



SUSTAINABILITY REPORT

OF THE CEDEVITA BRAND
FOR THE YEAR 2022

CEDEVITA[®]

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KEY 2022 HIGHLIGHTS

CEDEVITA®

CEDEVITA PRODUCTS

A trustworthy and popular regular brand:



in Croatia and Slovenia,



in Serbia.



ALL
PRODUCTS

contain enriched nutrients (vitamins).

Almost
11 THOUSAND TONS
or more than
105 MILLION UNITS
of Cedevida are manufactured annually.

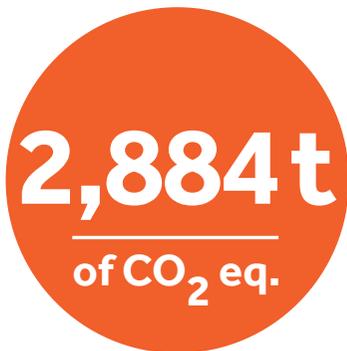
Cedevida products are present in more than



COUNTRIES
WORLDWIDE

NATURAL ENVIRONMENT

The organisational carbon footprint of Scopes 1 and 2 for the manufacture of Cedevida amounted to



**12,648 MWh
IN ENERGY**

was consumed
in manufacturing
processes.

5,747 MWh
in energy was generated
from

**RENEWABLE
RESOURCES.**

23,733 m³
IN WATER
was consumed in manufacturing
processes which is



89%
of the
packaging
used for
our products
is

RECYCLABLE.

95%
of separately
collected waste
at the Planinska
location

**AND
99%**
at the
Apatovec
location.

SOCIAL ENVIRONMENT

351  employees

More than **60%**  employed managers are female.

NO REPORTS
or procedures pertaining to checking discrimination in the workplace.

25% of employees with a **CAREER PLAN** 

90% employees received a **JOB PERFORMANCE APPRAISAL** 

9.5 HOURS OF EDUCATION
and training per employee

96% **OF SUPPLIERS**
graded excellent (A) 

NO

cases of non-compliance with regulations from the point of view of the impact of products and services on the health and safety of customers.

Our "Back to School" campaign **HELPED OVER 20 PARENTS**
take care of their children's back-to-school well-being.

1,300 energy resource optimisation and saving activities as part of the Value Day by Cedevita raised

 **10K EUR**
IN FUNDS FOR OUR HUMANITARIAN FUND.

433,397 EUR
spent on sponsorships and donations. 

MANAGEMENT

Our activities

**SUPPORT 12
SUSTAINABILITY
GOALS OF THE
UN.**

NO

major cases of non-compliance
with the law in the field of
business.



2

ABOUT THE SUSTAINABILITY REPORT

CEDEVITA®

ABOUT THE SUSTAINABILITY REPORT

As a brand with a significant social impact in the region, **we strive to communicate transparently**, openly, and truthfully with our stakeholders about our activities and products.

Therefore, the first separate report on the sustainability of the Cedevida brand was drawn up in 2023 presenting our environmental management, relations with society and aspects of governance (ESG). These aspects, which are largely defined at the level of our parent company, the Atlantic Grupa, are largely reported on in compliance with GRI standards. The credibility, clarity, and comparability of data are guaranteed.

The sustainability report was drafted in collaboration with an external consulting company by conducting workshops for a multidisciplinary team.

Material sustainability topics were identified and evaluated by collaborating with internal and external stakeholders using the materiality matrix.

Colleagues from all areas of the company's operations participated in the drawing up of the report with the support of the top management. The team of the Research, Development and Innovation department is in charge of the implementation and coordination of the sustainability report, backed by the enthusiastic support of the Marketing department.



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KEYNOTE ADDRESS OF THE GENERAL MANAGER

CEDEVITA®

KEYNOTE ADDRESS OF THE GENERAL MANAGER



Slaven Romac, General Manager,
Strategic business unit Beverages, Atlantic Cedevida d.o.o.

Dear consumers, employees, business partners, and cherished Cedevida fans,

it gives me immense pleasure and pride to present to you the inaugural 2022 Cedevida Sustainability Report reflecting not only the dedication of our employees but also the profound commitment of our broader stakeholders.

If I were to describe this report in a single word, it would undoubtedly be "belief". The belief that every

Within these pages, you'll find the testament of our belief – our commitment, our dedication, and our vision for a future where responsibility is a privilege, not a constraint.

step taken can make a meaningful impact. The belief that we are setting an example and carving the path for generations yet to come. The belief that every single decision and innovation of ours constitutes a building block towards forging a sustainable and responsible society.

Cedevida, a name synonymous with innovation, quality, and tradition, has been a beacon of Croatian pride for over five decades. Our iconic vitamin drink has found its way into Croatian households, and the hearts of consumers across the region. This devotion extends to our other brands, which, over the years, have not only competed successfully with regional leaders in the beverage category but also established lasting connections with consumers across the region, creating a positive consumer experience for generations to come.

At Atlantic Cedevida, our commitment to sustainability is ingrained in our core values and strategic approach. Our proactive engagement in diverse sustainability areas, from product development to supply chain management, reflects our dedication to promoting social responsibility, and our focus on developing sustainable solutions to reduce our environmental footprint. Our long-term vision places sustainability at the forefront of our strategic planning, addressing environmental concerns, with a clear objective of ensuring a better future in the regions we call home. Equally, we value our customers as an integral part to our success and consistently strive to respect their interests, rights, and needs. Our approach to creating new flavours, promotions, social projects, and other initiatives involves understanding consumers' preferences and nurturing mutual trust and loyalty. Needless to say, customers nowadays have elevated their expectations and seek more than just a product. They value social responsibility, environmental consciousness, and shared values with their chosen brands. We embrace this trend, acknowledging our role in society and the responsibility it entails. That is why, at its core, our strategy is about nurturing authentic relationships and making a meaningful impact on the lives of our valued consumers.

Recognising sustainability's multifaceted importance, we are dedicated to addressing it comprehensively with the aim of creating a positive impact from every

angle – both socially and environmentally. This entails social responsibility for the benefit of our entire community, as exemplified by the “Budi Dobro. Budi CE.” initiative through which we are dedicated to nurturing mental well-being and fostering positive life outcomes. Moreover, in 2022, Cedevida took a significant step towards environmental responsibility by introducing new packaging in its retail portfolio. These efforts reflect our unwavering commitment to sustainable solutions, including the elimination of commercially non-recyclable foil, a shift from PVC to PET sleeves, and the transition from plastic to recycled FSC paper used for secondary packaging.

In conclusion, as we navigate through the challenges and opportunities of the future, we are steadfast in our commitment to sustainability, social responsibility, and the well-being of our stakeholders. Thank you for your unwavering support, as we eagerly anticipate a future where we continue to create a positive impact together. Lastly, as we frequently emphasize in our team, the fusion of belief, optimism, and collaborative effort can drive significant positive change.

Together, we can move mountains (and keep them safe).

Slaven Romac,
General Manager,
Strategic business unit Beverages,
Atlantic Cedevida d.o.o.



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ABOUT THE CEDEVITA BRAND

CEDEVITA®

ABOUT THE CEDEVITA BRAND

The Cedevida brand is managed by Atlantic Cedevida d.o.o., which is 100% owned by Atlantic Grupa d.d., based in Zagreb, Croatia.

Atlantic Cedevida d.o.o. also manages the brands Cockta, Kala and Kalnička and Boom Box.

Headquarters of Atlantic Cedevida d.o.o.:

Planinska 15, 10000 Zagreb, Croatia

Two manufacturing plants in Croatia:

Planinska location, Planinska 15, 10000 Zagreb
Apatovec location, Brežanci 89, 48260 Križevci

Brand role:

To inspire and provide shared physically and emotionally uplifting moments on a daily basis.

Brand vision:

To refresh and uplift the spirit of positivity and togetherness across generations.

Values and Conduct:

- Inclusion
- Friendship
- Positivity
- Trust
- Intergenerational
- Something great to be shared
- Always a good idea
- A smart choice



4.1 Organizational position of the Cedevida brand within the Atlantic Grupa

The operations of Atlantic Grupa are organised in five strategic business units (SBU) and one business unit (BU):



Atlantic Cedevida d.o.o. forms part of the Beverages **strategic business unit**, which also includes Cockta, Kala and Kalnička brands.

SBU Beverages					
Marketing	Operations	Research, development	Sales	Quality Assurance	EU funds
Digital marketing	Engineering	Research, development and innovation - new initiatives	B&H	Chemical instrument and sensory laboratory	
Category development	Cedevida manufacturing		Croatia		
Regional customer marketing	Apatovec operation	Research, development and innovation - powder forms and candies	Serbia	Apatovec quality control	
	Regional brand building		Planning operations	Slovenia	
	Rogaška operation	Research, development and innovation - water and soft drink		Microbiological laboratory	



Scheme: The organisational structure of SBU Beverages that Cedevida forms part of.

4.2. Products

Cedevida is one of the most iconic brands in the region, with a tradition dating back to 1969, which has been perfected over time and adapted to state-of-the-art scientific findings. It is a dietary supplement and has always contained 9 vitamins, which are currently: C, E, B1, B2, B3, B5, B6, B9, B12. One serving contains 50% of the recommended daily allowance of vitamins.

In 2022, the Cedevida brand includes the following products:

- **Cedevida multi-vitamin granules:** 7 products (orange, lemon, lime, elderberry and lemon, red orange, pink grapefruit flavour and Cedevida light in orange flavour)
- **On the Go:** 5 products (orange, lemon, elderberry and lemon, lime, red orange flavour)
- **Cedevida candies:** 3 products (orange, lemon, forest fruits flavour)
- **PUC PUC popping powder:** 3 products (banana, strawberry, forest fruits flavour)
- **mix for frozen flavoured dessert** - 1 semi-product

Total: 19 products

CEDEVITA®

1 PERFECT FORMULA
9 VITAMINS

C, E, B2, B6, B12, NIACIN, PANTOTHENIC ACID, FOLIC ACID AND THIAMINE

CONTRIBUTE TO:

- REDUCING FATIGUE AND EXHAUSTION
- NORMAL FUNCTIONING OF THE IMMUNE SYSTEM
- NORMAL FUNCTIONING OF THE HEART
- PROTECTION OF CELLS FROM OXIDATIVE STRESS

50% DAILY VALUE OF VITAMINS

APPROVED BY
efsa
European Food Safety Authority

4.2.1 Manufacturing

Cedevita is manufactured at two locations. The Plinarska location in Zagreb manufactures all multi-vitamin granules and Cedevita candies and the PUC PUC spark powder, at the Apatovec location in Križevci, bottles are filled with CGO water and the already filled cap is assembled with multivitamin granules onto the bottle.

Cedevita has been experiencing a continuous manufacturing growth trend. In 2022, a total of almost 11 thousand tons of Cedevita, or more than 105 million units, which is 32% more than in 2018, were manufactured. Retail products, where various packages are filled, namely 1,000 g, 900 g, 455 g and 200 g, account

for the majority of the manufactured products. These are followed by the manufacturing for HoReCa sales (19 g) for catering establishments and restaurants.

The growth of manufacturing and sales was influenced by several factors. **In 2019, the Cedevita brand was repositioned from a leader in the category of vitamin instant drinks to a brand positioned in the category of fruit-flavoured beverages.** Our media and market presence strategy was also adjusted to this and the Generation CE platform, which is still relevant today, was launched. Cedevita's sales growth was also positively impacted by the period of covid-19, as it was an ideal choice during lockdowns and consequently less frequent visits to stores. We were looking for a package where 1 kg

of Cedevita can be used to get 13 litres of a beverage, which has a rich composition of vitamins.

In 2022, we renewed the packaging with a new, more functional way of opening, and modernized the design, which further contributed to the growth of sales.

We also penetrated the Serbian market, which became our second largest market in terms of sales volume.

At the Apatovec location in Križevci, where we bottle water for Cedevita GO, we bottled 6.4 million liters of Cedevita GO in 2022, which is 36% more than in 2018.

Cedevita in the form of multi-vitamin granules is available in different packagings:



Planinska location	2018		2019		2020		2021		2022	
	Units	Tonnes	Units	Tonnes	Units	Tonnes	Units	Tonnes	Units	Tonnes
Retail	13,677,662	6,549	13,545,777	6,568	15,727,124	7,672	14,084,765	7,689	15,912,295	8,437
HoReCa	55,172,100	1,042	55,414,500	1,053	39,697,000	754	44,483,950	845	52,256,900	993
OTG cap*	14,366,700	352	14,817,400	363	16,198,506	211	20,416,536	265	18,930,718	246
Compressed candy	8,975,163	276	9,001,032	278	7,091,294	221	8,289,249	229	9,865,592	273
PUC PUC	7,639,610	38	6,859,980	34	5,435,300	26	6,507,180	33	6,739,380	34
Total	99,835,360	8,257	99,642,744	8,302	84,150,356	8,884	94,407,131	9,436	105,435,045	10,911

Table: Cedevida manufacturing in units and tonnes at the Planinska location in 2018-2022

Apatovec location	2018		2019		2020		2021		2022	
	Units	Litres								
Cedevida GO	14,311,812	4,722,898	14,856,726	4,902,720	15,008,214	4,952,711	19,326,120	6,377,620	19,395,996	6,400,679

Table: Cedevida GO filling in units and litres at the Apatovec location in 2018-2022

* Cedevida GO is manufactured at two locations, namely, at the Planinska location, caps are filled with Cedevida multi-vitamin granules, and at the Apatovec location, water is bottled into its packaging.

4.3 Market presence

Cedevita products are present in **more than 30 countries around the world.**

Major markets:

- Croatia
- Slovenia
- Serbia
- Bosnia and Herzegovina
- North Macedonia
- Montenegro.

**The leading non-alcoholic
fruit beverage category brand
in Croatia and
Slovenia.**

Source: Brand Value Creator research, Ipsos, September 2022



4.3.1 Sales

In the region, almost 11 thousand tons of Cedevida are sold annually, mostly in retail, which accounts for more than half of the total sales volume. Retail is followed by HoReCa and On the Go, with candy accounting for a smaller share.

Portfolio	Share of sales
Retail	53%
HoReCa	26%
On the Go	17%
Candy	4%

Table: Share of value sales by portfolio in 2022

Strategic objectives:

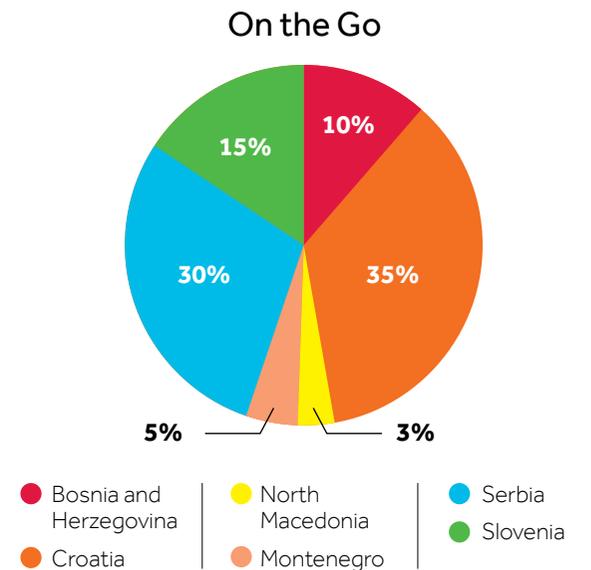
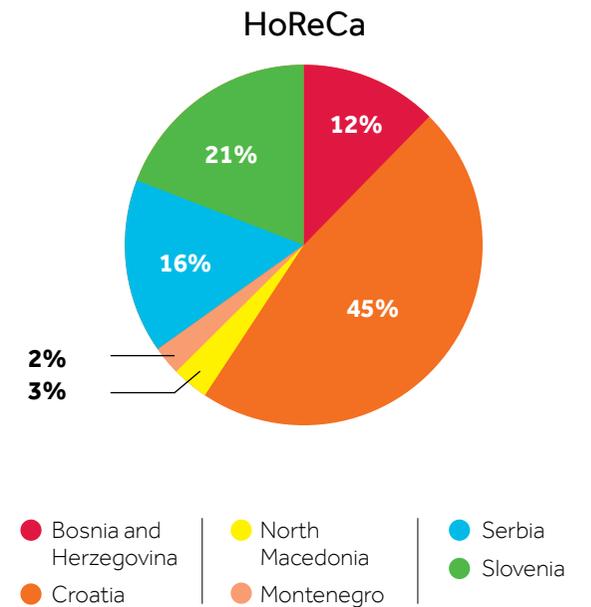
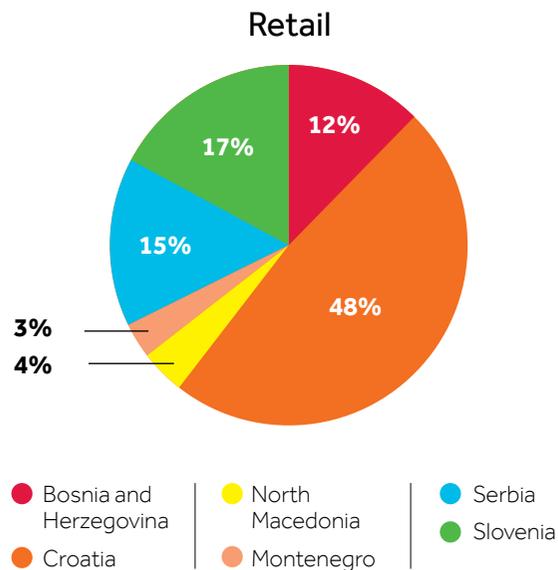
- Win non/light users by participating in new occasions
- Leverage a strong brand equity in a new context
- Improve profitability of the Out of Home (OOH) segment
- Overcome Cedevida (On the Go – OTG) barriers (the way people perceive sugar, lack of the lifestyle fitness & hydration attribute)

The highest sales volume in all Cedevida product categories is generated on the Croatian market. Croatia is followed by Slovenia, Serbia and Bosnia and Herzegovina, where there are differences depending on the type of product. Especially with On the Go products, the Serbian market with 30% of the sales volume is very close to the Croatian market, where 35% of the sales value is generated.

Table and graphs:
Sales by value and categories by major market in 2022

Market	Retail	HoReCa	On the Go
Bosnia and Herzegovina	12%	12%	10%
Croatia	48%	45%	35%
North Macedonia	4%	3%	3%
Montenegro	3%	2%	5%
Serbia	15%	16%	30%
Slovenia	17%	21%	15%

The highest sales volume in all Cedevida product categories is generated on the Croatian market



5

OPERATING HIGHLIGHTS

CEDEVITA®

OPERATING HIGHLIGHTS

2022 was marked by record sales and growth recorded on all key markets (especially regional markets) through several big initiatives as part of the Cedevida VIN at home, Kala and Kalnička, and Cockta brands. On the other hand, significant events in the macro-economic environment (the war in Ukraine and resulting energetic crisis, supply chain challenges, inflation) caused an increase in input prices resulting in increased costs of raw and packaging materials, energy, services such as transportation and logistics and an increased cost of labour.

Such developments resulted in a decrease of our net revenue as compared to the year before, given the fact that our output prices were not increased to the extent required to cover all these adverse effects as pertaining to our expenses.

All input prices are expected to remain at the same increased levels for the foreseeable future, although they are also expected to stabilise at these levels in addition to potential positive developments towards the end of the year. A stronger impact of such increased expenses is expected to be visible in the results of the forthcoming year, as all aforementioned events occurred during the second half of 2022. In addition, positive impacts of an increase in output prices are also expected in line with market and competition developments.

LE CEDEVITA in 000 EUR	2018	2019	2020	2021	2022
Revenue	51,053	50,819	45,191	50,897	59,639
Revenue from sales	49,700	50,050	44,151	49,618	58,192
Other revenue	1,353	768	1,040	1,279	1,447
Operating expenses	-43,198	-44,228	-38,849	-44,780	-53,292
Change in the value of work-in-progress and finished goods inventory	511	-9	627	480	2,074
Costs of material and energy	-17,181	-16,430	-15,690	-17,740	-28,888
Cost of labour	-7,017	-8,087	-7,927	-8,691	-8,968
Marketing and sales promotion costs	-8,545	-8,545	-5,483	-6,922	-6,509
Depreciation and impairment	-2,394	-3,219	-3,140	-2,627	-2,976
Other operating expenses	-8,573	-7,937	-7,236	-9,279	-8,025
Operating profit	7,855	6,590	6,342	6,116	6,347
Financial expenses - net	-50	-18	-22	-16	-22
EBIT	7,805	6,572	6,321	6,101	6,324
Corporate profits tax	5	-713	-1,189	134	-343
Net profit for the year	7,810	5,859	5,132	6,235	5,981
Items that will not be reclassified to the income statement					
Actuarial losses under defined benefit plans, net of tax	-5	-8	-1	3	26
Total other comprehensive loss for the year, net of tax	-5	-8	-1	3	26
Total comprehensive income for the year	7,805	5,851	5,131	6,237	6,007

Table: Key 2018-2022 economic (operating) highlights of Atlantic Cedevida d.o.o. (excl. data for the Boom Box brand)

Revenue from subsidies, in 000 EUR	ACT 2021 FY	ACT 2022 FY
Electricity	/	171.34
Project One – a meal for the survival of a new generation	104.28	210.07
Total	104.28	381.41

Table: Revenue from subsidies in Atlantic Cedevita d.o.o. in 2021 and 2022

In 2021 and 2022, more than EUR 480 thousand in funds from the state or EU grants were received. In 2022, slightly more than EUR 171 thousand in funds were received from the Republic of Croatia for co-financing the use of energy for electricity as part of aid given to the economy during the global crisis.

From August 2020 to August 2023, the "One - New generation of Survival and Emergency rations" project took place, for which a total of EUR 798,693.46 in grants were received from the European Regional Development Fund and the Cohesion Fund for projects of the Competitiveness and Cohesion Operational Programme. The value of the entire project was EUR 1,277,338.72.

In 2021 and 2022, a total of slightly more than EUR 450 thousand in grants were received for the project.

Atlantic Cedevita d.o.o. was the lead partner in the project and the Croatian Ruđer Bošković Institute participated as a project partner.

A more detailed description of the project is provided in the Product Development section.



6

SUSTAINABLE MANAGEMENT

CEDEVITA[®]

SUSTAINABLE MANAGEMENT

The Atlantic Grupa understands sustainable management as a process in which new opportunities for development and a better future for the next generations are created. Aware of both sustainability opportunities and risks, all aspects of our operations are approached strategically, both pertaining to new product development, technological processes as well as employee development, communication with customers and consumers, relations with investors and value chain management. Sustainable development is approached from the perspective of environment, society and governance (ESG), which is also integrated into our business strategy. This is also followed in Atlantic Cedevida d.o.o. and ESG aspects have been gradually integrated into our business processes. Emphasis is placed on efficient water and energy management, the development of sustainable packaging solutions, creation of a stimulating and innovative work environment, engagement of employees in socially responsible activities, establishment of long-term partnerships and collaboration with suppliers, engagement of customers in activities and development of the brand, and the establishment of good relations with the local community.

With sustainability commitments, we follow the global goals of the United Nations until 2030. Since 2007, Atlantic Grupa has been a signatory to the Global Compact of the United Nations Organization, which constitutes a strategic political initiative for the align-

ment of operations and business strategies with ten universally accepted principles relating to human rights, work, the natural environment and combating corruption.

Current legislation is followed in all areas of our operations. Our internal ethical and corporate conduct policies are used to strive for integrity, respect for human rights, prevention of any discrimination in the workplace or in the value chain, prevention of corrupt acts, acts of bribery and for the protection of whistleblowers, and we diligently protect the personal data of our employees and customers.

A more detailed approach to our corporate conduct is described in 2022 Atlantic Grupa's Annual Report.

Key sustainable management documents within the Atlantic Grupa:

- Statement of Application of the Code of Corporate Governance (issued by the Zagreb Stock Exchange and HANFA)
- Atlantic Grupa Code of Corporate Governance
- Code of Business Ethics (issued by the Croatian Chamber of Commerce)
- Diversity Charter (signed as part of the Croatian Business Council for Sustainable Development project)
- Whistle-Blower Rules
- Code of Ethics of the Purchasing Organisation



6.1. The sustainable development goals of the United Nations, which are also supported through our activities at Atlantic Cedevita d.o.o.

United Nations Sustainable Development Goals

Activities



Health and well-being

- We apply the principles of ISO standard 45001 in the management of the occupational health and safety system.
- A risk assessment has been made for all posts.
- Implementation of mandatory and preventive occupational health promotion programmes.
- Cedevita is a nutritional supplement containing nine vitamins - the prepared drink contains 50% of the daily allowance of recommended amounts of vitamins.
- Products are manufactured free of preservatives, GMOs, and raw materials of animal origin.
- Manufacturing of sugar-free products suitable for diabetics.
- Launching of the »Budi Dobro. Budi CE.« (www.budidobrobudice.com) educational website to encourage people of all generations to take care of their own mental health.
- As part of celebrating the month of combating breast cancer, we launched a new campaign and an online platform under the same name »Budi Tu. Budi CE.« with the aim of making the public aware of the challenges faced by breast cancer patients and their relatives.



Quality education

- Conducting regular training for employees in various areas of expertise.
- Public mental health education.



Gender equality

- Career and development opportunities are available to all employees, regardless of gender.



Clean water and sanitation

- Implementation of water-friendly behaviour measures pertaining to potable, process and sanitary water, such as a telemetry system, which can be used to quickly identify potential defects in pipelines.

6.1. The sustainable development goals of the United Nations, which are also supported through our activities at Atlantic Cedevida d.o.o.

United Nations Sustainable Development Goals

Activities



Affordable and clean energy

- Operating according to the ISO 50001 - Energy Management System.
- Implementation of measures and investments in the efficient use of energy and renewable energy sources.
- Carrying out regular monitoring of energy use using telemetry.
- An increasing volume of electricity purchased is generated from renewable energy sources.
- Introduction of the energy efficiency criterion when purchasing new energy equipment.
- Introduction of a reward system for employees responsible for the energy sector based on achieved results.



Decent work and economic growth

- Adopted Statement of Application of the Code of Corporate Governance (issued by the Zagreb Stock Exchange and HANFA).
- Adopted Atlantic Grupa Code of Corporate Governance.
- Adopted Code of Business Ethics (issued by the Croatian Chamber of Commerce).
- Adopted Whistle-blower Rules.
- Accepted Code of Ethics of the Purchasing Organisation.
- A comprehensive employee management strategy entitled "People Strategy" was adopted.
- The internal "Flavour your Career" employee potential recognition process and the development of their careers.
- Established work performance management and remuneration process.
- A collective agreement concluded with the Union of Workers in the Energy, Chemical and Non-Metal Industry of Croatia.
- Annual survey of the organisational climate among employees.



Industry, innovation and infrastructure

- We constantly strive our employees to promote reflection about the importance of sustainable development - provision of sustainable solutions by employees as pertaining to energy, procurement, raw materials, packaging, and waste.

6.1. The sustainable development goals of the United Nations, which are also supported through our activities at Atlantic Cedevida d.o.o.

United Nations Sustainable Development Goals	Activities
 <p>Reducing inequality</p>	<ul style="list-style-type: none"> • We are signatories of the Diversity Charter (signed as part of the Croatian Business Council for Sustainable Development project). • At the level of the Atlantic Grupa, there is a committee to ensure consistency in the provision of equal opportunities. • Adopted Regulations on work, which also include equality.
 <p>Responsible consumption and production</p>	<ul style="list-style-type: none"> • Investments in the development of new products, best available technologies and environmental improvement of processes, including Food safety • Use of 100% recyclable material for some of our products. • Replacement of non-recyclable materials with recyclable ones. • Reduction of the use of materials by renewing the packaging.
 <p>Climate action</p>	<ul style="list-style-type: none"> • Introduced ISO 9001 - Quality management system and ISO 14001 - Environmental management system standards. • ISO 50001 Energy management system • Calculated carbon footprint of the Cedevida brand. • Monitoring of air emissions.
 <p>Life on land</p>	<ul style="list-style-type: none"> • Implementation of measures to prevent pollution and control one's own impact on the environment through regular monitoring. • Introduction of technological changes with minimum impact on the natural environment.
 <p>Partnerships to achieve goals</p>	<ul style="list-style-type: none"> • Atlantic Grupa is a signatory to the United Nations Global Compact, which constitutes a strategic political initiative for the alignment of operations and business strategies with ten universally accepted principles.

For more information about how we support the 10 principles of the Global Compact please refer to the 2022 Atlantic Grupa Annual Report (p. 42).

6.2. Pillars of sustainable development

Seeking to integrate global issues (the EU Green Deal), the needs of our stakeholders and our own strategic priorities, basic areas of our operation were selected and five clear pillars of sustainable development (emission, water, recycling, employees, products) were defined at the group level. These form part of the strategic planning of Atlantic Cedevita, d.o.o., as a company within the group:

1. Reduction of greenhouse gas emissions and share of renewable energy
2. Responsible use of water
3. Recyclability share of packaging material and share of recycled plastic used
4. Employee satisfaction, safety and gender equality, training
5. Continuous improvement of recipes and nutritional value, clear labelling and reduction of packaging material

In order to effectively achieve the goals, we formed several teams consisting of more than a hundred Atlantic Grupa employees:

- the AG Non-financial reporting committee (consisting of 23 active members whose role is to regularly review and approve the list of KPIs, critically assess the results and approve goals on the corporate level)
- working groups in SBUs (drawing up their strategies)
- group process owners and managers
- group energy efficiency team
- group green team
- group team of packaging technologists
- group finance team

6.3. Sustainable development challenges and opportunities

Our activities and products under the SBU Beverages pillar are clearly oriented towards increasing social benefits in the wider environment, especially the health aspects of our products. At the same time, we are aware of the importance of environmental aspects, with responsible water management, environmentally friendly packaging, responsible sourcing of raw materials and reducing the carbon footprint being in the forefront. We are aware that beverage consumers are no longer only looking for refreshing and functional products, but also those that are consistent with their ethical and environmental values. Adapting to these trends is the key to success in the dynamic European beverage industry market.

At Cedevita, we are aware of the importance of our influence in the promotion of social responsibility in the region where we operate. Therefore, key activities in the future are aimed at the further development of sustainable solutions used to reduce the negative impact on the environment. We recognize the increasing pressures on people's mental health, which have manifested themselves to a greater extent especially during and after the covid-19 epidemic.

Therefore, within the Cedevita brand, we are looking for innovative ways and channels to encourage residents and users to talk about their mental distress and discuss it with experts.

For this purpose, we have established an online platform that raises awareness of the reality of mental distress, offers advice and enables contact with an ex-

pert by asking specific questions, watching podcasts of real interviews with psychologists, etc.

Budi DOBRO. Budi CE.

6.4. Integrated quality system

Product quality and legal compliance underpin successful operations. Atlantic Cedevita follows the Atlantic Grupa's integrated quality system, which is based on global standards pertaining to quality management, environmental management, energy management, food safety, etc. At the same time, we strive for the continuous improvement of our products and services in line with stakeholders' expectations.

The integrated quality system is based on the following standards and certificates:

ISO 9001 – Quality management system

ISO 14001 – Environmental management system

ISO 50001 - Energy management

FSSC 22000 – Food Safety Management System

IFS Food – International Featured Standard Food (standard used for evaluating suppliers of brand products)

Atlantic Cedevita is also the holder of the "Croatian quality" mark. The mark provides recognition to the


Croatian Quality

Croatian manufacturer/service and at the same time assurance to consumers that it is a product/service that reaches the highest level

of quality and represents the top quality in the global offer.

During the reporting period, as well as before, there were no cases of non-compliance with regulations and voluntary codes regarding the impacts of products and services on health and safety.

CEDEVITA INTEGRATED CERTIFICATION

Legal Entity (Location)	Market	Process Management Standard	Food Safety System Certification (FSSC/IFS)	Food Safety Standard	Enviromental Management Standard	EnMS
Atlantic Cedevita (Zagreb)	CRO	ISO 9001	IFS	HACCP	ISO 14001	ISO 50001
Atlantic Cedevita (Apatovac)	CRO	ISO 9001	FSSC 22000	HACCP	ISO 14001	ISO 50001

Table: Atlantic Cedevita integrated standards and certifications in year 2022



6.5. Identification of strategic stakeholders

The management of the Atlantic Grupa and, under its management, the management of Atlantic Cedevida d.o.o. are primarily responsible for establishing and maintaining quality relations with stakeholders, which ensures that all the rights of our stakeholders are respected and their interests are taken into account, while following good business practice. We establish a dialogue with stakeholders, both locally and internationally, because we want to understand their interests, identify their main concerns and follow global trends that are important to them.

We regularly communicate with strategic stakeholders on all important topics

using various communication channels, which we supplement as necessary. In this way, we build trust, establish space for co-creation and acceptance of improvement initiatives, and create added brand value.

As strategic stakeholders at the level of Atlantic Grupa and within Atlantic Cedevida d.o.o., we recognise:

Strategic stakeholders	Objectives	Communication channels
Employees	<ul style="list-style-type: none"> · Highly motivated, satisfied and qualified employees · Development of the talents and potential of employees · A safe and healthy working environment · Equal promotion opportunities regardless of gender 	<ul style="list-style-type: none"> · Intranet · Internal newspaper · Internal communication via email or phone · Notice boards · Social network · Web site · Employee surveys · Annual appraisals · Events for employees
Suppliers	<ul style="list-style-type: none"> · Maintaining long-term relationships · Development of new innovative products · Increasing added value in the value chain · Compliance with legislation and internal policies for suppliers · Reliable, competitive procurement · Awareness in the field of sustainable development · Integration of a sustainable approach into the value chain 	<ul style="list-style-type: none"> · Portal for suppliers · Sales agreement · Quality and sustainability agreement · Electronic media (website, e-mail address, social networks) · Traditional media (telephone, snail mail) · In-person meetings · Questionnaires for suppliers · Business meetings · Atlantic Grupa annual report
Buyers and consumers	<ul style="list-style-type: none"> · Identification of the needs, wishes and expectations of buyers and consumers · Raising awareness about a healthy lifestyle and sustainable development · Recognition of Cedevida as a sustainable brand · Maintaining and building consumer trust and loyalty 	<ul style="list-style-type: none"> · Regional Contact Centre · Web site · Social networks · Information and labels on and next to the products · Marketing campaigns and events · E-newsletter · Market research · Atlantic Grupa annual report · The "Budi Dobro. Budi CE." online platform.



As strategic stakeholders at the level of Atlantic Grupa and within Atlantic Cedevida d.o.o., we recognise:

Strategic stakeholders	Objectives	Communication channels
Interested public: civil initiatives, local communities, professional organisations, associations, etc.	<ul style="list-style-type: none"> · Establishing good relationships · Collaboration for the benefit of the local environment · Engagement of the local community and professional institutions · Building trust and open communication · Creating professional support for added value 	<ul style="list-style-type: none"> · Regional Contact Centre · Sponsorships and donations · Direct communication with local authorities, civil initiatives, professional institutions, etc. · Web site · Social networks · E-mail address · Phone, mail · Events for the local community · The "Budi Dobro. Budi CE." online platform
Owners	<ul style="list-style-type: none"> · Brand development · Achieving business and sustainability goals · Successful management of risks and opportunities 	<ul style="list-style-type: none"> · Direct communication · Quarterly and annual reports · E-communication · Phone, mail
The media	<ul style="list-style-type: none"> · Informing about brand and company activities and events · Strengthening the image and reputation of the brand · Establishing regular communication, good relations and eliminating potential uncertainties · Maintaining the credibility of brand and company information 	<ul style="list-style-type: none"> · Press releases · Press conferences · In-person interviews · Web site · Social media · E-communication · Phone, mail

6.5.1. Materiality matrix

The key to strategic sustainable management of environmental, social and governance (ESG) aspects is the identification of material topics for the company and key stakeholders. Therefore, as part of the sustainable management and reporting of the Cedevita brand, we have drawn up a materiality matrix that identifies the materiality of certain topics for Cedevita and its key stakeholders.

We have classified the stakeholders into six groups, namely executive, employees, suppliers, customers (shopping centres, wholesalers), consumers and others (civic initiatives, professional organizations, associations, etc.). Between April and September 2023, a total of 264 respondents answered the questionnaire. Aspects of the environment (7 indicators), society (12 indicators) and management (2 indicators) were included therein.

The analysis shows that the materiality of the aspects of the environment, society and management is rated very high by both the company and the stakeholders, and at the same time, the assessments among the stakeholders are highly aligned.

Social indicators are of the highest importance, where the quality and safety of the product are ranked first for both the company and the stakeholders. The set of product indicators is complemented by the indicators healthy products and functional nutrients and products, which are rated with a more than 85% materiality.

High-priority social aspects include those relating to employees. Care for the health and safety of employees and respect for human rights in the value chain

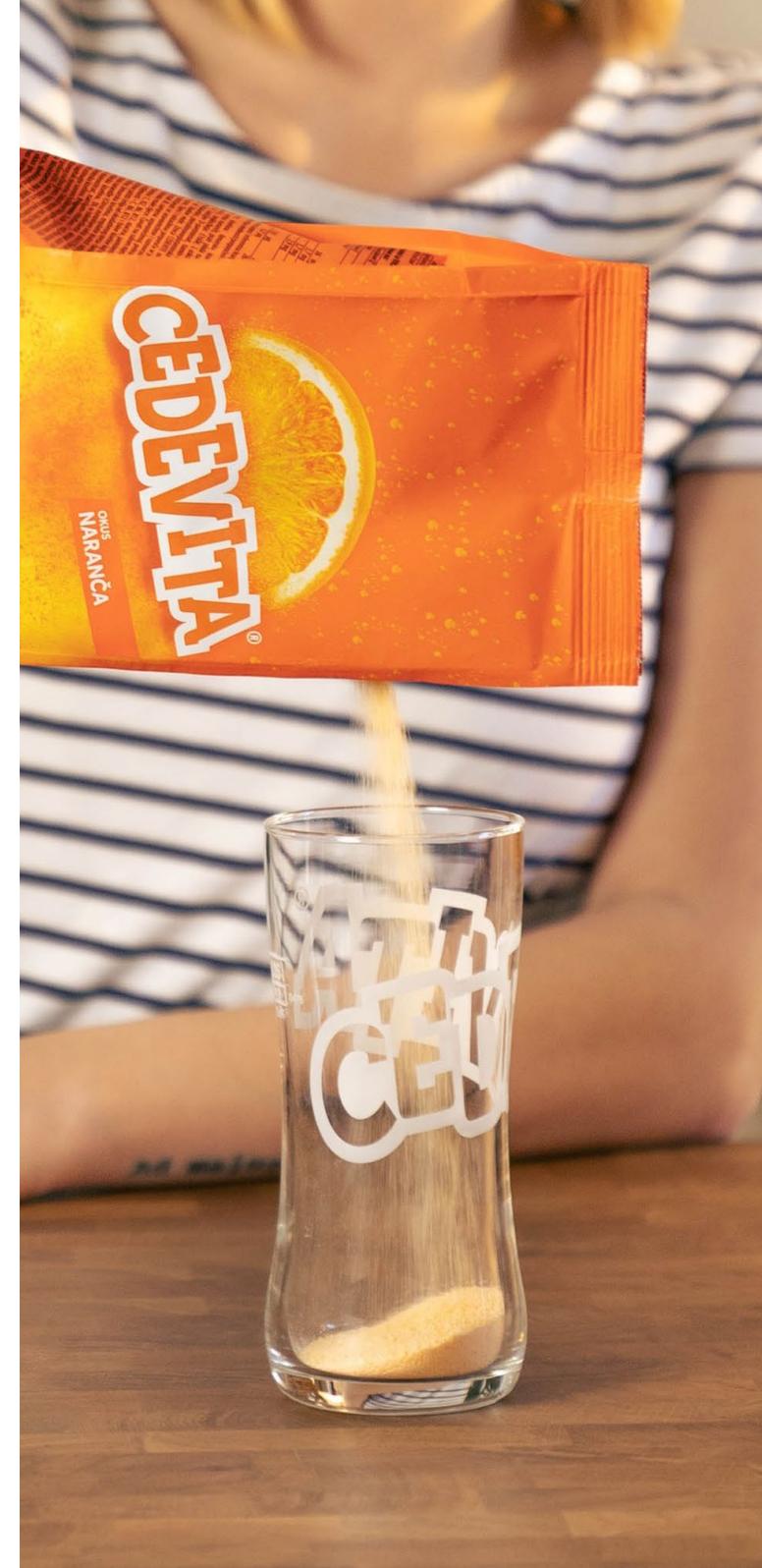
are the top-ranked indicators. Among the social indicators, fair and transparent remuneration of employees, a stimulating working environment and high employee satisfaction are rated very high.

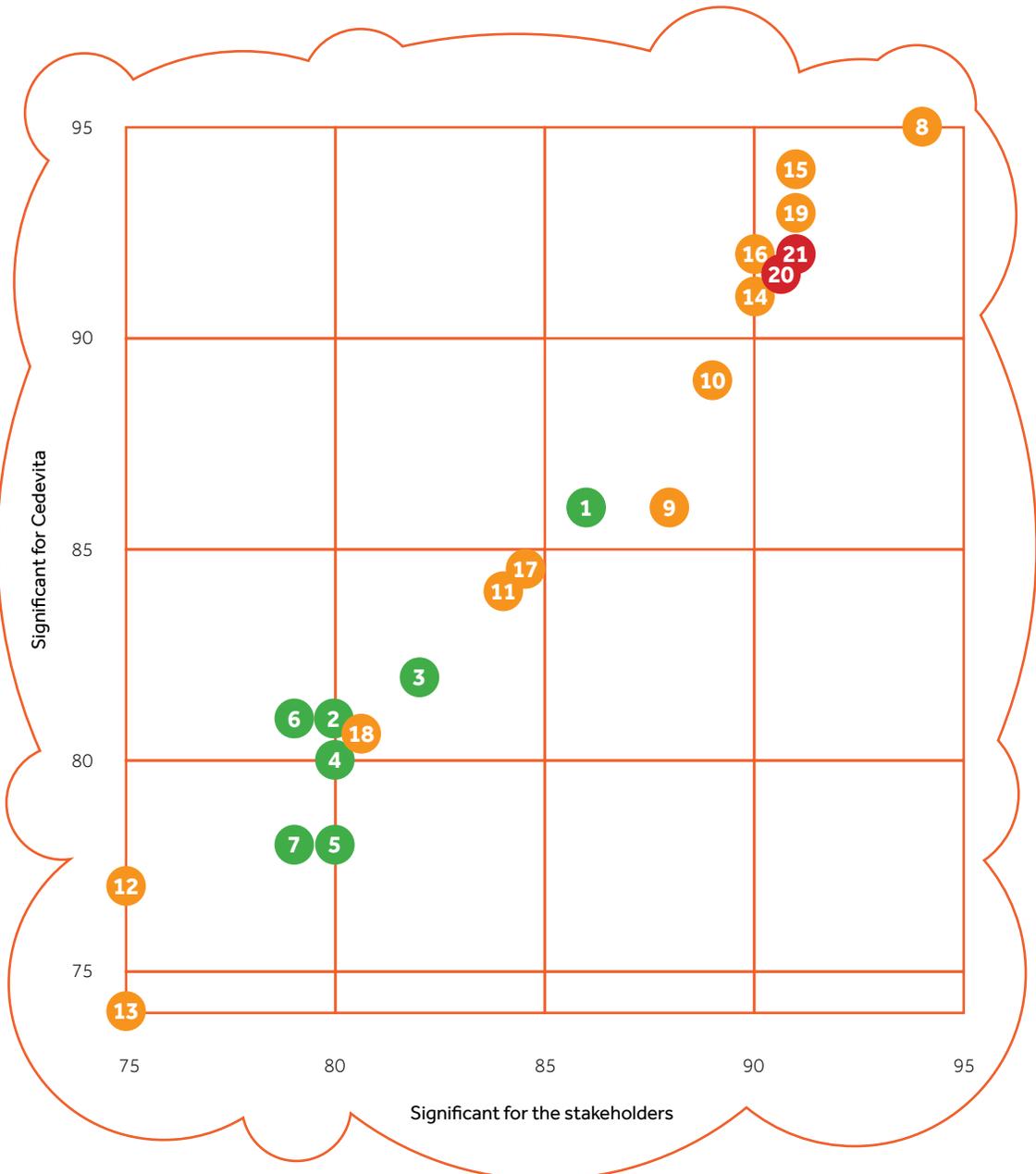
Social responsibility (sponsorships and donations), consumer education for the correct separation of waste packaging and the choice of suppliers with the minimum carbon footprint are rated as less important aspects in the social field.

In the field of business conduct or management, two aspects stand out, namely the long-term economic stability of operations and ethical and transparent operations.

Compared to the most important social and management aspects, environmental aspects are rated somewhat lower. The most important environmental aspects relate to packaging. Packaging being recyclable is seen as a priority, a slightly lower priority is given to the fact the packaging does not contain plastic, followed by an indicator that indicates the level of recycles in the packaging. Aspects of the environmental footprint refer to the reduction of waste and water in manufacturing, the reduction of the carbon footprint and other environmental impacts, such as air pollution, noise, stench, etc.

All assessed aspects are carefully managed and reported by Cedevita.





Scheme: Cedevida brand materiality matrix

Environment

- 1 Recyclable packaging
- 2 Packaging from recycled materials
- 3 Plastic-free packaging
- 4 Reduction of waste from the manufacturing process
- 5 Optimisation of water consumption in the manufacturing process
- 6 Reduction of the carbon footprint (energy efficiency and renewable energy sources)
- 7 Reduction environmental impacts (air pollution, noise, odours, biodiversity)

Social

- 8 Product quality and safety
- 9 Functional nutrients in products (vitamins and minerals)
- 10 Healthy products (moderate sugar levels and natural flavours)
- 11 Sustainably grown product ingredients
- 12 Education of consumers on the proper packaging sorting procedures
- 13 Selection of suppliers with a minimum carbon footprint
- 14 Stimulating working environment and high employee satisfaction
- 15 Concern for the health and safety of employees
- 16 Fair and transparent payment to employees
- 17 Good user experience and customer and end user loyalty
- 18 Social responsibility (sponsorships and donations)
- 19 Respect for human rights throughout the value chain

Governance

- 20 Long-term and economically stable operations
- 21 Ethical and transparent operations

6.6. Membership in associations

Atlantic Cedevita d.o.o. is a member of several national, European and global associations and initiatives:

- Croatian Chamber of Commerce (HGK),
- through HGK - Group for non-alcoholic beverages, we are members of the European Association of Non-Alcoholic Beverages (UNESDA),
- Economic Interest Association of Beverage Producers of Croatia (GIUPPH)
- GIUPPH is a member of Natural Mineral Waters Europe (NMWE), making Atlantic Grupa an indirect member thereof,
- Eko Ozra (organisation for waste packaging management),
- Croatian microbiological society,
- Croatian Standards Institute,
- Global standards one (GS1 Croatia) – Croatian association for automatic identification, electronic data exchange and business process management,
- All Atlantic Cedevita technologists are members of the Croatian Association of Food Technologists, Biotechnologists and Nutritionists (HDPBN).

6.7. Awards and recognitions

The Cedevita brand has received numerous recognitions and awards in the various countries in which it is present for its achievements in product development, creative solutions and socially responsible campaigns.

Recognition or award	Country	Year of receipt
 UEPS festival, Cedevita Rituals, Non-alcoholic beverages and drinks, Recognition for a comprehensive promotional campaign, BRONZE	Serbia	2022
 UEPS festival, Cedevita Rituals, Recognition for the promotion of creativity abroad, BRONZE	Serbia	2022
 UEPS festival, Cedevita Pink Grapefruit, Packaging and industrial design, Award for brand creation, packaging, BRONZE	Serbia	2022
 The! award for socially responsible business, the project "Budi TU. Budi CE.", silver award	Croatia	2023 (for 2022)
 GrandPRix for socially responsible business, "Budi TU. Budi CE." project, bronze award	Croatia	2023 (for 2022)
 Manpower Serbia "Human Driven Reshape": award for the "2022 Value Day" (Dan vrijednosti 2022) project	Serbia	2023 (for 2022)
 HR Days: award for the "2022 Value Day" best regional project	Croatia	2023 (for 2022)
 Drive BiH conference: TOP 5 award for the "2022 Value Day" project	Bosnia and Herzegovina	2023 (for 2022)
 HR Experience Serbia conference: TOP 5 award for the LEARN Academy project	Serbia	2023 (for 2022)

6.8. Risk management

As an integrated multinational company operating in the FMCG sector, the Atlantic Grupa is exposed to many external and internal risks. In order to prevent and reduce the impact of these risks on our activities, we have implemented an integrated risk management procedure - Enterprise Risk Management (ERM) - throughout the group. The process includes the identification of risks, their qualification and management. The risk of the business environment includes political, macroeconomic and social risks, risks of natural disasters and health hazards that directly affect business activities in all markets in which the company operates, while in principle the company cannot individually influence any of these risks. Climate change risks in 2022 have not yet been identified, they will be included in the 2023 report.

More about our approach to risk management is available in the 2022 Atlantic Grupa Annual Report (p. 147).

Key risks that we recognise and are exposed to at Cedevida:

- **Financial risks:** the possibility of product or brand boycott by customers for ethical, environmental or other reasons. A significant financial risk is also represented by market volatility, economic recession, supply disruptions and legislative changes. We respond to financial risks using strategic planning and forecasting, diversification and proactivity. This ensures the financial stability and long-term success of our business.
- **Health risks:** in the form of epidemics and pandemics, such as the case of covid-19, where cafés and restaurants were closed, which reduced HoReCa

sales or brought them to a complete halt. In this case, adaptability and resilience in the event of unforeseen circumstances proved to be extremely important.

- **Risk of misperception of the performance of prize games:** from the point of view of consumer relations, a potential risk may be linked to the implementation of Cedevida's prize games, namely the risk of the consumer's perception of the prize games as pre-orchestrated. This risk highlights the importance of maintaining transparency and integrity in our promotions. To manage risk, we are committed to implementing strict security measures and complying with legal regulations, thereby ensuring that our prize games are conducted fairly and without bias. Legal counsel and a notary are present at every important draw, which excludes any possible manipulation of results or bias. Every year, we also make a video of all the main prize winners, where we present to the public that they are real people. Atlantic Grupa employees and their family members may not participate in prize games.

- **The risk of innovation and introduction of new products to the market:** past experience has taught us that every aspect of a product should be studied and tested on a small sample of consumers from whom useful feedback can be obtained about a product before launching it onto the market. Therefore, product testing with consumers has become a compulsory component of innovation and new product development. This allows us to create products and services that follow the wishes and needs of the market.

- **The risk of counterfeiting Cedevida brand packaging:** this is a significant risk that we face and that affects the perception of brand quality. Counterfeiting affects

our brand reputation and undermines trust and credibility. That's why we've taken decisive action to protect our consumers and brand reputation in collaboration with legal authorities and agencies.

**More about
our approach to
risk management is
available in the 2022
Atlantic Grupa Annual
Report
(p. 147).**

6.8.1. Identification and assessment of environmental aspects and risks

Procedures to identify and assess environment and energy-related aspects and risks related to our activities and products, with the aim of managing and controlling their potential harmful impact on the environment, are implemented at the Atlantic Grupa level. Responsible persons who make up the Green Team and their responsibilities have been appointed. Environmental aspects and risks are identified by taking into account the processes and activities carried out at individual locations of the group, which include incoming raw materials, by-products from manufacturing, manufacturing processes, development of technologies and products, storage, workshops and laboratories, temporary waste storage, regular and extraordinary measures, accidents and consequences of activities at the location to date.

Once a year, a review of certain aspects and factors and their assessments is conducted. An additional review is also conducted in the event of an amended environmental protection policy, statutory amendment, a change to technology, in the event of requests from interested parties (business partners, the market, local environment, etc.) and in the event of other major changes that may affect changed or new aspects of environmental impacts.

The recognised important aspects of the environment form the basis used to identify goals and activities.



7

RESPONSIBILITY TOWARDS THE NATURAL ENVIRONMENT

CEDEVITA®

RESPONSIBILITY TOWARDS THE NATURAL ENVIRONMENT

In 2022, environmental management was intensively pursued and environmental aspects were integrated into all business processes at the Atlantic Grupa level.

Our own environmental and energy management system has been established and undergoes constant upgrading, and, through continuous monitoring of environmental indicators, our own impact on the environment is reduced.

We operate in accordance with the environmental management standard ISO 14001, meet all legislative requirements and follow the internally established environmental management process and the instructions of the Atlantic Grupa from the point of view of environmental management, such as:

- instructions for the identification and assessment of environmental aspects and risks,
- instructions for compliance assessment with environmental protection legislation,
- instructions for education about environmental and energy management processes,
- instructions for communicating about environmental and energy management processes
- instructions for dealing with emergencies in the environmental management process
- instructions for waste management,
- instructions for procedures when handling hazardous substances and hazardous waste, etc.

We strive to develop environmentally friendly solutions, optimise processes, reduce energy and water consumption, prudent consumption of raw materials, reduce the generation of waste, and, by efficiently planning the freight of our products, we optimise fuel consumption and thereby reduce the release of greenhouse gas emissions from freight into the atmosphere.

Our employees are regularly trained in environment-related legislation and other innovations.

Certain employees engaged in R&D from both Cedevida production locations (Planinska and Apatovec) form part of the Green Team at the group level, while employees responsible for the environment at Cedevida are involved in the development of new products. Atlantic Grupa has also established a special platform where all employees can submit their environmental protection suggestions and improvements or environmental impact reduction solutions.

Many environment-related activities are carried out, including:

- waste water management solutions,
- regular measurements of emissions released into the atmosphere,
- comprehensive waste management,
- diligent handling of hazardous substances,
- diligent handling of raw materials, finished products

and packaging, which for any reason are not fit for placing on the market,

- the selection of clean technologies and the observance of environmental standards in the planning and reconstruction of plants,
- drainage and rehabilitation of sewage systems,
- quality monitoring with authorised laboratory control.

Water and energy consumption are monitored remotely, enabling us to exercise an analytical approach to monitoring the utilisation of water, electricity, compressed air pressure and steam flow. At the same time, key energy efficiency indicators are monitored using a remote control system. Remote control has allowed us to completely eliminate water losses, and at the same time, the system allows us to get alerted at the time of failure in case of incident situations, which allows us to react in time and thus reduce the chances of downtime in manufacturing processes. By monitoring compressed air pressure in real time (minute recordings), we have a tool at our disposal which allows us to detect defects in time that could have a major impact on manufacturing activities and give rise to financial costs.

Our commitment is that by choosing environmentally friendly technologies and services, managing energy risks and promoting activities to increase energy efficiency, we will continuously take care of and contribute positively to the conservation of the environment.

7.1. Carbon footprint

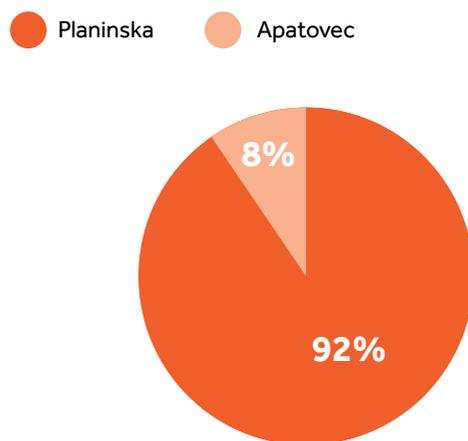
The carbon footprint represents the total quantity of greenhouse gas emissions (GHG), which is expressed in carbon dioxide equivalent (CO₂ eq.). The quantity of the carbon footprint is the result of activities of the individual, the organisation, various processes and/or the manufacturing of products. It includes the sum of the quantities of GHG that may be caused directly or indirectly by an individual activity or manufacturing.

In 2022, Atlantic Cedevida d.o.o. calculated the Scope 1 and 2 organisational carbon footprint for the manufacturing of Cedevida. The carbon footprint report serves as a basis for decision-making and making important business decisions to reduce climate risks and increase climate opportunities.

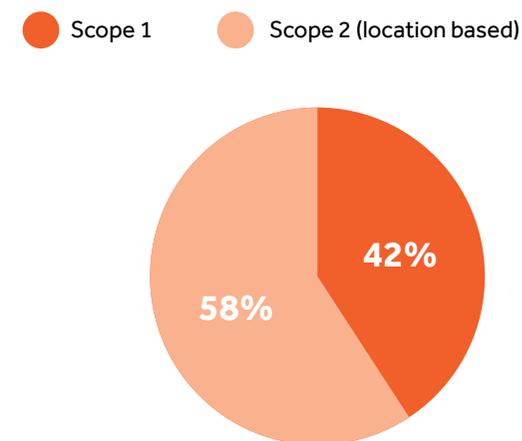
It presents an insight into one's own operation and the possibilities of optimising operating costs.

The carbon footprint was calculated taking into account the guidelines of the Protocol on Greenhouse Gases and the internationally established standard SIST EN ISO 14064-1:2019 and includes both Cedevida manufacturing plant locations, i.e. Planinska and Apatovec (includes only production of Cedevida GO). For the manufacturing plant at the **Planinska location**, the value of the carbon footprint (location method) is **2,639.80 t CO₂ eq.** and, for the **Apatovec location**, **244.20 t CO₂ eq.** which totals **2,884.00 t CO₂ eq.** The calculations did not take into account mobile resources, since the consumption of energy products is managed at the consolidated company level.

The results show that the calculated values of the carbon footprint according to the market method are significantly higher, which depends on the considered emission factor of the supplier of electricity, heat or steam.



Graph: Share of the carbon footprint by manufacturing location in 2022



Graph: Share of the carbon footprint by scope in 2022

Scopes	Activity	Location: Planinska		Location: Apatovec	
		Quantity	Unit	Quantity	Unit
Scope 1	Stationary combustion	No stationary combustion		184.67	t CO ₂ eq.
	Mobile combustion	All vehicles are leased and applicable at the corporate level		All vehicles are leased and applicable at the corporate level	
	Refrigerants	1,029.60	t CO ₂ eq.	4.94	t CO ₂ eq.
	Other process emissions	N/A	N/A	N/A	N/A
	Scope 1–total	1,029.60	t CO₂ eq.	189.62	t CO₂ eq.
Scope 2	Purchased electricity (100% renewable energy) – location based	229.28	t CO ₂ eq.	54.58	t CO ₂ eq.
	Purchased electricity (100% renewable energy) – market based	533.41	t CO ₂ eq.	126.99	t CO ₂ eq.
	Purchased heat and steam	1,380.92	t CO ₂ eq.	No purchased heat and steam	t CO ₂ eq.
	Scope 2–Location based + heat and steam	1,610.20	t CO₂ eq.	54.58	t CO₂ eq.
	Scope 2–Market based + heat and steam	1,914.33	t CO₂ eq.	126.99	t CO₂ eq.

Table: The Scope 1 and 2 carbon footprint of the Cedevida brand in 2022

7.2. Energy consumption

Various sources of energy are used to generate electricity and heat, whereby we strive to increase the share of renewable energy sources and replace fossil fuels used for heat with more environmentally friendly sources.

At the Planinska location, all electricity is purchased from electricity suppliers. Technological steam, also supplied from an external supplier, is used for heating purposes. Over the years, the use of electricity increases slightly, or changes, as affected by several factors such as the manufacturing volume, environmental conditions, product range and change to the cooling technology of the high pressure compressor used to inflate PET packaging (referring to Apatovec location). The use of thermal energy remains fairly constant over the years. Liquefied petroleum gas (LPG) and heating oil are used as a heat source.

Over the years, we have been increasing the share of purchased energy from renewable sources, which, in 2022, already accounts for little less than half of the purchased energy (45%), compared to 2021 when it accounted for only 21%.

Energy consumption	2020	2021	2022
Planinska Location			
Electricity (in kWh)	4,043,579	4,249,155	4,615,517
Thermal energy (steam) (in kWh)	6,162,083	6,186,322	6,162,448
Total (in kWh)	10,205,662	10,435,477	10,777,966
Apatovec Location			
Electricity (in kWh)	1,039,233	1,140,429	1,131,669
LPG (and propane) (in kWh)	43,254	47,773	44,183
Heating oil (in kWh)	791,179	917,713	694,947
Total	1,873,666	2,105,915	1,870,799
Total for the Planinska and Apatovec locations	12,079,328	12,541,392	12,648,765

Table: Energy consumption in the Planinska and Apatovec (for bottling of CGO) manufacturing facilities between 2020 and 2022

The specific energy consumption per manufacturing unit at the Planinska location has been falling over the years. In 2021, it fell by 3.7% compared to 2020, and, in 2022, it fell by as many as 10.7% compared to 2021. The underlying reason for the constant reduction in energy use are the efficient energy measures introduced in the manufacturing processes, such as:

- **Regular monitoring of energy use using telemetry for the capture, storage and visualisation of measured parameters**, which enables us to monitor, predict and act quickly in the event of adverse events or deviations, as well as to plan process optimisation.

- Improving the thermal insulation of the process steam system, which involves the use of the most efficient insulation techniques and materials for e.g. thermal protection of fittings on the duct of the technological steam system.

- The introduction of the energy efficiency criterion in the procurement of new energy equipment, meaning that, when procuring new devices that consume a lot of energy, we request information about the expected energy consumption for the prescribed period from the providers as early as during the quote obtaining stage.

- **Introduction of a reward system for employees responsible for the energy sector based on achieved results.**

Source of energy	2020 (in kWh)	2021 (in kWh)	2022 (in kWh)
Planinska Location			
Non-renewable resource	10,205,662	8,333,280	6,162,448
Renewable resource	0	2,102,197	4,615,517
Total	10,205,662	10,435,477	10,777,966
Apatovec Location			
Non-renewable resource	1,873,666	1,535,696	739,130
Renewable resource	0	570,219	1,131,669
Total	1,873,666	2,105,915	1,870,799
Total for Planinska and Apatovec – non-renewable resource	12,079,328	9,868,976	6,901,578
Total for Planinska and Apatovec – renewable resource	0	2,672,416	5,747,186

Table: Procured energy from non-renewable and renewable sources in the Planinska and Apatovec manufacturing plants between 2020-2022

A remuneration system has been implemented for employees responsible for the energy sector, based on their achieved efficient energy use results.

Specific energy consumption per unit of production	2020	2021	2022	Plan for 2023*
Planinska location (in kWh/t)	1,149	1,106	988	988
Apatovec location (in MJ/hl)	14.8	15.3	15.2	15.2

Table: Shared use of energy per manufacturing unit in the Planinska and Apatovec (all products included) manufacturing facilities between 2020-2022 and the plan for 2023

* Target values for the next year are usually planned by setting the values achieved in the current year.

7.3. Pollution

One of Cedevida's manufacturing facilities is located in the center of the city of Zagreb, which also causes emissions in the local environment, such as noise, emissions from transport and waste water emissions.

Although we are not legally obliged to measure air pollutants (we do not have our own boiler room) and dust emissions released from manufacturing, we do carry out periodic measurements that show that we do not cause excessive environmental pollution.

We have a greater ambient noise impact, where we sometimes receive informal complaints from nearby residents about noise emitted during manufacturing at night time during the summer. In all cases of complaints, we can carry out additional noise measurements at the request of the complaint-filing party. Until now, the results of noise level measurements have always been within the permissible limits. We have a valid decision of the Croatian Ministry of Health on implemented noise-protecting measures, as part of which there is annual review on the emergence of any new circumstances that would require re-measurement of noise. There has been no need for this to date.

7.4. Water management

We are aware of the value of water, which is why we carefully manage it and look for solutions to optimise the utilisation of drinking water and to effectively treat waste water.

7.4.1. Utilisation of potable water

Potable water for process and sanitary use at the Planinska location is collected from the public water supply network. Approximately 54% of the abstracted water is used for technological processes (a smaller portion thereof is used in product solutions, and the rest to wash equipment and for operating purposes), whereas the other 46% for sanitary needs, including the use of potable water in our employees' restaurant. At the Apatovec location, water for process and sanitary purposes and for the manufacturing of Cedevida ToGo is abstracted from two wells, namely Brodec (ZB-1) and Gruice (ZG-1) in Apatovec. The volume of water abstracted from the wells is determined in the concession decision. Regular measurements of the groundwater level in the wells are carried out. Both wells are fenced and under lock and under constant video surveillance. Regular daily monitoring is also carried out in the form of a physical visit by the security service. Daily microbiological and chemical analyses of sampled water in wells and finished products in manufacturing are carried out.

Our obligations are regularly implemented and settled as per the well abstraction concession.

The monitoring and meeting of requirements in accordance with the concession are carried out by Hrvatske vode.

In 2022, total water use at both locations was lower by 7%. Consumption was lower both at the Planinska and Apatovec locations.

Otherwise, drinking water consumption is fairly constant. Our policy in this area is to stagnate absolute water consumption level by taking into account the expected growth of the manufacturing volume. To achieve efficient water utilisation, a lot of effort is put into preventing failures that can cause unnecessary water spills. Over the years, constant telemetry monitoring and hourly alerts have allowed to perfect the system in a way that there are practically no water losses in the water supply system of the Planinska location. As an example, in 2011 a total of approximately 53,000 m³ of water were abstracted from the water supply system, whereas, in 2022, only 8,144 m³. The reason for such a reduction is the rapid detection and repair of defects and their prevention. One of the important preventive measures is the automatic regulation or reduction of the pressure from urban pressure (+7 bar) to 5 bar at the entire location.

Total utilisation of process and sanitary water	2020	2021	2022
Utilisation of water from the public water supply network (in m ³) – Planinska location	7,753	8,072	7,911
Utilisation of water from other sources (m ³) – Apatovec location	15,873	17,448	15,822
Total for the Planinska and Apatovec locations (in m³)	23,626	25,520	23,733

Table: Utilisation of process and sanitary water in the Planinska and Apatovec manufacturing plants in 2020-2022

The telemetry monitoring and alerting system have allowed us to have practically no water losses in the water supply system of the Planinska location.

Between 2020 and 2022, there was a visible decrease in specific water utilisation per manufacturing tonne at the Planinska location, namely by approximately 15% in 2022 compared to 2021. The specific water consumption at the location in Apatovec has remained the same over the years, i.e. 0.06 m³/hl.

Specific water utilisation per manufacturing unit	2020	2021	2022	Plan for 2023*
Planinska location (in m ³ /t)	0.87	0.86	0.73	0.73
Apatovec location (in m ³ /hl)	0.06	0.06	0.06	0.06

Table: Water utilisation per manufacturing unit in the Planinska and Apatovec manufacturing plants in 2020-2022

* Target values for the next year are usually planned by setting the values achieved in the current year.

7.4.2. Waste water management

Emissions to water are managed and regular measurements in accordance with a valid water permit with permanent validity, issued by the Hrvatske vode institution, which manages water in accordance with the Water Act, are carried out. Measurements of waste water emissions flowing into the public sewage system are carried out six times a year at equal intervals (Apatovec location), and twice a year a 24-hour waste water sampling is carried out by a certified accredited laboratory (Planinska location). The respective reports are presented to the competent authority. The results comply with the requirements of the water permit and do not exceed the limit values.

In accordance with the water permit, the following parameters are monitored in the waste water: pH value, temperature, sedimentary substances, biochemical oxygen demand (BPK₅), chemical oxygen demand (COD), total organic carbon (TOC), non-volatile lipophilic substances (fats, mineral oils), anionic detergents, non-ionic detergents, polycyclic aromatic hydrocarbons (PAH), total nitrogen, total chlorine and dissolved sulphides.

Total utilisation of process and sanitary water	2020	2021	2022
Process water* (in m ³)	4,275	4,612	4,389
Sanitary water (in m ³)	3,717	3,761	3,755
Total	7,992	8,373	8,144

Table: Volume of process and sanitary waste water discharged in 2020-2022

* Industrial waste water from a technological process.

7.5. Conservation of biodiversity and ecosystems

At the Atlantic Grupa, the approach to conserving biodiversity is already included in the new product designing process, as well as in our collaboration with suppliers. The development technologist selects potential raw materials that meet the requirements of environmental and sustainability aspects, and procurement pays special attention to endangered plant and animal species when choosing raw materials. The basis for this is the IUCN Red List of Threatened Species and the national list of protected species according to the level of risk of extinction. The list is monitored on a monthly, quarterly or annual basis.

Between 2020 and 2022, there was one Near Threatened taxon and one Least Concern taxon in the areas the Atlantic Grupa operates.

7.6. Use of raw materials

We procure and use all raw materials for our products in the most responsible manner, both in the storage and transport processes and in the manufacturing process. We reduce the generation of residues and waste in all stages of the process, such as weighing, grinding, manipulation, etc. We use verified and standardised raw materials, and all newly procured raw materials and suppliers of these raw materials have to undergo our quality control process. The procurement, research and development and quality departments are involved in the control process.

For more information about the procurement process, please refer to the Relations with Suppliers section.

In the last three years, a constant increase in the amount of raw materials used has been observed, which is in line with increased sales or growth in sales orders.

We reduce the generation of residues and waste in all stages of the process, such as weighing, grinding, manipulation, etc.



Raw material (in kg)	2020	2021	2022
Sucrose	7,780,215	8,271,850	9,646,300
Citric acid (anhydrous and micro ball)	776,055	814,123	930,548
Sodium hydrogen carbonate	257,815	269,892	309,838
Glucose monohydrate	112,643	130,459	152,988
Orange, lemon and other flavours (lime, red orange, elderberry, grapefruit*)	123,070	125,681	135,796
Ascorbic, malic, and tartaric* acids	48,319	46,226	48,541
Spark candy - strawberry flavour with maltose	13,485	17,977	19,065
Sorbitol (powder)	17,006	18,227	18,307
Lemon and orange powder	/	2,584	14,772
Glucose syrup	10,286	12,095	13,975
Beetroot concentrate	1,765	6,898	6,896
Total	9,140,659	9,716,012	11,297,026

Table: Consumption of key raw materials for the manufacturing of Cedevita in 2020-2022

* Only in 2020.

7.6.1. Packaging materials

Packaging has a protective, transport and information function and plays an important role in ensuring the high quality and safety of products. The packaging materials used must be functional and provide maximum product protection throughout the entire life cycle of the product and ensure the highest product quality.

At Atlantic Cedevita, we constantly strive for sustainable and environmentally friendly packaging, with the aim of optimising and reducing the negative impact of packaging on the environment.

We systematically introduce measures to reduce the weight of packaging, the possibility of recycling used packaging materials, and promote the proper disposal of waste packaging and the importance of separate waste collection among consumers.

All bottles used for Cedevita vitamin granules are made of 100% recyclable HDPE material. In order to ensure full recyclability of the plastic packaging of our products, in 2021, we started replacing the sleeves (sleeve labels) on the primary packaging made from the PVC material with PET material. By the end of 2022, this had been implemented for all plastic packaging, which resulted in 2% more recyclable packaging than the year before.

Also, in 2021, we replaced the 500-gram packaging in triplex foil with 455-gram packaging made from the HDPE material, which resulted in a 39 tonnes reduction in the consumption of non-recyclable material. In 2020, we introduced new packaging in the On the Go segment, which reduced the number of different materials used, as the entire cap of the bottle with the dispenser is now made only from the PP material,

which was not the case with the previous version. With the introduction of the new cap, we also significantly reduced its weight, which on an annual level means more than 180 tonnes less material used.

Compared to the previous version, the new cap has a functionally upgraded opening mechanism, the neck of the bottle is lowered, and the wider 38 mm diameter of the bottle is preserved, which allows an even easier consumption by consumers.

We have kept the uniqueness of storing granulates of multivitamin granules in the cap of the bottle, which dissolve in the spring water when the cap is activated. This way, the consumer is always offered a freshly prepared, uncompromisingly high-quality, safe and functional product.

Even before the relevant legislation was adopted, paper straws were introduced in the HoReCa segment, thereby reducing the quantity of single-use plastic.

By introducing the new Cedevita On the Go packaging, the number of materials used was reduced, and the introduction of the new cap saved 180 tons in material.

Type of packaging material	Tonnes	Share
2020	1,723.58	
Recyclable packaging	1,489.83	86.44%
Non-recyclable packaging	233.75	13.56%
2021	1,972.00	
Recyclable packaging	1,720.75	87.26%
Non-recyclable packaging	251.25	12.74%
2022	2,382.70	
Recyclable packaging	2,124.84	89.18%
Non-recyclable packaging	257.86	10.82%

Table: Quantity and share of recyclable and non-recyclable packaging in 2020-2022

All used secondary and tertiary packaging, labels and transport packaging are made of 100% recyclable paper. The plastic thermofoil was replaced with Shelf Ready cardboard packaging. This replacement allowed us to reduce the use of packaging plastic in manufacturing by 48 tonnes. All cardboard transport packaging is FSC-certified - certifying sustainable forest management.

7.7. Waste management

Waste is handled responsibly, in a way that does not endanger the health of employees and local residents and does not cause negative impacts on the natural environment. The legislative requirements and the Rules on the removal of all types of waste from the technological process and sludge from the Atlantic Cedevita waste water treatment process for both the Planinska and Apatovec locations are followed. Waste

is managed following a five-step waste management hierarchy, whereby we strive to reduce its generation, and to properly separately collected generated waste. We promote reuse and processes that enable the reuse of products or parts of products no longer needed in our business processes. Accordingly, "big bags" are used to collect by-products or they are passed on for reuse for other purposes. Waste is collected separately at the location of its origin and handed over to authorized waste management contractors according to certain procedures and timelines.

Most of the waste is recycled. Other waste management procedures are reuse, composting, energy use, incineration and finally disposal of mixed municipal waste not destined for recovery.

Non-hazardous waste includes waste such as materials not destined for use and recovery, waste paper and cardboard, waste film, plastic and Styrofoam, multi-layer packaging, biological waste from the

waste manufacturing batch, by-products and other non-hazardous waste materials.

Hazardous waste includes waste electrical and electronic equipment, refrigeration equipment, waste contaminated packaging, mixed laboratory chemicals, waste cartridges and other materials classified as hazardous waste. Hazardous waste is passed on for recycling or incineration.

Waste management measures in the last three years:

- setting up ecological islands used for the separate collection of waste at several locations - reduction of mixed municipal waste by 700 kg,
- introduction of separate collection of protective face masks and disposable gloves during the pandemic,
- using "big bags",
- multi-layer packaging is sorted if necessary and passed on to mechanical biological treatment (MBO) to obtain the alternative RDF/SRF (refuse derived fuel/solid recovered fuel), suitable for energy generation in heating plants, cement plants and other thermal waste treatment facilities,
- at the Apatovec location, an apparatus has been installed for dehydrating sludge from sewage treatment plants, which contributed to a reduced number of waste sludge removals.

In 2022, the total volume of waste increased by 47% compared to 2020, which is mainly due to the increased amount of waste sludge from waste water treatment, the volume of which was already 110% greater in 2021 compared to the previous year due to certain issues faced at the waste water treatment plant.

Type of waste	2020	2021	2022
Planinska Location			
Non-hazardous waste (in t)	208.80	383.32	384.29
Hazardous waste (in t)	9.88	28.59	26.10
Total (in t)	218.68	411.91	410.39
Apatovec Location			
Non-hazardous waste (in t)	243.62	378.25	568.55
Hazardous waste (in t)	1.98	11.03	2.64
Total (in t)	245.60	389.28	571.19
Total for the Planinska and Apatovec locations (in t)	464.28	801.19	981.58

Table: Volume of waste by type of waste in 2020-2022



Management method	2020	2021	2022
Planinska Location			
Reuse (in t)	0	107.06	106.72
Recycling (in t)	155.86	194.99	178.43
Composting (in t)	29.29	56.11	34.46
Energy harvest (in t)	0	0	40.60
Incineration (in t)	1.62	2.83	1.70
Landfill disposal* (in t)	22.00	22.33	22.38
Total (in t)	208.80	383.32	384.29
Apatovec location			
Recycling (in t)	238.01	373.82	562.97
Incineration (in t)	0.12	0.03	0.08
Landfill disposal* (in t)	5.50	4.40	5.50
Total (in t)	243.62	378.25	568.55
Total for the Planinska and Apatovec locations (in t)	452.42	761.57	952.84

Table: Non-hazardous waste by management method in 2020-2022

* Municipal waste not destined for any other type of recovery is disposed of at the landfill.

Management method	2020	2021	2022
Planinska Location			
Recycling (in t)	8.11	26.69	24.63
Incineration (in t)	1.77	1.90	1.47
Total (in t)	9.88	28.59	26.10
Apatovec location			
Recycling (in t)	0.20	9.72	0.98
Incineration (in t)	1.78	1.31	1.66
Total (in t)	1.98	11.03	2.64
Total for the Planinska and Apatovec locations (in t)	11.86	39.62	28.74

Table: Hazardous waste management method in 2020-2022

Waste management	2020	2021	2022
Planinska Location			
Municipal waste deposited at the landfill (in t)	22.00	22.33	22.38
Total volume of waste (in t)	217.90	411.91	410.40
Separately collected waste to be recovered further (BA) (in t)	195.90	389.58	388.03
Separately collected waste (in %)	90.00%	94.58%	94.55%
Waste separation efficiency (in t/t or per hl or per number of pallets)	0.020	0.029	0.037
Apatovec Location			
Municipal waste deposited at the landfill (in t)	5.50	4.40	5.50
Total volume of waste (in t)	245.68	389.78	571.19
Separately collected waste to be recovered further (BA) (in t)	240.18	385.38	565.69
Separately collected waste (in %)	97.76%	98.87%	99.03%
Waste separation efficiency (in t/t or per hl or per number of pallets)	0.009	0.014	0.021

Table: Waste management in 2020-2022



7.8. Communicating environmental aspects

Environmental and energy management processes are communicated by following Atlantic Grupa's operating instructions, with the aim of maintaining effective procedures pertaining to communicating with and informing employees and other interested publics. Responsible persons and responsibilities, procedures pertaining to dealing with complaints and extraordinary environmental incidents have been specified.

Internal communication takes place within the framework of the environment and energy HACCP teams, continuous dialogue between employees at all levels, on bulletin boards, Ekofon, intranet, through training and education, e-mails, the Atlantic Grupa environmental and energy management process conference, etc. All this is summarized at Local management review.

We also communicate about environmental aspects with external publics, such as the media, business partners, investors, external contractors, the local population, and through regular reporting to the competent institutions and the provision of data to inspection and other bodies.

In the event of complaints from the public, the environment or the energy team draws up a response draft, in the drafting of which it also involves the legal and the corporate communications departments.

8

RESPONSIBILITY TOWARDS THE SOCIAL ENVIRONMENT

CEDEVITA®

RESPONSIBILITY TOWARDS THE SOCIAL ENVIRONMENT

The Cedevida brand is strongly embedded in the local environment and the region in which it is present. Aware of our impact, we assume full responsibility for the well-being of our employees and the local environment in which we are located. Through various activations and campaigns, we promote the healthy physical and mental development of individuals of all ages, thereby reflecting our values and realizing the vision of bringing about freshness and a positive air to all generations.

We respect diversity and provide equal opportunities to employees regardless of gender, race, ethnic group or religious belief. Talents are identified and the development of their careers within the Atlantic Grupa is facilitated. All employees are provided with additional training, education and competence development through various programmes. We provide for occupational health and safety and encourage employees to lead a healthy lifestyle. We diligently check and evaluate every supplier of our important raw materials, and we strive to maximise our collaboration with local suppliers.

Customers and consumers are at the heart of our operations, which is why they are regularly included in the development of new or upgrading of existing products.

A constant dialogue is established therewith. Their feedback is diligently reviewed and incorporated into our products accordingly. Taking our role as a promoter of a healthy lifestyle seriously, we are looking for ways and methods to be involved in the local community

and the wider region, especially as pertaining to raising awareness about physical and mental health and other vulnerable groups, to whom our voice and support are offered.

8.1. We recognise the value of our employees

Our attitude towards our employees is based on Atlantic Grupa's comprehensive employee management strategy called the "People Strategy", which forms part of our comprehensive corporate strategy and includes three main focuses:

- to set up an agile, consumer-centric organisation,
- to grow inspirational leaders, and
- to capture its employees' hearts.



In this context, the experience and knowledge of our employees are valued and their professional and personal growth and development facilitated. We strive to recruit leaders who are ready to assume responsibility for their decisions and actions, to be role models and to effectively lead a team. At the same time, we want to address employees on an individual level and recognise them as valuable individuals and offer them a motivating work environment.

All employees and new recruits are familiar with the policies of the Atlantic Grupa pertaining to employee rights and responsibilities, respect for human rights in the workplace, protection of workers' dignity and protection against discrimination. We accept the diversity of our employees and provide employees with equal promotion opportunities. Our employees are encouraged to act in accordance with written and unwritten rules of behaviour based on our values.

8.1.1. Employee structure

Between 2020 and 2022, the number of employees was increasing, which is a reflection of the positive trend in our industry. 56% of employees are female, which is an indication that the jobs are not too physically demanding, thus enabling greater employability of women.

The 31-50 age bracket accounts for the majority of our employees (43.60%), whereas the 19-30 age bracket accounts for the smallest age bracket (18.80%).

Gender	2020	2021	2022
Male	149	157	154
Female	181	184	197
Total	330	341	351

Table: Number of employees by gender in 2020-2022

Aware of the aging of our employees, we strive to increase the proportion of younger employees and are looking for young talents. Depending on the company's activity, profiles in the areas of manufacturing processes, quality assurance, maintenance and similar technical skills are preferred, which includes qualifications pertaining to pharmaceuticals, natural sciences, nutrition, and technical professions. In areas of work that require a higher level of education, graduates in food and nutrition engineering, chemical technology, biotechnology, pharmaceuticals, etc. are mainly sought after. Engineers with degrees in mechanical engineering, electrical engineering and other technical skills are also required. The introduction of an internship and scholarship program used to actively pursue the development of young talents who are still undergoing education or in the process of completing it and are looking for their first job is planned.

Age	2020		2021		2022	
	No. of employees	in %	No. of employees	in %	No. of employees	in %
19-30	51	15.5	62	18.2	66	18.8
31-50	132	40.0	139	40.8	153	43.6
51-65	147	44.5	140	41.1	132	37.6
Total	330	100	341	100	351	100

Table: Employees by age in 2020-2022



Completed level of education	2020	2021	2022
0	13	11	10
I	1	1	1
II	26	20	16
III	15	14	13
IV	180	197	205
V	5	5	5
VI	13	13	15
VII	71	74	80
VIII	6	6	6
Total	330	341	351

Table: Number of employees by completed level of education in 2020-2022

Employment status	2020	2021	2022
Agreement of indefinite duration	313	310	305
Fixed-term agreement	15	29	46
Agreement for a specific period of time - seasonal work	2	2	0
Total	330	341	351

Table: Number of employees by completed level of education in 2020-2022

The number of employees who left the company in 2022 is 37% higher than in 2020. The most common reasons are retirement, the continuing of education or departure due to a better offer elsewhere. Compared to 2020, 80% more workers were hired in 2022. These employees belong to the annual employment of a certain permanent group of people in the months from March to October (instead of seasonal workers), which ensures a constantly high level of work skills, while at the same time enabling production workers to take their leave and, during the summer (July, August), we switch to two-shift work. New employees were also recruited due to the opening of new types of vacancies in maintenance, marketing and sales, and as a replacement for the departed employees.

	2020	2021	2022
Turnover (number)	35	45	48
New employees (number)	31	54	56

Table: Turnover and new recruits in 2020-2022

In workplaces where this is possible, employees can work under the hybrid work model, i.e. to partially work remotely. Work in the company is also performed by students who are employed as seasonal workers for a period of one to a maximum of three months.

8.1.2. Respecting diversity and ensuring equal opportunities

We are committed to providing equal opportunities for all employees. Diversity and inclusiveness are at the centre of our values and promoted through various conduct policies.

To ensure the transparency of equal opportunities and respect for diversity, clear guidelines and KPIs that ensure the implementation of the adopted policy in our business processes have been established.

At the level of the Atlantic Grupa, there is a committee to ensure alignment in this area, which consists of the Group Vice President for Corporate Affairs, the Executive Director of People and culture and the Head of the Talent Acquisition department. An e-mail address has been established to report any grievances: grievance@atlanticgrupa.com.

Career and development opportunities are available to all employees and derives from their areas of work and professional skills, therefore their respective position is not dependent on their gender.

In Atlantic Cedevita d.o.o., none of the employees are part of the top management (Board) of the Atlantic Grupa. The company is represented by the company CEO, and group leaders are predominantly women - more than 60% of employed managers are female. All our executives originate from the local environment, i.e. from Croatia.

Employee category by level	in %	M%	F%	Age group %		
				< 30	30 - 50	> 50
Board	0%	n/a	n/a	n/a	n/a	n/a
SMC wo Board	0.28%	100.00%	0%	0%	0%	100.00%
Manage Others	15.54%	38.18%	61.82%	7.27%	54.55%	38.18%
Para-Professional	64.69%	46.29%	53.71%	18.34%	41.92%	39.74%
Professional	19.49%	39.13%	60.87%	18.84%	50.72%	30.43%
Total	100.00%	43.79%	56.21%	16.67%	45.48%	37.85%

Table: Employees of Atlantic Cedevita d.o.o. by position and gender in 2022

Career and development opportunities are available to all employees, regardless of gender.

8.1.3. Respect for dignity and protection against discrimination

We have zero tolerance for any form of discrimination in the workplace, which also includes recruitment selection and conditions, promotion, professional guidance, professional training and development, and retraining. We are committed to providing employees with dignity in the workplace by providing a suitable workplace and preventing any sexual or other violence in the workplace.

If discrimination is reported at the workplace, we act in accordance with the internal Labor Rules containing the handling method.

In 2021, one case of alleged discrimination was reported and, following the procedure, was found to

have been unfounded. In 2022, there were no discrimination verification report or procedures.

8.1.4. Talent identification and employee development

We strive for excellence in every area of our operations. Since we operate in a highly competitive environment, special attention is paid to recruiting highly motivated, educated, and creative employees. Therefore, we the recruitment of new employees is diligently planned through various talent selection and acquisition channels, a classification and evaluation system, drawing up an agreement and an orientation programme, based on which our new recruits are also introduced to our work processes.

Part of the employee management process is employee career management used to identify, develop and acquire the talent pool for Atlantic Grupa's current and future needs.

At the beginning of each year, the management conducts career interviews with the employees in their team regarding their career aspirations, strengths and

development areas, and define a career development action plan. This information is aligned with HR needs at the Atlantic Grupa level and implemented as needed.

The Atlantic Grupa has established an internal process of identifying the potential of employees and developing their career called "Flavour your Career", whereby employees are provided with various opportunities to acquire new knowledge, build skills and competences, identify talents and career growth and development according to specific ambitions, desires, and skills. The process enables the managers of individual areas to support the recruitment of new employees and the identification of talents.

Career plan	2020	2021	2022
Share of employees with a career plan	21.50%	22.50%	25%

Table: Share of employees with a career plan in 2020-2022



**In 2022,
25% of employees
had a career plan.**

8.1.5. Performance management

Performance management is intertwined with the success of the individual employee and the success of the company, by integrating goal at the level of the organisation, department, and individual and by improving efficiency at the level of the individual and their respective team. The performance management process is divided into the remuneration and non-remuneration parts. The remuneration process includes the remuneration of employees in accordance with their employment agreement which includes the receipt of an annual remuneration. This refers to individual and team achievements and includes remuneration for work carried out on strategically important projects. Other bonuses and remuneration are determined and approved each year at the beginning of the year by a member of the Board or vice president for corporate affairs.

Payment subject to performance constitutes just one of many factors that contribute to equal pay regardless of gender, as payment and remuneration are based solely on employee performance.

The performance of certain employees is appraised systematically through the process of performance and development interviews.

In 2022 all employees working on "professional contributor" and "manage others" type of roles received a job

performance appraisal.

Around 90% of employees hired on "para-professional" roles received a job performance appraisal (with exclusion of seasonal workers).

8.1.6. Ensuring adequate payment

The basic salary or the fixed part of the salary is always defined according to the position, regardless of gender. The value of a position is based on the level of skills required, the scope of responsibilities and the conditions of the position.

The minimum starting salary in 2022 was EUR 730 gross.

8.1.7. Collective agreements

In February 2022, a Collective Agreement for Atlantic Cedevita d.o.o. was concluded with the Trade Union of Workers in the Energy, Chemical and Non-Metal Industries of Croatia. The Agreement defines the rights and obligations at the workplace for employees, such as working hours, leave, pay system, liability in the event of damage, education and training for the workplace, protection against sexual or other violence at the workplace, protection of workers' rights, the participation of workers in decision-making processes, occupational safety, informing the trade union, operation and working conditions of the trade union, resolving collective labour disputes, the right to strike, social peace, interpretation and monitoring of the implementation of the Collective Agreement, the duration of the Collective Agreement and the possibility of amendments.

We also have defined minimum deadlines for issuing notices to employees regarding operational changes, which is a minimum of two to three months, depending on the notice period of the employees involved (which

is regulated by labour law and the Collective Agreement).

All benefits of the Collective Agreement are intended for full-time employees.

8.1.8. Organisational climate

Every year, an organisational climate survey is conducted among employees at the level of the entire Atlantic Grupa, wherein employee satisfaction is checked. In 2022, employees showed a high level of satisfaction with the working environment in the Atlantic Grupa. A more detailed report is contained in the 2022 Atlantic Grupa Annual Report.

8.1.9. Education and Training

We ensure and provide all employees with the opportunity to acquire new knowledge, upgrade skills and develop competencies that contribute to increasing productivity and occupational safety and to the professional performance of work tasks. Employees are trained in specific technical areas related to their jobs, as well as in the acquisition and development of soft skills. Knowledge and competences are acquired and improved through programmes such as:

a) Atlantic School & Atlantic School for Managers: diverse development programmes, trainings that apply to all employees (on both professional and managerial positions) and, to a large extent, include the development of soft skills such as presentations, time management, stress management, well-being topics, etc.

b) MANAGE program: for new managers or those who will soon become one; includes a set of internal and external modules.

c) Performance and Development talks: an opportunity for employees to express their aspirations and de-

fine an individual development plan in agreement with their supervisor.

d) Training based on business needs: developed in collaboration with our managers and the P&C business partner.

e) Self-initiated trainings: trainings to which, in agreement with their supervisor, the employees register of their own accord (various external seminars, congresses, conferences, etc.) and is related to the knowledge required for their respective workplace.

f) Atlantic GO: internal opportunity marketplace and platform used to create a profile and find development opportunities (various projects, mentoring and other tasks).

g) Functional Lab Quality programme: includes training related to the environmental and energy management process and includes topics such as legislative requirements and internal procedures, fundamental environmental protection goals and energy efficiency, environmental policy, energy policy, group/company goals, familiarisation with responsibilities and the consequences in case of deviations from the defined handling procedures.

Education and Training	2020	2021	2022
Average number of hours of education and training per employee	9.6	9.5	9.5

Table: Average number of training hours per employee in 2020-2022

In 2022, more than 100 employees (including Atlantic Cedevida employees) at the Atlantic Grupa level were included in educational programmes covering ESG aspects.

Employees are also encouraged to be actively engaged in co-creating new sustainable development solutions. In 2022, more than 100 employees (including Atlantic Cedevida employees) at the Atlantic Grupa level were included in educational programmes covering the aspects of environment, society and governance (ESG), which included six sustainability modules, three modules pertaining to the Taxonomy in practice and training for the implementation of standards from the ISO 14000 series, which relate to environmental management.

8.1.10. Occupational health and safety

Ensuring occupational health and safety is one of the fundamental conditions for successful and efficient work. The legislative requirements in this area and the ISO 45001 occupational health and safety management system standard are diligently followed. All employees, as well as employees of external contractors who work at our locations in all markets where we are



present, are included in the occupational health and safety system. Occupational safety and health experts and specialists in certain fields carry out preventive internal control of the suitability of positions and processes on a daily basis, with the aim of preventing injuries at the workplace and ensuring the health of employees.

8.1.10.1. Workplace risk assessment

We have drawn up a risk assessment and laid down protection and security measures for all positions.

The risk assessment is based on recognised international methods (such as the Austrian AUVA).

Workers' representatives and the workers themselves participate in the workplace risk assessment process. The risk assessment for an individual workplace is adopted at a meeting of the Occupational Safety and Health Commission and is available at the workplace.

All employees can anonymously report a potential risk or danger at the workplace. The report is reviewed by an expert in charge of occupational health and safety and provides the employee and their manager feedback on the measures taken. In the event of identified irregularities, corrective measures are introduced to eliminate the deficiencies, then internal control intended to ensure occupational health and safety is carried out again.

8.1.10.2. Occupational health and safety training

Before starting work at any workplace, every new employee undergoes occupational health and safety training. The training includes general content and specific content adapted to the risk at the respective workplace.

8.1.10.3. Implementation of physical and technical security

Physical and technical security is carried out by authorised external partners with whom Atlantic Cedevida has concluded an agreement. The primary work of security guards includes the protection of human rights, such as the protection of personal data, and a professional and impartial treatment of any person.

In accordance with the legislation of the Republic of Croatia and our corporate rules, all security guards of the external partner are educated and trained to implement policies, rules, measures and actions of all levels and intensities in the implementation of physical and technical security measures.

External security guards are trained upon (re)starting security work at the location, and periodic retraining is carried out by their direct managers and/or our competent persons.

8.1.10.4. Health promotion at the workplace

Before starting work, new employees undergo a mandatory medical examination, and all employees also undergo a preventive medical examination at least once a year. Workers in workplaces with a higher safety and health risk also undergo periodic targeted medical examinations. As part of the periodic examination, occupational medicine educates workers about the acute consequences of harmful effects at the workplace, maintaining work capacity, and counselling on occupational health and safety. We also take care of the health of employees by ensuring an appropriate working environment, such as by replacing hazardous work substances with those with less health risks, by rotating employees at the workplace, ensuring optimal working conditions, etc.

During the year, preventive health promotion programs for employees are also organised in agreement with an occupational medicine doctor or other external partners. The doctor of occupational medicine periodically visits workplaces and provides employees with advice and plans activities that boost the health of employees, organises workshops on possible activities at the workplace, such as in the case of working behind a computer, predominantly sedentary or standing work, in the case of exposure to greater physical exertion, free-of-charge medical massages are available to employees, etc. All employees are provided with advice from a nutritionist on a healthy diet and an individual approach, advice on possible sports activities, on how to quit smoking, etc. Many Atlantic Grupa sports clubs are also available for employees, which they can join and actively participate in. Our employees can also avail of subsidised access using the Multisport card to wellness, physical training and sports activities in various sports and recreation centres.

8.1.10.5. Injuries at the workplace

All injuries that occur during the financial year are monitored, divided into minor injuries, serious injuries and injuries with a fatal outcome, and according to whether they occurred at the workplace or outside the workplace. We also strive to prevent injuries at the workplace using preventive measures that raise awareness on responsible behaviour when performing work tasks. Our goal is to prevent or minimise injuries at the workplace regardless of the injury degree. All injuries at the workplace that occur in spite of preventive measures are considered serious.

All injuries at the workplace during the reporting period were minor injuries. No serious or fatal injuries occurred.



Injuries at the workplace	2020	2021	2022
Number of injuries at the workplace	3	3	3
Lost working days due to injuries at the workplace	73	86	49

Table: Injuries at the workplace in Atlantic Cedevida d.o.o. in 2020-2022

We also employ people with disabilities, who have an adapted workplace, according to their ability.

Disabled workers	2020	2021	2022
% of disabled workers	1.5%	1.5%	1.5%
Measures of special care	Office space adaptation; Job description adjustment (3 rd shift work not applied)		

Table: Injuries at the workplace in Atlantic Cedevida d.o.o. in 2020-2022

8.1.10.6. Absenteeism

In 2020-2022, employees were also exposed to the risk of infection with covid-19 at the workplace, as they also perform work where it is not possible to maintain physical distance at all times. Workers are also in contact with one another when arriving and leaving the workplace. With the aim of preventing the spread of infections, we strove to ensure a safe working environment for all workers, contract workers and external contractors at our locations throughout the epidemic. In addition to our regular activities, we also introduced measures such as the daily recording of infections by

manufacturing unit and markets, monitoring and compliance with the instructions of the competent authorities, provision of appropriate PPE, adaptation of internal rules, organisation and implementation of covid-19 testing at the workplace, monitoring of implementation measures and their improvement.

The increase in sick leave in 2021 and 2022 is primarily the result of employees falling ill with covid-19.

Type of absence	2020	2021	2022
Sick leave (number of days)	4,227	6,330	6,516
Infected individuals with covid-19 (number of employees)	31	55	Not tracked
Parental leave (number of days)	1,234	1,598	2,653

Table: Absenteeism due to sickness or parental leave in 2020-2022

8.2. Relations with suppliers

Long-term relationships are developed with suppliers. Suppliers are diligently selected and regularly checked, especially those that provide us with raw materials directly for our products, where complete integrity and the meeting of high food standards are required. The identification and assessment of all recognised risks in the supply chain, as well as activities to avoid or reduce the consequences of risky practices and situations in our relationship with suppliers are written down in Atlantic Grupa's procurement guidelines and are carried out monthly. Supplier approval is required in the event of a new material (raw material or packaging material) from a new supplier or a new material from a supplier

that already has Atlantic Grupa's approval for other materials. The approval process is carried out by the procurement, R&D, and quality departments.

The largest share of financial resources, around 60%, is allocated to the procurement of primary raw materials and packaging from local suppliers, i.e. suppliers in the Republic of Croatia. We also cooperate with many suppliers from the EU. With all our suppliers, there is a low level of risk of endangering the freedom of association of their workers and collective bargaining, child labour, forced or compulsory labour.

In the future, the assessment of suppliers will be brought in line with indicators that are consistent with the GRI and ESRS standards from the point of view of ensuring the appropriate human rights of workers in the supply chain, checking for child labour and forced or compulsory labour.

Year	Share of procurement from local suppliers*
2020	63%
2021	60%
2022	61%

Table: The share of the funds spent on primary materials and packaging from local suppliers in 2020-2022

* Local suppliers are suppliers based in the Republic of Croatia.

8.2.1. Assessment of suppliers

Existing and new suppliers are assessed based on several criteria, thereby ensuring that all suppliers of materials and services for our processes meet our requirements and the required criteria. The assessment of suppliers is carried out at the level of the Atlantic Grupa in the central procurement department.

Around 60% of the funds spent on raw materials are allocated to local suppliers from Croatia.

Certain suppliers are also assessed additionally, or upon each delivery of input material, which is subject to control by the quality assurance department. The control refers to raw materials and packaging material, and the quality of incoming materials is checked using the SAP business process management information system. The assessment frequency of individual suppliers depends on the risk for the material or the service offered by the supplier. Those suppliers who most directly affect the quality and safety of our products are most frequently subjected to an assessment.

Based on the collected data, a rating of the supplier is given once a year, based on two criteria: quality and commercial conditions. Only suppliers aligned with Atlantic Grupa's standards are selected.

The assessment of suppliers serves as the basis for selecting new suppliers as well as for improving existing or discontinuation of collaboration with suppliers who are rated negatively during a certain period. We inform each supplier of the achieved rating.

Evaluation of suppliers of material is based on two criteria:

Criteria 1: Quality of supplier

Criteria 2: Purchase conditions

Criteria 1: Quality of supplier

All assessed suppliers are divided into three quality or alignment levels, depending on the number of points achieved.

Assesment	Alignment	Number of points
A – excellent	95%	65-80
B – good	80%	54-64
C – poor	< 80%	≤ 53

Table: Final score for Criteria 1: Quality of supplier

Criteria 2: Purchase conditions

The assessment takes into account general procurement conditions, such as price, payment terms, delivery time, manufacturing capacity, service support, responsiveness, technical and professional support, innovation, development potential, active collaboration in product improvement, strategic partnership and the environmental aspect of transport in terms of supplier distance.

Final rating combination of criteria 1 and 2:

A Excellent

B Good

C Conditionally acceptable
Not acceptable

In the event that a strategic supplier achieves a poor rating, we offer them the opportunity to remedy the deficiencies within one year, otherwise the supplier replacement procedure will be carried out.

New materials from suppliers are selected also by checking the impact of obtaining the material on the biodiversity in the area of their operations. At Atlantic Grupa's central procurement, we follow the IUCN red list of plant and animal species and the national list of endangered species.

Most of our suppliers are assessed with the best rating, i.e. A – excellent. In 2022, there were as many as 96% of them. 4% received the rating B – good, no suppliers received the rating C – bad.

Rating	Description
A	There are no objections to the evaluated Delivery/ Cost/Service/ Transport terms and conditions.
B	Suppliers that, for evaluated period, do not comply fully some of the criteria needed for rating A.
C	Poor Delivery/ Cost/ Service/ Transport terms and conditions.

Table: Scoring rules for Delivery/ Cost/ Service/ Transport terms and conditions

Year	Number of assessed suppliers*	
	Planinska location	Apatovec location
2020	61	25
2021	52	27
2022	51	24

Table: The number of assessed suppliers at the Planinska and Apatovec locations in 2020-2022

Number of suppliers with a certain rating	2020	2021	2022
Planinska location			
A – excellent	58	49	49
B – good	3	3	2
C – bad	0	0	0
Apatovec location			
A – excellent	24	24	22
B – good	1	3	2
C – bad	0	0	0

Table: Number of assessed suppliers with a certain rating at the Planinska and Apatovec locations in 2020-2022

In 2022, 96% of our suppliers were rated excellent (A).

* Certain suppliers supply raw materials for both the Planinska and Apatovec locations and are assessed separately per location.

In 2023, a more detailed environmental protection check was added to the assessment, where the environmental rating is part of the supplier's overall rating. We check whether suppliers operate in accordance with environmental protection legislation, permits and regulations, whether they have an environmental management system ISO 14001 or EMAS (if not, we ask them about specific indicators from the fields of environmental protection) certificate and whether they have set goals and management systems in fields such as emissions, waste water, replacement of hazardous materials with safer ones, renewable energy sources, efficient utilisation of energy and utilisation of sustainable materials.

In our relationship with suppliers, we take into account the policy of ethical conduct, where we follow the fact that agreements are concluded in a way that respects human rights, social, ethnic, cultural, gender and racial diversity. Our business decisions in the relationship with suppliers must therefore be concluded in a way that does not give preference to a particular supplier because of their ethnic, gender or racial characteristics.

8.3. Customer relations

Research among consumers shows that the integration of a company or brand in the social environment in which it is located is becoming increasingly important. It is important that the product represents the community and that it also gives back to the community. At Cedevida, we are aware of our impact on promoting social responsibility. Therefore, one of the key activities in the future will be directed at the development of sustainable solutions with the aim of reducing negative impacts on the environment. Our long-term sustainabil-

ty goal is to create value in such a way that sustainability is at the forefront of strategic planning. By constantly monitoring ecological trends and by listening to the needs of customers and consumers, Cedevida strives to build quality long-term relationships with customers and consumers in the region.

8.3.1. Strategic approach to customers

Cedevida has a concept-based and multigenerational target audience in line with our brand communication platform Generation CE. The most effective way to segment Cedevida brand consumer is to employ format and occasion-based segmentation.

Our strategy is based on placing the consumer at the centre of all that we do. Important information about changing flavours is learnt through rigorous market research, feedback collection, and data analysis serving as our guide to designing our products, services, and business strategies to meet the needs of our customer. Another crucial component of our reaction is to embrace innovation. Whether it's by developing brand-new items, enhancing current ones, or utilising new packaging types, we're always looking for new ways to improve our portfolio.

Additionally, flexibility is crucial through the creation of flexible operations and supply chains to quickly respond to shifting demand. As consumers increasingly value ethical conduct, sustainability constitutes a fundamental principle incorporated into our operations.

To fulfill the expectations of tech-savvy clients, we've invested in a solid web presence and optimized digital experiences in this digital age.

Communication that is clear and honest, adaptation to industry developments, and engagement with





like-minded partners are all critical components of our strategy. This comprehensive approach enables us to successfully traverse the intricacies of today's consumer landscape while preserving client happiness and confidence.

We invest in consumer insights, data analytics, and market research to align our product development and innovation with emerging trends and evolving consumer preferences.

Additionally, our marketing and communication strategies are carefully crafted to strengthen our brand's connection with consumers, fostering brand loyalty and advocacy.

Moreover, we are committed to enhancing the overall consumer experience through personalised marketing campaigns, interactive content, and seamless customer service, aiming to foster stronger brand loyalty and deeper connections with our consumers. This comprehensive approach includes collaborations, partnerships, and strategic alliances in alignment with our brand values and that resonate with our target audience. It also ensures the proactive pursuit of opportunities that drive brand growth, deepen consumer connections, and position ourselves strategically to harness future ones, ultimately ensuring a continued growth and success for our brand.

As consumers increasingly value ethical conduct, sustainability constitutes a fundamental principle incorporated in our operations.

8.3.2 Customer health and safety

Staying on top of health-related trends is critical in our beverage industry, particularly in the European Union. The European Union has been at the forefront of enacting stronger regulations and guidelines to promote healthier food and beverage options. As a result, customers are becoming pickier about the beverages they drink, with a greater emphasis on functionality, decreased sugar content, and the lack of artificial sweeteners.

That is why we are using our best efforts to align the products we offer with changing consumer flavours to remain competitive and to comply with regulations.

In the assortment of the Cedevita brand, 57% of the products are included in the nutritional supplement category - as a supplement or replacement of vitamins in the diet. The prepared Cedevita drink contains 50% of the daily allowance of recommended amounts of vitamins. It contains 9 vitamins (vitamin C, vitamin E, niacin, pantothenic acid, vitamin B6, riboflavin, thiamin, folic acid and vitamin B12), which are essential for the functioning of the body. Cedevita is suitable for all population groups: women, men, children, younger and older people, athletes, recreational athletes, physically less active people, etc.

100% of Cedevita products are products with enriched nutrients (vitamins). 24% of Cedevita brand products have an improved product nutritional profile - the amount of sugar was reduced by 50% compared to the standard product, while maintaining the same taste. 5% of Cedevita products are sugar-free and suitable for diabetic patients. All Cedevita products are allergen-free, genetically modified organisms (GMO)-free, suitable for vegans and vegetarians, as

no raw materials of animal origin are used. Cedevida products are not treated with ionising radiation and do not contain raw materials that have been treated with ionising radiation. Raw materials are chosen by opting for those with a minimum negative impact on the environment and human health. In this way, we protect the environment, our employees and, consequently, also our customers.

Health benefits	Share of products
Nutritional supplement	57%
Vitamins	100%
Reduced sugar intake	24%
Sugar-free	5%
Genetically modified organisms (GMOs)-free	100%
Without any raw materials of animal origin	100%

Table: Proportion of Cedevida brand products with certain health benefits for users

All Cedevida brand products contain vitamins.

8.3.3 Product quality control

The quality of products is continuously checked during and after manufacturing in the Central Laboratory of Croatia and in other external accredited laboratories. We pay a lot of attention to the analysis of param-

eters that affect product quality, such as raw materials, packaging material and potable water.

One of the most important regular analyses of Cedevida products is the sensory analysis. It is carried out in order to monitor and improve the quality and organoleptic properties of the product. There is also a committee of tested and selected sensory experts who detect every slightest change in the appearance of the product and in its organoleptic properties.

Each employee is obliged to adhere to the quality policy and, within the framework of their responsibilities and powers, to contribute to the achievement of the set product quality assurance goals. By using the SAP information system, we provide an effective traceability system of our products, which, in the event of withdrawal or recall of a product from the market, ensures a quick and complete recall of a certain prod-

uct. At the same time, it contributes to the effective management of data and specifications of individual input material. In 2023, the information system will be upgraded to the SAP 4 HANA system, thereby enabling even better traceability and quality monitoring of products and input materials.

8.3.4 Product labelling

One of the pillars of our dedication to quality is making sure that our customers are provided with accurate and real information.

First and foremost, trustworthy relationships are built on factual information.

It promotes a strong sense of trust in our brand when consumers can rely on the information supplied on the labels of our products or in our marketing materials. Long-term loyalty and a favourable reputation result



from this trust. Additionally, the need of accuracy is heightened by health and safety considerations in sectors like the food and beverage industry. Our customers' health is seriously at risk if we provide them with inaccurate or insufficient information regarding the ingredients, nutritional content, allergens, or usage guidelines. Therefore, preserving accuracy in this field is not only morally necessary but also required by law in many different countries. Proper labelling does constitute our assurance of compliance and legal integrity. Furthermore, accurate information is seen as a means of empowering our customers. When our consumers have access to thorough and true product information, they are better equipped to make decisions that are in line with their dietary preferences, moral principles, and medical requirements. Along with these important factors, information accuracy also aligns with the overall brand culture of our company. It demonstrates our commitment to sustainability, morality, and openness.

Our dedication to providing correct information sets us apart as a company that prioritises honesty and the welfare of customers in an increasingly competitive market.

Labelling texts are created by respecting and being guided by legal regulations and norms. Creating and placing labelling texts on our beverage products is a meticulous and vital process for our company. Our commitment to regulatory compliance is unwavering, and we diligently adhere to the specific guidelines and requirements set forth by each country in which our products are sold.

To ensure the utmost accuracy and transparency, every piece of text that graces our beverage packaging

undergoes a rigorous double-check process by external agencies and competent authorities. This comprehensive approach not only ensures that all legal and safety standards are met but also demonstrates our dedication to providing our customers with trustworthy and informative labelling on our products.

Labelling on the products includes information on the recommended daily allowance, how to prepare, use, and store the product. The type of packaging is also clearly marked, which helps to ensure that the waste packaging of our products is properly separated. Between 2020 and 2022, no cases of non-compliance with regulations in terms of the impact of products and services on the health and safety of customers, as well as non-compliance with transcripts or voluntary codes in terms of product and service data and labelling were recorded.

8.3.5 "Croatian quality" trademark

Numerous research and scientific papers confirm the fact that consumers develop positive emotions towards certain products or services that, in addition to recognition, uniqueness and availability, have the relevant domestic and local attribute, which certainly affects the final choice when purchasing. Consumers value domestic brands and local products and want to support them and domestic production.

With this in mind, the quality mark "Croatian Quality" of the Croatian Chamber of Commerce has been added to all Cedevida products. The Croatian Quality Mark is carried by above-average quality services and products produced on the territory of the Republic of



Croatian Quality

During 2020-2022, no cases of non-compliance in terms of labelling and the impact of products and services on the health and safety of customers were recorded.

Croatia. The quality mark of Croatian quality is used to recognise products and services, and, at the same time, constitutes a guarantee to the consumer that it is a product and service that meets the highest quality requirements and represents the very best the world has to offer.

8.3.6. Customer Privacy

Atlantic Grupa d.d. manages customer privacy by implementing a Personal Data Management Policy. The policy is aligned with the European General Data Protection Directive and relevant national laws. It establishes responsibilities and powers for various departments within the organisation, such as management, legal affairs, IT, and archives. The policy ensures that personal data are collected and processed lawfully, and for specific purposes. It emphasizes the importance of accurate data collection and storage for an appropriate duration. Atlantic Grupa employs technical and organisational measures to protect personal data and only processes them based on legal grounds, such as consent, contractual obligations, legal requirements, and legitimate interests.

Employees are trained to handle personal data carefully and report any suspected abuses. Data breaches

are promptly reported to the competent authorities. The policy also includes the appointment of a Personal Data Protection Advisor and Data Protection Officers. External partners must comply with the same data protection standards. In case of abuse, the appropriate procedures and measures are followed, and affected individuals are notified. The policy encompasses technical and organisational measures outlined in the IT Security Rules.

By introducing these rules, Atlantic Grupa and its affiliated companies wish to provide appropriate control over the process of protection of personal data collected, processed, and stored as part of the performance of their work, collected from employees, potential employees, contractual partners, customers, data subjects and other persons for purposes consistent with the internal rules of the Company and the relevant legal regulations.

Harmonising the treatment of personal data protection in the Atlantic Grupa and all affiliated companies regardless of them operating in or outside the EU provides a safer and simpler transfer of data in accordance with internal rules and applicable regulations and ensures the highest applicable level of personal data protection.

There have been no substantiated complaints on the violation of user privacy or the loss or misuse of user/customer data.

8.3.7 New Product development

NPD is a crucial aspect of SBU Beverages as it allows companies to stay competitive, meet consumer demands, and capitalise on emerging trends. The Cedevita NPD flavour strategy begins with thorough market research to identify current trends, consumer

preferences, and unmet needs within the beverages category. Also, the main point of Cedevita's NPD flavour strategy is to bring about and build the excitement. As far as consumers are concerned, heavy consumers sometimes want to change their routine and spice it up with a new flavour, while light consumers like to explore new flavours and look for novelties.

Global and consumer trends show that consumers are looking for variety.

According to FMCG Gurus 2023, 66% of European consumers like new exotic flavours (within the beverage category). In order to respond to global consumer trends and demands, Cedevita already launched a limited edition – Pink Grapefruit in 2022 for the purpose of CSR activities.

After the product is launched, monitoring consumer feedback, sales performance, and market trends is essential. This data help identify areas for improvement, gather insights for future product iterations, and make adjustments to marketing strategies.

In the ever-evolving beverages category, staying ahead of consumer preferences and trends through well-implemented NPD strategies is crucial to succeed and thrive in our competitive market.

8.3.7.1 Engaging with customers and end-users

Our dedication to sustainability extends to actively engaging with customers and end-users over the

course of our ongoing due diligence process. We appreciate how important it is to learn their opinions on the material positive and negative repercussions that our operations may have on them. We gain significant insights from keeping in regular contact with consumers, their representatives, and reliable proxies. These viewpoints are not only heard, but also play an important role in our decision-making processes. We carefully evaluate them, ensuring that our actions and plans correspond with the concerns and expectations of those we serve, ultimately striving toward mutually beneficial outcomes that promote both sustainability and customer well-being.

It is critical to disclose how consumer and end-user perspectives drive our decisions and efforts aimed at mitigating actual and future material consequences on them. It represents not only our dedication to transparency but also the critical role that customer insights play in defining our strategy. We demonstrate our commitment to actively listening to and responding to consumers' needs and concerns by publicly expressing our interaction with them. That emphasises the notion that consumers are valued stakeholders whose viewpoints affect our approach to generating good and meaningful experiences, rather than simply recipients of our products or services.



In order to respond to global consumer trends and demands, Cedevita launched a limited edition – Pink Grapefruit in 2022 for the purpose of CSR activities.

The Revamp project

It is one of the most significant and comprehensive projects in recent times, related to the redesign and packaging of our brand. In our quest to remain relevant to our consumers, we have conducted extensive research to determine the right direction to take. In over a hundred interviews, Cedevida conducted research on consumer's packaging choices, their thoughts on the future desired packaging of the Cedevida brand. Participants did not express the need for major changes in Cedevida's packaging; instead, they sought upgrades that focused on convenience, practicality, ease of use, preservation, and, for some, more environment-friendly materials. Specific demands included improvements in how to open/close the 500 g and 1 kg flexible packaging, as well as the introduction of larger bulk packs while maintaining the practicality of the 200 g pack. Consequently, we embarked on numerous re-



search and development activities with the primary aim of finding suitable packaging solutions that would meet our consumers' requirements. These efforts underscore our dedication to enhancing user experience and aligning our products with their expectations.

Taking into account the consumer's suggestions, Cedevida has, following the example of the smallest packaging of 200 grams, which consumers rated as the most practical for use, also introduced a medi-

um packaging in a solid form. That way, it is easier to pour Cedevida directly into the cup or over-sip in a smaller package, and refilling is also simplified by taking over the role of the container. In addition, it allows consumers to open and close extremely easily during use, as well as to maintain maximum quality and freshness. The largest packaging has been topped off with a cap that ensures consumers a simple and controlled sip of their favorite drink directly from the glass, or sipping their favorite Cedevida in the middle-size or smallest packaging. When it comes to the appearance of the product, Cedevida has acquired a completely new visual identity, which already at first glance brings the preferred flavour of Cedevida to the consumer's mind inside the package. Their appearance is modernised by introducing the fruit motif on the packaging of all five flavors.



»One - New generation of Survival and Emergency ration«

The development of war survival rations (meals) is a regular part of military development. However, in recent times, even in civil society, more and more situations occur when the availability of food becomes the only and main factor of survival. An example of such extraordinary events where survival is at stake are natural accidents, various accidents, search operations, increasingly frequent cases of disappearances of mountaineers, climbers and members of various expeditions and adrenaline sports. In such cases, a survival ration, as the only source of food, is extremely important and use-

ful. Awareness of the importance of this led us to develop a new generation survival ration or meal of a composition, shape and packaging superior those of similar products that already exist on the market. After 36 months of intensive work in this field, we have developed a survival ration or meal with a more complex nutritional composition that contains carbohydrates, vegetable proteins and vitamins and has a high energy density. It is in the form of a compressed candy or tablet, making it practical, suitable for consumption without prior preparation, on the go and without water. It also has good organoleptic

properties. It is suitable for survival kits in aircraft, on vessels or as an integral part of equipment where weight and volume are limited.

The project took place between 2020 and 2023 and is co-financed by the EU from the funds of the European Regional Development Fund within the Competitiveness and Cohesion Operational Programme. The leading Croatian scientific-research and internationally recognized natural science and technology institution, i.e. the Ruđer Bošković Institute, participated in the project.

8.3.7.2 Qualitative research

Qualitative research in the form of focus groups plays a crucial role within the New Product Development (NPD) process. This strategic approach is carried out following the development of a prototype, with the primary aim of gleaning a comprehensive and insightful understanding of consumer preferences and perceptions.

Situated within the larger framework of NPD, focus groups are instrumental in refining and fine-tuning various facets of a product, ensuring that it resonates optimally with the target audience.

These groups are designed to foster open discussions and interactions among a carefully selected cohort of participants, who are representative of the intended consumer base.

We initiate focus groups to delve into multifaceted aspects that encompass a wide array of factors, in-

cluding but not limited to flavours, intensity levels, sweetness profiles, packaging design, weight considerations, and the overall conceptual appeal. By engaging participants in candid conversations and thought-provoking discussions, brands aim to extract invaluable insights that transcend mere quantitative data. Participants are encouraged to share their unfiltered opinions, preferences, and suggestions regarding the prototype.

We utilize this qualitative research approach to inform iterative refinements to the prototype, optimising it in accordance with the nuanced preferences and expectations of the target consumers. As a result, focus groups serve as a bridge between product innovation and consumer satisfaction, guiding us toward the creation of products that not only meet functional requirements but also resonate emotionally and experientially with the intended audience.

8.3.7.3 Empathy interviews

Empathy interviews allow us to enter person's thoughts, feelings, and motivations in order to identify and understand the choices that person makes, their behavioral traits, main occasions and needs, emotions connected with consumption. Empathy interviews serve to engage our consumers right from the start to gather valid and relevant insights. Design thinking workshop and empathy interviews are conducted with the support of a lecturer and innovation coach. In this case, the concept of the product is entirely developed in correlation with empathy research key insights and results.

After the empathy interviews, we conduct two times check point research to find out if we are moving in the right direction. We focus on three main areas of research: concept, taste, and design.

8.3.8 Communication with consumers and communication channels

Effective communication with consumers is a fundamental cornerstone of every successful business or organisation, serving as a dynamic conduit through which information is disseminated, connections are fostered, and the unique needs of customers are met. Cedevita, a forward-thinking entity in this regard, has mastered the art of consumer communication by orchestrating a comprehensive 360-degree implementation strategy that ensures every touchpoint resonates with their audience.

- **Soft&Hard Point of Sale materials (POSm)** is at the forefront of Cedevita's communication strategy. They are strategically positioned to intercept customers in the purchasing journey. These meticulously crafted materials bear key messages meticulously aligned with the brand's, compelling potential buyers to engage and explore the offerings.

- **TV commercials** are Cedevita's commitment to visual storytelling. These audio-visual masterpieces are meticulously choreographed to highlight the product's virtues, usage scenarios, and the kaleidoscope of flavours it offers. Each commercial resonates not just with rationality but also emotions, forging a connection that transcends mere consumption.

- **Social media platforms** act as vibrant hubs where the brand interacts with its audience in real-time, responding to queries, sharing product insights, and cultivating a sense of community. Sponsored advertisements augment the digital reach, ensuring that the brand's message reaches the intended demographic with precision.

- **Local influencers** are the brand's evangelists. They are used by Cedevita to forge trust and authenticity.

These individuals, with their established credibility, lend Cedevita an aura of reliability, thus paving the way for deeper connections with the target audience. The collaboration is symbiotic, as influencers also benefit from their association with a reputable brand.

- **Outdoor advertising**, another facet of Cedevita's strategy, weaves itself into the fabric of consumers' daily lives, serving as gentle reminders and forging brand awareness.

- **Radio** is an important brand channel. Recognising the primal power of music, Cedevita employs radio as a sensory branding tool.

- **Public Relations (PR)** serve as the orchestration of a symphony, reminding and emphasising Cedevita's significance through strategic placements in media and events.

We constantly assess the efficiency of our interactions with consumers and end-users. This evaluation forms an important part of our commitment to providing value and maintaining strong customer relationships. We closely monitor and measure the outcomes of our interactions, of our activities and projects, while considering various factors such as customer feedback, sales performance, and market share.

8.3.8.1 Dialogue with costumers

Recognising the importance of engaging in dialogue with customers, we actively solicit the perspectives of our consumers, consistently promoting two-way communication. We also provide them with counsels about healthy lifestyle.

Educational online platform

In the age of pandemics and earthquakes, in 2020,



Cedevita launched the »Budi Dobro. Budi CE.« educational page with the aim of encouraging people to take care of their own mental health. This initiative took the form of an educational online platform, which provides an array of resources and tools to aid people in navigating the complexities of their emotions and mental health. In this endeavour, Cedevita joined forces with an array of psychologists and experts.

"It's good to ask", a distinctive feature of the initiative, offers individuals a confidential platform to ask questions that might otherwise remain unspoken. Operating under a veil of anonymity, users can submit their queries at any time of day. The accumulated questions are then addressed on a weekly basis, with responses provided by psychologist Tijana Debelić each Friday. This facet of the initiative represents a vital opportunity for individuals to seek guidance and support, knowing that their queries will be met with empathy and professionalism.

Social media and dialog

Messages and comments on Facebook and Instagram require daily responses to queries. Our marketing agency closely collaborates with the local language, adapting communication to the understandable language of consumers and the language of our brand. Additionally, we hold consultations with the digital team and, as needed, with teams responsible for our brand to ensure that consumers receive accurate information.

On an annual basis, we receive more than 15,000 messages from our users. That requires accuracy, customer care, and collaboration within our team to ensure that each consumer receives relevant and accurate information.

Customer service centre

Our customer service centre engages in e-mail and telephone communication to provide information and support, particularly during promotional contests. In addition to contest-related queries, the centre offers information about our products, the company, and related matters. To ensure the highest level of customer service, the contact centre maintains a curated list of frequently asked questions and their corresponding answers. This repository has been developed over time to facilitate efficient responses to common queries. In cases where the customer service centre encounters queries beyond the scope of the predefined list or involving specific situations not covered, we employ a collaborative approach. This involves engaging various teams within the organisation as needed, such as the Brand Team, Legal Department, Digital Team, and Sales Team, to address and resolve the query comprehensively.

8.3.9 Inquiries and complaints

Atlantic Cedevida d.o.o. as a responsible company constantly takes care of the quality of its products, which are intended for our loyal consumers. This is precisely why the Company highly values any feedback from the market, as it enables us to constantly improve our processes and procedures. Cedevida has a specialized Contact Centre that consumers can contact with questions, unclearities and challenges related to Cedevida products. Contact can be made via the toll-free telephone line or via our e-mail address, and the contact information itself can be found very easily on the product packaging itself.

The Contact Centre receives approximately 900 inquiries and complaints per month on the Croatian and Slovenian markets. A complaint receiving procedure has been introduced, the goal of which is to respond in a timely manner to every consumer complaint/complaint about a product by organizational structure level and based on a specific sample or control number on the product or photos. After that, the complaint enters our official procedure and is sent to the quality control department for analysis.

In 2022, we did not have any negative and/or hateful comments on SBU Beverages brand channels that could impact our brands or other consumers. Certainly, if such content appears in the future, we will address it in a careful and proper manner.

On occasion, though, we do receive comments wherein, for instance, individuals on Cedevida's social media platforms express their disapproval of a new flavour. It is worth noting that, in our social media posts, we consistently encourage users to participate

in commenting and engage in a bidirectional form of communication. (Which of our newly introduced flavours do you find most appealing?)

Complaints

Between 2020 and 2022, a total of 68 complaints were made at the Planinska location, out of which 13 or 20.6% of all complaints received were found to be justified. The most common reasons for complaints are product packaging (6 out of 13 cases) and changes to the sensory properties of products (4 out of 13 cases). At the Apatovec location, there were a total of 36 complaints in the same period, out of which 4 or 11% were found to be justified. Most complaints related to product packaging (4 out of 4 cases).

8.4. Local communities

Cedevida, as one of the most famous Croatian brands, has the calling, desire, and responsibility to actively participate in the wider community and contribute to the construction of a brighter and more positive society.

8.4.1. Educational mental health and well-being website for

In February 2021, Cedevida launched the educational website »Budi Dobro. Budi CE.« (www.budidobrodice.com) to encourage people of all generations to take care of their own mental health. The aim of the platform is to teach the community how to deal with a series of life challenges through the prism of hope and faith in positive life outcomes.

In 2020, our community faced a series of challenges, from pandemics to floods to earthquakes, which un-

Cedevida launched the »Budi Dobro. Budi CE.« (www.budidobrobudice.com) educational website to encourage people of all generations to take care of their own mental health.

doubtedly left a mark on our mental health. With that in mind, Cedevida conducted research (Ipsos research on mental health in Croatia, January 2021, on a nationally representative sample of 600 citizens aged 18 to 60) on the mental health of the community in cooperation with the research agency Ipsos, where optimism proved to be the key to preserving mental health, which was recognized by 77% of citizens.

It is considered, through the prism of responsibility, that Cedevida, which is omnipresent in homes all over Croatia and stands for togetherness and a positive approach to life, in collaboration with numerous professionals and associations will become a driver of optimism in society through raising awareness and learning about the values and strengths we possess.

The message **»Budi Dobro. Budi CE.« serves to invite citizens to join forces with us and lead optimistic lives,** as research has allowed us to establish that optimism is the real guardian of our mental health and well-being. Almost two-thirds of the citizens of the Republic of Croatia claim that they care somewhat about their mental health, but less than 3% of them have resorted to mental health specialists

such as psychiatrists and psychologists. The professional partner of the »Budi Dobro. Budi CE.« platform is the psychological association »Psihološka pomoć«. Because of that, we wanted to provide concrete help to people, but also try to remove the stigma from seeking psychological help and send a message that it is okay to ask for help when faced with difficult life circumstances. For example, the podcasts that are available on the platform give an insight into a real conversation between a psychotherapist and a client, which is not a simulation by actors, they are authentic conversations about real life problems the majority of us can relate to. People can also pose a completely anonymous question to a psychologist 24/7 and get an answer from an expert regardless of the topic they have been struggling with. Furthermore, we developed the »9 days for optimism« activation, an online



program that, through the provision of short pieces of advice on a daily basis helped the participants boost the way they felt inside. Given that the mental health of young people is extremely important, the »Back to School« campaign was related to the return of students to school and taking care of their well-being. The »Budi dobro. Budi CE.« platform has been conceived as a long-term project because the topic of optimism and mental health is timeless. Although the platform is intended for people of all generations, it is predominantly followed by the target group women (68%), aged 25-44 (55%). It is important to emphasise that the content of the platform is furnished by professionals, psychologists, and psychotherapists.

8.4.1.1. Influence of the »Budi Dobro. Budi CE.« platform

The »Budi Dobro. Budi CE.« platform has generated excellent and commendable results in a mere two years of its existence. By the end of 2022, the platform had recorded 385,000 visitors (+41% 2022 vs 2021) and 1,155,000 visited pages (123% 2022 vs 2021). Since the beginning of the platform, there have been over 100,000 visits to podcasts, over 370,000 visits to articles on various topics, and over 70,000 views of video content. On the entire platform, it is possible to rate each content, and out of 1,500 reactions, over 95% of readers marked the content as »It has helped me a lot« and »Good content«.

The importance of the »Budi Dobro. Budi CE.« platform for building Cedevida as a brand that works for the benefit of the community has also been indicated by the Omnibus survey (Hendal, Sample size: N=500; Characteristics of the sample: representative sample of citizens (representativeness by age, gender and

Through the »Ask a Psychologist« activation, 570 questions have been successfully answered.

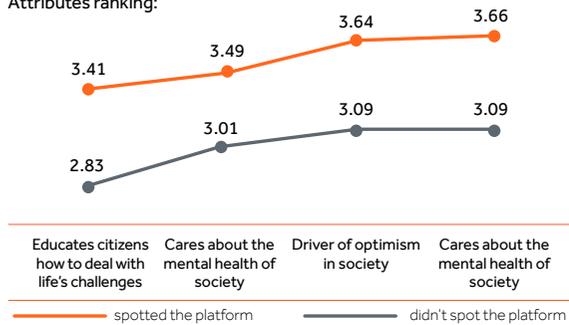
region)) on a nationally representative survey. The results showed that 40% of respondents noticed the platform and 69% of them visit it. Also, respondents who have learned about the platform perceive Cedevida significantly more as a brand that cares about the community in which it operates, that cares about the mental health of society and as a brand that talks about everyday life difficulties by educating citizens on how to deal with them. The platform also achieved excellent results through activations. More than 10,000 people registered for

Budi DOBRO. Budi CE. RESULTS IN 2022

National representative results:

Awareness: **40%** Usage: **69%**

Attributes ranking:



Source: Omnibus research results, HendaL 2023, CRO; N=800 - NATIONAL REPRESENTATIVE RESULTS

the »9 days to optimism« online programme. Through the »Ask a Psychologist« activation, 570 questions (+28% vs LY) have been successfully answered. The Back- to-school campaign helped over 20 parents take care of their children's well-being when returning to school. The Value Day by Cedevida has taught employees how to take care of the planet Earth through more rational management of energy resources, 1,300 optimization and saving activities raised 10K EUR in funds.

Cedevida has donated 30,000 euros with the "Budi TU. Budi CE." campaign, to the Europa Donna Association, which supports women with breast cancer and their families.

8.4.2. The combat breast cancer campaign

As part of the celebration of the month of fighting breast cancer, in 2022 Cedevida launched a new campaign and an online platform under the same name »Budi Tu. Budi CE.« with the aim of making the public aware of the challenges faced by breast cancer patients and their relatives. As part of the Cedevida campaign, the new Pink Grapefruit flavour is being marketed in a symbolic pink 200-gram package, with which everyone has the opportunity to support the work of Europa Donna, association combating breast cancer and taking care of the physical and mental health of patients with its engaged humanitarian activities, in Croatia, Slovenia and Serbia. The activity also had a



donation character, and at the regional level, Cedevida donated 30,000 euros to the Europa Donna association for further assistance to breast cancer patients and their families.

Through the diverse content and educational activities on »Budi Tu. Budi CE.« website, the campaign was aimed at making the public aware of the challenges faced by breast cancer patients and their relatives and how to provide them with the necessary psychological support in the process. Through numerous useful tips and video interviews, the creation of which involved associations, a team of psychologists and patients ready to share their experience with the public, Cedevida managed to educate the public on how to be there for their loved ones, how to approach them as soon as they receive the diagnosis, and how to provide adequate support and comfort to everyone in their vicinity who is directly affected by the disease.

8.4.2.1. Influence of the campaign

The campaign resonated extremely well with the public, who was not only excited about the new flavour

but also provided enormous positive feedback on the brand's socially responsible actions. Our powerful and emotional messages in video materials were viewed more than 14,000,000 times and 25,000,000 impressions were made. 2,700,000 people of the target group were reached and there was high increase in visitors to the website (+ 386%) compared to the same period last year. The campaign resonated in the media and exceeded all expectations. We published two press releases and received support through as many as 38 editorial publications, which reached almost 760,000 people in Croatia alone. The »Budi tu. Budi CE.« campaign »Budi CE« brought Cedevita a bronze medal in the Grand Prix category for socially responsible operations.

8.4.3. »Atlantic Grupa's Value Day«

"Value day" is Atlantic Grupa's programme used to take care of the communities in which we live and operate. In 2022, the "Value Day" was carried out for the tenth consecutive year. On this occasion, a new concept of the programme was introduced, following the new needs of a hybrid work environment and the desire to create a kinder future for our planet. This time, the focus was on sustainable energy practices and concern for the future of the Earth. We were educated about the rational use of resources and at the same time recorded the implementation of such activities at home and the workplace. Every saved kW was converted into a single euro for our humanitarian fund. This way, we raised EUR 10,000 for the "Bašta može svašta" farm, more specifically, for the procurement of a solar power plant and a greenhouse used to produce organic food intended for children in Serbia who are being treated for cancer.



The "Value Day" is also characterised by a special feature: bringing together colleagues from different areas of work and, with the Atlantic GO platform, enables each employee to actively participate in the project and, as a result, serves as a training ground for professional and career development within the group. In 2022, the "Value Day" brought together the Cedevita marketing team and the HR and culture team at the Atlantic Grupa. The people and culture team laid the groundwork for the new "Value Day" approach that the Cedevita team joined by creating an educational video on the "Budi Dobro. Budi CE." platform containing expert advice on how to remain optimistic and motivated while being concerned about the future. Several awards have been received for the 2022 edition of the programme, listed in the Awards and Recognitions section.

8.4.4. Environmental impact on the Community

Cedevita is aware of the importance of its own influence on the promotion of social responsibility, therefore one of the key future activities are and will

be directed towards the additional development of sustainable solutions with the aim of reducing the negative impact on the environment. The Company's long-term sustainability goal is to generate value by putting sustainability at the forefront of our strategic plans, improving our environmental footprint and taking care of energy and water consumption, and most importantly – ensure a better place for future generations in the region.

Cedevita was a key partner of Atlantic Grupa's Value Day in 2022, an internal programme through which we have been traditionally caring for the communities in which we live and operate. The goal was to learn how our internal public can provide for a better future through a more rational management of energy resources. That's why experts of the »Budi Dobro. Budi CE.« platform have created an educational video on the rational management of resources and con-



taining useful advice from a psychologist on how to keep a positive outlook about what the future holds for us. Optimisation and saving-oriented activities led to the creation of a fund used to help the »Solar energy for healthy food and healthy children« project by the »Bašta Može Svašta« and »Elektropionir« associations. The funds of the humanitarian fund would be used for the construction of a solar power plant that is used for the operation of the irrigation system used for fruits and vegetables that the association gives free of charge to children suffering from cancer. By constantly monitoring trends and listening to consumer needs, Cedevita uses a unique CSR approach and a specific communication strategy striving to successfully build quality long-term relationships with consumers in the region, proudly creating a positive and sustainable experience for the coming generations.

8.4.5. Sponsorships and donations

Our values are reflected in numerous sponsorships and donations to sports clubs or individuals, cultural and educational institutions, various charity projects and young prodigies, at-risk groups, etc. We are open to new partnerships that emphasise our values and support development.

Sponsorships and donations are defined at the level of the Atlantic Grupa and are presented in further detail in the 2022 Atlantic Grupa Annual Report.

In 2022, EUR 433,397 were allocated to sponsorships and donations.

Atlantic Cedevita allocates most of its sponsorship funds to the promotion of sports culture and support to sports events, as well as to the basketball clubs Cedevita Junior and Cedevita Olimpija. The company also supports the activities of the Red Cross, fire brigades, health awareness-raising projects (e.g. Europa Donna), etc.

Year	Funds spent on sponsorships and donations (in EUR)
2020	411,983
2021	602,203
2022	433,397

Table: Sponsorships and donations in 2020-2022

8.4.6. Basketball Club Cedevita Junior

Cedevita Junior is a Croatian basketball club that participates in competitions for all ages under the auspices of the Croatian Basketball Association. With one of the best basketball academies and schools, the development of young basketball players is the foundation of our work.



5

Croatian championship titles



7

Basketball cup by Krešimir Ćosić



2

Basketball cup by Dražen Petrović



3rd

Place at Eurocup Final 4, Treviso 2011



33

Years of history



2800

Capacity of Dom sportova



+650

Children in the Basketball School



19

Years of Cedevita as the club's main sponsor

A large number of dedicated and experienced professionals play an important role in achieving our goals, and we are very proud of our House of Basketball, where all players, coaches, and club employees have excellent working conditions.

After the club's professional team moved to Ljubljana and merged with Olimpija in 2019, a new club, Cedevita Olimpija, was formed. Cedevita Junior in Zagreb turned even more to work with young people and the development of players with whom we can compete in all ranks of national and regional competitions, and we are proud that we are continuously achieving these goals.

We are extremely proud of another important project - our Basketball School - which brings together 18 schools from the Zagreb area and more than 650 of the youngest players, and our summer camp in Veli Lošinj is closely related to this. Our goals and work model were set as a priority in 2019, which has already resulted in players from our facility continuing their careers in European clubs, and playing for national teams at American universities.

9

GRI CONTENT INDEX

CEDEVITA[®]

Statement of use	Atlantic Cedevita d.o.o. has reported in accordance with the GRI Standards for the period 1 January 2022 to 31 December 2022.
GRI 1 used	GRI 1: Foundation 2021

AN AG = Annual Report of Atlantic Grupa for year 2022

SR = Sustainability Report of Atlantic Cedevita d.o.o. for year 2022

General disclosures	Location AR AG	Location SR	Omission		
			Requirement(s) omitted	Reason	Explanation
General disclosures					
2-1 Organizational details		14-15			
2-2 Entities included in the organization's sustainability reporting		9			<p>A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.</p> <p>The sustainability report was not subject to external assurance.</p>
2-3 Reporting period, frequency and contact point		9			
2-4 Restatements of information		9			
2-5 External assurance	31, 166-171				
2-6 Activities, value chain and other business relationships		15-16, 19-20			
2-7 Employees		51-58			
2-8 Workers who are not employees		52			
2-9 Governance structure and composition	13, 15, 32-35	15			
2-10 Nomination and selection of the highest governance body	22-36				
2-11 Chair of the highest governance body	6-7, 32	11-12			
2-12 Role of the highest governance body in overseeing the management of impacts	36, 148	36-37			

General disclosures	Location AR AG	Location SR	Omission		
			Requirement(s) omitted	Reason	Explanation
General disclosures					
2-13 Delegation of responsibility for managing impacts	36, 148	36-37			
2-14 Role of the highest governance body in sustainability reporting		9			
2-15 Conflicts of interest	20-21				
2-16 Communication of critical concerns		49, 53, 54			
2-17 Collective knowledge of the highest governance body	32-35				
2-18 Evaluation of the performance of the highest governance body	31				
2-19 Remuneration policies		42, 54			
2-20 Process to determine remuneration		54			
2-21 Annual total compensation ratio		/		Not applicable	
2-22 Statement on sustainable development strategy		25, 29			
2-23 Policy commitments		25, 29-30, 39, 53, 54			
2-24 Embedding policy commitments		25, 29-30, 39, 53, 54			
2-25 Processes to remediate negative impacts		49, 53			
2-26 Mechanisms for seeking advice and raising concerns		49, 53			
2-27 Compliance with laws and regulations		6, 7, 29-30, 39, 62-64			
2-28 Membership associations		35			
2-29 Approach to stakeholder engagement		31-32			
2-30 Collective bargaining agreements		54			

General disclosures	Location AR AG	Location SR	Omission		
			Requirement(s) omitted	Reason	Explanation
Material topics					
3-1 Process to determine material topics		33-34			
3-2 List of material topics		33-34			A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.
Economic performance					
3-3 Management of material topics	125, 137				
201-1 Direct economic value generated and distributed		22			
201-2 Financial implications and other risks and opportunities due to climate change		36		Not applicable	
201-3 Defined benefit plan obligations and other retirement plans	188				
201-4 Financial assistance received from government		23			
Market presence					
3-3 Management of material topics		19-20			
202-1 Ratios of standard entry level wage by gender compared to local minimum wage		54			
202-2 Proportion of senior management hired from the local community		/		Not applicable	
Indirect economic impacts					
3-3 Management of material topics	95-99				
203-1 Infrastructure investments and services supported	95-99	64-65			
203-2 Significant indirect economic impacts	53-54	6			

General disclosures	Location AR AG	Location SR	Omission		
			Requirement(s) omitted	Reason	Explanation
Procurement practices					
3-3 Management of material topics		58			
204-1 Proportion of spending on local suppliers		58			
Anti-corruption					
3-3 Management of material topics		25			
205-1 Operations assessed for risks related to corruption		25			
205-2 Communication and training about anti-corruption policies and procedures		25			
205-3 Confirmed incidents of corruption and actions taken		/		Not applicable	There were no legal incidents of corruption.
Anti-competitive behavior					
3-3 Management of material topics		/		Not applicable	
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		/		Not applicable	There were no legal actions for anticompetitive behaviour, anti-trust, and monopoly practices.
Tax					
3-3 Management of material topics	188,191				
207-1 Approach to tax	188,191				
207-2 Tax governance, control, and risk management	188, 193-198, 209, 227				
207-3 Stakeholder engagement and management of concerns related to tax		/		Not applicable	
207-4 Country-by-country reporting		/		Information unavailable/incomplete	

General disclosures	Location AR AG	Location SR	Omission		
			Requirement(s) omitted	Reason	Explanation
Materials					
3-3 Management of material topics		44-46			
301-1 Materials used by weight or volume		44-46			
301-2 Recycled input materials used		45-46			
301-3 Reclaimed products and their packaging materials		45-46			
Energy					
3-3 Management of material topics		39			
302-1 Energy consumption within the organization		40-42			
302-2 Energy consumption outside of the organization		40-42			
302-3 Energy intensity		/		Information unavailable/incomplete	
302-4 Reduction of energy consumption		40-42			
302-5 Reductions in energy requirements of products and services		42			
Water and effluents					
3-3 Management of material topics		39			
303-1 Interactions with water as a shared resource		39, 43-44			
303-2 Management of water discharge-related impacts		43-44			
303-3 Water withdrawal		43-44			
303-4 Water discharge		44			
303-5 Water consumption		43-44			

General disclosures	Location AR AG	Location SR	Omission		
			Requirement(s) omitted	Reason	Explanation
Biodiversity					
3-3 Management of material topics		/		Information unavailable / incomplete	
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		/		Information unavailable / incomplete	
304-2 Significant impacts of activities, products and services on biodiversity		44			
304-3 Habitats protected or restored		/		Information unavailable / incomplete	
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		44			
Emissions					
3-3 Management of material topics		39			
305-1 Direct (Scope 1) GHG emissions		40			
305-2 Energy indirect (Scope 2) GHG emissions		40			
305-3 Other indirect (Scope 3) GHG emissions		/		Information unavailable / incomplete	
305-4 GHG emissions intensity		40			
305-5 Reduction of GHG emissions		40			
305-6 Emissions of ozone-depleting substances (ODS)		/		Information unavailable / incomplete	
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		/		Information unavailable / incomplete	

General disclosures	Location AR AG	Location SR	Omission		
			Requirement(s) omitted	Reason	Explanation
Waste					
3-3 Management of material topics		39, 46-47			
306-1 Waste generation and significant waste-related impacts		46-47			
306-2 Management of significant waste-related impacts		46-49			
306-3 Waste generated		47			
306-4 Waste diverted from disposal		48-49			
306-5 Waste directed to disposal		48-49			
Supplier environmental assessment					
3-3 Management of material topics		58-60			
308-1 New suppliers that were screened using environmental criteria		58-60			
308-2 Negative environmental impacts in the supply chain and actions taken		58-60			
Employment					
3-3 Management of material topics		51			
401-1 New employee hires and employee turnover		52			
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		54			
401-3 Parental leave		58			
Labor/management relations					
3-3 Management of material topics		51			
402-1 Minimum notice periods regarding operational changes		54			

General disclosures	Location AR AG	Location SR	Omission		
			Requirement(s) omitted	Reason	Explanation
Occupational health and safety					
3-3 Management of material topics		55-56			
403-1 Occupational health and safety management system		55-56			
403-2 Hazard identification, risk assessment, and incident investigation		56			
403-3 Occupational health services		56			
403-4 Worker participation, consultation, and communication on occupational health and safety		54, 56-57			
403-5 Worker training on occupational health and safety		57			
403-6 Promotion of worker health		57			
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		55-56			
403-8 Workers covered by an occupational health and safety management system		55-57			
403-9 Work-related injuries		57-58			
403-10 Work-related ill health		57-58			
Training and education					
3-3 Management of material topics		51, 55			
404-1 Average hours of training per year per employee		55			
404-2 Programs for upgrading employee skills and transition assistance programs		55			
404-3 Percentage of employees receiving regular performance and career development reviews		53-54			

General disclosures	Location AR AG	Location SR	Omission		
			Requirement(s) omitted	Reason	Explanation
Diversity and equal opportunity					
3-3 Management of material topics		25, 51, 53			
405-1 Diversity of governance bodies and employees		53			
405-2 Ratio of basic salary and remuneration of women to men		53, 54			
Non-discrimination					
3-3 Management of material topics		25, 51, 53			
406-1 Incidents of discrimination and corrective actions taken		6, 53			
Freedom of association and collective bargaining					
3-3 Management of material topics		58			
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		58			
Child labor					
3-3 Management of material topics		58			
408-1 Operations and suppliers at significant risk for incidents of child labor		58			
Forced or compulsory labor					
3-3 Management of material topics		58			
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		58			
Security practices					
3-3 Management of material topics		57			
410-1 Security personnel trained in human rights policies or procedures		57			

General disclosures	Location AR AG	Location SR	Omission		
			Requirement(s) omitted	Reason	Explanation
Rights of indigenous peoples					
3-3 Management of material topics		/		Not applicable	
411-1 Incidents of violations involving rights of indigenous peoples		/		Not applicable	
Local communities					
3-3 Management of material topics		25			
413-1 Operations with local community engagement, impact assessments, and development programs		49, 68-72			
413-2 Operations with significant actual and potential negative impacts on local communities		43-44, 46			
Supplier social assessment					
3-3 Management of material topics		58			
414-1 New suppliers that were screened using social criteria		58-60			
414-2 Negative social impacts in the supply chain and actions taken		58-60			
Public policy					
3-3 Management of material topics		/		Not applicable	
415-1 Political contributions		/		Not applicable	
Customer health and safety					
3-3 Management of material topics		60-61			
416-1 Assessment of the health and safety impacts of product and service categories		61-62			
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		68			

General disclosures	Location AR AG	Location SR	Omission		
			Requirement(s) omitted	Reason	Explanation
Marketing and labeling					
3-3 Management of material topics		62-63			
417-1 Requirements for product and service information and labeling		62-63			
417-2 Incidents of non-compliance concerning product and service information and labeling		68			
417-3 Incidents of non-compliance concerning marketing communications		68			
Customer privacy					
3-3 Management of material topics		63-64			
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		63-64			

