



Biodiversity Policy



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PURPOSE	The policy defines the general principles and directions of activities to support the protection of biodiversity and its scope includes Żabka Polska, the Franchisees, as well as suppliers of Private Labels.

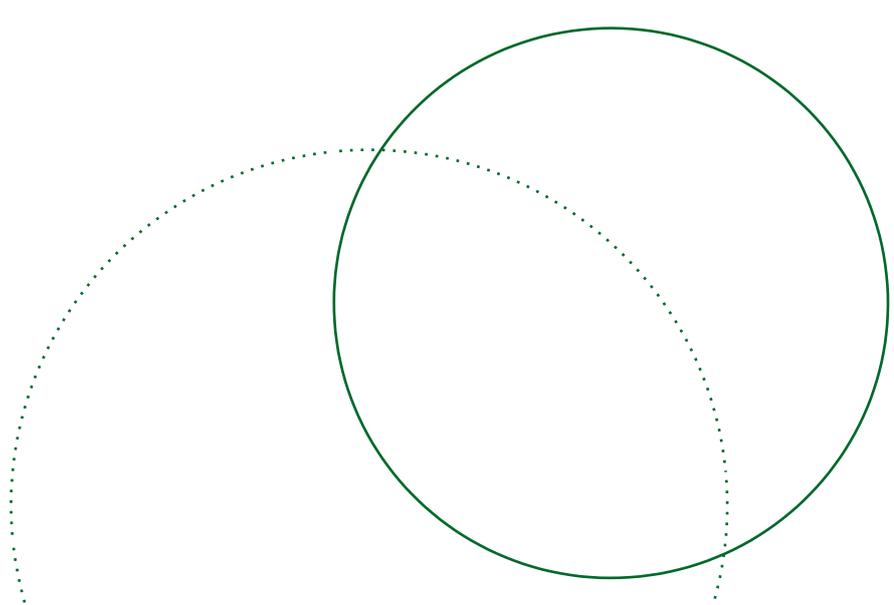


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Introduction

Biodiversity is among the key elements that provide optimal conditions for human functioning and economic activities. The ecosystems provide irreplaceable benefits and resources – from factors necessary for physical survival and security to non-material support. Biodiversity is our heritage, and its preservation is a prerequisite for ensuring access to nature’s riches for future generations¹.

The disruption of ecosystem stability can lead to multifaceted negative consequences for economies and societies. According to the World Economic Forum, more than half of the world’s GDP depends on nature and the ecosystem services it provides, and three key sectors – construction, agriculture and the food industry – are heavily dependent on it². Nature degradation involves direct costs to companies in terms of operational risk, continuity of supply chains, liability risk, threat to their own reputation, market share and financial issues³.

The consequences of biodiversity loss and the disappearance of ecosystems are the areas of interest to the entire international community. An expression of this concern, among other things, is the decision of the United Nations General Assembly to name the years 2021–2030 the Decade of Ecosystem Restoration, with the aim of intensifying the restoration of degraded ecosystems as an important link in the fight against ongoing climate change.

Żabka Polska, bearing in mind the issues of sustainable development and the need to preserve, enhance and protect biodiversity, offers its active participation in pursuit of the goals set out in the global forum. The Biodiversity Policy adopted sets out the principles and directions for actively promoting the protection of biodiversity.

We are confident that the assumptions adopted in this document will contribute to stopping and ultimately reversing the processes of degradation of natural ecosystems, leading to a decline in biodiversity, in particular through the continuation of efforts to counter deforestation and degradation of forest ecosystems – locally, nationally and globally.

¹ The 2030 National Environmental Policy – the Development Strategy in the Area of the Environment and Water Management, Ministry of Climate and Environment, [The 2030 National Environmental Policy – the Development Strategy in the Area of the Environment and Water Management: Public Information Bulletin of the Ministry of Climate and Environment \(mos.gov.pl\)](#) – accessed on 30 Sept 2025

² An Advocacy Toolkit for Nature, EC 2021, [www.gov.pl/attachment/27b76aeb-c744-4c38-8401-578c4091ab54](#) – accessed on 30 Sept 2025

³ Ibidem

With this document we are establishing **the following milestones in the implementation of the Policy and Biodiversity Road Map:**

1. achieving previously established specific goals in the Company's internal policies
2. Establishing areas for further support of biodiversity conservation taking into account the perspective of seeking to minimize the impact of our operational, supply chain and investment activities with periodic impact studies, monitoring and reporting of the results.
3. adoption of Biodiversity Action Plan with actions and execution until **end of 2030**

In addition, complementary to the above, the Policy adopts **general principles of conduct**, which constitute a catalogue of standards with respect to the area of biodiversity protection that will apply to operational and investment activities of **Żabka Polska**.

Art. 1. Subject matter and scope of the policy

1.1. This Policy sets out the general principles of conduct for the protection of biodiversity and also indicates the main directions of Żabka Polska's activities in this scope, aimed at ensuring the protection of ecosystems and preventing the loss of biodiversity.

1.2. The rules of conduct and courses of action set forth in the Policy apply to the Company and to the Franchisees, as well as to suppliers of Private Labels.

Art. 2. Definitions and abbreviations

- 2.1. Policy** – this Biodiversity Policy;
- 2.2. Biodiversity** – the diversity of organisms living in each ecosystem and the diversity of the entire ecological systems of which these organisms are a part; includes within-species, interspecies and ecosystem diversity⁴;
- 2.3. Ecosystem** – an ecological system consisting of biocenosis, i.e., an assemblage of living organisms, and a biotope, i.e. the environment occupied by that assemblage of organisms and in which the organisms interact with each other to sustain their existence (including functions of food webs, symbiosis or competition). Basic division of ecosystems: terrestrial (including forest, mountain), aquatic (including freshwater and marine) or: natural (e.g., peat bogs, coral reefs), semi-natural (e.g., hay meadows, pastures), artificial (e.g., agricultural, urban);
- 2.4. Ecosystem services** – tangible benefits that human beings can freely derive from the natural environment and properly functioning ecosystems. These are both consumer goods, such as food or clean water, and actual services, such as purifying water and air, providing oxygen, pollinating crops or improving well-being and health⁵;
- 2.5. Biodiversity loss** – the process of species extinction caused by human activity, i.e., by direct exploitation (e.g., fishing) or by activities that change the area indirectly affecting the species (e.g., the extinction of an insect species due to the disappearance of its habitat (caused by the conversion of a natural terrestrial ecosystem - e.g., a field meadow into an area where crops are grown));
- 2.6. Sustainable development** – a concept that assumes development in which the needs of the current generation can be met without diminishing the chances of future generations to have their needs met;
- 2.7. Water retention** – the ability of living and non-living environmental elements, such as vegetation, soil, surface water or snow and ice, to collect and hold water. Water availability is one of the important features that directly shape the structure of an ecosystem. The phenomenon of drought is a significant cause of biodiversity decline globally, as well as locally⁶;
- 2.8. Deforestation and forest degradation** – deforestation is the destruction of forests for other land uses. Forest degradation is a gradual process resulting in the loss of basic ecosystem capabilities of forests, such as timber production and biodiversity;

⁴ Ibidem

⁵ [Klimatyczne ABC \[The ABC of Climate.\] Interdyscyplinarne podstawy współczesnej wiedzy o zmianie klimatu \[Interdisciplinary Foundations of Contemporary Knowledge on Climate Change\] - PDF | Biological Sciences | Ecology and Environmental Protection | Warsaw](#) – accessed on 30 Sept 2025

⁶ Ibidem

- 2.9. No net loss of biodiversity** – the point at which the influence of an organization’s activity on biodiversity is offset by measures taken to avoid and minimize this influence, to undertake restoration on site, and finally to offset significant residual impacts, if any, at the appropriate geographic scale (e.g., local, at the landscape-level, national, regional);
- 2.10. Water Consumption Rate at Logistic Centers and Terminals** - The water consumption rate is the ratio of the amount of water used [m³] to the volume of pallet spaces [units]. The volume of pallet spaces is a unit that defines the number of pallets of goods that have been picked in the Logistics Center (or temporarily stored in the Internal Terminal), and then delivered to the store via distribution transport;
- 2.11. Żabka Polska, Company** – Żabka Polska sp. z o.o.;
- 2.12. Stakeholders** – Employees, Associates, Management Staff of Żabka Polska, Business Partners, Franchisees and Customers;
- 2.13. Employees** – all persons employed at Żabka Polska within the framework of the employment relationship, regardless of the type of employment contract and working hours;
- 2.14. Associates** – people providing services to Żabka Polska or performing other services on the basis of Cooperation Agreements (i.e. a civil law contract, including a contract for the provision of services, a contract of mandate or a contract for specific work) or relevant powers of attorney;
- 2.15. Management Staff** – President of the Management Board, Vice Presidents of the Management Board, Members of the Management Board and Proxies of Żabka Polska, as well as persons organizing and directing the work process in separate organizational units of the Company reflected in the organizational structure (Directors, Managers, Coordinators, etc.);
- 2.16. Franchisees** – people who operate a store under the Żabka brand on the basis of relevant agreements concluded with the Company;
- 2.17. Business Partner** – a natural or a legal person with whom Żabka Polska has a business relationship. Business Partners include, in particular; suppliers of goods and service providers; other natural persons or legal persons with whom Żabka Polska enters into a business relationship through contracts or other formal commitments
- 2.18. Private Label Products** – products offered to the customer under the Żabka Polska chain brand, understood as products manufactured by a given supplier, with properties specified by Żabka Polska, packaged in a manner indicated by Żabka Polska and bearing a trademark indicated by Żabka Polska, with all intellectual property rights held by Żabka Polska.

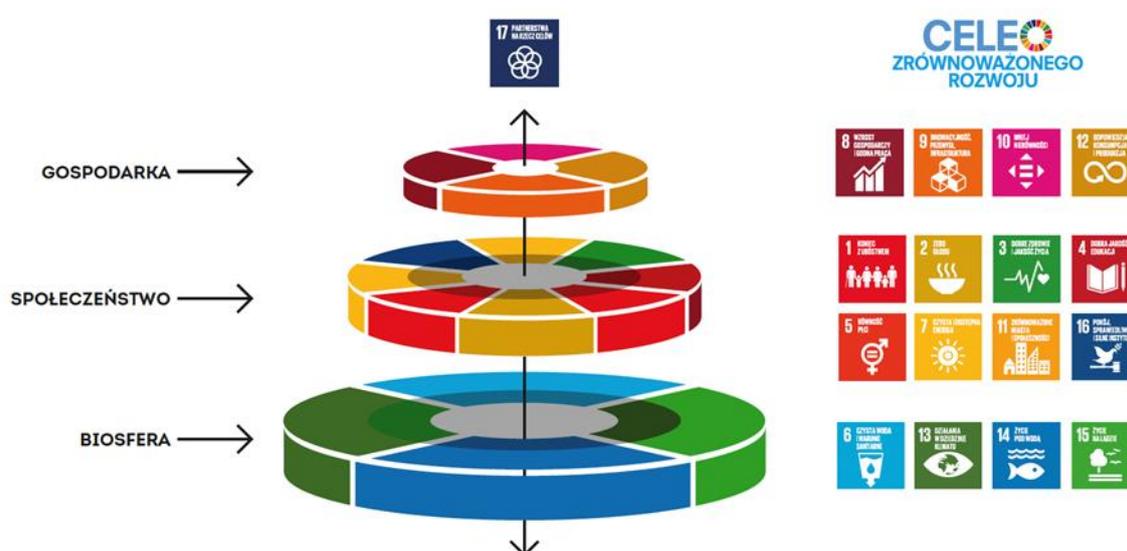
- 2.19. Scope 1** (acc. GHG Protocol) –Greenhouse gas emissions from own operations, in accordance with the international GHG Protocol Corporate Accounting and Reporting standard, resulting from, among other things, natural gas consumption, fuel consumption for own vehicles, refrigerant leakage and diesel fuel consumption;
- 2.20 Scope 2** (acc. GHG Protocol) –Greenhouse gas emissions from the consumption of electricity and heat in the company’s own operations, in accordance with the international GHG Protocol Corporate Accounting and Reporting standard, e.g., in offices, logistics centers, production plants;
- 2.21. Scope 3** (acc. GHG Protocol) –Greenhouse gas emissions resulting from operations linked with Żabka Polska’s business activities, in accordance with the international GHG Protocol Corporate Accounting and Reporting standard, in locations such as stores operated by Franchisees;

Art. 3. General context

Natural ecosystems are the largest terrestrial carbon reservoir and determine the existence of most species on Earth⁷.

Nature is the basis for all of the United Nations' Sustainable Development Goals (UN SDGs)⁸.

Our society and economy are based on natural environment.



The progressive degradation of natural ecosystems and the unprecedented decline in biodiversity entail serious environmental, economic and social risks. The intensifying feedback between climate change and processes of ecosystem destabilization and biodiversity loss, intensified by human activity as well as exacerbated by natural processes within the global ecosystem, are becoming an equally important factor.

This threat, identified unanimously by the international community, calls for the implementation of measures to reverse the biodiversity loss. The United Nations declared the period 2021–2030 as the Decade of Ecosystem Restoration – *UN Decade on Ecosystem Restoration*⁹ thus highlighting the need for global transformative change to stop further degradation of ecosystems and extinction of flora and fauna species. Improving the health of

⁷ Ibidem

⁸ The figure prepared based on: [An Advocacy Toolkit for Nature, EC 2021](#). Fig: [sdgs-food-azote.jpg \(3600x2347\)](#) ([stockholmresilience.org](#)) – accessed on 30 Sept 2025

⁹ [ERDStrat.pdf \(unep.org\)](#) – accessed on 30 Sept 2025

ecosystems is an important part of efforts to achieve the UN Sustainable Development Goals, In particular: ending poverty (SDG 1), effectively combating the climate crisis (SDG 13), and preventing further mass extinction of species (SDG 14 and SDG 15). At the same time, protecting and restoring biodiversity and ecosystems can make a significant contribution to combating climate change – to the extent that we can meet 30 percent of the EU’s climate change mitigation targets with nature-based solutions, such as regenerating forests, soils and wetlands¹⁰.

Żabka Polska, bearing in mind the issues of sustainable development and the need to preserve, enhance and protect biodiversity, is determined to actively participate in the pursuit of the goals set in the international forum, including participation in the implementation of the tasks adopted at the *COP15 summit, The Kunming-Montreal Global Biodiversity Framework (GBF)* in particular under the following targets: 15, 18 and 19¹¹, emphasizing, among other things, the issues of transparency regarding the companies’ biodiversity conservation efforts. The actions taken are also in line with the aforementioned UN Sustainable Development Goals, and take into account the objectives arising from the strategies and action plans at the European Union level in the initiatives planned and implemented by the Company. These are, in particular: *The EU Climate Change Adaptation Strategy, EU Farm to Table Strategy, EU Biodiversity Strategy for 2030, new EU Forest Strategy for 2030*, and also further regulations related to combating uncontrolled deforestation which are pending. The principles and directions of the Company’s activities are also consistent with ‘The 2030 National Environmental Policy – the Development Strategy in the Area of the Environment and Water Management’ and, at the operational level, are based on national regulations in the field of environmental protection and conservation of nature.

Responsibility is a value permanently inscribed in the DNA of the Żabka Group. We want our activities not only to simplify the lives of our customers, but also to have a positive impact on our Stakeholders, their surroundings, communities, and ultimately the planet.

This ambition is reflected in the actions already taken, as well as the plans to minimize our environmental footprint – including in the areas aimed at enhancing and protecting biodiversity.

By adopting the methodology of the UN Sustainable Development Goals in the scope of biodiversity, i.e. SDG 15 ‘Life on Land’: *Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation, and halt biodiversity loss*, **we recognized that deforestation and**

¹⁰ [An Advocacy Toolkit for Nature, EC 2021](#) accessed on 30 Sept 2025

¹¹ [2030 Targets \(cbd.int\)](#) – accessed on 30 Sept 2025

forest degradation are among the most significant factors determining biodiversity loss, as well as implying ongoing climate change, and first of all we have taken on the challenge of minimizing the impact of our Private Label Products on these natural ecosystems¹² – “upstream” in the supply chain.

We strive to ensure that the process of making our products does not adversely affect the level and state of global forest area and, as a result, does not also contribute to soil erosion, disruption in water retention and the disappearance of natural habitats and biodiversity loss.

This direction is consistent not only with the above-described international and national strategic scope and current legislation, but also with the objectives of the regulation on reducing deforestation and forest degradation as a result of European Union activities. EU regulation Deforestation Regulation (EUDR) deals with deforestation-free supply chains. The application of the new rules will ensure that certain key commodities entering the EU market will no longer contribute to deforestation and forest degradation in the EU and globally¹³. Among other things, these regulations apply to raw materials such as cocoa, coffee, palm oil, soybeans and wood.

In view of the above, Żabka Polska identified key raw materials within its Private Label Products and adopted the *Policy on Sustainable Sourcing of Plant Raw Materials And Sustainable Sourcing of Fish and Seafood*¹⁴, ensuring that the plant raw materials we purchase: coffee, tea, cocoa, palm oil and soybeans, will come from sustainable agriculture. This is assured by the fact that designated suppliers are certified and hold various sustainable sourcing certificates, including Rainforest Alliance 2020, and RTRS (Round Table on Responsible Soy) and RSPO (Roundtable on Sustainable Palm) certification. The goals of the policy were achieved in 2025.

The above policy also addresses another important aspect of biodiversity¹⁵, i.e. **reducing pressure on marine ecosystems**. We will ensure that the fish and seafood sourced for Private Label products will come from sustainable fisheries. This is assured by the fact that our suppliers of Private Label product range are certified and hold: ASC (Aquaculture Stewardship

¹² The main driver of deforestation and forest degradation is the increase in the area of agricultural land associated with the production of imported commodities such as soybeans, beef, palm oil, timber, cocoa and coffee.

¹³ [Regulation to combat global deforestation and forest degradation \(europa.eu\)](#) – accessed on 30 Sept 2025

¹⁴ Sustainable sourcing of plant raw materials and sustainable sourcing of fish and seafood, [Our company's policies | Żabka Group \(zabkagroup.com\)](#)

¹⁵ SDG 14 “Life Below Water”: *Conserve and sustainably use the oceans, seas and marine resources for sustainable development.*

Council), MSC (Marine Stewardship Council), BAP (Best Aquaculture Practices) certification. This goal was achieved in April 2023.

Water availability (water retention) is one of the important features that directly shape the structure of an ecosystem. Water shortages, including, as a consequence, the phenomenon of drought (especially soil and hydrological drought) is an important cause of weakening the resilience of ecosystems, as well as the decline in biodiversity at the global, national and local level. The threat to freshwater biodiversity through impacts on the habitat or direct toxicity of agents introduced into natural water resources is an equally important aspect.

We have implemented the *Water Policy*¹⁶ to sustainably use and protect water resources. In this regard, we strive to protect the status of surface and groundwater resources (water bodies), including their quality. The policy defines the main principles of water resource management, among other things, in order to improve water quality by eliminating pollutants, reduce the use of harmful chemicals and increase water use efficiency in all sectors. In order to guarantee the reduction of its water footprint and promote sustainable water management, Żabka Polska declared to maintain an average annual water consumption rate at the level of 0.03, at Logistic Centers and Terminals. Żabka Polska also pledged that suppliers of Private Label Products with plants located in the areas of water stress will develop plans for reduction of water use. Remaining suppliers are also encouraged to apply this recommendation. We also commit in the Water Policy to work with Stakeholders, among others, to promote the principles of sustainable development in the area of water and wastewater management, by applying solutions that contribute to the protection of life on land, in water, and to the production of more food with less water.

We have also implemented Decarbonization Policy, which commits us to reducing absolute greenhouse gas emissions in Scope 1 and 2, lowering the greenhouse gas emissions intensity in stores, and engaging business partners to set science-based reduction targets for Scope 3. Actions that reduce the carbon footprint support the protection of biological diversity. After biodiversity dependencies and impacts analysis proceeded in 2024, the main nature related inherent impacts and dependencies of Żabka Polska have been identified.

The analysis has confirmed that Żabka has been focusing on the right priorities, including implementation of effective water management, decarbonisation, waste management, eco-design, customer and franchisees education as well as sustainable sourcing practices. Żabka Polska is also contributing to biodiversity preservation, by working towards compliance with EU Deforestation Regulation.

¹⁶ Water Policy, [Our company's policies | Żabka Group \(zabkagroup.com\)](#)

Art. 4. General principles

Żabka Polska commits to active participation in the efforts to stop and ultimately reverse the processes of degradation of natural ecosystems leading to a decline in biodiversity, in particular to continue efforts to combat deforestation and degradation of forest ecosystems, thus honoring the global goals adopted at the COP15 summit, the Kunming-Montreal Global Biodiversity Framework, and the strategic framework set out in the European Green Deal.

In this regard, in addition to the consistent implementation of **the specific objectives** set forth in the internal policies described above, we will undertake further initiatives to contribute to raising standards related to the whole value chain (*upstream, downstream*), including process aspects in the following areas: investments, operations, monitoring and reporting. **These activities will be carried out on the basis of – the Biodiversity Road Map.**

In summary, we assume the following areas of activities:

- 1. Continue focusing on current priorities and goals, such as** water management norms, decarbonisation, waste management and sustainable sourcing practices, assured by a set of sustainability certificates, for main high-risk commodities: coffee, cocoa, soy, fish, palm oil, paper and wood.
- 2. Assurance of deforestation-free supply chains,** according to EUDR regulation.
- 3. Protection of biodiversity** in areas relevant to Żabka operations.
- 4. Continuation of collaboration and educational activities with suppliers,** particularly regarding the origin of raw materials, reduction of emissions from the forestry, land, and agriculture sectors (FLAG), and efficient water resource management.
- 5. Implementation of Biodiversity Road Map** for 2026, covering milestones such as:
 - Kick-off of collaboration with Karkowski National Park, aimed at biodiversity protection and conservation
 - Assuring of no negative impact monitoring on biodiversity in current and future Żabka own operations.

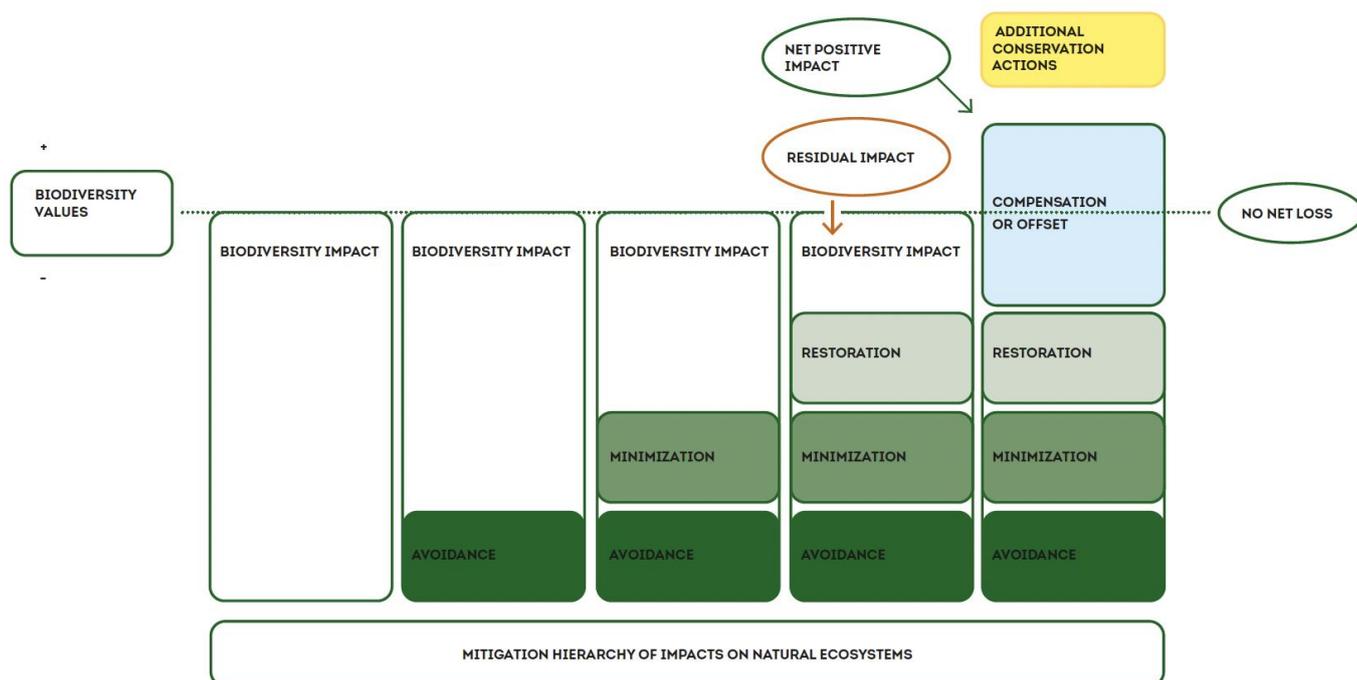
- Kick-off of supplier collaboration, aimed at negative impact reduction on biodiversity, through FLAG emission reduction and water management plan implementation.

With this policy, we also confirm the following **general rules of conduct**, which will apply to the **Company's** operational and investment activities:

1. biodiversity protection and pursuit of sustainable use of natural resources – locally, nationally and globally, through:

- applying hierarchy of mitigation of impacts on natural ecosystems (avoidance, reduction, restoration and as a last resort compensation) **when operating in the vicinity of statutorily defined forms of nature conservation (in situ conservation);**

The following figure shows the philosophy of the mitigation hierarchy in the area of biodiversity protection¹⁷:



- reducing the share of key natural resources sourced from unknown sources (i.e., those that can be primarily linked to **excessive and uncontrolled deforestation and land use conversion**);

¹⁷ The figure prepared based on: [Biodiversity offsets - resource | IUCN](#) – accessed on 30 Sept 2025; and mitigation hierarchy definition – [ESRS4: Download \(efrag.org\)](#) – accessed on 30 Sept 2025. NO NET LOSS

- increasing the share of certified natural raw materials used in the Private Label products offered, thus ensuring **positive impact, among others, on the protection of forest ecosystems;**
- applying the best practices in sustainable use of natural resources along the value chain;

2. periodic processes for identifying, assessing, as well as monitoring and reporting the impact of the Company's operational activities on natural ecosystems, with a particular focus on biodiversity;

3. promoting the implementation of activities or the implementation of standards and other operational solutions among business partners aimed at the protection of natural ecosystems, **including protection of forest ecosystems, as well as conservation of natural resources;**

4. partnerships with stakeholders (with the participation of local communities, NGOs and sectoral organizations) to jointly implement or support initiatives to **protect and enhance biodiversity, including supporting afforestation and ecosystem restoration (active conservation of nature);**

5. raising environmental awareness of Stakeholders in terms of the importance of preserving biodiversity, highlighting its protection through educational and informational activities, also promoting **sustainable production and consumption models.** These activities will be implemented in cooperation with NGOs, as well as in sector partnerships;

6. communicating externally the importance of protecting and enhancing biodiversity with information on the impact of Żabka Polska's activities in this regard (including reporting).

Art. 5. Policy review and update process

5.1. The Quality Standards & Climate Protection Director is responsible for ensuring that the Policy is in compliance with generally applicable provisions of law and verifying any irregularities in its implementation or execution.

5.2. The policy is subject to periodic reviews and, if necessary, appropriate updates to bring it into compliance with current legal requirements.

5.3. The Policy is reviewed and updated by the Quality Standards & Climate Protection Director, at least once every 12 months.

Art. 6. Final provisions

6.1. The policy was adopted by the Company's Management Board on 26 June 2023.

6.2. This version of the policy shall enter into force on April 1st, 2026.

