



# Waste Management Policy

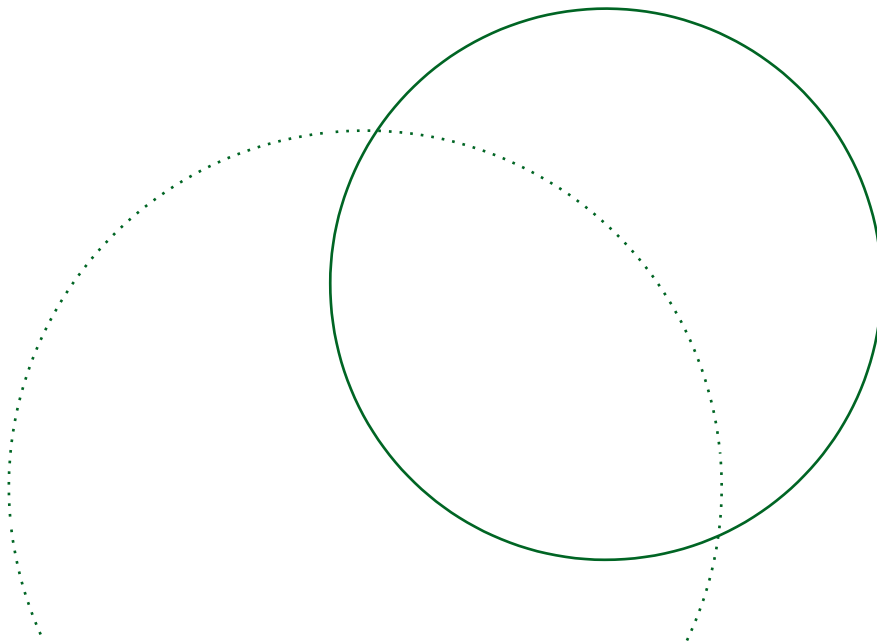


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## DOCUMENT SPECIFICATION

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<b>SUBJECT MATTER</b>	This Waste Management Policy sets out the guidelines in respect of the recommended waste management methods to reduce waste production at each point in the product's lifecycle. This Policy applies to Żabka Polska, Franchisees, as well as the suppliers of Own Brand Products and other brand products.



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# Introduction

Żabka Polska is guided by values that help the Company to achieve its goals every day. We always try to ensure that our actions do not harm our planet and follow the principles of sustainable growth. This is why one of the main assumptions of our Responsibility Strategy is the Green Planet, which focuses on actions aimed at protecting the environment.

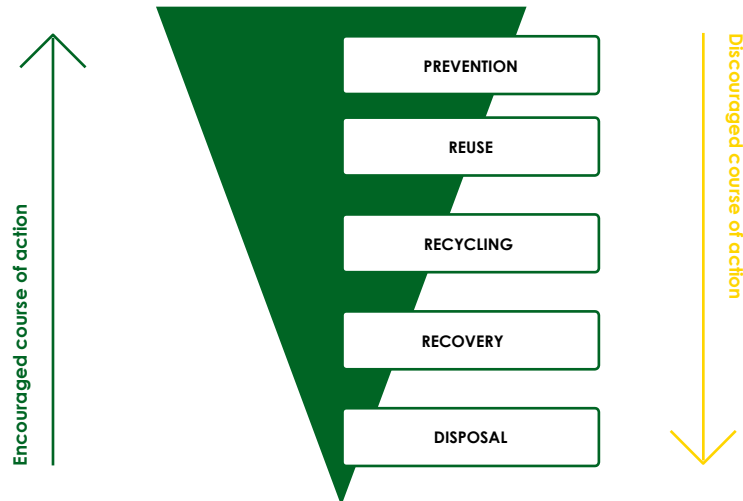
One of our goals is to reduce the amount of waste that ends up in the environment. The achievement of this goal means not only cleaner waters, soil or entire ecosystems, but also lower costs for the society and better living conditions for people and animals. When properly managed and segregated, waste becomes a better recycling material. As a result, the consumption of natural resources is reduced.

If the world population grows to 9.6bn by 2050 as expected, we will need three times the natural resources the planet has in order to maintain our lifestyle.

For this reason, as an organization, we decided to introduce a waste management system based on the following hierarchy: prevention, reuse, recycling, recovery and disposal. The purpose of this hierarchy is to reduce the amount of waste produced and reuse the waste that is produced through recycling or recovery. This hierarchy is consistent with the idea behind Closed Loop Economy which has been put to life in Żabka Polska in the form of the Circular Policy. These issues are also the focus of Directive 2008/98/EC of the European Parliament and of the Council on waste. This Policy concerns waste produced at each point in the product's lifecycle. We believe that thanks to the measures we take we will succeed in reducing our environmental footprint across the entire value chain.

At Żabka Polska, we handle waste in accordance with the waste hierarchy provided for in Directive 2008/98/EC of the European Parliament and of the Council on waste. Our preferred approach to waste is prevention and reuse. **Our ultimate goal is to minimize the production of waste.** The key elements of the method of waste management we rely on are recycling and recovery. Another important aspect of the reduction of the waste stream is the monitoring of the environmental issues and promotion of ecological education.

We want to inspire our business partners to follow our lead in the environmental transformation. To that end, this Policy sets forth certain rules defined by Żabka Polska to be implemented by our stakeholders, i.e., Franchisees, suppliers of Own Brand Products, and finally suppliers of other brand products.



## I Section 1 Policy purpose and Scope

1.1. The Waste Management Policy sets forth the rules that Żabka Polska follows in respect of waste management.

1.2. This Policy applies to the present and future suppliers of Own Brand Products and other brand products, as well as Żabka Polska Franchisees.

## I Section 2 Definitions and abbreviations

- 2.1. **Policy** → this animal welfare policy
- 2.2. **Żabka Polska, Company** → Żabka Polska sp. z o. o.
- 2.3. **Employees** → all persons employed by Żabka Polska under an employment relationship, regardless of the type of employment contract and working time.
- 2.4. **Associates** → persons providing services or other assignments to Żabka Polska under Cooperation Contracts or powers of attorney, including Partners, Managers and Heads
- 2.5. **Officers** → Management Board President, Management Board Vice-Presidents, Management Board Members and Holders of Commercial Power of Attorney of Żabka Polska, as well as persons in charge of the organization and management of the work process in individual organizational units of the Company reflected in the organizational chart of Żabka Polska (Heads, Managers, Coordinators, etc.);
- 2.6. **Franchisees and Agents** → persons who operate a store under the Żabka brand on the basis of an appropriate contract executed with the Company

- 2.7. Business partner** → a natural or legal person with a business relationship with Żabka Polska, i.e., suppliers of products and services
- 2.8. Own Brand Products** → products offered to consumers under the Żabka Polska brand, understood as products manufactured by a given supplier, with qualities specified by Żabka Polska, put in a packaging specified by Żabka Polska and bearing a trade mark specified by Żabka Polska, with all intellectual property rights to such a trade mark held by Żabka Polska
- 2.9. Brand Products** → products offered to a consumer under the producer's brand
- 2.10. CLE** → Closed Loop Economy, in this Policy means the same as the "circular economy". It involves continuous reduction of the amount of primary materials used and increased reliance on recycling and reusing resources and materials;
- 2.11. Eco-design** → designing products, packaging, stores, services and processes in a way that is friendly to the environment, decreases the use of resources, supports their recovery. It is described in detail in the Eco-design Policy.
- 2.12. Circularity** → recovery and reuse of 100% of produced waste described in detail in the Plastic Circularity Policy.
- 2.13. Plastics Policy** → Single-Use Plastics, introduces restrictions in respect of using plastics and imposes a ban on single-use products made of plastics and oxo-degradable plastics. These include: cutlery (forks, knives, spoons, chopsticks); plates; straws; food containers; balloon sticks; beverage containers; cups; stirring paddles

## I Section 3 General rules

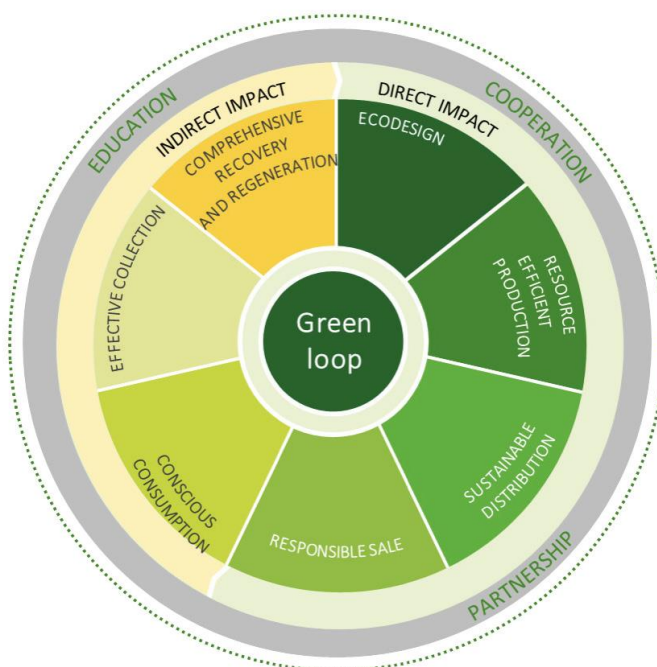
The Waste Management Policy is designed to support Żabka Polska's efforts to close the loop of the product life cycle by limiting the excessive consumption of resources and at the same time increasing the reliance on reuse of secondary raw materials or the energy they contain. This trend has its source in EU regulations on the transition of the economy towards the closed-loop model ("CLE"). The goal of the transition is to maximize on the value added provided by raw materials/resources, materials and products and **reduce the amount of produced waste**, while at the same time preserving the efficiency of production processes and consumption.

The transition towards CLE is consistent with the current targets in the field of climatic neutrality that EU is to meet by 2050. As part of the "green transformation" the EU supports, among other things, sustainable production and consumption, and wants to ensure that each element of plastic packaging can be reused or recycled by 2030. The EU also promotes the phase out of single-use plastic products.

**The Waste Management Policy adopted by Żabka Polska supports the goals in the area of circularity defined in our Responsibility Strategy:**

- Achievement of plastic neutrality (we want to recover and reuse 100% of plastics we put on the market)
- Encouragement of key business partners to take action to reduce the use of primary plastics
- Increase of the level of reuse of recyclable materials, including glass, aluminum and paper

With these goals in mind, we take responsibility for the way we handle waste created at every stage of the production process and product delivery to the Client. We are also concerned about the next stage in the product's life cycle. This is why we participate in initiatives in ecological education, which increase consumer awareness of how to properly handle communal waste.



Our actions in the field of waste management are consistent with domestic and European regulations that address the same issues:

- The Single-Use Plastics Directive includes a ban on the use of single-use plastics, introduction of new models of beverage containers (the cap or lid is connected to the bottle) and the obligation of incorporating recycled material in the packaging used (targets: 25% by 2025 and 30% by 2030) and collecting most of used beverage containers (targets: 77% by 2025 and 90% by 2029).
- As part of the Circular Economy Package, Poland has an obligation to recover 50% of the plastics used in packing by 2025 and move towards closing the loop on waste by introducing a packaging fee and a system of Extended Producer Responsibility.
- Moreover, a plastic tax has been introduced, which is a fee to be made by EU Member States for each kilogram of non-recycled plastic waste in a given year. It has been applicable since January 2021.
- Directive 2008/98/EC of the European Parliament and of the Council on waste and repealing certain Directives, which sets the legal framework for the processing of waste in the European Union.

This framework is designed to protect the environment and human health by stressing the significance of the right methods of waste management, recovery and recycling for decreasing the pressure on resources and a more efficient use of them.

- The Act on Packaging and Packaging Waste Management dated June 13th, 2013, which sets, among others, the rules of operation for packaging recovery organizations, the rules of handling packaging waste and the rules of fixing and collecting the recycling fee.
- The Act on Waste dated December 14th, 2012, which creates an obligation to draw up an annual report on products, packaging and the management of waste created in connection with them.

## I Section 4 Detailed rules

**This Policy sets out the following key assumptions adopted by Żabka Polska in respect of waste management and gives examples of good practices that Business Partners can follow:**

- **Prevention** - implementing measures before a substance, material or a product becomes waste to reduce the amount of waste by reusing products or the extension of the lifespan of products.

### **An example of a measure recommended to Business Partners**

- the implementation of the Circularity Policy for Plastics dated October 15th, 2021 adopted by Żabka Polska;
- the implementation of the Eco-design Policy dated October 15th, 2021 adopted by Żabka Polska;

- **Reuse** - processes that involve the preparation of products that used to be waste so that they can be used again without pre-treatment. These processes include: checking, cleaning, mending.

### **An example of a measure recommended to Business Partners**

- using a packing several times by mending, cleaning and reusing it;
- introducing reusable shipping packaging;

- **Recycling** - a process that is meant to reduce the use of natural resources. Waste is converted into products and then used again for the same or any other purpose.

### **An example of a measure recommended to Business Partners**

- arranging for the produced waste to be recycled, especially plastics and waste paper;
- sorting communal waste into 5 categories (paper, glass, metals and plastics, organic-waste and mixed waste)

- **Recovery** - using waste in whole or in part again or recovering substances, materials or energy from waste for further use.

### **An example of a measure recommended to Business Partners**

- arranging for food products that are not edible and cannot be otherwise used to be burned in order to recover energy;

arranging for organic waste from agro-food industry to be used in agriculture or gardening (e.g. as fertilizer);



- **Disposal** - the biological, physical or chemical processing of waste so that it no longer poses a threat to human life or health and the natural environment. This applies to waste that is not fit for any other use.

**An example of a measure recommended to Business Partners**

- handing over IT equipment to a specialized facility with a relevant permit for disposal;

- **Monitoring of environmental issues** - creating regular reports on an organization's operations, products or services that may have impact on the natural and human environment.

**An example of a measure recommended to Business Partners**

- creating annual reports on the produced waste and the ways the waste is managed;

- keeping and monitoring a company record in respect of the consumption of natural resources;

- **Ecological education** - shaping and raising ecological awareness among employees, associates, present and future business partners and franchisees of Żabka Polska and Clients in terms of waste management methods in line with the waste management hierarchy.

**An example of a measure recommended to Business Partners**

- providing training in the area of environmental protection requirements for employees and interested parties;

- placing a label with waste sorting information on packaging

Business partners are required to follow the above-discussed assumptions of the Waste Management Policy. The examples of actions recommended to Business Partners are good practices followed by Żabka Polska. Given the varied nature of business run by Partners, each Business Partner decides individually what specific actions they should take to implement this Policy.

**This Policy applies to Own Brand producers and enters into force in 2023.**

**As far as other brand producers are concerned, the above requirements should be treated as guidance.**

## Section 5 Policy update and review

**5.1.** The Quality and Food Norms Management Head ensures that the Policy complies with generally applicable laws and verifies potential irregularities in the enforcement and implementation of the Policy.

**5.2.** The Policy is periodically reviewed and – if necessary – updated accordingly to ensure that it complies with applicable legal regulations.

**5.3.** The Policy is reviewed and updated by the Quality and Food Norms Management Head at least once every 12 months.

## Section 6 Final provisions

**6.1.** This Policy was adopted by the Company Management Board on July 13th, 2022.

**6.2.** This Policy enters into force on July 20th, 2021.

