

**SUSTAINABILITY  
REPORT**  
2017





**SUSTAINABILITY REPORT,  
ATLANTIC GRUPA 2017**



**GRI SUPPLEMENT**

## About this report

As a company committed to transparency and responsible business operations, in 2013 we decided to improve our reporting practices and to start annual reporting about our economic, social and environmental performance following for the first time GRI sustainability reporting guidelines. This report provides a transparent overview of the Group's performance and progress in social responsibility for 2017, in line with our intention to share our successes and challenges with all stakeholders.

## Towards Integrated Reporting

Our responsibility with regard to all stakeholders has been an integral part of the company's development strategy. Our business growth and expansion have at the same time extended the range of responsibility towards our internal and external surroundings. This has also raised the awareness about the possibilities and the need to have own influence on improving the general conditions around us.

In these areas in recent years, we significantly enhanced our contribution to sustainable development. Our previous reports were based on ten principles of the United Nation's Global Compact with respect to human rights, labour, environment and anti-corruption. We have supported the UN Global Compact since 2007 and have reported on our progress regularly, except for the year 2010:

- ~ Report on progress 2008-2009 <http://unglobalcompact.undp.hr/show.jsp?page=111580>
- ~ Report on progress 2011-2012 <http://www.atlantic.hr/en/social-responsibility/towards-environment/>
- ~ Sustainability reports 2013, 2014, 2015 and 2016 <http://www.atlantic.hr/en/media/publications/gri-report>

Moreover, through our ongoing activities, we firmly support Sustainability Development Goals (SDGs) as we consider our broader impacts on sustainability. Sustainability report 2017 is prepared, as all three previous reports, in accordance with the GRI Sustainability Reporting Guidelines, that is GRI Standards, the latest generation of guidelines from GRI launched in 2016, at a "core" application level. Instead of being a separate publication, this year's Sustainability report is compiled as a supplement to our Annual report, which shows our commitment to integrate sustainability into our core business and provide a comprehensive picture to our stakeholders.

Atlantic Grupa reports against ten performance indicators for which we believe can help us significantly improve the ability to participate in competitive markets. Unless otherwise stated, all information mentioned in the report is for the year 2017.

With the intention of providing a comprehensive and balanced account of the important non-financial aspects of our operations, this report covers the entire Atlantic Grupa and its strategic business units, referring to all companies falling within the scope of Consolidated audited financial results for FY 2017. Full information about financial results and risk management practices can be found in our Annual report 2017 and Financial report 2017: <http://www.atlantic.hr/en/media/publications/annual-reports>

Atlantic Grupa management is responsible for all aspects of this report. If you have any feedback or questions on this Sustainability report, please contact:

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No external assurance included.  
No omissions regarding the reported information.  
ABBREVIATIONS:  
UNGC - United Nations Global Compact  
SDG - Sustainable Development Goals  
GRI - Global Reporting Initiative

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GRI STANDARDS  
GRI 102: GENERAL DISCLOSURES

This section provides information on General Disclosure that is not reported in the Annual Report or the GRI Content Index.

## Organizational profile

### ATLANTIC GRUPA'S SUPPLY CHAIN

Atlantic Grupa offers many opportunities and possibilities for cooperation to its suppliers. From our suppliers we procure all the raw materials for our products, packaging, machines for producing and finishing the products, other equipment and technical devices, as well as other services that are necessary support to our processes. Our supply chain consists of both large multinational business corporations and local suppliers. From some of the suppliers we procure products and services in significant amounts, while with others we cooperate on an occasional basis. In 2017, Atlantic Grupa cooperated with more than 4,000 suppliers.

Regardless of the supplier's category, we aim to have a high quality relation with our suppliers, by creating through this relationship added value both for our company and also for our suppliers. Although we collaborate with a large number of suppliers, we constantly need to enrich the database of our suppliers with new vendors capable to contribute to create user and consumer satisfaction by their higher quality, more innovative, functional and more competitive products or services. In order to ensure constant product enhancements, we continuously evaluate our suppliers and stimulate them to improve their own efficiency and to develop innovative products and technologies. In order to improve and ease the process of identification, development and on-boarding of innovations from supply market, Atlantic Grupa established at the end of 2017 a Supplier Enabled Innovations program. Within this program, the suppliers, both incumbent and those that would like to start cooperation with Atlantic Grupa, have a chance to work together with the professionals from Atlantic Grupa on shaping, developing and commercializing various innovative ideas, concepts and products, that might be applied and brought to the market.



Our relation with suppliers is built on criteria of professionalism, transparency and fair relationship, by fully respecting both the legal requirements and high ethical and moral standards. In the same manner we would also like to build relations with suppliers sharing our values and promoting equal standards with their partners they make business and stay in contact with.

For these reasons Atlantic Grupa dedicates special attention to selection of suppliers. Besides the above stated criteria, we expect from our suppliers to act in line with the legislation valid in the country of their origin but also in the countries with which they make business with, including the anti-discriminatory laws, employment legislation, health and safety protection, as also environment protection legislation.

Therefore we are actively looking for suppliers sharing our values and business principles, as also promoting the implementation of high standards in the environment within which they work.

**These standards first of all include:**

- ~ Abiding by laws, including banning bribing or receiving bribes or personal premiums for making deals or realisation of cooperation
- ~ Respecting human rights and workers' rights
- ~ Protection of health and personal security of their employees
- ~ Banning child labour
- ~ Prohibiting discrimination based on race, religion, sex or any other criteria as also prohibiting sexual harassment
- ~ Abiding by valid laws and standards of environmental protection, animal and plant species

Basic principles for procurement and relations with suppliers are defined in the Purchasing Guidelines, the fundamental document of the purchasing organization of Atlantic Grupa, which is followed by the procedures, manuals and instructions describing in detail the specific areas of purchasing activities in Atlantic Grupa's operating companies. The Guidelines foresee that Atlantic Grupa's purchasing organization takes only such actions and practices that ensure sustainable sourcing and procuring by helping reducing waste, improving environmental impact and protecting human and labour rights.

The purchasing organization of Atlantic Grupa is committed to select only such suppliers that comply with these standards for conducting the business with our company. Monitoring standards and performance of our suppliers is challenging but crucial to protect our business and our company's reputation, and most importantly our consumers who use our products. The common model for monitoring the Atlantic Grupa's suppliers was defined and established in 2014. The system includes unique criteria for approval, evaluation and auditing of suppliers, while intensive work was

performed on the data collection and processing system as well as on the evaluation and monitoring model based on the risk management model. In order to streamline a whole process of collecting, monitoring and evaluating suppliers' documentation on quality standards and certificates, Atlantic Grupa implemented in 2017 an on-line tool called Ecratum. This tool enables Atlantic Grupa to have a central repository of all required suppliers' documentation related to necessary quality standards and practices.

Evaluation of suppliers is conducted once a year, and is generally based on two main criteria: quality and commercial terms and conditions. Evaluation based on quality of delivered materials and suppliers' quality systems is performed in Quality assurance department. In 2017 we implemented a cloud solution for direct communication with suppliers, what ables us to have an overview of their quality system. We ask our suppliers if they have different certificates: FSSC 22000/ IFS/ BRC, HACCP or GMP, ISO 9001, ISO 14001, ISO 50001. For the future, we plan to upgrade this cloud solution to get direct information about food (product) risk management.

Each evaluated supplier is assigned with one of the evaluation ratings: A – excellent, B – good, or C – conditionally acceptable/not acceptable. Aimed at improving two-way communication, Atlantic Grupa encourages the existing and potential suppliers to use the online supplier portal available at the company's website. The portal contains information on goods and services which Atlantic Grupa is procuring, selection and awarding contracts procedures etc. In addition, the portal provides the suppliers the opportunity to share their suggestions for improving the relationship with Atlantic Grupa, quality and functionality of products and services, and other aspects of cooperation.

## MANAGING SUSTAINABILITY RISKS

The corporate culture that Atlantic Grupa nurtures is reflected in our Quality Policy, confirming our commitment to the principles of sustainable development, economic efficiency, environmental responsibility and social responsibility. This means that, beyond complying with national laws and international standards, we are developing internal procedures and policies concerning the most material issues for our company as well as for our stakeholders, as we take into account local and global sustainability trends. Having high quality standards as our fundamental commitment, we are operating in ways that generate shared value for the community and help protect the environment for future generations.

In addition to macroeconomic conditions that largely dictate the trends in the consumption goods industry, in particular personal consumption as a component of the GDP, our company must consider major global risks such as the financial crisis causing the recession in Europe as well as in the region. While climate change and



resource scarcity increasingly affect our business and social environment, we made a big step toward sustainability by expanding our concern for the environment from a local approach to the corporate level within a consistent Environmental Management System (EMS) based on three main pillars: environment and energy efficiency, people and society, and governance. With the consumers' expectations constantly growing, the development of the consumer goods industry is also largely influenced by the ability of companies to adapt to consumer needs and market trends, which in turn requires investments in research and development, innovation and technology. Finally, as a company, we are best positioned to create shared value by promoting healthy lifestyles to our consumers and the community in which we operate. In response to the main challenges, our sustainability commitments are deeply implemented in our core business:

- ~ Risk control is implemented in the process of designing and developing or improving product when it comes to the use of raw materials, components or substances that may jeopardize human health.

In Atlantic Grupa, procedures with the purpose to assure safety and conformity of any new or improved product are in place. There are many internal demands that must be followed in terms of legal and sustainable aspects in order to assure the production of safe foods. Furthermore, we are committed to developing new product recipes in order to improve our products and support healthy eating habits of our consumers.

- ~ When conceptualising, planning and designing new products, in addition to the aforementioned, the environmental aspect and the sustainable development aspect also have to be taken into account. Through the careful selection of raw materials and packaging materials, we can reduce environmental impacts throughout the entire life cycle of the product – from raw materials to final disposal of the waste packaging after the use of the product.
- ~ The extension of the principle of sustainable development is reflected in the relationship with our suppliers. By including environmental criteria in the process of selecting suppliers, we have expanded environmental care along our supply chain.

# ATLANTIC GRUPA

## Ocean of opportunities

### CORPORATE VALUES

Our corporate culture makes Atlantic an inspirational company of people who do business in an inspirational company, with infinite opportunities to grow, invest and progress. It represents a common desire to build visions and create lasting benefits, always keeping in mind our core values:

**Creativity, passion and growth** are represented by natural symbols – a wind, the sun and a mountain. The symbolism of these principles is that company victories are achieved through mutual differences but adhering to the same values.



**The mountain** represents our **growth**. Stepping out of the comfort zone, we take initiative and realize our goals, while being fair and keeping in mind our colleagues, customers, partners and the environment. That is how we grow, how our markets, profit, brands and people grow – in every sense of the word.



**The wind** washes off what is old and brings something new, causes and requests change. Change prompts us to be **creative**. For us, this means being open to new ideas, to different views and opinions, being without prejudice.



**The sun** represents **passion** in everything we do – in our approach to our brands, our colleagues and our partners. We devote our mind and heart in order to achieve goals, and we share emotion, recognize and celebrate our success.

### COMMITEMENTS TO EXTERNAL INITIATIVES

In 2007, Atlantic Grupa joined the United Nations Global Compact by committing to support the ten universally accepted principles with respect to human rights, labour, environment and anti-corruption. The UN Global Compact and Global Reporting Initiative (GRI) signed an agreement in May 2010 to align their work in advancing corporate responsibility and transparency. According to this agreement, GRI is developing its reporting guidelines to integrate UNGC issue areas, while the UNGC adopts GRI Guidelines as the recommended reporting framework for the businesses that have joined this world's largest corporate responsibility platform.

Atlantic Grupa in Serbia is one of the founding members of the Responsible Business Forum – the first and only network of companies in Serbia dedicated to social responsibility – whose activities contribute to further development of socially responsible projects and exchange of experience on the current practice. In the period 2013 - 2015, a representative of Atlantic Grupa held a position in the Governing Board of this network. In Croatia, Atlantic Grupa is a member of The Croatian Business Council for Sustainable Development (HR BCSD) since 2005. This business association gathers companies in a joint mission of seeking solutions for growth, by balancing business success, social well-being and environmental protection.

How we support UN Global Compact principles

**Human rights**

Principle 1 - Businesses should support and respect the protection of internationally proclaimed human rights and

Principle 2 - Businesses should make sure that they are not complicit in human rights abuses.

**The company's policies and procedures** concerning human rights, equal opportunities, safe and healthy working conditions.

**Ethical code of the purchasing organization** applying, among others, the criteria of sustainable purchasing: when making sourcing and purchasing decisions, Atlantic Grupa's purchasing organization is committed to consider both environmental and social factors aiming at minimizing the environmental and social impact that the items we purchase have. Purchasing business must be conducted in such a way to respect social, ethnic, cultural, sexual and racial diversity, and business decisions must not be directed in a way that favours any of the categories of ethnic, sexual or racial criteria.

A number of **humanitarian actions supporting vulnerable social groups**: blind and visually impaired persons, children without parental care, children with special needs etc.

**Labor**

Principle 3 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Atlantic Grupa strongly supports the **right of association of its employees** and the work of its Union alliance. In 2017, **58,04%** of our employees were covered with collective agreements.

Principle 4 - Businesses should uphold the elimination of all forms of forced and compulsory labor.

Principle 5 - Businesses should uphold the effective abolition of child labor.

Principle 6 - Businesses should uphold the elimination of discrimination in respect of employment and occupation.

**Environment**

Principle 7 - Businesses should support a precautionary approach to environmental challenges.

Principle 8 - Businesses should undertake initiatives to promote greater environmental responsibility.

The **company's policies and procedures** concerning human rights, equal opportunities, safe and healthy working conditions are available on the company's intranet and on all of our bulletin boards.

Atlantic Grupa works in a way that **respects all positive regulations** which forbid child labour, forced or obligatory work that protects the employees' dignity in a way that the employee is protected from mobbing or sexual harassment from their employers, superiors, associates and others with whom they may work. Our corporate culture respects any type of individual diversity and fosters cooperation.

Each tender stresses gender equality when hiring. 52.3% of our employees are women. All of our employees, regardless of the contract they have, are guaranteed equal rights and opportunities to develop and grow.

**Purchasing Guidelines** require from all suppliers to protect their employees' rights (prohibition of child work as well as bonded labour, prohibition of workers abuse, discrimination or harassment) and ensure health protection and safety at work.

**Fully Integrated Environmental Management System (EMS) and Energy Management System (EnMS)**

based on well-considered and economical use of natural sources, using environmental friendly technologies in our production, reduction of waste and lower consumption of energy and water.

The environmental aspect and the sustainable development aspect also have to be taken into account when **designing new products**. Through the careful selection of raw materials and packaging materials we can reduce environmental impacts throughout the entire life cycle of the product – from raw materials to final disposal of the waste packaging after the use of the product.

Principle 9 – Businesses should encourage the development and diffusion of environmentally friendly technologies.

#### Anti-Corruption

Principle 10 – Businesses should work against corruption in all its forms, including extortion and bribery.

The principle of maintaining biodiversity also has to be considered in this process.

**Purchasing Guidelines** requiring from all suppliers to obey applicable environmental laws, rules and regulations and demonstrate commitment to preserving the environment.

Since its foundation and listing on the Zagreb Stock Exchange (ZSE), Atlantic Grupa bases its business activities on its own **Code of Corporate Governance of Atlantic Grupa** whereby the standards of business transparency are aligned with Croatian and EU legislation. The Code defines the procedures for the functioning of the Supervisory Board, Management Board and other bodies and structures responsible for decision-making, ensuring the avoidance of conflicts of interest, efficient internal control and an effective responsibility system.

Moreover, considering the fact that Atlantic Grupa is company publicly listed on the Zagreb Stock Exchange, the Company also applies the **Code of Corporate Governance issued by the Croatian Financial Services Supervisory Agency (HANFA) and the ZSE**. Based on the principles set therein, the Company announces the Statement of its application for each business year, confirming its actions and development in accordance with the good corporate governance practice in all business segments. The Statement can be found on the Company's website ([www.atlanticgrupa.com](http://www.atlanticgrupa.com)) as well as on the official website of the ZSE ([www.zse.hr](http://www.zse.hr)).

In addition to the above, Atlantic Grupa acceded to the **Code of Ethics in Business issued by the Croatian Chamber of Economy**. The Code lays down guidelines for ethical behaviour of business subjects in the Croatian economy, contributing to more transparent and efficient business operations and high quality relations between economic operators in Croatia and the business environment in which they operate.

#### Anti-Corruption

Principle 10 – Businesses should work against corruption in all its forms, including extortion and bribery.

By adjoining the Code, parties are obliged to responsible and ethical behavior towards the other companies on the market as well as the development of high quality relations and loyal competition.

Supporting the application of the principles of the good corporate governance practice, Atlantic Grupa adopted its own **Whistleblowing Procedure Rules**, prescribing the reporting procedure, rights as well as duties of each and all employees of Atlantic Grupa who in his/her work observes or becomes aware of either an actual or a potentially illegal action or potential violation of the accepted rules of business conduct in the Company carried out by another employee(s).

By application of the **Ethical code of the purchasing organization** the Company supports conduct of a fair market competition among potential suppliers, prohibiting any conflict of interest (personal interest in the process of selection, receiving gifts and money from the potential suppliers etc.).

Also, implementing the provisions of the **Purchasing Guidelines the Company** requires from all suppliers to act with integrity, to comply with all applicable laws of their countries including the prohibition of giving or receiving bribe or personal payment.

## Ethics and Integrity

### ETHICS AND INTEGRITY

Atlantic Grupa consistently incorporates the highest standards of corporate governance into its business activities and resolved to regulate its actions, both in regard of the other entities it enters into business relations with and in regard of its own employees. Basic principles of the Corporate Governance Code of Atlantic Grupa are:

- ~ transparency of business activity
- ~ clearly elaborated procedures for the operation of the Supervisory Board, Management Board and other bodies and structures making important decisions
- ~ avoiding conflicts of interest
- ~ efficient internal control
- ~ efficient responsibility system.

In addition, as described above, due to the fact that Atlantic Grupa is company publicly listed on the Zagreb Stock Exchange, the Company also applies the Code of Corporate Governance issued by the Croatian Financial Services Supervisory Agency (HANFA) and the Zagreb Stock Exchange. Furthermore, as also described, Atlantic Grupa acceded to the Code of Ethics in Business issued by the Croatian Chamber of Economy.

### WHISTLEBLOWING PROCEDURE

Given that the Company wishes to provide its employees the right to an honest, responsible, transparent and ethical work i.e. working environment in which the main principles of business conduct are respected, Atlantic Grupa adopted the Whistleblowing Procedure Rules which prescribes the reporting procedure, rights as well as duties of each and all employees of Atlantic Grupa who in his/her work observes or becomes aware of either an actual or a potential illegal action or potential violation of the accepted rules of business conduct in the Company carried out by another employee(s). By such Rules, illegal action or violation of the accepted business conduct (Misconduct) are defined as any conduct including (but not limited to):

- ~ committing a criminal act pursuant to positive legal regulations
- ~ violation of the Company's internal acts
- ~ conduct that represents a serious risk to human health and property

### ~ ETHICS AND INTEGRITY

An employee who in his/her work observes or becomes aware of Misconduct has the right as well as the duty to report it immediately in writing to the Head of Corporate Security of Atlantic Grupa and the member of the Management Board of Atlantic Grupa competent for Corporate Affairs. Immediately after receiving the report, they issue a certificate indicating the date of receipt of the report to the employee and, without delay, notify the following, as applicable:

- ~ Head of Department in which the employee who committed the potential Misconduct is working, except in a case where the potential Misconduct relates to the Head of Department, or
- ~ The President of the Management Board – in a case where the potential Misconduct relates to actions of a member of the Management Board, or
- ~ The President of the Supervisory Board of Atlantic Grupa - in a case where the potential Misconduct relates to actions of the President of the Management Board.

In a case where the potential Misconduct relates to joint actions of the Head of Corporate Security of Atlantic Grupa and the member of the Management Board competent for Corporate Affairs, an employee who in his/her work observes or becomes aware of Misconduct of the persons listed has the right as well as the duty to immediately report it in writing to the President of the Management Board of Atlantic Grupa. In such a case, the President of the Management Board is obliged to issue a certificate indicating the date of receipt of the report to the employee and carry out further procedure in accordance with the provisions of the Rules.

Within the period of 4 weeks after receiving a report on the potential Misconduct, the Head of Corporate Security of Atlantic Grupa is obliged to inform the employee who submitted the report on the outcome of the process. By way of derogation, if the process requires a period of time longer than the one prescribed, the Head of Corporate Security of Atlantic Grupa is obliged, within the given period, to inform him/her of the actions taken in the process and, immediately after the conclusion of the process, on its outcome.

In case that it has been identified that the employee has undoubtedly committed the Misconduct, with respect to all the circumstances of the case, the Company is obliged to take all reasonable measures against that employee pursuant to the provisions of the Labour Act, the Company's internal acts, as well as submit necessary notifications to the competent state authorities.

The employee who submitted a report on the potential Misconduct in accordance with the Rules is guaranteed with full confidentiality of any information regarding his/her identity and the content of the report with which he/she reported the potential Misconduct.

Besides, any employee who in his/her work observes or becomes aware of Misconduct shall have the right, at his/her own discretion, to submit an anonymous report on the potential Misconduct, without providing information on his/her identity.

An action of an employee who knowingly reports a potential Misconduct of another employee without any grounds and with a motive to cause any harm to him/her or to gain any benefit for oneself or for other person is considered a violation of the Company's internal acts.

## ETICAL CODE OF PURCHASING ORGANIZATION

Ethical code of the purchasing organization is a set of values, standards, principles and rules, which all the staff of the Atlantic Grupa's purchasing organization, responsible for procurement in the company, has to respect in performing their business activities. The Ethical Code covers the following areas:

- ~ Legal compliance - The purchasers are obliged to inform themselves on any law and regulation change pertaining to purchasing and apply them in their business. In addition to various national and international laws and regulations of a general character, the purchasers have to follow and apply all other laws and regulations that are related to trade, industry, protection of patents and copyrights, environmental protection, work safety, labour law etc.
- ~ Applying the criteria of sustainable purchasing - When making sourcing and purchasing decisions, Atlantic Grupa's purchasing organization is committed to consider both environmental and social factors aiming at minimizing the environmental and social impact that the items we purchase have. Purchasing business must be conducted in such a way to respect social, ethnic, cultural, sexual and racial diversity, and business decisions must not be directed in a way that favours any of the categories of ethnic, sexual or racial criteria.
- ~ Fair treatment of suppliers - The purchasing organization and the purchasing staff have to enable and support fair market competition among potential suppliers who are interested in entering into a business relationship with Atlantic Grupa. This means that the supplier selection process has to be always defined and conducted in such a way to prioritize the suppliers that are capable to provide quality products or services at competitive prices, or that have visible and proven advantages to the business of Atlantic Grupa, compared to other suppliers. While selecting the suppliers or later when the cooperation with the suppliers is already established, any influence which is not of a business nature, or

which is affected by a personal interest of the purchasing staff is not allowed. In this regards, the purchasers have no right to ask or to receive money, favours or gifts from suppliers or potential suppliers. Exceptionally, only business gifts that are of symbolic value could be accepted as an expression of common business practice or business partner's courtesy, but their giving or accepting in no way should influence the decision making process, supplier's selection, negotiations or agreements with suppliers. The manners of dealing with suppliers, regardless of their negotiating position and power of the purchasing department, must be civilized and fair, and the purchasing staff is bound to respect all agreed terms with suppliers, providing that the other side respects its obligations too. The purchasing staff also commits to keeping secrets and professional data, and their selective use, which also applies to all confidential information that is obtained from suppliers during the competition for goods and services supply, as well as offers or business reports. This information may not, without the consent of the party that placed this information at the disposal, be made available to third parties.

- ~ Respect to the purchasing profession - The purchasing staff has to develop and maintain their professional competences, which means that they are obliged to continuously develop and improve their professional value both in terms of specific skills and knowledge in the purchasing area (technical knowledge, knowledge of commerce, trade, laws and regulations), and in terms of communication and other "soft" skills. For achieving this, the purchasers should be open to communicate with other purchasing professionals outside the company and with purchasing associations and institutions, in order to exchange and share experiences and opinions. As the representatives of the purchasing profession, the purchasers of Atlantic Grupa have to act in such a way to maintain dignity of the purchasing profession, and at the same time to ensure that the others who are in contact with the purchasers also recognize the dignity of the purchasing profession.
- ~ Loyalty towards the employer - The purchasing staff has to show loyalty towards the employer, in whose interest they work. This loyalty is expressed through acting in accordance with the general policy and the strategy of Atlantic Grupa, with the directives and instructions received from the company's management, and in accordance with the authorization of the purchasing department and the purchasers, given by the company's management.

## Stakeholder engagement

Our ability to generate value through business choices also depends on listening and recognizing the needs and expectations of those stakeholders who, directly or indirectly, affect the activities of Atlantic Grupa or are influenced by them. As a multinational company, we have an impact on the decisions of a large number of stakeholder categories, both internal and external, as our results and activities depend in a certain degree on the fulfilment of stakeholder needs.

According to the Atlantic Grupa Code of Corporate Governance, stakeholders are considered to be the persons who take over certain direct or indirect risks in relation to our company. Aside from shareholders, the stakeholders, among others, are: employees, customers and users of the company services, suppliers, creditors, local community and public authority bodies.

We know that we create value through our relationships. Building and maintaining our stakeholder relationships is therefore fully embedded in the way we do business. Everywhere we operate, we actively participate in forums, industry platforms and collaborative programmes. We create value for our stakeholders which, in turn, build value for our business over time.

The Management Board is responsible for the transparent and quality relationships of Atlantic Grupa and its stakeholders, being bound to take care that the company respects all rights of stakeholders based on the law and good business customs. Furthermore, going beyond legal requirements, acting responsibly for us means engaging in an ongoing dialogue, both locally and internationally, with the main stakeholders, in order to understand their different motives and concerns, as well as global trends that are important to them. Stakeholder consultations are carried out regularly through many channels. Topics of interest for our stakeholders are addressed in various sections of this report.

### ~ STAKEHOLDER ENGAGEMENT

Key stakeholders	Communication channels	Areas of interest	Mutual benefits
<b>Employees</b>	Regular employee engagement survey Corporate interactive intranet Annual U3 process (setting personal goals) Organization & People panel	Occupational health and safety Equal opportunities Talent development Community engagement Career opportunities	Skilled and motivated workforce, ensured through providing equal opportunities, training, development and rewarding schemes, talent retention
<b>Consumers, shoppers</b>	Regional contact centre Brand websites Brands' Social Media Channels Product labels Marketing campaigns Education of consumer/shopper on points of sales Other consumer events (fairs, public events, ...)	Production information & product innovations Products' health and safety Accessible nutritional information Healthy diets Packaging Waste management Convenience Animal wellbeing Preserving biodiversity	Consumer loyalty Products with low environmental impact
<b>Customers and users of company services</b>	Sales agreements Meetings and B2B events	Economic impacts Supply chain with low environment impacts	Meeting consumer needs by offering them choice and quality
<b>Suppliers</b>	Supplier portal Purchasing agreements Quality agreements	Economic impacts Sustainable procurement Business ethics Supply chain with low environment impacts	Achieving highest responsible and sustainable procurement standards, with support in developing innovative and efficient products and services
<b>Shareholders</b>	General Assembly Corporate web page Meetings and conferences	Economic impacts Transparent governance Sustainable procurement Development strategies	Delivering strong sustainable earnings and dividends, thus establishing supportive shareholder base
<b>Creditors</b>	Corporate web page Meetings and conferences	Economic impacts Transparent governance Sustainable procurement Development strategies Environmental impacts Business ethics	Ensuring fruitful long-term partnership, by excelling in all areas of business
<b>Communities and environment</b>	Regional contact center Donations and sponsorships procedure Direct cooperation with local community representatives Meetings and consultations Open calls for donations Brands' Facebook pages Atlantic Grupa LinkedIn profile Offline and online newsletter	Community engagement Environmental impacts	Establishing trust and long-term relationship by improving quality of lives and preserving the environment
<b>Public authority bodies</b>	Meetings and consultations	Economic impacts Transparent governance Independent and objective information about safety, quality and environmental impacts of products Environmental impacts Development strategies	Collaboration on contributing to public good

## Reporting Practice

### MATERIALITY

To determine the content of the report, we have followed a systematic and rigorous materiality assessment process, guided by the criteria defined by the Global Reporting Initiative (GRI Standards 2016). The sustainability issues have been analyzed on the basis of an initial broad list of topics that may affect our business or be of concern to our stakeholders. Sources for this list include relevant issues addressed by media, industry and sector benchmarks, matters raised by stakeholders in public debate, internal documents and business strategy. Considering the significance of our economic, environmental and social impacts helped us focus on aspects that deliver the greatest value to our business and stakeholders, within four major areas: economic performance, product responsibility, workplace responsibility and environment responsibility.

The company's senior decision-makers are actively involved in this process, as the results of the analysis were reviewed and approved by the Social Responsibility Committee.

#### LIST OF PRIMARY TOPICS:

##### ECONOMIC IMPACTS

~ ASPECT: ECONOMIC PERFORMANCE

##### ENVIRONMENT RESPONSIBILITY

~ ASPECT: ENERGY

~ ASPECT: BIODIVERSITY

~ ASPECT: WASTE

##### WORKPLACE RESPONSIBILITY

~ ASPECT: EMPLOYMENT

~ ASPECT: OCCUPATIONAL HEALTH AND SAFETY

~ ASPECT: TRAINING AND EDUCATION

##### PRODUCT RESPONSIBILITY

~ ASPECT: CUSTOMER HEALTH AND SAFETY

~ ASPECT: PRODUCT AND SERVICE LABELING

In this Report, only material topics identified by internal and external stakeholders as significantly important will be reported on. In terms of the extent of the impact, all aspects that the analysis showed to be material have impacts within the organization as a whole. Furthermore, the aspects analyzed have impacts outside the company in geographical areas where Atlantic Grupa conducts its operations and for all the stakeholder categories identified.

### ~ TOPIC-SPECIFIC DISCLOSURES

#### GRI STANDARDS

##### Topic-specific disclosures

##### Economic GRI 200

##### GRI 201: ECONOMIC PERFORMANCE

#### Disclosure 201-1

##### Direct economic value generated and distributed

Atlantic Grupa Consolidated '000 HRK	2016	2017	Change 2017/2016
<b>DIRECT ECONOMIC VALUE GENERATED</b>	<b>5,124,348</b>	<b>5,327,015</b>	<b>4.0%</b>
REVENUES	5,124,348	5,327,015	4.0%
<b>ECONOMIC VALUE DISTRIBUTED<sup>1</sup></b>	<b>4,984,896</b>	<b>5,081,014</b>	<b>1.9%</b>
<i>Operating cost -incl. Education &amp; Freelancers</i>	3,846,536	3,893,808	1.2%
<i>Employee wages and benefits -excl. Education, freelancers<sup>2</sup></i>	744,713	771,257	3.6%
<i>Payments to providers of capital<sup>3</sup></i>	168,273	118,101	-29.8%
<i>Payments to Government<sup>4</sup></i>	68,601	90,182	31.5%
<i>Community investments</i>	40,756	55,764	36.8%
CAPEX	116,017	151,901	30.9%
<b>ECONOMIC VALUE RETAINED</b>	<b>139,452</b>	<b>246,001</b>	<b>76.4%</b>

1 Excluding provisions (bad debts, inventories, employee future commitments as per IAS19)

2 Including taxes and contributions on salaries

3 Interest expense (P&L item) and dividend paid

4 Refer to P&L items (corporate income tax, other taxes and contributions not related to result)

In 2017, Atlantic Grupa recorded sales of HRK 5.3 billion, which is a 3.9% increase compared to 2016. The growth in revenues was recorded due to the increase in almost all own brands and the increase in revenue from the principal brands distribution, despite the decrease in sales in the Strategic Business Unit Sports and Functional Food. Despite the significant negative impact of the loss of a portion of revenues realised through the major regional retail chain, Atlantic Grupa managed to compensate for the lost revenue and exceed the revenue recorded in 2016 by higher sales through other buyers. Thus, in 2017, a 5.1% growth compared to 2016 was recorded in the markets of Serbia, Croatia and Slovenia.

Significant increase of Economic value retained comparing to prior year is primarily result of sales increase, as well as a slower increase of operating costs and lower payments to providers of capital.

**Revenues** – In 2017, Atlantic Grupa recorded higher sales due to the growth of own brands and distribution operations on all major markets of Atlantic Grupa, despite the challenges in the business environment. Among the brands, Argeta and Donat Mg in Croatia and Serbia, Barcaffè and Cedevita in the HoReCa channel, Kala, Kalnička and Štark in Croatia, and Multivita and Donat Mg in Russia especially stood out with their double-digit growth. All key brands increased or retained their market shares, and Argeta, after Austria the previous year, has also become the market leader in Switzerland. Analysing by markets, the largest growth has been achieved in the market of Croatia followed by growth in second and third biggest market, Serbia and Slovenia.

**Operating costs -incl. Education & Freelancers** – Looking closely at 2017, costs of goods sold increased as a result of higher sales. Production material expenses in 2017 increased due to higher prices of raw coffee and higher production in most of the segments. Costs of services also grew due to costs of logistics services related to higher sales, as well as marketing costs. Other operating expenses are lower in 2017 due to one off gains in relation to sale two factories in sport and functional food segment.

**Employee wages and benefits -excl. Education, freelancers** – Employee wages and benefits grew in 2017 primarily due to a higher average number of employees during the year and higher variable salaries in relation to higher sales.

**Payments to providers of capital** – As a consequence of continuous repayment of long-term borrowings and lower average interest rates in 2017, payments to providers of capital, i.e. interest payments, were lower than in 2016. The dividend payment of HRK 45 million (HRK 13.5 per share) in 2017 was the same as in 2016.

**Payments to Government** – Increase in payments to government reflected higher corporate income tax as well as higher other taxes and contributions not related to result.

**Community investments** – Atlantic Grupa is a major sponsor focused primarily on the promotion of sports where most funds and involvement are dedicated to supporting projects such as the basketball club Cedevita. Atlantic Grupa also sponsored alpine

and Nordic skiing through Slovenian Ski Federation. In the culture and knowledge segment, Atlantic Grupa has again in 2017 supported the 23rd Sarajevo Film Festival as a central cultural manifestation in the region. Atlantic Grupa has in 2017 supported the so-called STEM revolution, the most successful charity crowdfunding campaign in Croatia whose goal is to raise the digital literacy in Croatian schools. Atlantic Grupa is also an active participant and organiser of a number of humanitarian actions and systematically supports a whole series of organisations and associations involved in protecting and helping vulnerable social groups.

**Capex** – In 2017 the amount of the company's capital expenditure increased compared to the previous year and mostly relates to the investment in production equipment aiming to increase efficiency of SBU production processes, and to development of IT infrastructure, business systems and applications.

### ENVIRONMENTAL GRI 300

In respect to environmental protection, we can say that, within a consistent Environmental Management System (EMS), it has expanded from a local approach to the corporate level with the key focus on sustainability and protecting the future.

Environmental management has a long tradition in individual facilities of Atlantic Grupa. Some production facilities have been awarded the ISO 14001 environmental management system certificate more than 10 years ago. In terms of scope, the major milestone of the environmental management system development was in 2014, when the system was implemented to the distribution and to entire Atlantic Grupa.

### GRI 302 ENERGY

The Energy Management System (EnMS), which was introduced in 2015, represents the framework for optimising the company's energy efficiency. In Atlantic Grupa, EnMS is integrated into quality management systems of all production facilities. The system takes account of guidelines and requirements of the international standard ISO 50001. It is based on the energy policy, which is a part of the company's corporate quality policy, and on the PDCA model which consists of four management phases aimed at continuous process improvement.



## Disclosure 302-1

## Energy consumption within the organization (MWh)

Direct energy consumption : non-renewable sources	2015	2016	2017
LPG	12,694	17,837	16,917
Natural gas	28,846	29,312	30,743
CNG	10,435	11,086	9,721
Propan	4,923	6,287	6,063
Fuel oil	7,209	7,699	6,996
Mazut	3,064	-	-
Non-renewable fuel diesel	-	-	13,891
Direct energy consumption: renewable sources	2015	2016	2017
	-	-	-
Total direct energy consumption	64,171	72,221	84,331
Indirect energy consumption: non-renewable sources	2015	2016	2017
Electricity	47,024	46,482	45,774
Steam	8,170	7,515	7,457
Indirect energy consumption: renewable sources	2015	2016	2017
Electricity	246	258	255
Total indirect energy consumption	55,440	54,255	53,486
Energy consumption by region			
SI	28,319	28,352	28,828
HR	20,977	21,288	29,107
RS	58,020	61,586	66,207
BA	11,705	11,220	11,657
MK	1,893	2,399	2,019
DE	1,697	1,631	-
Total energy consumption	122,611	126,476	137,818

The consumption is calculated based on invoicing and meters. Standard conversion factors are used (SI). Premises rented are not included in the calculation. Sold energy or cooling is not relevant for AG. Indirect energy consumption includes electricity produced with solar panels in the production Site in Izola. In 2017 we have started to record fuel consumption for own transport vehicles.

In 2017 two changes should be taken into account when reviewing energy consumption in 2017. Multipower Bleckede in Germany left Atlantic Grupa and we have started to record fuel consumption for the own transport vehicle. The fuel consumption represents 10% of the energy consumption in 2017. Comparing the energy consumption with the previous year (not considering fuel diesel consumption) the consumption was reduced by 2%.

## 2015

Direct energy consumption: non-renewable sources	SI	HR	RS	BA	MK	DE
LPG	11,226	0	0	0	1,125	343
Natural gas	2,979	1,590	17,231	7,046	0	0
CNG	0	1,106	9,329	0	0	0
Propan	186	0	4,688	31	0	18
Fuel oil	0	1,528	3,581	1,420	163	517
Mazut	3,064	0	0	0	0	0
Non-renewable fuel diesel	-	-	-	-	-	-
Direct energy consumption: renewable sources						
	-	-	-	-	-	-
Total direct energy consumption	17,455	4,224	34,829	8,497	1,288	878
Indirect energy consumption: non renewable sources						
Electricity	8,570	10,631	23,191	3,208	605	819
Steam	2,048	6,122	-	-	-	-
Indirect energy consumption: renewable sources						
Electricity	246	-	-	-	-	-
Total indirect energy consumption	10,864	16,753	23,191	3,208	605	819
Total energy consumption 2015	28,319	20,977	58,020	11,705	1,893	1,697

2016

Direct energy consumption: non-renewable sources	SI	HR	RS	BA	MK	DE
LPG	16,013	0	0	0	1,512	312
Natural gas	2,884	1,764	18,273	6,391	0	0
CNG	0	1,400	9,686	0	0	0
Propan	0	0	6,245	34	0	8
Fuel oil	0	1,646	3,731	1,624	157	541
Mazut	0	0	0	0	0	0
Non -renewable fuel diesel						
Direct energy consumption: renewable sources						
<b>Total direct energy consumption</b>	<b>18,897</b>	<b>4,810</b>	<b>37,935</b>	<b>8,049</b>	<b>1,669</b>	<b>861</b>
Indirect energy consumption: non-renewable sources						
Electricity	7,732	10,428	23,651	3,171	730	770
Steam	1,465	6,050				
Indirect energy consumption: renewable sources						
Electricity	258					
<b>Total indirect energy consumption</b>	<b>9,455</b>	<b>16,478</b>	<b>23,651</b>	<b>3,171</b>	<b>730</b>	<b>770</b>
<b>Total energy consumption 2016</b>	<b>28,352</b>	<b>21,288</b>	<b>61,586</b>	<b>11,220</b>	<b>2,399</b>	<b>1,631</b>

2017

Direct energy consumption: non-renewable sources	SI	HR	RS	BA	MK	DE
LPG	15,636	0	0	0	1,280	
Natural gas	3,334	2,056	18,814	6,540	0	
CNG	0	1,442	8,280	0	0	
Propan	0	10	6,030	22	0	
Fuel oil	0	1,372	3,955	1,547	123	
Mazut	0	0	0	0	0	
Non-renewable fuel diesel		7,230	6,661			
Direct energy consumption: renewable sources						
<b>Total direct energy consumption</b>	<b>18,970</b>	<b>12,110</b>	<b>43,740</b>	<b>8,109</b>	<b>1,403</b>	
Indirect energy consumption: non renewable sources						
Electricity	8,030	11,113	22,469	3,547	616	
Steam	1,573	5,884				
Indirect energy consumption: renewable sources						
Electricity	255					
<b>Total indirect energy consumption</b>	<b>9,858</b>	<b>16,997</b>	<b>22,469</b>	<b>3,547</b>	<b>616</b>	
<b>Total energy consumption 2017</b>	<b>28,828</b>	<b>29,107</b>	<b>66,209</b>	<b>11,656</b>	<b>2,019</b>	

Energy consumption in 2017 was reduced on 9 Sites: Cedevida Zagreb, Neva, Grand Prom, Soko Štark Belgrade, Palanački Kiseljak, Izola, Mirna, Foodland, in Skopje on the Site Droga Kolinska Skopje and Atlantic Trade.

Disclosure 302 - 3 Energy intensity, MWh/Net sales (HRK Million)	2015	2016	2017
Energy intensity	22.61	24.68	25.87*

Energy intensity is calculated by dividing the total energy consumption of our own production and distribution/ logistic (direct) in MWh by Group Revenues, HRK Million.

\*In the energy consumption for 2017 the fuel for own transport vehicles is included. If we would take into account the same scope (without fuel) the energy intensity would be 23.26

## GRI 304: BIODIVERSITY

Within the process of risk control in designing and developing a new or existing product, biodiversity is defined as an environmental aspect with respect to the selection of raw materials that may have or have bad effects on human health. During the phase of selecting the raw materials for a new product, the principle of maintaining biodiversity has to be taken into account. The development technologist selects possible raw materials that meet the requirements of ecological and sustainable aspects. Particular attention has to be paid to threatened plant and animal species (ref. document: IUCN Red List). Number of IUCN Red list species and national conservation list species with habitats in areas affected by operations by level of extinction list is also one of the informative KPI's of the Central Purchasing monitored on a monthly, quarterly or annual basis.

## Disclosure 304-4

## IUCN red list species and national conservation list species with habitats in areas affected by operations

Number of raw materials used from the category	2015	2016	2017
Critically endangered	0	0	0
Endangered	0	0	0
Vulnerable	1	0	0
Near threatened	1	1	1
Least concern	1	1	1

Among our eight Strategic Business Units which produce food, food supplements and personal care products: Beverages, Coffee, Snacks, Savoury spreads, Sport and functional food, Pharma, Baby Food and Gourmet, only SBU Savoury spreads operations are using raw materials from IUCN Red List (Thunnus albacares / Yellowfin Tuna; Status: Near Threatened ver.3.1).

Among our eight Strategic Business Units which produce food, food supplements and personal care products: Beverages, Coffee, Snacks, Savoury spreads, Sport and functional food, Pharma, Baby Food and Gourmet, only SBU Savoury spreads operations are using raw materials from IUCN Red List.

For the production of Argeta Tuna pate, we use not endangered species, and these are Yellowfin tuna -Thunnus albacares (Near Threatened ver.3.1.) and Skipjack tuna - Katsuwonus pelamis (Least concern). We have stopped to use Bigeye tuna in our production in 2017.

## Katsuwonus pelamis

This species is widespread and is important in commercial fisheries throughout its range. Although it is heavily fished, it is considered relatively abundant and is fast-growing, shortlived, and very fecund. It is listed as Least Concern.

## GRI 306: EFLUENTS AND WASTE

## Disclosure 306-2

## Waste by type and disposal method

Waste by disposal method (t)	2015	2016	2017
<b>Non-hazardous</b>			
reuse	1,031.15	1,040.84	1,224.66
recycling	2,763.42	3,073.65	2,848.93
composting	129.84	94.82	302.01
recovery	453.03	519.59	407.30
incineration	71.56	419.26	211.01
deep well injection	0.00	0.00	0.00
landfill	4,487.08	2,704.74	2,128.58
on-site storage	*	*	*
other	0.00	0.00	0.00
<b>Total in tones</b>	<b>8,936.08</b>	<b>7,852.90</b>	<b>7,122.48</b>
<b>Hazardous</b>			
reuse	0.01	0.00	0.00
recycling	25.06	37.80	31.98
composting	0.00	0.00	0.00
recovery	0.00	3.92	0.02
incineration	36.18	10.90	10.98
deep well injection	0.00	0.00	0.00
landfill	0.00	0.00	12.96
on-site storage	*	*	*
other	0.00	0.00	0.00
<b>Total in tones</b>	<b>61.25</b>	<b>52.62</b>	<b>55.94</b>

\*On-site storage waste is temporary and is reported in the next reporting period by final disposal method. The disposal method has been determined based on information provided by the waste disposal contractors. Within the Atlantic Grupa Environmental and energy management system, we manage wastewater discharge to minimize the negative impact on the environment. The waste that ended on the landfill is divided to municipal waste which represents 38% of landfill waste and waste that was separately collected but the infrastructure on the market does not provide any alternative.

## Disclosure 306-2

## Waste by type and disposal method

Waste by region (t)	2015	2016	2017
<b>Non-hazardous</b>			
SI	1,668.43	1,702.29	1,430.51
HR	1,190.33	1,319.47	1,625.80
RS	3,940.54	3,033.05	2,954.39
BH	1,657.95	1,302.98	1,030.69
MK	108.17	93.17	81.10
DE	370.66	401.93	
<b>TOTAL</b>	<b>8,936.08</b>	<b>7,852.90</b>	<b>7,122.48</b>
<b>Hazardous</b>			
SI	30.99	5.94	15.39
HR	23.94	35.90	35.28
RS	5.30	8.40	3.38
BA	0.29	0.87	0.89
MK	0.20	0.00	1.00
DE	0.53	1.51	
<b>TOTAL</b>	<b>61.25</b>	<b>52.62</b>	<b>55.94</b>

In Bosnia and Herzegovina, Serbia and Macedonia the method for collecting municipal waste (landfill) is based on two month measurements. The billing system for the municipal waste removal is defined per square meter of the site and does not provide the weight of the removed waste.

Waste management remains in the focus of Atlantic Grupa's environmental and energy management system.

In Atlantic Grupa quantities of total waste are decreasing in average for 11% per year in the observed three year period. The hazardous waste represents 0.78 % of total waste and it is disposed in accordance with the best practices available on the market.

The landfill waste is divided to municipal waste and waste that was separately collected but ended on the landfill due to lack of solutions for further processing of waste on some markets. The municipal waste represents 18.27% of total landfill waste. In 2017 the quantity of municipal waste has decreased by 4% comparing to 2016. In the last three years the disposal of waste to the landfill has decreased by 52%. Comparing to 2016 the disposal of waste to the landfill has decreased by 20%. The reduction of waste quantities being disposed of at landfill can be attributed primarily to constant searching of new solutions for waste disposal and activities for raising environmental awareness of employees within the framework of traditional activities under the project Atlantic Green - Opportunity to grow in harmony with nature. The target of waste management for 2018 is improving waste separation for 1%.

GRI 401: EMPLOYMENT  
WORKFORCE IN 2017

The company has 4709 employees\* out of which 52.3% are women. In 2017, 0.72% were part-time and 99.28% were full-time employees. In the same period, 8.18% of employees had short-term contracts, while 91.82% had long-term contracts.

Region (market)	No. of employee	%	M	F	M%	F%	Age group			Age group%		
							< 30	30-50	>50	< 30	30-50	>50
AT	17	0.36%	11	6	64.71%	35.29%	5	12	-	29.41%	70.59%	-
BA	153	3.25%	110	43	71.90%	28.10%	10	104	39	6.54%	67.97%	25.49%
DE	65	1.38%	38	27	58.46%	41.54%	15	47	3	23.08%	72.31%	4.62%
ES	-	0.00%	-	-	-	-	-	-	-	-	-	-
HR	1,795	38.12%	752	1,043	41.89%	58.11%	360	1,070	365	20.06%	59.61%	20.33%
IT	3	0.06%	1	2	33.33%	66.67%	-	3	-	-	100.00%	-
ME	2	0.04%	1	1	50.00%	50.00%	-	2	-	-	100.00%	-
MK	176	3.74%	105	71	59.66%	40.34%	28	121	27	15.91%	68.75%	15.34%
RS	1,775	37.69%	874	901	49.24%	50.76%	171	1,164	440	9.63%	65.58%	24.79%
RU	57	1.21%	23	34	40.35%	59.65%	9	40	8	15.79%	70.18%	14.04%
SI	660	14.02%	329	331	49.85%	50.15%	87	382	191	13.18%	57.88%	28.94%
UK	6	0.13%	2	4	33.33%	66.67%	2	-	4	33.33%	-	66.67%
<b>Total</b>	<b>4,709</b>	<b>100.00%</b>	<b>2,246</b>	<b>2,463</b>	<b>47.70%</b>	<b>52.30%</b>	<b>687</b>	<b>2,945</b>	<b>1,077</b>	<b>14.59%</b>	<b>62.54%</b>	<b>22.87%</b>

\*Without freelancers

The majority of our employees works in Croatia (38.12%), Serbia (37.69%) and Slovenia (14.02%).

Atlantic Grupa strongly supports the right of its employees to participate in decisions concerning their economic and social rights, and interests in accordance with the Labour Law. As a responsible employer, we have a tradition of joining workers that are promoting the interests of the worker to the employer, either through a union or work council. Union alliance of Atlantic Grupa is in accordance with international conventions, laws of the Republic of Croatia and union's statute. The union may work according to company union regulations.

In 2017, 58.04% of our employees were covered with collective agreements, comparing to 40.78% in 2016 (in 2015 not signed a collective agreement for trading), while other employees are covered with industrial or federal collective agreements.

## Disclosure 401-1

## New employee hires and employee turnover

## New employees in 2017

New hires	Number of new hires			New hire rate, %		
	2015	2016	2017	2015	2016	2017
<b>By age group</b>						
< 30	308	202	181	46.50	43.6	51.00
30 - 50	323	243	165	48.70	52.5	46.50
> 50	32	18	9	4.80	3.9	2.50
<b>By gender</b>						
Female	299	237	181	45.10	51.2	51
Male	364	226	174	54.90	48.8	49
<b>By region</b>						
AT	4	9	4	0.60	1.94	1.13
BA	3	4	8	0.45	0.86	2.25
DE	26	29	6	3.92	6.26	1.69
ES	1	0	0	0.15	0.00	0.00
HR	342	209	165	51.58	45.14	46.48
IT	2	0	0	0.30	0.00	0.00
MK	11	16	11	1.66	3.46	3.10
RS	204	128	84	30.77	27.65	23.66
RU	21	12	15	3.17	2.59	4.23
SI	48	54	62	7.24	11.66	17.46
UK	1	2	0	0.15	0.43	0.00
<b>Total</b>	<b>663</b>	<b>463</b>	<b>355</b>	<b>14.18</b>	<b>9.45</b>	<b>7.54</b>

In 2017, we employed a total of 355 people, representing an decrease in total headcount number of 4.57% comparing to 2016.

Employee turnover	Number of new leavers			Turnover rate, %		
	2015	2016	2017	2015	2016	2017
<b>By age group</b>						
< 30	109	82	121	29.7	18	28
30 - 50	188	306	225	51.23	67	52
> 50	70	70	88	19.07	15	20
<b>By gender</b>						
Female	123	205	223	33.5	44.8	51.4
Male	244	253	211	66.5	55.2	48.6
<b>By region</b>						
AT	0	2	6	0	0.4	1.4
BA	6	6	3	1.6	1.3	0.7
DE	18	75	21	4.9	16.4	4.8
ES	1	0	6	0.3	0.0	1.4
HR	169	184	192	46.0	40.2	44.2
IT	2	3	1	0.5	0.7	0.2
MK	10	6	12	2.7	1.3	2.8
RS	98	122	96	26.7	26.6	22.1
RU	31	16	23	8.4	3.5	5.3
SI	31	40	70	8.4	8.7	16.1
UK	1	4	4	0.3	0.9	0.9
<b>Total</b>	<b>367</b>	<b>458</b>	<b>434</b>	<b>7.70</b>	<b>7.42</b>	<b>9.22</b>

Over the past couple of years, we have placed a strong focus on increasing our investment in our people and improving employee engagement. With Retention program, we put strong focus on regretted fluctuation. Turnover for the 2017 financial year was 9.22% (compared with 2016 which was 7.42%) including involuntary turnover which is 2.61% (2016. 2.22 %.)

GRI 403: OCCUPATIONAL HEALTH AND SAFETY

During 2017, we organized trainings related to providing First Aid to persons injured at work to employees who are not in formal obligation to pass educational courses in this area. The correct and timely assistance to an injured person before arriving of ambulance is recognized as an important segment of risk reduction and the elimination of more severe consequences.

Education is part of the Action Plan of the security and safety process, while we are considering the possibility of providing access to education for all interested employees, by using the human resource education tools. Also, we continued with the implementation of OHSAS by forming Registry of Regulations. Furthermore, via the process activity, occupational health and safety and fire protection Risk maps were established. They are available on the Corporate Security Business portal.

Disclosure 403-2

Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities

Type of injury	2015		2016		2017	
	F	M	F	M	F	M
Minor injuries	18	36	32	25	32	24
Major injuries	4	6	7	5	9	6
Fatalities	0	0	0	0	0	0
<b>Total</b>	<b>22</b>	<b>42</b>	<b>39</b>	<b>30</b>	<b>41</b>	<b>30</b>

Injury rate by region (IR)	2015	2016	2017
BA	0.63	2.58	1.94
HR	0.63	0.97	1.43
DE	2.15	0.55	0.67
MK	0.63	0	1.15
RU	0	0	0
RS	2.28	2.28	1.91
SI	0.77	0.9	0.45

Minor (first-aid level) injuries are included in the injury rate (IR)

Number of injuries	2015		2016		2017	
	M	F	M	F	M	F
BA	0	1	1	3	2	1
HR	4	8	8	10	12	15
DE	0	6	0	1	0	1
MK	0	1	0	0	1	1
RU	0	0	0	0	0	0
RS	17	22	26	14	25	10
SI	1	4	4	2	1	2

Lost day rate (LDR)	2015	2016	2017
BA	17.1	42.04	19.47
HR	13.8	19.80	36.67
DE	67.3	0	0
MK	28.8	0	8.64
RU	0	0	0
RS	56.93	48.70	62.04
SI	8.40	18.70	20.08

Lost days are scheduled work days. The lost days count begins, the same day the accident.

Absentee rate (AR)	2015	2016	2017
BA	4,996.56	7,356.33	6,315.82
HR	12,550.23	13,118.68	13,573.38
DE	25,258.49	8,480.00	7,860.00
MK	5,270.37	0	4,949.18
RU	0	0	0
RS	10,675.47	11,749.81	12,096.36
SI	17,046.83	11,530.29	20,060.64

Avoiding occupational accidents is an essential component of Atlantic Grupa. There were no fatalities and occupational disease (OD). Atlantic Grupa records as accidents all cases that result in absence from work or involve treatment costs.

In our action plan for this year we planned re-education in production / distribution with emphasis on the importance of safe work in accordance with the procedures.

The agregat workplace monitoring report for Injury Rate (IR), Lost Day Rate (LDR) and Absentee Rate (AS) is prepared in base of the GRI methodology:

AR formula = total # of missed (absentee) days over the period /total # of workforce days worked for same period \* 200.000 (the factor 200.000 is derived from 50 working weeks per 40 hours per 100 employees.

LDR formula = total # of lost days / total hours worked \* 200.000

IR formula = total # of lost days / total hours worked \* 200.000

GRI 404: TRAINING AND EDUCATION

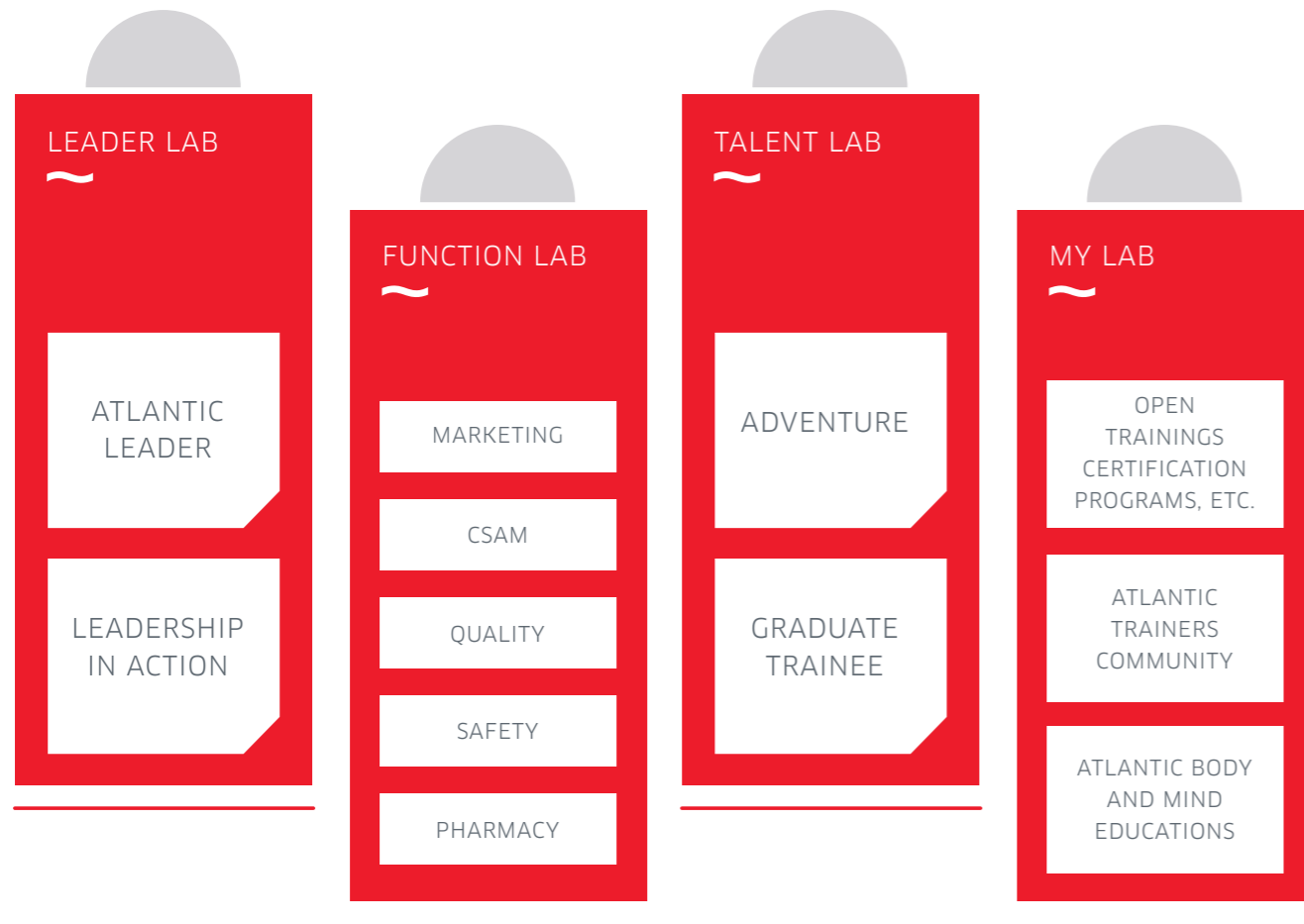
Development activities of human resource management are planned and implemented on the basis of four pillars, through which we aim to develop three areas of competence: managerial, functional and technical, which are recognized as necessary for the implementation of company strategy.

The employee is the highest value for our company. We are especially concerned with key employees and we have designed a talent management model for this purpose.

The main HR communication tool is the HRNet program, which is used by all employees.

In order to connect employees, provide for their physical and mental health, and encourage them to develop various innovations and reduce negative environmental impacts, we carry out numerous other projects and activities that we symbolize with logos.

LEARN DEVELOPMENT@AG



Disclosure 404-1  
Average hours of training per year per employee

2017	
<b>By gender</b>	
FEMALE	9
MALE	9
Average training hours per employee = total number of training hours provided to employees/total number of employees; Total number of training hours provided to male employee/total number of male employee	
<b>By level</b>	
Senior Management	83
Middle Management	51
<b>By function</b>	
Product Execution	8
Product Placement	9
Internal Perspective	14

Function such as technical, administrative, production

In 2015 we implemented "Core Leadership Curriculum" and "Functional Academy" projects for the first time which resulted in training hours increase by 50%. After conclusion of the first part of the project the average hours of training per year per employee returned into the normal frames.

In 2017 we have started with Automation Data Capture for trainings and education of employees. The changed Methodology led to the interruption of the continuity.

GRI 416: CUSTOMER HEALTH SAFETY

Disclosure 416-2

Incidents of non-compliance concerning the health and safety impacts of products and services

	2015	2016	2017	Estimated risk 2018
Incidents of non-compliance resulting in a fine	0	0	0	0
Incidents of non-compliance resulting in a warning	0	0	0	0
Incidents of non-compliance with voluntary codes	4	2	1	on the level of 2017

AG product safety management system is comprehensive and includes all hazards and all aspects, as food safety, food defence, food fraud, traceability. In the last year we put main attention to upgrade the system with many additional measures focused on foreign body management on all production lines. We also introduced new methods to detect fraud related to incoming materials. Through contracts and audits, we also transfer the same level of demands to contractual manufacturers (In 2017 some new products were launched in cooperation with new contract manufacturers).

The results prove that the system is highly efficient in all strategic business programs, the risk of product non-compliance on the markets is reduced to the lowest possible level. In 2017 only one preventive withdrawal was performed on one local market, due to acrylamide content higher than reference values in one snack product.

MARKETING AND LABELING

We recognize our responsibility to present transparent and truthful information about our product to our consumers. In accordance with internal procedures that stand in line with local and EU legislation, we provide information about the sourcing of components, content, safe use and disposal of the product. Motivated by our consumers' suggestions, and as part of our broader efforts to contribute to health and wellness of our consumers, we also make nutritional information accessible, promoting active and balanced lifestyle and building trust within the community where we operate.

Disclosure 417-1

Requirements for product and service information and labeling

MEAT AND FISH PATE	Information	% of products in brand portfolio of significant product category in compliance with the requirement described next					Note
		% in 2015	% in 2016	KPI 2017	% in 2017	KPI 2018	
<b>VEGETABLE HUMMUS</b>							
<b>The sourcing of components (raw materials, packaging)</b>	MSC Tuna Pate	1%	2%	2%	3.43%	4.0%	% of total tuna raw material; 2018 - potential increased sales in Switzerland and Sweden
	chicken fat in recipes	95%	95%	95%	97%	97%	3% of chicken fat is sold to animal feed due to low quality
	bouillon in recipes	60%	100%	100%	100%	100%	all bouillon is used in production
	BPA-NI packaging				50%	90%	it is planned that all packaging will be in BPA-NI aluminium can; in 2017 only one supplier (Crown)
<b>Content of the product (recipe)</b>	nutritional information on the label	100%	100%	100%	100%	100%	
	source of omega -3 claim		1%	1%	1.5%	1.5%	3 products: sardina, sardina pikant, sardina posna - % of all products
	gluten free claim	50%	70%	70%	100.0%	100.0%	communicated on 95g pate; no space for communication on single portion pates
	Vegan symbol				0%	100.0%	Relevant for vegetable hummuses
<b>Safe use of the product</b>	no additives	45%	60%	x	x	x	claim is replaced with no preservatives, enhancers,...
	no preservatives			95%	99.8%	100%	Prištinska pate due to "suduk" ingredient
	no enhancers			95%	99.9%	100%	Exclusive line
	no artificial colours			95%	100%	100%	
	Refrigerate after opening info	70%	70%	70%	100%	100%	on 95g pate; no need for single portion pates
	Do not use if the product is inflated	100%	100%	100%	100%	100%	Relevant for meat and fish pate
	When opening jar, click sound should be heard	100%	100%	100%	100%	100%	Relevant for vegetable hummuses
	Allergen information on the label				100%	100%	
<b>Disposal of the product</b>	Possible presence of olive pits				0%	100%	Relevant for vegetable hummuses - olive taste
	all signs for appropriate recycling product packaging	100%	100%	100%	100%	100%	

TREND BREAK (divided data for Argeta and Montana)



SENDWICHES, VEGETABLE SALADS, PANCAKES, COOKIES, BARS	Information	% of products in brand portfolio of significant product category in compliance with the requirement described next					Note
		% in 2015	% in 2016	KPI 2017	% in 2017	KPI 2018	
<b>TREND BREAK (divided data for Argeta and Montana)</b>							
<b>The sourcing of components (raw materials, packaging)</b>							
<b>Content of the product (recipe)</b>	nutritional information on the label	100%	100%	100%		100%	100%
	Do not use if the product is inflated	100%	100%	100%		100%	100% Relevant for triangle
	Keep at the temperature from +4 to +8 °C					100%	100% Relevant for all products, cookies and bars excluded
<b>Safe use of the product</b>	Possible presence of olive pits					100%	100% Relevant for vegetable salad - mediterranean
	Allergen information on the label					100%	100%
	Possible presence of nutshell					100%	100% Relevant for salad - continental and cookies
<b>Disposal of the product</b>	all signs for appropriate recycling product packaging	100%	100%	100%		100%	100%

BABY DRY CEREALS	Information	% of products in brand portfolio of significant product category in compliance with the requirement described next				Note
		% in 2015	% in 2016	% in 2017	goal 2018	
<b>The sourcing of components (raw materials, packaging)</b>	Baby Food quality raw materials	100%	100%	100%	100%	
	enriched with vitamins and minerals	100%	100%	100%	100%	
<b>Content of the product (recipe)</b>	without additives and preservatives	100%	100%	100%	100%	
	without gluten	36%	39%	38%	35%	
	with no added sugar	9%	9%	9%	12%	
<b>Safe use of the product</b>	after opening the product should be stored in a dry and cool place (not in fridge) not more than 3 weeks	100%	100%	100%	100%	
<b>Disposal of the product</b>	all signs for appropriate recycling product packaging		100%	100%	100%	

COFFEE	Information	% of products in brand portfolio of significant product category in compliance with the requirement described next				Note
		% in 2015	% in 2016	% in 2017	goal 2018	
<b>The sourcing of components (raw materials, packaging)</b>	Organic product	1%	1%	1%	1%	
	Single origin	na	na	0%	3%	
	Decaffeinated product	3%	3%	3%	3%	
<b>Content of the product (recipe)</b>	Store in a cool and dry place	100%	100%	100%	100%	
	Add cold water	5%	6%	7%	7%	
	Add hot but not boiling water	32%	35%	35%	35%	
<b>Disposal of the product</b>	Signs for appropriate recycling product packaging	100%	100%	100%	100%	

FOOD SUPPLEMENTS	Information	% of products in brand portfolio of significant product category in compliance with the requirement described next				Note
		% in 2015	% in 2016	% in 2017	goal 2018	
<b>The sourcing of components (raw materials, packaging)</b>	na	na	na	na	na	
<b>Content of the product (recipe)</b>	Nutritional information on the label	100%	100%	100%	100%	
	Natural colours	75%	76%	78%	80%	
	Natural aroma	78%	78%	78%	78%	
	Risk statements	100%	100%	100%	100%	
<b>Safe use of the product</b>	Safety statements	100%	100%	100%	100%	in line with EU regulation
	Dosage	100%	100%	100%	100%	
	Packaging without leaflets	95%	95%	95%	95%	
	Packaging without plastification (with UV lacquer)	95%	95%	95%	95%	
<b>Disposal of the product</b>	Designation of packaging materials	100%	100%	95%	95%	
	All signs for appropriate recycling product packaging	100%	100%	95%	95%	
	Sign of dispose carefully	100%	100%	95%	95%	

GOURMET	Information	% of products in brand portfolio of significant product category in compliance with the requirement described next				Note
		% in 2015	% in 2016	% in 2017	goal 2018	
<b>The sourcing of components (raw materials, packaging)</b>	usage of fruit which is not treated with pesticide (wild fruit)	na	7%	7%	7%	% of products with wild fruit on whole assortment
<b>Content of the product (recipe)</b>	without preservatives and coloring	na	100%	100%	100%	for the whole assortment
	no sugar added	na	18%	100%	100%	for juices only
	with olive oil and himalayan salt - 100% natural				20%	ajvar with olive oil - % in ajvar assortment
	Honey				23%	fruit & honey products - % in jams assortment
<b>Safe use of the product</b>	store in dark place and below the 25°C	na	100%	100%	100%	for the whole assortment of jams, products with paprika, juices; Whole Fruit Preserve not included
	keep refrigerated after opening	na	100%	100%	100%	for the whole assortment of jams, products with paprika, juices; Whole Fruit Preserve not included
<b>Disposal of the product</b>	all signs for appropriate recycling product packaging	na	100%	100%	100%	for the whole assortment

CARBONATED SOFT DRINKS	Information	% of products in brand portfolio of significant product category in compliance with the requirement described next				Note
		% in 2015	% in 2016	% in 2017	goal 2018	
<b>The sourcing of components (raw materials, packaging)</b>						
<b>Content of the product (recipe)</b>	caffeine and orthophosphoric acids free	62%	75%	100%	100%	
	glucose-fructose syrup free		95%	95%	95%	
	with sweeteners, sugar-free	5%	5%	5%	5%	
	with fruit juice	33%	5%	5%	5%	
	finest herbal extracts				100%	
	natural flavours				100%	
	natural CO2				100%	
<b>Safe use of the product</b>	serve cool	100%	100%	100%	100%	
	keep it in a dark place	100%	100%	100%	100%	
<b>Disposal of the product</b>	all signs for appropriate recycling product packaging	100%	100%	100%	100%	Cockta - use 50% recycled PET bottles
	sign of dispose carefully	100%	100%	100%	100%	

NATURAL MINERAL WATERS BOTTLED IN RV	Information	% of products in brand portfolio of significant product category in compliance with the requirement described next				Note
		% in 2015	% in 2016	% in 2017	goal 2018	
<b>The sourcing of components (raw materials, packaging)</b>	natural sources of water	100%	100%	100%	100%	
<b>Content of the product (recipe)</b>	rich in minerals, contains hydrogen carbonate, sulphate, sodium, magnesium, calcium	100%	100%	100%	100%	
	health claim: clinically proven -regulates digestion			60%	60%	Only on markets where is possible and in accordance with legislation (17 markets of 28)
<b>Safe use of the product</b>	It is not recommended to consume water by patients with acute renal failure and hyper volumetric state, with disturbances in acid-base equilibrium.	100%	100%	100%	100%	
	Drinking in huge quantities could cause diarrhoea, which ends, if you stop drinking or respect recommended intake.	100%	100%	100%	100%	
	Keep away from heat sources and protected from direct sunlight.	100%	100%	100%	100%	
	after opening, store in refrigerator	100%	100%	100%	100%	
	all signs for appropriate recycling product packaging	100%	100%	100%	100%	
<b>Disposal of the product</b>	sign of dispose carefully	100%	100%	100%	100%	
	returnable glass bottle 1L			6%	6%	

The sources of all natural mineral and spring waters are exploited in a way that does not damage the natural balance. Natural carbon dioxide is used for all carbonated products.

VIN	Information	% of products in brand portfolio of significant product category in compliance with the requirement described next				Note
		% in 2015	% in 2016	% in 2017	goal 2018	
<b>The sourcing of components (raw materials, packaging)</b>	source of vitamins	65%	65%	65%	65%	
	natural flavour	100%	100%	100%	100%	
<b>Content of the product (recipe)</b>	9 vitamins	100%	100%	100%	100%	
	EFSA Health claims	65%	65%	65%	65%	only for vitamins
	with sweeteners, sugar-free	3%	5%	5%	5%	
	chia, source of protein			0.5%	1%	
	with calcium	9%	9%	9%	9%	
<b>Safe use of the product</b>	always use a dry spoon	100%	100%	100%	100%	
	after use, close the packaging tightly	100%	100%	100%	100%	
	the recommended daily dose should not be exceeded	100%	100%	100%	100%	
	food supplements should not be used as a substitute for a varied diet	100%	100%	100%	100%	
	store in dry place out of reach small children	100%	100%	100%	100%	
<b>Disposal of the product</b>	all signs for appropriate recycling product packaging	100%	100%	100%	100%	

CANDIES	Information	% of products in brand portfolio of significant product category in compliance with the requirement described next				Note
		% in 2015	% in 2016	% in 2017	goal 2018	
<b>The sourcing of components (raw materials, packaging)</b>						
<b>Content of the product (recipe)</b>	9 vitamins	68%	68%	78%	78%	
	with vitamin C	32%	32%	22%	22%	
	with calcium	7%	7%	8%	8%	Only for products with added calcium
<b>Safe use of the product</b>	store in cold and dry place	0%	0%	0%	0%	
	excessive consumption may have a laxative effect	0%	2%	0%	0%	
<b>Disposal of the product</b>	all signs for appropriate recycling product packaging	100%	100%	100%	100%	

CEDEVITA GO	Information	% of products in brand portfolio of significant product category in compliance with the requirement described next				Note
		% in 2015	% in 2016	% in 2017	goal 2018	
<b>The sourcing of components (raw materials, packaging)</b>	Granules with vitamins + spring water	100%	100%	100%	100%	
	natural flavour	100%	100%	100%	100%	
	natural spring water	100%	100%	100%	100%	
<b>Content of the product (recipe)</b>	9 vitamins	100%	100%	100%	100%	
	EFSA Health claims	100%	100%	100%	100%	only for vitamins
	with sweeteners (steviol glycosides), 35% less sugar	6%	6%	6%	6%	
	with calcium	5%	7%	7%	7%	
	Screw the cup of Cedevida granules will fall into the water. Screw the cup on and shake the bottle.	100%	100%	100%	100%	
<b>Safe use of the product</b>	the recommended daily dose should not be exceeded	100%	100%	100%	100%	
	food supplements should not be used as a substitute for a varied diet	100%	100%	100%	100%	
	store in dry place below the 25°C out of reach for small children	100%	100%	100%	100%	
<b>Disposal of the product</b>	all signs for appropriate recycling product packaging	100%	100%	100%	100%	

NATURAL MINERAL WATERS BOTTLED IN PK	Information	% of products in brand portfolio of significant product category in compliance with the requirement described next				Note
		% in 2015	% in 2016	% in 2017	goal 2018	
<b>The sourcing of components (raw materials, packaging)</b>	natural sources of water	100%	100%	100%	100%	
	natural spring water	54%	54%	54%	54%	
	carbonated natural mineral water	46%	46%	46%	46%	
<b>Content of the product (recipe)</b>	contains hydrogen carbonate, sodium, magnesium	100%	100%	100%	100%	
<b>Safe use of the product</b>	Keep away from heat sources and protected from direct sunlight. It is recommended to store in a cold place.	100%	100%	100%	100%	
<b>Disposal of the product</b>	all signs for appropriate recycling product packaging	100%	100%	100%	100%	
	sign of dispose carefully	100%	100%	100%	100%	

The weight of PET - bottle for the whole assortment and all volumes was reduced during 2013 and 2014

PERSONAL CARE category: LIP CARE	Information	% of products in brand portfolio of significant product category in compliance with the requirement described next				Note
		% in 2015	% in 2016	% in 2017	goal 2018	
<b>The sourcing of components (raw materials, packaging)</b>	Natural	90%	96%	96%	96%	information provided on product packaging or web site
<b>Content of the product (recipe)</b>	List of ingredients using the International Nomenclature of Cosmetics Ingredients (INCI)	100%	100%	100%	100%	
	UVA and UVB protection	80%	70%	70%	70%	
<b>Safe use of the product</b>	Dermatologically tested	100%	100%	100%	100%	
	Paraben free	90%	80%	90%	90%	
	Mineral oil free	80%	65%	77%	85%	information provided on product packaging or web site
<b>Disposal of the product</b>	all signs for appropriate recycling product packaging	100%	100%	100%	100%	

PERSONAL CARE category: SKIN CARE	Information	% of products in brand portfolio of significant product category in compliance with the requirement described next				Note
		% in 2015	% in 2016	% in 2017	goal 2018	
<b>The sourcing of components (raw materials, packaging)</b>	Natural	17%	26%	55%	60%	information provided on product packaging or web site
<b>Content of the product (recipe)</b>	List of ingredients using the International Nomenclature of Cosmetics Ingredients (INCI)	100%	100%	100%	100%	
	Paraben free	49%	60%	48%	50%	
<b>Safe use of the product</b>	Dermatologically tested	100%	100%	100%	100%	information provided on product packaging or web site
<b>Disposal of the product</b>	all signs for appropriate recycling product packaging	100%	100%	100%	100%	

PERSONAL CARE category: ORAL CARE	Information	% of products in brand portfolio of significant product category in compliance with the requirement described next				Note
		% in 2015	% in 2016	% in 2017	goal 2018	
<b>The sourcing of components (raw materials, packaging)</b>	List of ingredients using the International Nomenclature of Cosmetics Ingredients (INCI)	100%	100%	10%	100%	
<b>Content of the product (recipe)</b>	Contains Sodium Fluoride	76%	74%	74%	74%	all toothpastes containing sodium fluoride must be labelled with this wording
	Contains Sodium Mono-fluorophosphate	19%	21%	21%	21%	all toothpastes containing sodium mono-fluorophosphate must be labelled with this wording
<b>Safe use of the product</b>	'Children of 6 years and younger: Use a pea sized amount for supervised brushing to minimize swallowing. In case of intake of fluoride from other sources consult a dentist or doctor'	81%	80%	80%	80%	For any toothpaste containing 0,1 to 0,15 % fluoride unless it is already labelled as contra-indicated for children (e.g. 'for adult use only') this information is obligatory
<b>Disposal of the product</b>	all signs for appropriate recycling product packaging	100%	100%	100%	100%	

PERSONAL CARE category: HAIR CARE	Information	% of products in brand portfolio of significant product category in compliance with the requirement described next				Note
		% in 2015	% in 2016	% in 2017	goal 2018	
<b>The sourcing of components (raw materials, packaging)</b>	List of ingredients using the International Nomenclature of Cosmetics Ingredients (INCI)	100%	100%	100%	100%	
<b>Safe use of the product</b>	Dermatologically tested	100%	100%	100%	100%	
<b>Disposal of the product</b>	all signs for appropriate recycling product packaging	100%	100%	100%	100%	

PERSONAL CARE category: MAN CARE	Information	% of products in brand portfolio of significant product category in compliance with the requirement described next				Note
		% in 2015	% in 2016	% in 2017	KPI 2018	
<b>The sourcing of components (raw materials, packaging)</b>						
<b>Content of the product (recipe)</b>	List of ingredients using the International Nomenclature of Cosmetics Ingredients (INCI)	100%	100%	100%	100%	
<b>Safe use of the product</b>	Dermatologically tested	100%	100%	100%	100%	
<b>Disposal of the product</b>	all signs for appropriate recycling product packaging	100%	100%	100%	100%	

SNACKS	Information	% of products in brand portfolio of significant product category in compliance with the requirement described next				Note
		% in 2015	% in 2016	% in 2017	KPI 2018	
<b>The sourcing of components (raw materials, packaging)</b>						
<b>Content of the product (recipe)</b>	natural vanilla	5%	5%	0%	0%	
	rich in Calcium	5%	5%	0%	2%	
	chocolate with high cocoa content		6%	0%	5%	
	high in fiber	5%	6%	6%	5%	
	rich in vitamins and minerals	0%	0%	0%	2%	
	no artificial flavors	1%	9%	9%	5%	
	no artificial colourings	3%	3%	3%	5%	
	no added sugar		1%	3%	0%	
	without additives		5%	0%	5%	
<b>Safe use of the product</b>	Store in cool and dry place	100%	100%	100%	100%	
	laxative effects of excessive consumption		1%	1%	1%	
	extended shelf life with packaging in control atmosphere		15%	0%	10%	
<b>Easy open</b>	Cold seal flexible packaging	13%	14%	5%	10%	
<b>Disposal of the product</b>	all signs for appropriate recycling product packaging	100%	100%	100%	100%	

2017 is a transition year for Sports foods due to the redefinition of target markets and product assortment. The goals will be defined for next year.

