



Food Waste Prevention Policy



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PURPOSE	The Policy sets uniform standards for the reduction of food waste in Żabka Polska's own operations and at the Stores as well as in the operations of the Suppliers of private labels and branded products.

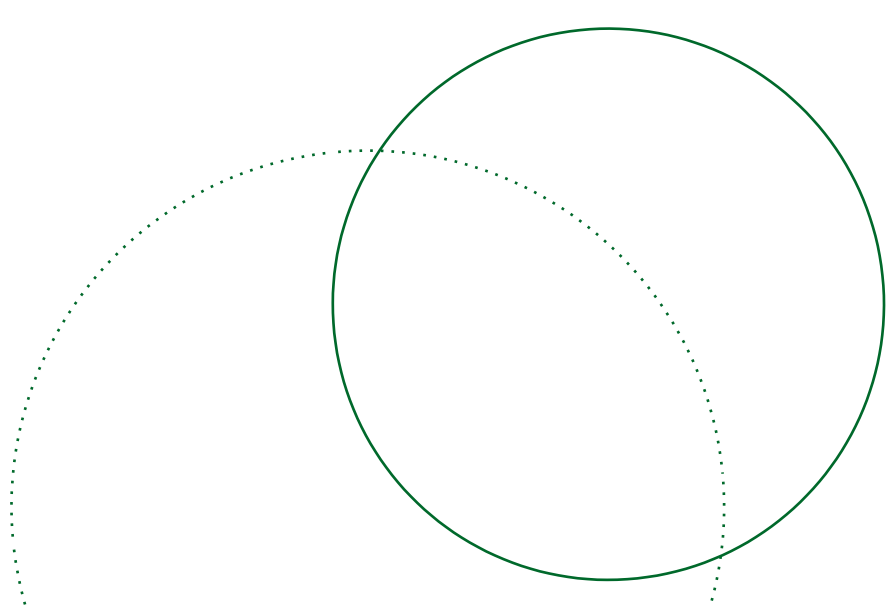


TABLE OF CONTENTS

INTRODUCTION	4
Article 1. SUBJECT AND SCOPE	5
Article 2. DEFINITIONS AND ABBREVIATIONS.....	6
Article 3. GENERAL PROVISIONS	8
Article 4. SPECIFIC PROVISIONS.....	9
Article 5. REVIEW AND UPDATE	11
Article 6. FINAL PROVISIONS.....	12

Introduction

Addressing food waste is one of the 17 UN Sustainable Development Goals (SDG). Target 12.3 reads that by 2030, the global food waste *per capita* at the retail and consumer levels should be halved and food losses along production and supply chains, including post-harvest losses should be reduced compared to 2015. Experts estimate that the likelihood of achieving this target is under 25%. They also stress that a concerted effort is needed from the entire food supply value chain, i.e., production, distribution, sales and consumers, to increase the chance of achieving satisfactory results.

According to research and analyses conducted by experts, almost 5 million tonnes of food are wasted annually at the production, processing, distribution and consumption stages in Poland. The world's greenhouse gas emissions due to food waste are equivalent to the emission of 3.3 billion tonnes of carbon dioxide (Food Waste Footprint, FAO 2013).

We are aware of the scale of this challenge and are proactively seeking solutions to reduce food waste, whether in our own operations, at our franchisees, or in the households of our consumers and among our suppliers. Preventing food waste is one of Żabka Group's commitments and one of important issues for our stakeholders.¹ Over 80% of franchisees, Employees and customers identified it as the most important responsibility of the Company. Nearly 90% of the products available in Żabka Polska are intended for immediate consumption, thus easily satisfying nutritional needs such as hunger or thirst, without the need to buy in stock.

Article 1 SUBJECT AND SCOPE

1. This Policy defines uniform standards for prevention of food waste at Żabka Polska, including the hierarchy in the process, the lines of action and the calculation methods.
2. This Policy applies to all companies operating within Żabka Group as well as the Suppliers of Żabka Polska's Private Label products.

Article 2 DEFINITIONS AND ABBREVIATIONS

1) Policy	– This Policy Against Food Waste
2) Żabka Polska, Company	- Żabka Polska sp. z o.o.;
3) Żabka Group or Group	- an executive company (partnership or capital) or other persons and a business unit, a unit derived from the form or country of origin of Żabka Polska sp. z o.o.
4) Employees	– all persons employed by Żabka Polska under an employment relationship, regardless of the type of employment contract and working time;
5) Partners	– persons providing services to Żabka Polska or performing other services on the basis of Cooperation Contracts or appropriate powers of attorney, including Partners, Managers, Directors;
6) Franchisees	– persons who operate a store under the Żabka brand on the basis of an appropriate contract executed with the Company;
7) Food waste	– withdrawal of unsold food from the distribution stage without donating it to other entities, and its disposal without energy recovery. Food is defined as any substance or product - processed, partially processed or unprocessed - intended for human consumption. Food waste includes both: <ul style="list-style-type: none"> • “edible parts”: i.e. the parts of food that were intended for human consumption, and • “inedible parts”: components associated with food that are not intended for human consumption.
8) Business entities	– all Business entities belonging to Żabka Group.
9) Suppliers	– natural or legal persons that are suppliers of private label products of Żabka Polska (understood as products produced 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) or products under a given manufacturer's brand, – with whom Żabka Polska maintains business relations. The manufacturers, distributors, service providers are also considered to be Suppliers.

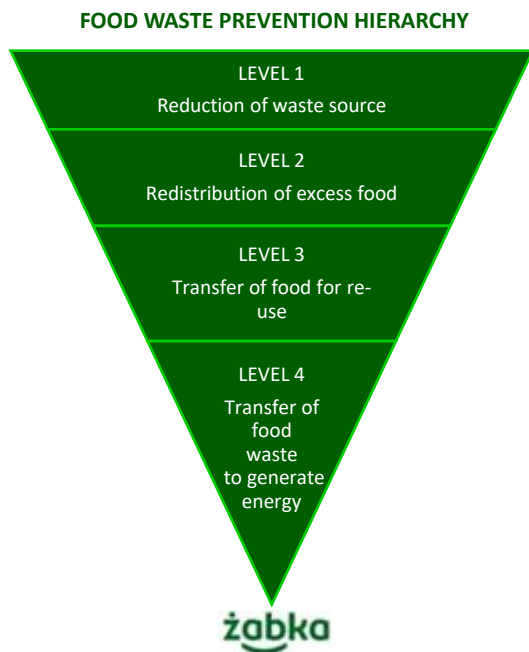
<p>10) Public benefit organisation</p>	<p>- a non-governmental organization and an entity referred to, respectively, in Article 3(2) and (3)(1) of the Act of 24 April 2003 on Public Benefit and Volunteer Work (Journal of Laws of 2020, item 1057), whose statutory objective is to perform public tasks including:</p> <p>(a) social care, including assistance to families and persons in difficult life situations and equalisation of opportunities for such families and persons,</p> <p>b) supporting the family and the foster care system,</p> <p>c) charity activities involving the provision of food to persons in need or running food service establishments for such persons.</p>
<p>11) Cooperation Agreement</p>	<p>- a civil law contract concluded with the Company, including a contract for the provision of services, a contract of mandate or a contract for work;</p>
<p>12) Store</p>	<p>- the commercial premises or part thereof where the Franchisee conducts its commercial activities;</p>
<p>13) Business partners</p>	<p>- natural or legal persons with whom Żabka Polska maintains business relations, excluding the Employees, Partners and Franchisees. The business partners also include: recipients (customers); suppliers of goods and services; other natural or legal persons with whom Żabka Polska enters into economic relations through the conclusion of agreements or other formal obligations.</p>

Article 3 GENERAL PROVISIONS

- 3.1.** This Policy aims to ensure that the goals set by the Company are met, i.e.:
- Minimising the level of food waste in the Stores and its continuous monitoring.
 - 25% reduction in the level of food waste in the Company's own operations by 2026 in relation to the volume of food purchased; and
 - re-use of at least 50% of unsold food by 2025.
- 3.2.** Notwithstanding Section 3.1 above, the Company, as a member of The Consumer Goods Forum and the Food Waste Coalition, will strive to contribute to the Sustainable Development Goals of the United Nations (UN) Development Program.
- 3.3.** In 2022, Żabka Polska introduced a system for reporting data related to the initiatives in this field to determine the volume of food waste. As a calculation method, it adopted the balance method. This method shows the ratio of the volume of food discarded to the volume of food purchased.
- 3.4.** In order to implement this Policy, the Company will make every effort to ensure that:
- all Żabka Group companies that market food have clear targets for reducing food waste and a plan for reaching these targets;
 - all Żabka Group companies are provided with the necessary know-how to plan, predict and reduce food waste;
 - the support is offered to private label manufacturers to counter food waste
 - the amount of food waste throughout Żabka Group is constantly monitored and reduced.

Article 4 SPECIFIC PROVISIONS

4.1 PREVENTION HIERARCHY In order to reduce the level of food waste, Żabka Polska introduces the following food waste prevention hierarchy:



- **LEVEL 1**

Source reduction: Minimising losses starting with purchasing and production planning, maximum use of raw material, through proper storage, damage prevention and optimal distribution according to the demand

Sample actions:

- purchase of products based on sales analysis and the level of losses in a given category
- extending “product life” by shortening the supply chain

- **LEVEL 2**

Redistribution of excess food both through additional sales channels and to public benefit organisations.

Sample actions:

- resale of short-dated products to third parties
- donating food with a short shelf life or minimum durability date to Public Benefit Organisations

- **LEVEL 3**

Transfer of non-marketable food for the production of new food or other products.

Sample actions:

- transfer of stale bread to an outside company to produce new products based on them

- **LEVEL 4**

Transfer of food waste that is composted to generate organic matter, heat and/or electricity.

Sample actions:

- transfer of food past its best-before date or minimum durability date to a biogas plant for energy generation

4.2 Measures taken to reduce the level of Food Waste. Żabka Polska intends to take the following steps to reduce the level of food waste

STEP 1

Determining the level of food waste to specify the scale of the problem

STEP 2

Introducing comprehensive reporting in the area of food waste to continuously monitor changes and the impact of the steps taken

STEP 3

Setting food waste reduction targets to have a clear goal to reach

STEP 4

Creating a roadmap of initiatives supporting the achievement of targets.

4.3 WORK SCHEDULE Żabka Polska will follow the work schedule outlined below:

4.3.1. ŻABKA POLSKA AND BUSINESS UNITS- In order to achieve its targets in terms of reducing the level of food waste, Żabka Polska is introducing the following schedule of actions

- Determining the level of food waste and introducing comprehensive reporting by the end of 2024.
- By the end of 2024, setting annual targets until 2026 for the base year from which the progress is calculated.
- Creating a roadmap of initiatives supporting the achievements of Food Waste reduction targets by 2024.
- Introducing initiatives to reduce food waste volume and ongoing monitoring of their impact and contribution to achieving the targets.

4.3.2. SUPPLIERS

- Following waste prevention hierarchy in force at Żabka Polska.
- Reporting the volume of food waste and continuous monitoring of the levels of food waste.
- Setting food waste reduction targets at least on an annual basis.
- Creating a roadmap of initiatives needed to meet the food waste reduction targets

The guidelines apply to manufacturers of Żabka Polska's Private Labels, and will be in effect from end of 2024 for selected 20 suppliers and by the end of 2025 for all others. For manufacturers of branded products, the above requirements are indicative only.

4.3.3. Educating **Employees, Partners and Franchisees** about food waste.

4.4 Dialogue with Business Partners on food waste and encouraging them to take steps to minimise losses.

4.5 Educating consumers about food waste and its prevention and supporting them in making responsible shopping choices.

Article 5 - REVIEW AND UPDATE

- 1.** The Sustainable Food Manager ensures that this Policy complies with generally applicable laws and verifies potential irregularities in its enforcement and implementation.
- 2.** The Policy shall be reviewed regularly and, if necessary, updated accordingly to comply with current legal requirements.
- 3.** The Policy is reviewed and updated by the Food Waste Manager at least once every 12 months.

Article 6 - FINAL PROVISIONS

1. The Policy has been adopted by Żabka Polska on 13 June 2024.
2. The Policy takes effect on 13 June 2024.

ⁱ [Raport-Odpowiedzialnosci-2021.pdf \(zabkagroup.com\)](#)

