trained. We have received ISO27001 certification for information security, which is now part of an Integrated Management System alongside the ISO 9001, 14001, 22001 and 50001 standards.

CASE STUDY

See more about our activities in this area →



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ŻABKA AMONG DIVERSITY LEADERS

Żabka Group is one of Europe's most inclusive companies according to the Diversity Leaders 2024 ranking by the Financial Times and Statista, which involved a survey of more than 100,000 employees across 16 European countries. And of the 19 Polish companies that made the list, we ranked fourth - comfortably inside the top 25%. Diversity and an inclusion are key strategic areas for us, meaning our daily decisions are guided by an approach to equality that's based on objective, fair and unbiased evaluation. We have an ongoing commitment to ensuring that everybody feels respected and appreciated, regardless of their age, gender, family situation or economic status. To make this happen, we operate a wide-ranging programme of courses and events, including quality-inclusive training for all employees, anti-discrimination webinars, and inclusive leadership training for male and female leaders. We are the first Polish company to obtain Equal-Salary certification which proves that we support and practice equal pay in the workplace. We are also involved in several external initiatives, including the Diversity Charter and Target Gender Equity. All these efforts are aimed at creating and sustaining an organisational culture that recognises and increases everybody's potential, all while building an environment that's based on collaboration and shared experience.

Żabka's Engagement Journey

We are constantly evolving and introducing new initiatives to increase the level of our employees' engagement. To measure our progress, we conduct a Gallup Q12 survey that includes all our employees and co-workers. The engagement score reflects the degree to which the employees identify with the organisation, its mission and values.

GALLUP

Gallup
Exceptional
workplace Award

Over
5x
more engaged than
average Polish
company

94%
participation rate
in 2023

Żabka Group is among the top 26% of the companies in the world in terms of creating and fostering an engaging workplace, as confirmed by the Gallup Exceptional Workplace Award 2023. We are the first Polish organization with such an award. We are extremely proud of this award, especially because it is based on the opinion of those people in the best position to make it - our employees. According to the Gallup survey, we not only know how our employees feel, but we also have the opportunity to broaden our external perspective and compare ourselves with the largest companies in the world. The award is preceded by a meta-analysis covering data from over 2 million employees in 276 organizations in 54 industries and 96 countries. This is the most comprehensive study of the workplace ever conducted.

Judyta Pastuszka
Organisational Culture Manager

Read more



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Each year following the annual engagement survey, all managers, together with their direct reports and supported by a dedicated HR team, analyse team results and identify specific Q12 survey

items for discussion and action. The team report serves as a road map for managers to plan the conversations they need to have with their teams and understand the meaning behind the numbers.

Gallup's questions create a framework that helps us understand what should be done to create a more conducive work environment where everyone can develop their talents and work with passion.

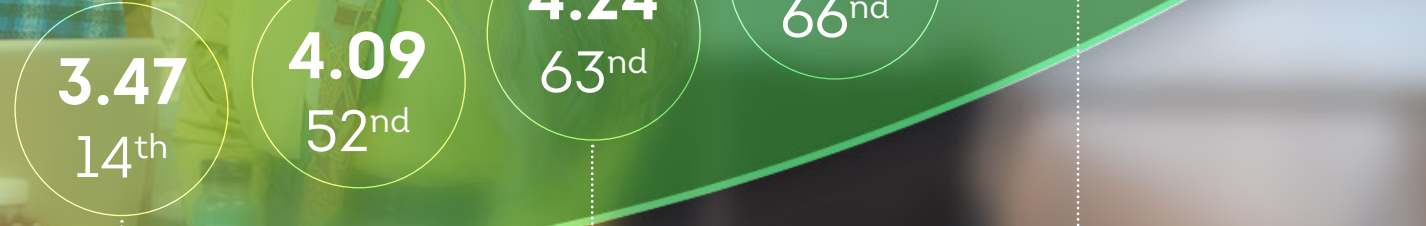
2019
(n-1456)

Building managers' awareness of their impact on the needs of employees

2021
(n-1871)

Building employee engagement as the pillar of creating responsible organization and implementation of ESG strategy

2023
(n-2396)



2018
(n-1133)

Educating managers about the meaning of engagement and how we measure it

2020
(n-1650)

Focusing on working with engagement in areas that need the greatest support

2022
(n-2267)

Development activities for managers based on 12 elements of engagement

*Percentiles are calculated based on Gallup's WorkGroup Level DB for each respective year.



PILLAR 04

Green planet

We minimise our environmental impact across the whole value chain.



PILLAR 04

Green planet

2026 COMMITMENT 2023 RESULT

Reduce share of virgin plastic in the weight of own brand plastic packaging by 25% (vs. 2019)

30%

Achieve packaging neutrality for own brand products

Achieved

100% of own brand products packaging suitable for recycling processes

91%

Reduce total Scope 1 and 2 greenhouse gas emissions (without offset) by 25% (vs. 2020)

-28.8%

17,282 tCO₂e

Reduce franchisee greenhouse gas emissions intensity by 70% (Scope 3, vs. 2020)

-60%

11.1 tCO₂e/m PLN

expectations for 2023 met

expectations for 2023 partially met

expectations for 2023 not met

Our progress

Promoting the circular economy and gaining the insights we need to reduce our carbon footprint were two of the most significant focus areas for Żabka Group during 2023.

In terms of circularity, we piloted our 'Green Renewal' campaign in Zielona Gora and Bydgoszcz, enabling customers to return to our stores PET bottles of up to two litres and metal cans of up to one litre. This promotes eco-aware behaviour, as does our new 'green reusable cups' initiative that aims to reduce costs for consumers as well as waste by offering a PLN 1 discount every time they use a reusable or recyclable cup to buy one of the millions of hot drinks we sell every year.

To gain deeper understanding of our carbon footprint, we have implemented a customised toolkit that integrates the advanced Microsoft Sustainability Manager solution with a data-aggregation application and be-

spoke Power BI reporting. This platform gives us everything we need for better carbon insight and reporting.

It now underpins our efforts to reduce emissions across our value chain, including our long-established plan to reduce the impact of our vehicles. This has seen us introduce more than 900 full-hybrid, 300 plug-in hybrid, and 30+ zero-emission electric cars across our wider fleet and implementing a Travel Policy with rules and best practices for our employees and associates. Together with an electric-charging infrastructure and driver motivation programme focused on economical and safe driving, it has helped us get closer to achieving our decarbonisation targets.

Other initiatives include increasing to 76.61% the proportion of our delivery trucks that meet Euro 5 and Euro 6 emission standards, and growing our fleet of refrigerated vehicles

Management approach

Read more about our approach to managing this area, review our policies and other documents.



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to cut our reliance on dry ice in transit. Turning to the store network, we ran a competition to encourage the reduced use of electricity, with nearly 3,000 franchisees committing to using 10% less electricity. The success of the first three-month initiative encouraged us to do it again, collectively saving over 2.7GWh towards our Scope 3 targets.

CASE STUDY

See more about our activities in this area →



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DRIVING THE FUTURE

Żabka is active on many fronts in pursuing our key priority of reducing fleet emissions. As well as now having 900 full-hybrid and 300 plug-in hybrid vehicles in our fleet, we aim to replace a further 200+ cars over the next two years and are building a charging infrastructure across our main sites and many employee homes.

Changing driver behaviour is another focus, and initiatives underway include our 'Electromobility Ambassadors' and 'Drive the Future' programmes. Drive the Future is all about enabling our people to drive more safely and with minimised environmental impact by gaining insight into their driving styles.

The programme uses the Cartrack GPS module to analyse the average fuel consumption, speed and driving dynamics of different drivers, to see whether their style is safe, acceptable or unacceptable.

It also enables people to see where they rank alongside their colleagues. It's creating real positive change: not only are attractive prizes and the title of 'Eco-Driving Champion' up for grabs, it also makes our people compete to be the best – and that's making a real difference.

On the road to a circular economy

More than
448 000
hot beverages sold with own cup discount

COLLECTIVE PACKAGING
By switching to reusable outer packaging in ready meals and sandwiches, the plastic waste can be significantly reduced.

PAPER AND REUSABLE BAGS
Introduction of reusable and paper bags for sale helps reduce plastic waste in the form of single-use plastic bags.

ATTACHED CAP
Implementation of an attached cap in the Own Brand water Od Nowa. The cap permanently attached to the bottle helps increase the share of valuable plastic in the recycling process.

Over
100
tons of plastic saved thanks to packaging transformations

REUSABLE CUP
Available in all our stores and 100% recyclable. When buying coffee with your own cup, a discount of 1 PLN is applied.



PACKAGING TRANSFORMATIONS
Increasing the proportion of secondary raw materials to primary in the packaging of Own Brand products, reducing the weight of packaging and better adapting them to the content.

GREEN RENEWAL
As part of the test in Zielona Gora and Bydgoszcz, each customer returning a single-use beverage container receives zapps points or a discount on the next drink in a PET bottle or can.

RETURNABLE BOTTLES
To encourage customers to return glass bottles, an additional discount of 1 PLN is generated when buying beer in a returnable bottle and simultaneously making a return of one.

NATURALLY TOGETHER
Cooperation with Franchisees and supporting their efforts in collecting plastics and paper for recycling. Joint actions enabled the recycling of 15,000 tons of waste.

ECOBEAN
Second life for coffee grounds from coffee machines in our headquarters and logistics centers, thanks to our cooperation with EcoBean and Silny & Salamon in processing them into seals used in our logistics.

More than
1.5 m
aluminum cans collected in EKOmats and selective collection

Close to
3 m
PET bottles collected in EKOmats and selective collection

We know that closed-loop actions are naturally more effective when undertaken in partnership with others. This is why, as part of our 'Naturally Together' programme, we work closely with our franchisees to collect plastic and cardboard packaging arising from our own operations and logistics. Collaboration is at the core of circularity, which is why we are establishing numerous partnerships on the road to a more sustainable tomorrow. Through our partnership with EcoBean, for example, we are bringing new life to coffee grounds. We're also part of the Tetra Pack initiative to jointly educate people about dealing with waste arising from the multi-material packaging used for liquid food. We're also a collaborator in the international Relooped project, working with other participants to develop innovative, resource-efficient food packaging solutions. Together we can make a real difference.

Rafał Skawski
Circularity Manager

Eco-design and recovery are key areas we need to address on our path to a circular economy. When creating a new product, we must remember to design it with future recovery and recycling in mind. This circular approach enables us to shape solutions in such a way that right from the point of manufacturing we can think about the product's entire life cycle and the potential for reusing any resources left over from its original use. Eco-design, however, is not just about closing the material loop: it's also about selecting only recyclable resources and reducing the quantity of them we use to bring a product to market. This approach makes it possible to create solutions that are good for the planet as well as being convenient and attractive to consumers.

Read more

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Joanna Kasowska
Director of Quality & Food Management Standards

Delivering our decarbonisation strategy

Climate-related disclosure in accordance with the TCFD recommendations.

This is our fifth report based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and the first since we established our ESG Centre of Excellence and implemented a comprehensive digital system for managing all data relating to our carbon footprint. These developments place us among the companies providing reporting to the highest international standard. We can be confident that the data we present is backed by both cutting-edge reporting tools and the team of specialists who collect and analyse it. Using tailored solutions like our ESG app and dashboards, we can provide reporting more transparently and with greater quality and ensure our oversight of decarbonisation strategy implementation is better than ever.

Our strategy

A key priority is to reduce both direct and indirect emissions. This covers those from activities under our direct operational control as well as from across our entire value chain, including partners and franchisees.

More recently, we have been analysing the strategic impact of different scenarios over 18-month, 10-year, and 10 years+ timescales. This is helping us identify, assess and understand the climate-related risks and opportunities facing us.

We also operate a comprehensive risk-monitoring system, and have mitigation plans for all types of risk. We have defined measurable decarbonisation targets up to 2026 in line with the Paris Agreement goal of limiting temperature increases to 1.5°C above pre-industrial levels. Our targets are approved by the Science Based Targets initiative (SBTi).

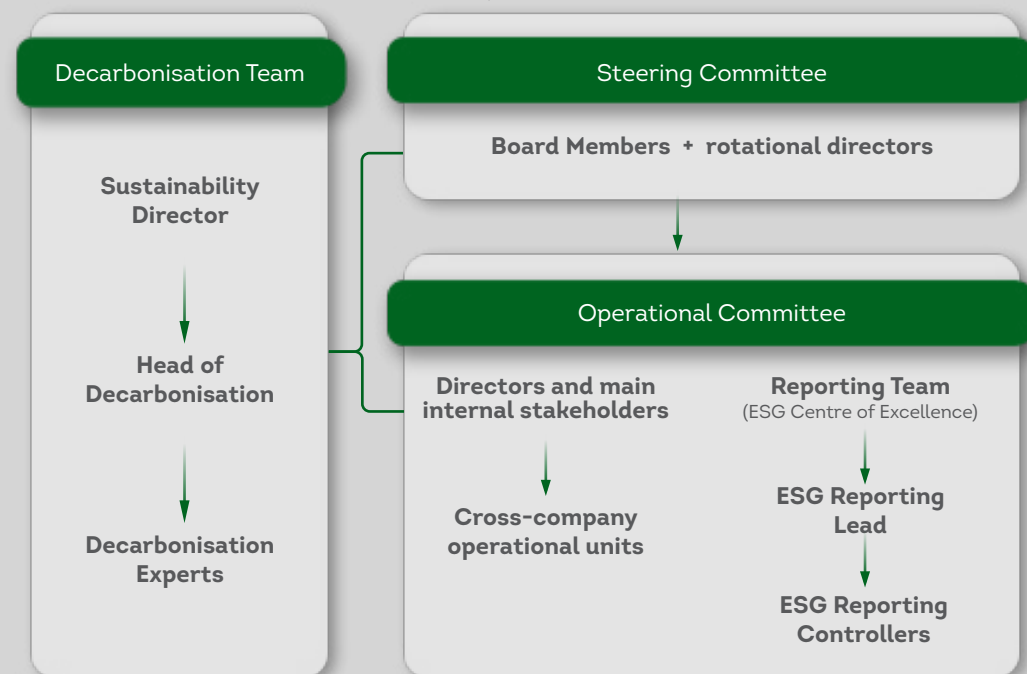
Our governance structure

The Supervisory Board oversees our business and ESG strategy, including climate-related risks and opportunities. The Steering Committee, attended by the Management Board, directly leads on our decarbonisation strategy, regularly reviewing the risks inherent in our climate-mitigation plans and GHG emissions. (See ESG Governance and Risk Management for full details.)

Our Head of Decarbonisation and team are responsible for developing and implementing our decarbonisation strategy across our operations and value chain. They also supervise any related projects and engage with internal and external stakeholders. Our Operational Committee carries out decarbonisation projects and initiatives, as well as providing monthly feedback from

the field. As a data-driven company, we make no decisions without the support of reliable data. We have therefore developed a monthly system to monitor, report and validate emissions data, led by our ESG Reporting Lead and team of controllers. By collaborating with the ESG Reporting Team, members of the Operational Committee gain visibility and transparency on future emissions as well as past results. We use the international Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard to calculate our carbon footprint. Żabka's Scope 1, 2 and 3 emissions data, as covered by the GRI 305-1, 305-2 and 305-3 indicators, are externally audited every year by an independent auditor. The graph shows the structure on which we build our decarbonisation governance.

The structure of the decarbonisation governance



Our key climate-related risks and response

While the financial impact of our climate risks is set to grow over the medium and long term (under scenarios assuming average temperature increases of 1.5 °C and 4.5 °C), it still remains within the 'medium' range. (This is with the exception of flood

and rising sea level risks, which are both in the 'low' range.) This is due to external influences (e.g. the greater predictability of the business environment and increased regulatory pressures) and internal factors (e.g. decarbonisation activities and alignment with our Responsibility Strategy). In 2023, we built on earlier work to identify

climate-related risks and determine our response in the following key areas: changes in ESG regulation impacting our business activities, increasing costs of energy, climate-related physical hazards, including medium risks such as heatwaves, drought and convective storms, and low risks such as floods and rising sea levels.

Key climate-related risks

Category	Risks	Our response
Physical /Acute	Convective storm	<ul style="list-style-type: none"> Defining business continuity plans, including logistics chain management ensuring contingency plans for distribution to stores Supply chain diversification Insurance plans to ensure coverage of acute risks
	Heat waves	<ul style="list-style-type: none"> Vulnerability assessments of key locations (stores and distribution centres) to extreme and chronic weather events (climate change-related physical hazards) Testing low energy consumption solutions in our Eko Smart stores in Warsaw, Łódź and Poznań, with further rollout if results are successful
	Droughts	
Physical /Chronic	Impact of ESG-related regulatory change on business activities	<ul style="list-style-type: none"> Dedicated resources analyse legislation related to ESG and climate change, implementing relevant requirements to ensure compliance Improving internal monitoring, controlling and reporting practices to ensure quality and to increase transparency in climate reporting
	Restrictions on deliveries by internal-combustion vehicles in city centres	<ul style="list-style-type: none"> Dedicated resources analyse legislation related to ESG and climate change, implementing relevant requirements to ensure compliance Introducing a long-term Logistics Strategy which will determine details of the Transportation Policy
Transitional /Policy and Legal	Further increase in energy prices resulting from current market conditions and the long-term transition to renewable energy sources	<ul style="list-style-type: none"> Engaging our stakeholders in the development of initiatives to reduce energy consumption Feasibility study into obtaining electricity from renewable energy sources at Żabka premises
	Power outages or supply limitations	<ul style="list-style-type: none"> Defining business continuity plans in case of blackouts Securing 100% of electricity from renewable sources by purchasing guarantees of origin
Transitional /Market		

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

Our key climate-related opportunities and response

At Żabka Group, we see climate change as one of our key risks. We also recognise, however, that it can support new business-development opportunities by making us more competitive in various areas. These include reducing energy and resource

costs to meet emerging customer needs, improving reputation and attracting talent, building engagement through educational programmes for franchisees, better internal communication for employees and sharing good practices during external events. We continue to see opportunities based on positive climate action that will help us to

work with business partners (co-developing sustainable products) and start-ups (supporting innovative services), to engage customers, motivate employees, and to reduce our operating costs by using less energy.

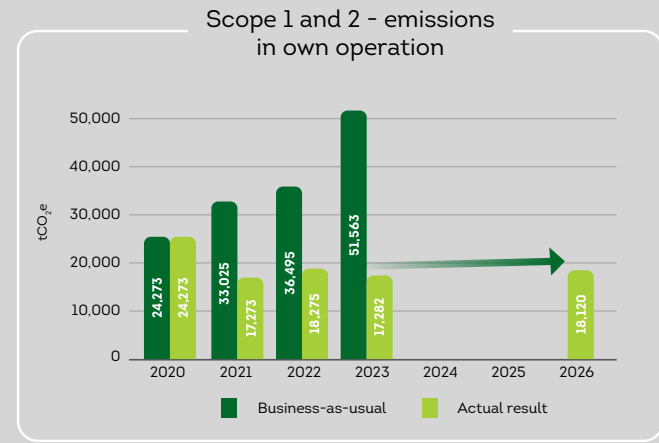
Key climate-related opportunities

Category	Opportunity	Our response
Resource efficiency	Reducing energy consumption through climate-friendly initiatives	<ul style="list-style-type: none"> Piloting and further rolling out the most successful climate-friendly and financially feasible solutions
	Increased motivation of employees and business partners by achieving climate-related goals	<ul style="list-style-type: none"> Launching the 'Fair Business' knowledge-sharing platform for business partners Educational activities for employees and franchisees
Energy source	Reducing investment costs in renewable energy sources and improving the efficiency of renewable energy generation	<ul style="list-style-type: none"> Ensuring access to financing at preferable conditions over the long term Conducting a feasibility study into accessing renewable energy sources in a cost-effective and technologically optimal manner
Products and services	Increase in demand of low- or zero- emissions products	<ul style="list-style-type: none"> Widening the range of plant-based products
Markets	Increase loyalty of environmentally involved customers	<ul style="list-style-type: none"> Understanding customers' needs and effective ways of communicating about environment-related matters Launching employer branding strategy
	Strong employer branding due to Żabka's climate engagement	<ul style="list-style-type: none"> Monitoring the position of the Żabka Group against the competition Expanding our product offering with plant-based products
Resilience	Use climate friendly initiatives to increase value chain resilience	<ul style="list-style-type: none"> Announcing decarbonisation targets at the annual Business Partner Meeting. Conducting individual strategic planning sessions with key partners on joint activities Launching our 'Fair Business' knowledge-sharing platform for business partners

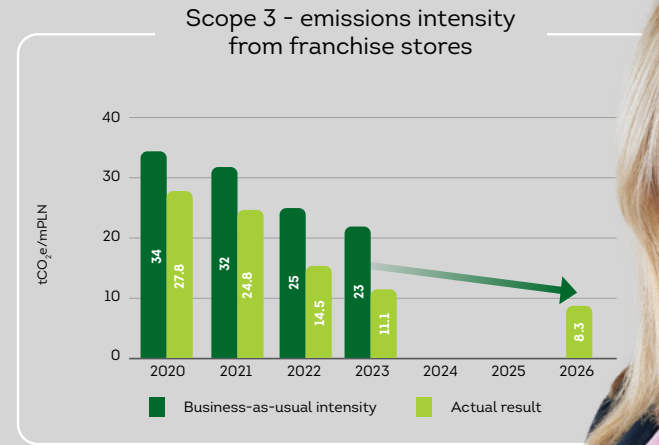
Opportunity score according to ERM methodology: ● Medium ● High

Metrics and targets

Thanks to further investment in our vehicle fleet, including replacement vehicles and the implementation of a driver incentive programme, we kept our emissions in this area at the same level as last year. This was despite an increase in the number of cars. Our efforts over the past two years to minimise leakage in the refrigeration systems in our distribution centres, and to replace refrigerants with high global warming potential (GWP) value with those of lower GWP, have also reduced our carbon footprint. We have additionally continued our approach of providing 100% renewable electricity in our own operations, using Renewable Energy Guarantees of Origin (REGOs) to demonstrate that it has been generated from renewable sources. Consequently, our Scope 1 and 2 emissions have decreased by 28.8% compared to the 2020 baseline.



Our Scope 3 focus remained on energy-efficiency initiatives. We used closed-air refrigeration systems for beverages in almost 1,200 new stores and zero heating doors in close to 2,000 stores. Both solutions are standard in newly opened stores. In addition, we ensured that 46% of the electricity used in the stores came from renewable sources, not only by purchasing guarantees of origin but also by installing a further 100 PV installations on the roofs of our stores. As a result, the intensity of the Scope 3 emissions from our franchisees stores fell by 60% from the 2020 base year.



To drive a smooth transformation towards decarbonisation takes the work of many people across the organisation. This is why in 2023 we placed a strong emphasis on building commitment and collaboration. Several factors have collectively resulted in outcomes we are proud to share. These include regular operational and strategic committee meetings, the digital transformation of ESG reporting including the implementation of Microsoft Sustainability Manager, and above all our cross-organisational sense of responsibility for implementing decarbonisation projects. To reinforce this engagement we have incorporated decarbonisation targets into our MBO reward system.



Katarzyna Wanat-Lipowska
Head of Decarbonisation



Decarbonising our value chain

ON THE ROAD TO A SUSTAINABLE FUTURE

Our Scope 1 emissions chiefly arise from burning fuels in our installations, or in processes like using refrigerants and operating our fleet. Our focus on hybrid cars is a key element of our fleet decarbonisation effort, and we are currently testing 100% electric vehicles. We aim to reduce fleet emissions by ~0.6 thousand tCO₂ in 2026 from current forecasts, replacing 203 vehicles between 2024 and 2026. By using a fleet of refrigerated vehicles, we are also reducing the use of dry ice in transport.



Scope 1

Scope 1 emissions are direct GHG emissions from sources that are controlled or owned by an organisation (e.g. emissions associated with fuel combustion in boilers and vehicles).



Scope 2

Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity and heat, and result from the organisation's energy use.

POWERED BY GREEN ENERGY

Our Scope 2 emissions come from the energy we buy from suppliers, including the electricity consumed at our HQ and distribution centres, as well as the district heating used at HQ. Under a 15-year corporate Power Purchase Agreement (cPPA) with Qair, we are committed between 2023 and 2038 to buying electricity and guarantees of origin from their wind farm and large-scale solar-power plant. This represents nearly 1.7 TWh of renewable energy. We have a similar 10-year contract with Modus for the annual supply of close to 50 GWh of green electricity.

DIGITALISING OUR VALUE CHAIN

We work closely with our upstream business partners to analyse the carbon footprint of our supply chain under different categories and are continuously reviewing a database to calculate their levels of engagement with decarbonisation. We constantly develop analytics for our purchased goods and services, and two years ago created a new product card for manufacturers that includes a section on carbon footprint. We enriched our database of Category 1: Purchased good and services in line of requirements of GHG Land Sector and Removals Guidance. We are refining our analysis to meet the higher standards required by stakeholders and future regulatory changes. We are also continually studying the impact of our Scope 3 on biodiversity and are aware of the mutual impact of these two areas.



Scope 3 (upstream)

Scope 3 emissions are all indirect emissions (not included in Scope 2) in our value chain, including transport carried out by third parties, manufacturing and production of goods, products and services.



Scope 3 (downstream)

Scope 3 emissions are all indirect emissions (not included in Scope 2) in the value chain, including generation of emissions by franchisees (such as electricity consumption and refrigerant leaks).

UPGRADING FRANCHISE STORES

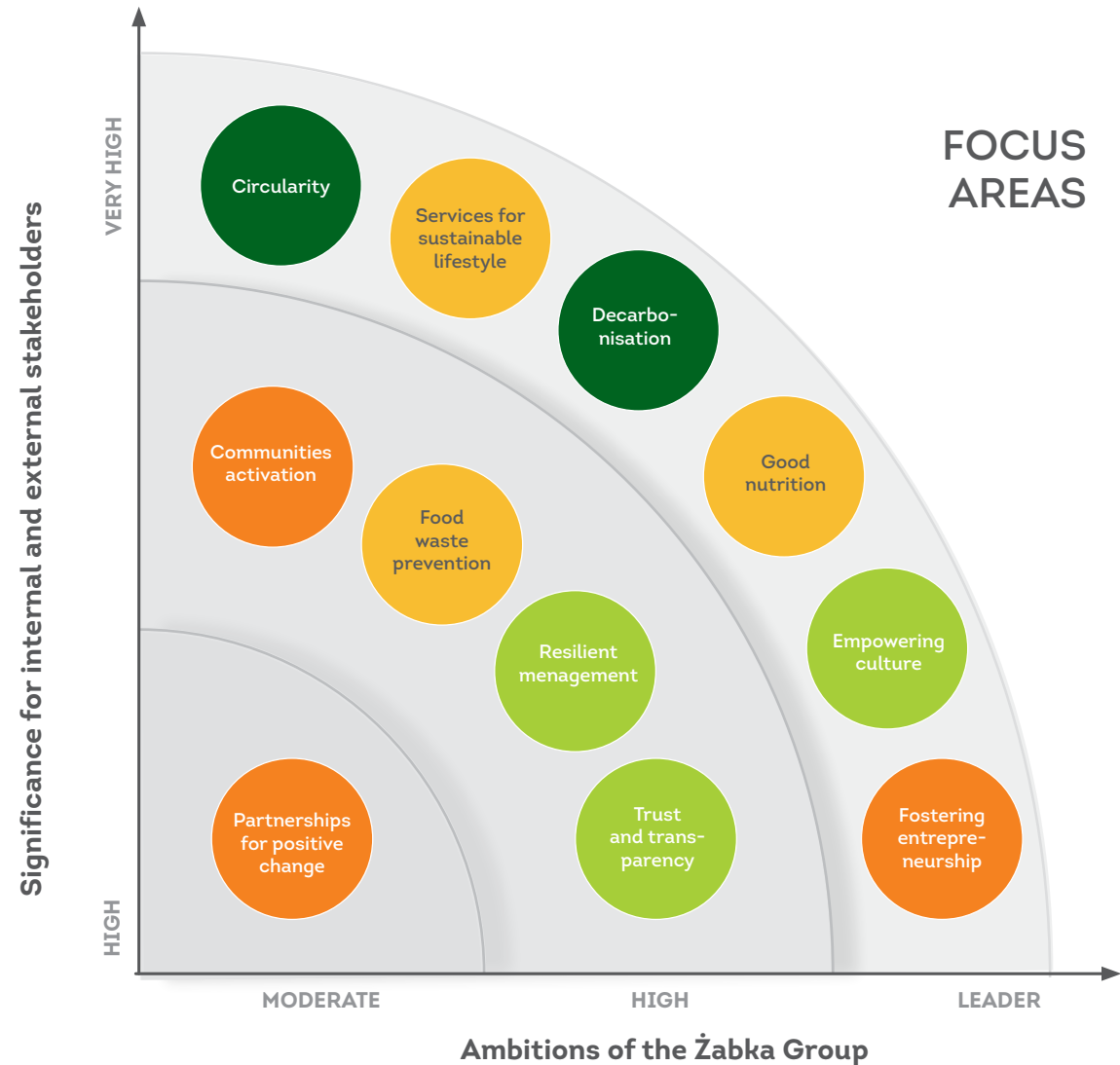
We work to reduce franchisee emissions, and are committed to researching and implementing effective new solutions. This includes our work at the Żabka Eko Smart laboratory, where we study the latest innovations from across the world. During 2023, we successively optimised our delivery routes to reduced GHG emissions. We are implementing closed-air refrigeration systems and zero-heating doors instore, and install photovoltaic panels wherever possible. We are also replacing refrigerants in cooling installations with alternatives offering lower global warming potential (GWP).

About the report

The fifth Responsibility Report summarises the activities Žabka Group undertook under its Responsibility Strategy in 2023.



2023 Responsibility Report



Our materiality assessment process

We base the operations of the Żabka Group on a continuous dialogue with stakeholders. We use various communication channels to engage them in our activities relating to sustainable development and responsible business practice. Along with other factors, we have taken their opinions into account when drawing up our Responsibility Strategy. To learn and understand the environmental

and social needs of all groups, and to verify our potential influence in all areas, we have conducted a study that extended far beyond employees, franchisees and customers. Having identified the most important aspects of our operations for our stakeholders, we prioritised and validated them in accordance with applicable international guidelines. Analysing the responses we received

then enabled us to develop the individual pillars of our Strategy, translating into the selection of strategic objectives we assign to each of them. This is aimed at further strengthening our positive economic, social and environmental impact, both real and potential, and at reducing any negative impacts identified in the process. The list of relevant topics is the same as it was last year.

PARTNERSHIPS



Advertising Council is an entity that establishes and promotes the highest standards in advertising, protecting consumers from unethical and unfair communications.



Polish Chamber of Commerce allows us to participate in the process of consulting draft legislation and to take part in sessions of parliamentary committees.



American Chamber of Commerce in Poland is a politically indifferent, non-profit organisation working to develop Polish-American economic relations.



Polish Coalition for Sustainable Palm Oil is a forum allowing us to work on raising awareness of palm oil from sustainable sources.



The Association of Business Service Leaders (ABSL) is a leading organization representing business services in Poland.



Polish Lewiatan Confederation is a venue allowing us to ensure competitive business conditions, sustainable economic growth, better laws, healthy competition, increased employment and strengthened social capital.



The Charter of Diversity is an international initiative under the auspices of the European Commission, with its members undertaking to promote diversity and build an inclusive organisational culture.



Polish Organisation of Franchisors protects the rights of and represents employers in accordance with the Code of Good Practices for the Franchise Market.



Club of Poznań Economic University's Partners is a venue to share our knowledge with students, club members and the scientific community.



Krakow University of Economics is an entity which supports and coordinates the processes of cooperation with entrepreneurs and business environment institutions interested in implementing innovative solutions.



The Polish Economic Society is an association of employers focused on unlocking the country's business potential and economic patriotism.



Polish Trade and Distribution Organisation aims to improve conditions stimulating the growth of trade protecting free competition and free access to markets.



The Consumer Goods Forum brings together consumer goods manufacturers and retailers. 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.



UN Global Compact is the largest global initiative bringing together companies and institutions contributing to sustainable development.



Employers of Poland is the oldest and largest employers' organization in Poland.



Warsaw Enterprise Institute is a think-tank which is the expert and intellectual base of the Union of Entrepreneurs and Employers.



National Chamber of Commerce undertakes actions aimed at improving the business environment and restoring the right position for entrepreneurs in economic and social life.



Polish Plastic Pact is a 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.

Impact and management of material aspects

● significant positive impact
 ● moderate positive impact
 ● no or balanced impact
 ● moderately adverse impact
 ● significantly adverse impact

Impact on society
 Impact on the environment
 Impact on the economy

01 | Sustainable Lifestyle



The Żabka Group's sustainability initiatives positively impact society and the economy, particularly through the development of products supporting a healthier and more balanced diet, sustainable services, and solutions. These are created based on trend analyses and consumer expectations, responding to their evolving needs. This year, we not only offered healthy meals but also promoted good nutrition through the "Spróbuj DobreGO" campaign. The group's growth has a moderate environmental impact due to increased raw material use. To reduce this, we're working to prevent

food waste and analysing our value chain for potential solutions, which are tested and implemented with our franchisees. Impacts related to the Sustainable Lifestyle pillar are managed through policies and procedures including the Animal Welfare Policy, 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, and documents related to ISO 22001 compliance.

03 | Responsible Organisation

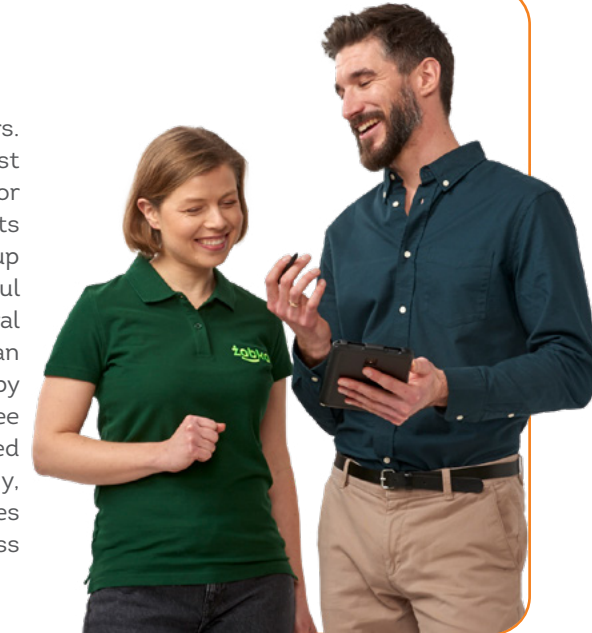


Our efforts to enhance transparency and credibility positively affect the economy, society, and environment, attracting financial institutions seeking ESG-conscious partners. The publication of the Responsibility Report aligns with our core value of openness and the transparency that comes with it. Initiatives like the EcoVadis and Sustainalytics ratings, ESG goal integration into employee performance evaluations, and completion of the EQUAL-SALARY certification process, promote responsible business practices and inequality reduction in collaboration with our partners. We manage impacts related to the

Responsible Organisation pillar via several policies and procedures including Risk Management Policy, Tax Transparency Policy, 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, Procedure on Good Commercial Practices, Procedure for Verification of Business Partners and documents related to ISO 45001 and ISO 27001 requirements.

We have analysed in line with the four pillars of our Responsibility Strategy the impact on society, the economy and the environment of the activities we carry out. We have also defined the most significant activities according to three different viewpoints. We describe how we manage their impact in the chapters on the different strategic pillars, and present the results for 2023 in tabular form.

02 | Mindful Business Impact



As Poland's largest franchisor and retail chain, Żabka Group's positive economic impact stems from fostering entrepreneurship and building partnerships for positive change. We support franchisees with a comprehensive system, including a long-term risk mitigation programme and tools for improving financial performance and effective business management. We're reducing franchisee turnover, as our strategic commitment. Our digital Fair business platform and annual Suppliers Meeting are tools to share our experience, knowledge and good

practices with our business partners. We encourage them to comply the best standards via The Code of Conduct for Business Partners and Human Rights Policy for Business Partners. Żabka Group manages impacts related to the Mindful Business Impact pillar through several policies and procedures, including Human Rights Policy, Corporate Philanthropy and Sponsorship Policy, Franchisee agreement, Franchisee Council related documents, Social Engagement Strategy, the Code of Conduct for Franchisees and The Code of Conduct for Business Partners.

04 | Green Planet



Goods and services production within the convenience ecosystem moderately impacts the environment due to natural resource use in production processes. Under the Green planet pillar, we're implementing a decarbonisation plan with our partners and initiating actions to adapt our business model to circular economy requirements. We're reducing energy consumption, seeking green energy sources, transitioning to an electric fleet, promoting eco-driving among employees, and testing solutions for materials circularity. We're amplifying our impact through business partnerships

and encouraging customers to segregate waste from our brand products via dedicated labels on packaging. We also support franchisees in collecting plastic and paper packaging waste through the Naturally Together programme. Żabka Group manages Green Planet pillar impacts through policies and procedures like the Decarbonisation policy, Travel Policy, Energy Policy, Plastic Circularity Policy, Eco-design Policy, ISO 14001 environmental management standard, ISO 50001 energy management standard, Water Policy, and Waste Management Policy.

Stakeholder groups and their engagement

Stakeholders

How we engage

Customers and consumers



Our key goal at Żabka is to be an essential physical and digital pit stop, helping over 3 million of our daily customers to simplify their lives, free up their time and help them make sustainable choices.

- We constantly grow our network and innovate store formats to better serve our customers' daily needs.
- We promote healthy eating through improved own brand products and Nutri-Score labelling.
- We implement digital solutions to enhance customer communication and shopping experience.
- Customer feedback, analysed through NPS, drives our development of new tools.
- The Żappka app helps us understand customer behavior, tailor offerings, improve service quality, and engage customers in charity work.

Franchisees



We consider each of our nearly 9,000 franchisees to be a crucial success factor in our business and strategy implementation, as they represent the face of Żabka to our customers. We are committed to increasing the satisfaction of our existing franchisees and attracting new entrepreneurs to join our network.

- We equip our franchisees with know-how, security, and encouragement to grow their business, including the Business Insurance Programme.
- We provide advanced tools like OptiPlan to boost their financial performance.
- We value partner relations, consider Franchisee Council recommendations, and aim for long-term partnerships based on financial satisfaction, safety, and motivation.
- We use NPS surveys to gauge franchisee satisfaction and strive to improve it.
- We provide continuous operational and technical support and have launched the Entrepreneurship Academy to enhance franchisees' management and sales skills.

Business partners



We rely on our partners who in turn get the chance to grow with the largest retail chain in the country, using cutting-edge digital tools. The 519 suppliers we worked with in 2023, included 489 from Poland. 98% of the value of our procurement is from domestic suppliers.

- Through collaborative data sharing with our suppliers, we are able to transform our entire value chain and make informed strategic product decisions.
- We build partnerships with both established organisations and startups, such as the Venture Studio programme, offering them a unique opportunity to grow alongside the largest convenience ecosystem in Poland.
- We hold regular dialogue with suppliers to present strategy, including our ESG agenda, review the results achieved thus far, and look for collaboration opportunities.

At Żabka Group, we have identified the six stakeholder groups most affected by our scale and impact. We communicate with them regularly, taking their needs and expectations into account whenever we make important decisions about our future activities.

Stakeholders

How we engage

Local Communities



Around 17 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 believe that supporting them not only enhances our brand perception, but also plays a crucial role in building customer trust and a sense of belonging among our employees.

- Our Social Engagement Strategy rests on three pillars:
- Well-being - promoting responsible choices and a healthy lifestyle.
 - Neighbourhood - fostering communities through local initiatives and social projects, including over 900 hours of employee volunteering this year.
 - Equal opportunities - encouraging entrepreneurship, reducing business entry barriers, and aiding the less fortunate in job market adaptation.
- We pursue various philanthropic efforts, monitor charity campaigns for participation, and annually support the Great Orchestra of Christmas Charity.

Employees & co-workers



We recognise that our people and their talent are a vital part of our success and they are among our most important stakeholders. At Żabka, with 2,600 employees and close to 1,200 co-workers we create a dynamic and engaging work environment that provides unmatched opportunities for growth and development and ensures the Żabka Group's success.

- We use NPS surveys and the Gallup Institute method to track employee satisfaction and engagement, allowing workplace improvements.
- Code of Conduct and Ethics for employees, and Equality Policy foster a fair, diverse work environment.
- We hold a quarterly Council of Employees meeting, which is attended by the Management Board member in charge of People Strategy.
- We address training needs via Żabka Academy, and maintain continuous dialogue, including Q&A sessions and the 'Your Żabka' intranet site for improvement suggestions.

Investors & Institutions



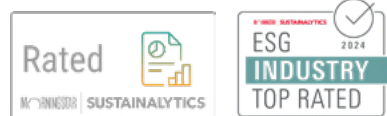
Our convenience operations have been generating steady and sustainable growth, while our efforts to acquire and develop new businesses expand the ultimate convenience ecosystem, diversifying revenue streams and creating long-term value for our investors.

- We maintain a transparent and constructive communication with our shareholders:
- We use Supervisory Board meetings to hold constructive dialogue and debates on the future of our business.
 - We hold one-to-one conversations with representatives of our investor groups, responding to their expectations around our areas of impact.
 - Our best-in-class ESG reporting, including a wide range of disclosures based on international reporting standards, keeps stakeholders informed.
 - We regularly undergo external verification processes related to sustainability to enhance our transparency and credibility.
- Our efforts to co-operate with widely recognised bodies that rely on transparency in communication, build the confidence of our investors and institutional Shareholders.

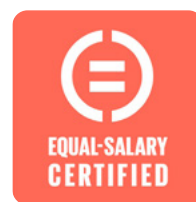
Recognitions



EcoVadis sustainability rating - Platinum Medal



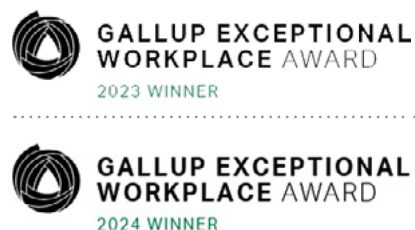
In July 2023, Żabka Polska sp. z o.o. received an ESG Risk Rating of 12.5 and was assessed by Morningstar Sustainalytics to be at Low risk of experiencing material financial impacts from ESG factors*



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



2023 Golden and Green POLITYKA CSR Leaves



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



The Ethical Company 2023 award means that we are among the most ethical companies in Poland



The ESG Leader 2023 gold award in the Innovation category



The Retailer of the Year 2023, chosen by Suppliers' in the category Small Format/ Convenience Chain and special award Sustainable Retailer of the Year



Responsible Employer - Human Resources Leadership 2024

*In no event the Corporate ESG Assessment report shall be construed as investment advice or expert opinion as defined by the applicable legislation. The information contained or reflected herein is not directed to or intended for use or distribution to India-based clients or users and its distribution to Indian resident individuals or entities is not permitted, and Morningstar/Sustainalytics accepts no responsibility or liability whatsoever for the actions of third parties in this respect.

Information regarding the publication

Reporting standards

This report has been made in accordance with the latest version of the international non-financial reporting standard by Global Reporting Initiative Universal Standards which shall only become formally effective from 2023, and in line with the recommendations of the Sustainability Accounting Standards Board (SASB). We disclose information on the implications of climate-related risks and opportunities according to the Task Force on Climate-Related Financial Disclosures framework. Additionally, we included information on activities aimed at implementing ten United Nations Global Compact principles, in accordance with the Communication on Progress (CoP) guidelines and took advantage of the recommendations contained in the publication of the World Economic Forum – Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation. The report also includes information on our contribution to the achievement of the UN Sustainable Development Goals. A full list of GRI indicators and other, supplementary guidelines the publication refers to is presented in the table at the end of the report, along with the location of their disclosure and with information on compliance with previously listed documents. The selected GRI indicators disclosed in the report have been independently verified (limited assurance engagement), in accordance with ISAE3000.

Entities covered by the report

This report describes the practices undertaken by Żabka Group as part of its convenience ecosystem. The organisational structure of Żabka Group comprises the following: Żabka Polska, Żabka Automatic Logistics, Żabka Property Fund, Żabka Development, Żabka Construction, Food Property Investment, Kalestico Investments, Żabka Nano, Logistic Property Investment, Retail Technology Investments, Cool-Logistics, Maczfit

Foods, MasterLife Solutions, Lite e-commerce, Żabka Deutschland (formerly Catch a Box), Lite 24, Bocastonby Investments, Żabka BS (formerly Baceno), Froot Romania Holding (formerly Castle Romanian Holdco). The detailed tasks of each entity are described on the corporate website at <http://www.zabkagroup.com>. All entities described in the report are included in the consolidated financial statements. Companies subject to non-financial reporting are defined on the basis of the operational control criteria taking into account the significance of the impact of individual entities on relevant areas of activity. As a result of the application of these criteria, the data contained in this report pertain to Żabka Polska Sp. z o.o. entity only. The fifth edition of the 'Conveniently and Responsibility' Report pertaining to 2023 was published in April 2024 and presents the activities undertaken as part of the Responsibility Strategy. It also contains quantitative and qualitative data for 2023. Selected pieces of information may be related to periods other than 2023, in which case relevant comments are included in the wording of the report. Żabka Group draws up sustainable development reports on an annual basis. The previous edition of the Responsibility Report was published in April 2023.

Adjustments to the Responsibility Strategy

We continuously monitor and evaluate important issues for our business and adjust our priorities accordingly. We have decided to improve the way we talk about the areas in our Responsibility Strategy and simplify the narrative. By considering our goals divided into pillars rather than narrow areas as before, we are able to analyse them in a broader context. What is more, we have consolidated in our pillar 02 Mindful Business Impact the aspects of cooperation with our business partners. We are considering integrating Biodiversity aspects into our strategic and operational framework. As every year, the Group defined ESG targets and portfolio of activities that were later cascaded to the organisation.

[GRI 2-4] Restatements of information

[GRI 305-3] Other indirect greenhouse gas emissions (Scope 3) – the adjustment is due to a review of the methodology, the use of the most relevant data and the indicators available in EXIOBASE (versions 3.8.2 were used in the current calculations). The Fuel- and energy-related activities category has been expanded to include emissions from transport and distribution losses (T&D) and WTT for electricity. The base for the calculation in the Transport and distribution category has been extended to all transport routes. In the Franchisee category, double-counted store refrigerants and emissions from WTT have been excluded. The differences between the categories are given below in tonnes of CO₂e:

Goods and services purchased – pre-correction value for 2021 – 1,541,107, post-correction value for 2021 – 1,941,943, pre-correction value for 2022 – 1,666,975, post-correction value for 2022 – 2,107,960.

Capital goods – pre-correction value for 2021 – 312,846, post-correction value for 2021 – 175,955, pre-correction value for 2022 – 347,537, post-correction value for 2022 – 186,604.

Fuel- and energy-related activities – pre-correction value for 2021 – 2,119, post-correction value for 2021 – 5,785, pre-correction value for 2022 – 2,402, post-correction value for 2022 – 6,643.

Transport and distribution – pre-correction value for 2021 – 24,458, post-correction value for 2021 – 28,945, pre-correction value for 2022 – 30,654, post-correction value for 2022 – 35,158.

Franchisees – pre-correction value for 2021 – 391,811, post-correction value for 2021 – 305,338, pre-correction value for 2022 – 226,168, post-correction value for 2022 – 166,668.

Quantitative and qualitative data

[GRI 2-7] Employees

	2021			2022			2023		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Number of employees, by seniority									
Employed for a definite period of time	195	340	535	268	414	682	180	292	472
Employed indefinitely	693	995	1,688	801	1,090	1,891	910	1,218	2,128
Number of employees, by type of employment									
Full time	875	1,334	2,209	1,061	1,500	2,561	1,076	1,498	2,574
Part-time	13	1	14	8	4	12	14	12	26
Total number of employees	888	1,335	2,223	1,069	1,504	2,573	1,090	1,510	2,600

Data refer to the number of employees calculated as of 31.12.2023. 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:	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Employed under a contract of mandate	46	38	84	73	38	111	28	24	52
Employed under a deed contract	1	0	1	0	0	0	0	0	0
Employed under an internship contract	4	5	9	1	2	3	14	13	27
Self-employed	381	543	924	444	606	1,050	475	627	1,102
Total number of co-workers	432	586	1,018	518	646	1,164	517	664	1,181

Data refer to the number of co-workers calculated as of 31.12.2023. 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 916 persons (as of 31.12.2023) 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

	2021	2022	2023
Minimum wage in Poland (gross)	2,800	3,010	3,600
Ratio of standard entry level wage of women compared to local minimum wage	1.2	1.5	1.3
Ratio of standard entry level wage of men compared to local minimum wage	1.4	1.5	1.4

The roles at the lowest level vary greatly in terms of job characteristics. 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	
	2021	2021	2022	2022	2023	2023	2023	2023
Female	208	23.4%	285	26.7%	179	16.4%		
Male	339	25.4%	469	31.2%	303	20.1%		
Aged <30	257	39.7%	419	47.2%	214	35.3%		
Aged 30-50	271	18.9%	316	20.7%	244	13.8%		
Aged >50	19	13.4%	19	11.8%	24	10.6%		
Total	547	24.6%	754	29.3%	482	18.5%		

Total number of employee turnover (per person), by:	Number of employee turnover		Rate of employee turnover		Number of employee turnover		Rate of employee turnover	
	2021	2021	2022	2022	2023	2023	2023	2023
Female	75	8.5%	85	8.0%	158	14.5%		
Male	286	21.4%	288	19.1%	309	20.5%		
Aged <30	144	22.2%	172	19.4%	170	28.1%		
Aged 30-50	195	13.6%	185	12.1%	264	14.9%		
Aged >50	22	15.5%	16	9.9%	33	14.5%		
Total	361	16.2%	373	14.5%	467	18.0%		

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			
	2022		2023		2022		2023	
	Number	Rate	Number	Rate	Number	Rate	Number	Rate
Operational positions	212	45.7%	137	30.4%	132	28.4%	142	31.6%
Specialists	139	24.4%	129	21.4%	84	14.8%	92	15.3%
Independent specialists	292	30.0%	157	16.7%	113	11.6%	165	17.6%
Managerial staff/experts	95	21.4%	52	10.7%	39	8.8%	52	10.7%
Senior managerial staff	14	14.9%	7	7.5%	4	4.3%	14	15.1%
Top managerial staff & management board	2	0.0%	0	0.0%	1	0.0%	2	7.1%
Total	754	29.3%	482	18.5%	373	14.5%	467	18.0%

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

Average number of training hours per criterion	2021	2022	2023
Female	28.8	28.3	16.6
Male	18.3	18.8	9.7
Operational positions	2.4	2.4	0.2
Specialists	5.9	6.5	2.9
Independent specialists	30.2	27.2	13.4
Managerial staff/experts	43.5	47.9	29.2
Senior managerial staff	55.5	49.8	38.8
Top managerial staff	68.9	44.4	19.3
Average number of training hours	22.5	22.8	12.6

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

2023	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	10.2%	13.1%	23.31%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Aged 30-50	29.3%	38.7%	67.96%	16.7%	33.3%	50.0%	0.0%	16.7%	16.7%
Aged >50	2.5%	6.3%	8.73%	33.3%	16.7%	50.0%	33.3%	50.0%	83.3%
Total % by gender	41.9%	58.1%	100.0%	50.0%	50.0%	100.0%	33.3%	66.7%	100.0%
Including foreign nationals	2.1%	4.1%	6.2%	0.0%	0.0%	0.0%	16.7%	50.0%	66.7%

2023	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	4.7%	9.5%	3.2%	17.3%	1.2%	16.1%	17.3%
Specialists	7.1%	13.8%	2.3%	23.2%	10.1%	13.1%	23.2%
Independent specialists	10.4%	24.5%	1.2%	36.1%	20.5%	15.6%	36.1%
Managerial staff/experts	1.1%	16.4%	1.2%	18.7%	8.6%	10.1%	18.7%
Senior managerial staff	0.0%	3.0%	0.5%	3.6%	1.2%	2.4%	3.6%
Top managerial staff & management board	0.0%	0.8%	0.3%	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	
	2022	2023
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:	11,969,264.84	9,968,448.40
Industry organisations	921,306.05	705,927.42
Charity organisations	11,047,958.79	9,262,520.98

[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	426	426	100%	426	100%
Specialists	575	575	100%	575	100%
Independent specialists	862	862	100%	862	100%
Managerial staff/experts	454	454	100%	454	100%
Senior managerial staff	92	92	100%	92	100%
Top managerial staff and management board	22	22	100%	22	100%

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.

In 2023, we received 21 reports of potential violations of the Code of Ethics for employees. In all cases, an investigation was carried out in accordance with compliance procedures. The explanatory proceedings confirmed the validity of 12 allegations. The Ethics Committee issued recommendations regarding specific actions to be taken and supervised their implementation - in all cases, the actions have been implemented or are being implemented. We have also taken steps to prevent similar situations from occurring in the future, e.g. by organizing special training or requiring re-familiarization with applicable rules and policies in accordance with applicable procedures.

[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 2023, 33% of 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 2023 no cases of corruption were identified.

[GRI 2-27] Compliance with laws and regulations

In 2023, there were no significant 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 2023, no violations of the principles of free competition and no monopolistic practices were observed, and there were no legal steps taken by external authorities in this area.

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

In 2023, we received 24 complaints lodged within the Company (in accordance with the applicable procedures and not by external parties) and 1 complaints by regulatory authorities.

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

	2021	2022	2023
Total revenue	12,464	15,865	19,641
Revenue	12,363	15,751	19,409
Other operating income	23	23	26
Financial income	78	91	206
Total costs	11,530	14,856	18,670
Operating costs*	11,113	14,118	17,544
Other operating costs	35	32	30
Financial costs	382	706	1,096
Employee benefits costs	258	366	421
Payments to providers of equity	0	0	0
Payments to the government	155	224	144
Economic value retained	521	419	406

*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.	
	2022	2023
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	2,567 persons (as at 31.12.2022)	2,594 persons (as at 31.12.2022)
Revenue (in thousands PLN)	15,750,953	19,408,711
Revenues from intra-group transactions with other tax jurisdictions (in thousands PLN)	163	683
Profit before tax (in thousands PLN)	638,177	543,943
Property, plant and equipment and inventory (in thousands PLN)	3,047,851	3,626,322
Income tax paid (in thousands PLN)	163,909	310,849
Current tax (in thousands PLN)	241,685	123,094
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]	
	2022	2023	2022	2023
Raw materials	13,672.44	11,731.73	37.05	37.73
Packing materials (including paper, cardboard and plastics)	937.60	1,092.02	0	0
Total	14,610.05	12,823.75	37.05	37.73

[GRI 301-2] Recycled input materials used

	2021	2022	2023
Percentage of recycled materials used in the production process for plastics	9.7%	12.1%	21.8%
Ratio of recycled materials to the total weight of materials that are used to manufacture the primary products and services	2.4%	2.7%	4.8%

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

	2021	2022	2023
Products and their packaging materials reclaimed within the reporting period [t]	22,758.29	22,186.50	21,608.24
Products sold within the reporting period [t]	14,907.49	14,610.05	12,823.76
Percentage of reclaimed products and their packaging materials	153%	152%	169%

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

[GRI 302-1] Energy consumption within the organisation

Direct energy consumption		2021 [MWh]	2022 [MWh]	2023 [MWh]
Total energy consumption from non-renewable sources, by type of raw material	Natural gas	13,276	13,611.1	11,525.0
	LPG	2,907	2,174.6	2,236.5
	Diesel	18,962	18,633.4	10,033.3
	Petrol	5,914	10,673.4	20,988.2
	Total	41,059	45,092.5	44,783.0
Total consumption of independently generated or purchased energy, by electricity (market-based) and heat	Electricity	20,248	24,232.9	29,350.3
	Heat	1,999	1,788.7	1,613.1
	Total	22,247	26,021.6	30,963.4
Total energy consumption in the organisation		63,306	71,114.1	75,775.9

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

	2021	2022	2023
Electricity consumption in stores (franchisees) [MWh]	428,522	479,402	522,252

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

	2021	2022	2023
Energy intensity as the ratio of total energy consumption by the organisation to revenue [MWh / mPLN]	5.1	4.5	3.9
Energy intensity as the ratio of total energy consumption outside the organisation to revenue [MWh / mPLN]	34.7	30.4	26.9

[GRI 303-3] Water withdrawal

	2021	2022	2023
Withdrawal of water from the municipal network at the headquarters and distribution centres [thousands of m³]	35,805	38,635	44,094

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 ₂ e]	2021	2022	2023
Fuel consumed to generate heat/cold	3,107	3,046	2,912
Own fleet	6,190	7,268	7,384
Refrigerants at logistics centres (including dry ice)	7,635	7,655	6,696
Total direct emissions	16,932	17,969	16,992

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 ₂ e, location-based]			Indirect emissions of GHGs [tCO ₂ e, market-based]		
	2021	2022	2023	2021	2022	2023
Indirect emissions of GHGs from electricity	14,279	17,352	20,329	0	0	0
Indirect emissions of GHGs from heating	341	305	290	341	305	290
Total indirect emissions	14,620	17,657	20,619	341	305	290

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 ₂ e]	2021	2022	2023
Goods and services purchased	1,941,943	2,107,960	2,406,895
Capital goods	175,955	186,604	179,152
Fuel- and energy-related activities	5,784	6,643	7,615
Transport and distribution	28,945	35,158	41,641
Franchisees	305,338	166,668	216,224
Total other significant indirect emissions	2,457,965	2,503,034	2,851,527

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 tCO₂e/mPLN revenue

Intensity of emissions	2021	2022	2023
Scope 1 (direct emissions)	1.4	1.1	0.9
Scope 2 (indirect market-based emissions)	0	0	0
Scope 3 (other indirect emissions)	199	159	147
Total	200	160	148

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 CO₂ 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 2021 [t]		Waste weight in 2022 [t]		Waste weight in 2023 [t]	
	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste	Hazardous waste
Reuse	0	0	0	0	43.2	0
Recycling	10,050.2	1.6	11,427.6	1.2	13,289.7	3.4
Composting	214.4	0	32.3	0	60.1	0
Recovery (including energy recovery)	1,433.0	0.7	1,448.0	0.9	2,009.5	1.8
Incineration (or use as fuel)	79.1	2.5	214.3	0.1	16.2	0
Storage in deep wells	0	0	0	0	0	0
Landfilling	172.0	34.8	270.1	0	438.6	0.1
On-site storage	0	0	0	0	0	0
Other	613.8	2.8	390.9	140.4	441.6	14.1
Total	12,562.5	42.5	13,783.4	142.7	16,298.8	19.3

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 stores, 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. We review processes and procedures on an ongoing basis to ensure that they are up-to-date and properly implemented. In addition, internal and external checks for compliance with legal requirements and internal and external audits take place. Additionally, 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 2023, 656 Health and Safety Patrols were performed. As a result, 1,973 irregularities were detected and 2,066 actions were taken. The completion rate of patrols was 104%.

[GRI 403-3] Occupational health services

In 2023, 1,389 (489 Women, 900 Men) occupational health examinations were carried out (18% of these were initial examinations, 70% were periodic examinations and 11% were follow-up examinations). 97% 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. As supervisors shoulder a great deal of responsibility for safety at work, we have developed a project called Świadomy Przełożony (Aware Supervisor), in which we make sure they have the training, support, advice and additional materials they need. Residential first aid training was also conducted (20 training sessions) 136 persons were trained as emergency group members. 816 hours were dedicated to training.

[GRI 403-6] Promotion of worker health

We continued the 'ZDROwiedzący' programme promoting healthy eating, physical activity as well as disease prevention – we held six interactive educational webinars during 2023, presented by specialists and external experts on substance use and safety at work and in the free time. We encourage our employees to participate in various sports activities e.g. Wings for Life World 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. During 2023, one employee in every 25 took advantage of the programme.

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

78 measurements of the working environment were taken. No exceedances were found in any area. In 2023, a total of 3 inspections were carried out from the State Sanitary Inspection (no recommendations) and 4 inspections from the State Labour Inspection (recommendations related to the numbering of personnel files and the notification of an accident to the employer of an employee of an external company), and 2 inspections from the State Fire Service (recommendations related to the scope of the smoke extraction system).

[GRI 403-9] Work-related injuries

	2021	2022	2023
Number of fatalities as a result of work-related injury	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	0	0
Number of recordable work-related injuries	15	17	22
Number of hours worked	3,564,200	4,074,900	4,059,500
Lost Time Injury Frequency Rate (LTIFR)	4.21	4.17	5.42

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 79. 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 2023, 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 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 seventeen qualification audits – one supplier was negatively qualified and we refused to cooperate with him. We also conducted seventy-four announced and unannounced audits. Qualification audits with regard to suppliers of producers' brand products revealed that three 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 – twenty-one 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 three such events – all of them 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	
	2022	2023
Incidents of non-compliance with regulations resulting in a fine or penalty	0	0
Incidents of non-compliance with regulations resulting in a warning	1	0
Incidents of non-compliance with voluntary codes	0	0

In 2023, we recorded no incidents of non-compliance concerning product and service information and labelling.

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 2023 (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, 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 Independence and Quality Management

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

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.

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.

Conclusion

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

Rafał Hummel, Partner

Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k.

Warsaw, April 23, 2024

SASB table

Topic	Accounting metric	SASB Code	2023 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	6,696 tCO ₂ 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	28%
Energy Management	(1) Operational energy consumed (2) Percentage grid electricity (3) Percentage renewable	FB-FR-130a.1	(1) 46,291 MWh (166,649 GJ) - the value includes fuel, electricity and heat consumption. (2) 63% - purchased electricity in relation to the total energy used in own operations. (3) 63% 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: 1,351 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) 24. (2) 100% - a personal data breach is found when it involves data that identifies a specific person. (3) 170 data subjects, with the most common being franchisees and employees.
	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 2023, 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) 3 product recalls. (2) 14,109 units recalled (from the market). (3) 0% 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 1,392 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 2023, we have not recorded such an incident.
	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 2023.
	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	2023 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 2023, 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 2023, 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 continued to implement our policies addressing sustainable issues in our supply chain, such as: Sustainable Palm Oil Policy, The Water Resources Policy, The Waste Management Policy, Policy of Sustainable Sourcing of Raw Vegetable Materials, Fish and Animal Welfare Policy. We continued communication of the Code of Conduct to our Business Partners 60.51% 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. We conduct our own operations at 8 logistics centres and 3 terminals.
Total area of (1) retail space and (2) distribution centres		FB-FR-000.B	Total area of distribution centres and terminals is almost 227,085 m ² .

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416-1	Assessment of the health and safety impacts of product and service categories	33-36, 80	SDG 16 UNGC 9
Marketing and labelling (2016)			
417-1	Requirements for product and service information and labelling	80	SDG 12, 17
417-2	Incidents of non-compliance concerning product and service information and labelling	80	
Customer privacy (2016)			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	75	SDG 16

The 2023 Responsibility Report was compiled with the participation of many people within the organisation and beyond! Thank you!



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



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