

Independent assessments and ethical audits strengthen our business relationships

At Žabka, we care about monitoring the supply chain and assessing the risks associated with sustainable development and supplier performance. Independent ethical assessments and audits, which our suppliers can undergo, are particularly helpful in this regard.

There are many companies in the market that conduct comprehensive assessments and audits, employing qualified experts and auditors, such as SGS, Bureau Veritas, Intertek, and TÜV Rheinland. These are independent organizations, and Žabka does not interfere in the assessment or audit process in any way, neither in the process of developing assessment tools and the selection of the auditor nor during the writing of the audit report. Currently, the leading global standards for ethical audits include SMETA (SEDEX Members Ethical Trade Audit), amfori BSCI, and Ecovadis. Each standard has a slightly different methodology, but they are always based on the same pillars: **business ethics, human rights, and environmental protection.**

Why do we prefer SMETA?

SMETA is one of the world's leading standards for ethical social and environmental audits. At Žabka, guided by responsibility in our daily operations, we approach the topic of a sustainable supply chain with due diligence and rely on proven and reliable tools such as SMETA standard audits.

The SEDEX self-assessment questionnaire and the SMETA audit define a uniform assessment and reporting format, which ensures that the information is meaningful and comparable. The result of the self-assessment and the audit report is published in the SEDEX database, which increases transparency and supports supplier management and risk reduction. The SMETA standard audit is offered by most independent auditing firms in the market, which ensures its availability to our business partners.

Self-assessment and audit help strengthen cooperation

At Žabka, in line with our Responsibility Strategy, we focus on partnership cooperation with our suppliers, so the results of the self-assessment and audit do not determine the end of cooperation with a partner. Detected non-compliances indicate areas where the supplier should work to achieve compliance with the guidelines. Žabka can provide the partner with substantive support to correct non-compliances in the spirit of cooperation and dialogue.

Why do we care about this?

- We take due diligence to ensure respect for ethical, environmental, and human rights standards in the supply chain.
- We can better prevent potential risks in the supply chain and detect them at an early stage.

Why is it worthwhile from the perspective of our suppliers?

- Suppliers increase their competitiveness in the market – conducting ethical business and regularly checking compliance with principles regarding, among others, working conditions and human rights ensures the trust of conscious contractors. The supplier can communicate the results of the self-assessment and audit to all their business partners and post them on their website, which will serve as a showcase of their commitment to ethical business conduct.
- Regular checks on ethical business conduct allow the supplier to detect and mitigate non-compliances, which can carry financial and reputational costs.

What is the SEDEX database?

The SEDEX (Supplier Ethical Data Exchange) database is a global platform for exchanging information on ethically sustainable production in the supply chain. It enables members to support supplier management and reduce risk through information exchange. The platform facilitates the building of ethically responsible business practices.

Why use the SEDEX database?

• Transparency and credibility

SEDEX enables companies to demonstrate compliance with high standards in working conditions, human rights, and the environment. The information is transparent and accessible to potential partners.

• Risk management

By exchanging information in a globally recognized database, companies can better manage risks associated with the supply chain.

• Responsible business practices

SEDEX promotes responsible business practices throughout the value chain, which can contribute to improving the company's image.