

# SPREAD GOOD

Sustainability Report  
for the Argeta brand.



2021

**ARGETA**<sup>®</sup>  
The good side of bread

ARGETA®

ARGETA®  
*Junior*

ARGETA®  
EXCLUSIVE

# Key data about brand Argeta

no **1**  
meat & fish  
pâté in  
Europe\*



Sales markets  
**33 countries**



Every second  
**6 people**  
open a tin of Argeta



Sales in 2021:  
**18,403 tons**  
more than 185 million tins



Sales revenue in 2021:  
**109.5 mio €**  
22.18% more than 2019



No. of employees as at 31 December 2021:  
**319**  
9.6% more than 2019

\*Based on data from Nielsen/Q RMS for the category of meat/fish spreads (defined by the company Atlantic Droga Kolinska) for the 12-month period ending 30 November 2020, for the total retail market of 17 European countries (Austria, Bosnia and Herzegovina, Czech Republic, Croatia, Italy, Hungary, Germany, the Netherlands, Poland, Portugal, Slovakia, Slovenia, Serbia, Spain, Sweden, Switzerland, United Kingdom), taking into account their local characteristics. Copyright © 2021, NielsenIQ

# Key data about brand Argeta

**FREE FROM** |  
• PRESERVATIVES  
• ARTIFICIAL FLAVOUR ENHANCERS  
• ARTIFICIAL COLOURS  
• GLUTEN

### Types of spreads



**39**  
recipes



### History

since  
**1957**

### Certificates





»» **We are guided by the philosophy of the best. Using natural ingredients, with genuine inspiration, we create spreads of high quality and exceptional flavour.**

Our corporate culture within Atlantic Grupa supports and promotes the principles of sustainable development: business efficiency and environmental, social and ethical responsibility. For this very reason our top management sets ambitious targets in this area. At Atlantic Grupa we are passionately dedicated to developing outstanding brands that we offer to our customers and consumers.







As part of Atlantic Grupa, Argeta too sets itself high standards. We want to take a step farther. Sustainable development is part of the Argeta DNA and something we have already been pursuing for decades.

**This is the second year we are transparently disclosing the evaluation of our actions, as it is our aim to maintain a high level of motivation for new shifts, while at the same time encouraging all our partners to set higher sustainable goals.**

# Commitments of Argeta sustainable development till 2030

At the heart of our approach to sustainable development, we combine a commitment to ever better products with genuine care for the natural environment and society. Until 2030 we are pursuing the following sustainable goals or operational guidelines, we adopted in 2020. In this way we are supporting the fulfilment of the United Nations Sustainable Development Goals up to 2030.

BETTER PRODUCT			BETTER PLANET			BETTER SOCIETY	
							
<p>We will help <b>20 million</b> people towards easier attaining a nutritional balance and a healthier diet.</p>			<p>We will reduce Argeta's ecological footprint by <b>20 percent</b>.</p>			<p>Through education, support for better diets and promotion of sports we will positively contribute to the quality of life for <b>20 million people</b>.</p>	
 <p><b>NUTRITIONALLY BALANCED PRODUCTS</b></p> <ul style="list-style-type: none"> <li>All meat and fish spreads will meet the 'no additives' commitment.</li> <li>Nutritional profile of our products will be improved.</li> <li>Number of products with the GMO-free certificate will be increased.</li> </ul>	 <p><b>SUSTAINABLE INGREDIENTS AND PRODUCT QUALITY AND SAFETY</b></p> <ul style="list-style-type: none"> <li>At least 60% of our suppliers will have at least one GFSI or environmental standard.</li> <li>We will source meat and fish from sustainable breeding or fishing.</li> </ul>	 <p><b>PLANT-ORIENTED AND BALANCED NUTRITION</b></p> <ul style="list-style-type: none"> <li>We will expand the portfolio suitable for vegans, vegetarians and flexitarians.</li> </ul>	 <p><b>SUSTAINABLE AND RECYCLABLE PACKAGING</b></p> <ul style="list-style-type: none"> <li>We will fully transit to cardboard and paper packaging to FSC certified raw materials.</li> <li>We will reduce the use of paper and plastic.</li> <li>We will educate consumers about the advantages of aluminium and the correct waste recycling.</li> </ul>	 <p><b>REDUCING FOOD WASTE</b></p> <ul style="list-style-type: none"> <li>We will educate consumers on the importance of reducing food waste.</li> <li>We will provide consumers solutions for the reduction of the quantities of food waste.</li> </ul>	 <p><b>SUSTAINABLE ENERGY AND WATER CONSUMPTION AND WASTE MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>We will reduce the quantity of sludge from our own treatment plants by 90 percent.</li> <li>We will seek new waste management solutions.</li> <li>We will reduce energy consumption per ton of product by 8 percent.</li> <li>We will apply green energy solutions.</li> </ul>	 <p><b>QUALITY OF THE INDIVIDUAL'S EVERYDAY LIFE</b></p> <ul style="list-style-type: none"> <li>We will improve the quality of educational entertainment (edutainment) content for children.</li> <li>We will enable easier access to high-quality cuisine.</li> </ul>	 <p><b>QUALITY OF LIFE IN SOCIETY</b></p> <ul style="list-style-type: none"> <li>We will allocate at least 1% of Argeta's annual EBIT for sponsorships and donations.</li> </ul>

# Content

3	Key data about brand Argeta	32	<b>Commitment to environment</b>
7	Commitments of Argeta sustainable development till 2030	33	Argeta's main focus
9	Preface	34	<i>Sustainable and recyclable packaging</i>
10	About the Argeta brand	35	<i>Reducing the quantity of food waste</i>
11	Organisational position of the Argeta brand	36	<i>Sustainable consumption of energy and water and waste management</i>
12	Argeta's sales markets	39	Environmental footprint
13	Production of Argeta products	41	Waste management
14	Key values and principles	46	Energy consumption and carbon footprint
15	Main sustainability challenges and opportunities	49	Water consumption
16	Challenges and opportunities we actively manage	51	Waste water treatment
17	Materiality matrix	52	<b>Commitment to society</b>
<b>18</b>	<b>Commitment towards our users</b>	53	Argeta's main focus
19	Argeta's main focus	54	<i>Improving the quality of the individual's everyday life</i>
20	<i>Nutritionally balanced products</i>	55	<i>Improving the quality of life in society</i>
21	<i>Sustainable ingredients and product quality and safety</i>	56	Identifying strategic stakeholders
22	<i>Plant-oriented and balanced nutrition</i>	57	Communications
23	Products' identity	58	Employees
24	Products in the Argeta family	63	Social responsibility
25	Free from additives for uncompromising quality	63	<i>Solidarity and help for colleagues struggling with mental health</i>
25	For our youngest ones - Argeta Junior with improved nutritional profile	64	<i>Sponsorship in Sports</i>
26	A symphony of local flavours	65	<i>Support for young skiing hopefuls</i>
27	Argeta's state-of-the-art, high-tech production	65	<i>Donations</i>
27	Compliance	65	<i>Integration into the local environment</i>
27	Process management standards	66	<i>Argeta opening the doors to high cuisine for the third year with its mentoring programme involving an exclusive academy</i>
28	Recyclable and safe packaging	67	<i>Junior adventures – when learning meets fun</i>
29	Customer satisfaction	68	About the Sustainability Report
29	Complaints	69	Indicators of GRI standards
30	Complete transparency		
31	Procurement policy in line with the principles of sustainable development		





## Preface

# Sustainable development requires acting with persistence, responsibility and commitment.

**Enzo Smrekar,**

*Group Vice President for Savoury Spreads, Donat, and international expansion at Atlantic Grupa*

**This is the second independent sustainability report of the Argeta brand, in which my colleagues and I take great pride. The extent to which the issue of global warming is important and urgent is evident from the fact that the United Nations has set goals and commitments that guide all environmentally aware countries, companies and individuals. Naturally, it's not as simple as it seems. Effecting changes towards sustainable development requires acting with persistence, responsibility and commitment, often causing quite tectonic shifts, both in one's own organisation and in the wider business environment.**

Atlantic Grupa, under the auspices of which Argeta operates, has been reporting on its sustainable progress according to GRI standards since 2013. A few years ago, we noticed that Argeta's operations follow these standards quite closely, which led us to decide last year to examine the situation. We formed a multidisciplinary sustainability team, which comprises employees from various departments, reviewed our operations, processes, goals, values and achievements, and concluded that we matured enough to warrant our own independent sustainability report. At the heart of our approach to sustainable development, we combine a commitment to ever better

products with genuine care for the natural environment and society. While last year's report focused on the current situation and showed with enthusiasm everything that we have already accomplished and the extent to which our operations are already sustainable, this year's report also addresses our progress, and achievement, as well as any non-achievement, of goals. Our reporting, like our business operation, is sincere, credible and honest.

Our purpose is not just to realise our personal affinities towards sustainability, nor to meet the demands of our consumers across Europe, our employees and various institutions, nor to respond to the current circumstances our planet finds itself in. As Europe's No. 1 brand in the category of pâtés, we accept our responsibility in terms of raising awareness about the importance and necessity of sustainable development. Our incentive includes everyone that has anything to do with Argeta: producers of raw materials and packaging, farmers, carriers, retailers, consumers. We keep the public informed about our achievements, and we live in accordance with the principles we communicate. This includes our belief that every step counts. Every supplier that has introduced a sustainable way of producing raw materials, every change in the packa-

ging composition, every change in the recipe that improves the quality and nutritional value of a product. Every litre of drinking water we save in production matters. Every reduction of the weight of products that need to be transported to stores matters. Every consumer who puts the empty packaging into the designated waste bin matters as well.

And since we are true promoters of efforts to effect change towards as sustainable operations as possible, we focus our attention and energy on people as well – on consumers, our employees and the wider community. Human and workers' rights, respecting the principle of including everyone, working conditions, education, supporting professional and amateur sports, culture, gaining knowledge and undergoing personal growth are among the elements that pave the way towards a better, more content and sustainable society.

Let this sustainability report, the second in a row, serve as an interesting example of heading towards sustainable development to all who read it, and a source of encouragement and motivation to us, who will do everything in our power to exceed it with the third edition.

# About the Argeta brand

## ***Vision:***

To enable the ultimate experience of carefree small meals.

## ***Mission:***

To create the best small meals in the most honest way.

## ***Values:***

Argeta thinks progressively and is honest and inspiring.

## ***Competitive advantages:***

- the best ingredients,
- the “free from” formula,
- a recognisable and popular flavour,
- good spreadability,
- wide selection of spreads.

## ***Ownership:***

**Atlantic Grupa d. d.**, based in Zagreb, Croatia, is the **100% owner of** **Atlantic Droga Kolinska d. o. o.**, based in Ljubljana, Slovenia, and **Atlantic Argeta d. o. o.**, Sarajevo, Bosnia and Herzegovina.

Atlantic Grupa d. d.  
Miramarska cesta 23  
10000 Zagreb, Croatia  
+385 1 2413 900



Atlantic Droga Kolinska d. o. o.  
Kolinska ulica 1  
1000 Ljubljana, Slovenia  
+386 1 472 15 00

Atlantic Argeta d. o. o. Sarajevo  
Donji Hadžići 138  
71000 Sarajevo, Bosnia and Herzegovina  
+387 33 476-600



# Organisational position of the Argeta brand

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



SBU Savoury Spreads



SBU Beverages



SBU Coffee



SBU Snacks



SBU Pharma



BU Donat

**Organisational structure of the Savoury Spreads SBU, to which Argeta belongs:**

- Group Vice President for Savoury Spreads, Donat, and international expansion at Atlantic Grupa,
  - Sales Director,
  - Marketing Director,
  - Director of Research and Development,
  - Director of Operations.

The sustainability team is **multidisciplinary** and is composed from various departments. Authorised by the Group Vice President for Savoury Spreads, Donat, and international expansion at Atlantic Grupa, the team is managed by the Director of Research and Development.

Corporate support functions are organised **centrally** and ensure the implementation of uniform corporate standards, along with **transparent and efficient business** operations across the whole of Atlantic Grupa.

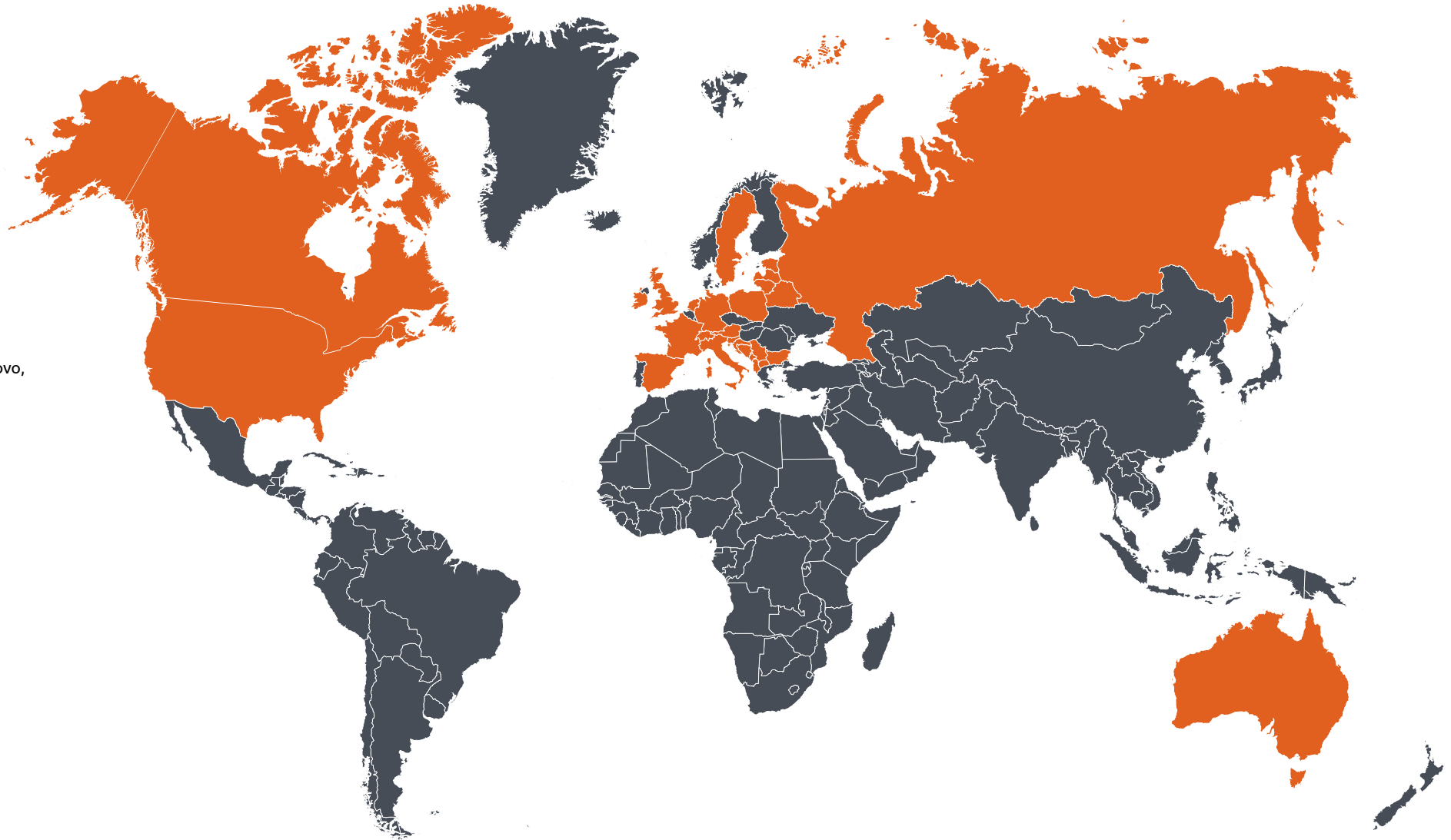
**The support functions include:**

- corporate activities,
- finances, procurement and investments,
- corporate strategy and development,
- transformation and information technology.



# Argeta's sales markets

- Albania,
- Australia,
- Austria,
- Belgium,
- Bulgaria,
- BIH,
- Montenegro,
- Denmark,
- Finland,
- France,
- Croatia,
- Ireland,
- Italy,
- Canada,
- Republic of Kosovo,
- Lithuania,
- Luxembourg,
- Macedonia,
- Malta,
- Germany,
- Netherlands,
- Norway,
- Poland,
- Romania,
- Russia,
- Slovakia,
- Slovenia,
- Serbia,
- Spain,
- Sweden,
- Switzerland,
- Great Britain,
- USA.



# Production of Argeta products

Own production:

**Atlantic Droga Kolinska d. o. o., BU Izola, Slovenia** (hereinafter: ADK Izola) and **Atlantic Argeta d. o. o. Sarajevo, Bosnia in Herzegovina** (hereinafter: AA Sarajevo)

Production under licence: **Harrisburg, PA, USA**

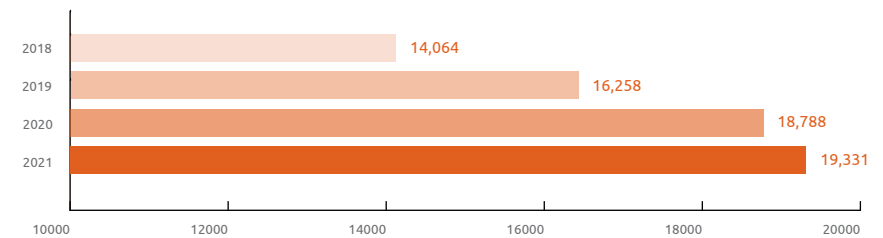
External production – vegetable spreads: **Italy**

We are one of the **largest producers of meat and fish spreads in the world.**

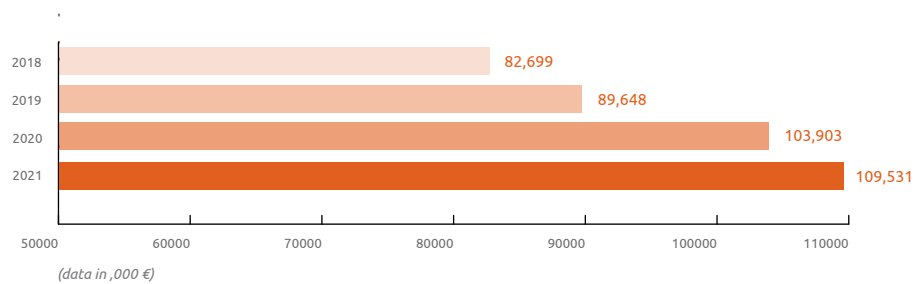
Argeta is **No. 1 meat and fish spread in Europe** and a favourite in 33 countries around the world.

Argeta's orange pantone **159 C colour** is a registered trademark in Slovenia.

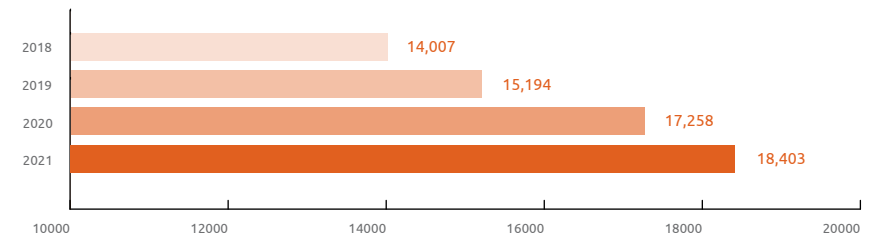
Production of Argeta in tons, 2018–2021



Argeta sales revenue in thousand EUR, 2018–2021



Sales of Argeta in tons, 2018–2021



# Key values and principles

The key values of Atlantic Grupa are **care**, **openness**, **growth** and **passion**.

As a brand within Atlantic Grupa we pursue the **»We Create the Quality You Love«** principles of quality policy, which makes up a significant part of our corporate culture. The quality policy is based on the values of Atlantic Grupa and comprises the following principles:

## ***Openness to strengthen loyalty***

- We seek creative and innovative solutions for continuous improvement of processes.
- We promote best practices by forging partnerships with stakeholders.

## ***Passion to satisfy the needs and wishes of consumers and customers***

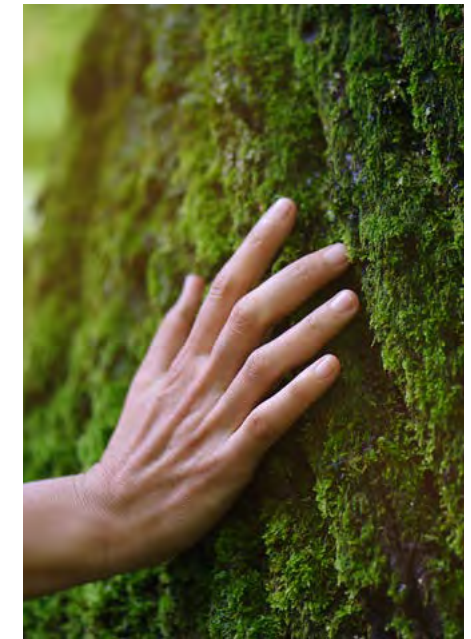
- Our ambitious goals are focused on the excellence of our brands and services.
- We are building a culture of food safety and a high level of responsibility, which is based on the most discerning global standards.

## ***Growth with responsibility***

- Together, we grow and respect the legislation, standards and customers' requirements.
- We manage risks continuously and comprehensively.

## ***Care for creating a better environment***

- Because we are aware of climate change and endangered biodiversity, we integrated our sustainability goals in development strategies.
- Care for a better environment develops a culture of constant improvement.





# Main sustainability challenges and opportunities

Argeta is part of a complex food chain, where numerous civilisation challenges can be detected quickly – locally, regionally and globally. The modern values and way of life are reflected in the way the population eats and, as a result, in the level of its health, across all generations. As respecting human rights and ensuring appropriate working conditions throughout the food chain presents a challenge in certain environments, we pay close attention to this aspect in our management of the supply chain.

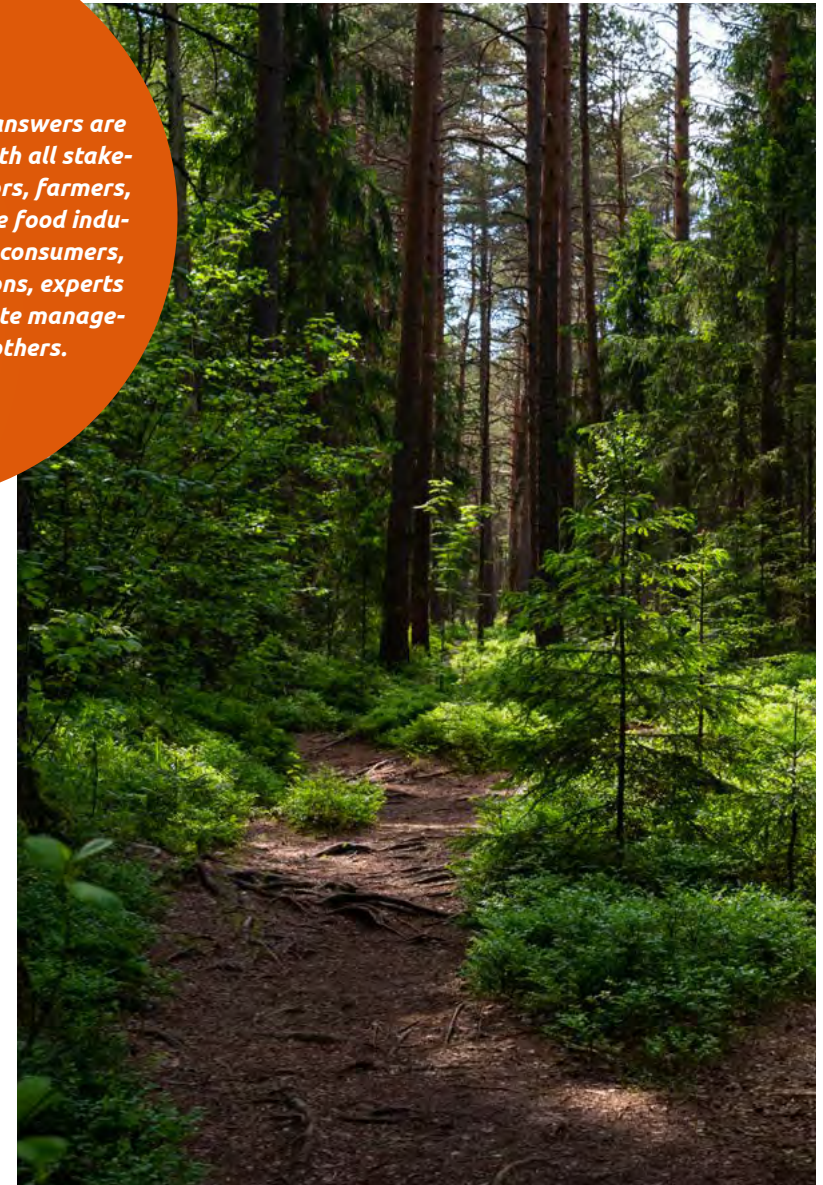
***Climate change, the impoverishment of resources and the non-circular practice of handling raw materials and waste present many challenges.***

A recognisable entity in the regional environment, Argeta is a leader when it comes to identifying challenges and opportunities and encouraging good practices.

Globally, the food chain is searching for answers to the following challenges:

- how to encourage dietary patterns that will help all generations to maintain the highest possible level of health and wellbeing;
- how to increase the nutritional value of food;
- how to establish a relationship with food where we will not waste as much as 40% globally;
- how to reduce the carbon footprint of the entire chain, which contributes as much as 25% to global greenhouse gases;
- how to optimise natural resources, preserve or even increase biodiversity and establish a circular loop;
- how to promote higher social cohesion and encourage the good in a social environment along with positive economic growth.

***We are aware that long-term answers are possible only in cooperation with all stakeholders in the system: legislators, farmers, suppliers, manufacturers in the food industry, traders and distributors, consumers, non-governmental organisations, experts from various professions, waste management organisations and others.***



# Challenges and opportunities we actively manage

## Challenges

Continuous improvement of behavioural dietary patterns.

Continuous raising of the nutritional value of our products.

Lowering our own environmental footprint.

Encouraging sustainable transformation of the supply chain in economically rapidly changing circumstances.

Establishing circular models of handling raw materials and waste in environments with different public infrastructure.

## Opportunities

Greater awareness about the significance of healthy, high-quality food.

Children are included from an early age in the obtaining of sustainable values, knowledge and skills.

Increasing numbers of consumers are committed to plant alternatives to meat.

More opportunities are emerging for cooperation with local suppliers and other partners in the area of sustainability.

The public expects brands to pursue concrete activities for the good of the planet and its people. That is why sustainable brands are becoming increasingly preferred among consumers.

# Materiality matrix

The Argeta brand and its activities impact numerous stakeholders, the most important of whom are employees, customers, consumers, suppliers and other interest groups. In the context of responsible impact management, identifying material content and interests of all key stakeholder groups is essential. The significance of this content for Argeta and stakeholder groups is presented in the materiality matrix.

Creating the materiality matrix is part of sustainable management and reporting of the Argeta brand. In 2021, Argeta approached this concept for the first time. It is a reflection of the internal and external stakeholders' assessment of the relevant environmental, social and economic/management areas, and the assessment of their meaning/priority.

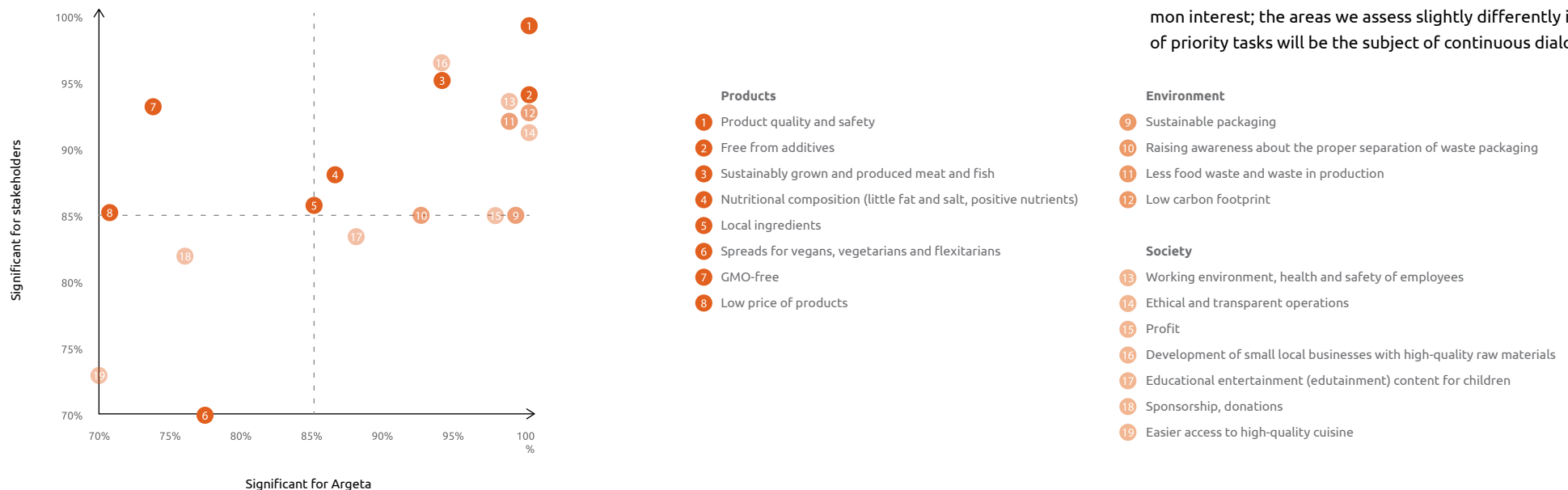
Between October and November 2021, our e-questionnaire was completed by **2,675 respondents**, who are representative of all key stakeholder groups.

When forming the materiality matrix, we realised that all of the key stakeholders regard and feel that the 19 areas, which we defined as material together with them, are of high priority, as the materiality assessments are moving from 70% upwards. Both Argeta and stakeholders assess most areas in a very harmonised manner, which we find to be very important in terms of further management and setting sustainable goals.

The areas and values that are traditionally sacred to Argeta are of the highest importance: quality and safety of products, products that are free from additives, and sustainably grown and produced meat and fish. In the social sphere, we are pursuing the highest standards in terms of the working environment, the health and safety of our employees, and ethical and transparent operations.

We have realised that Argeta is placing greater emphasis on certain areas in comparison with our stakeholders, one of such being sustainable packaging, for example. Stakeholders, on the other hand, are encouraging Argeta to pay heed to the price aspect, which is important to Argeta's management as well.

With the materiality matrix, we checked Argeta's and stakeholders' priorities in managing sustainable development for the first time. We will continue to focus on areas of our common interest; the areas we assess slightly differently in terms of priority tasks will be the subject of continuous dialogue.







**Commitment  
towards our  
users**



# Argeta's main focus

**We commit to helping 20 million people towards easier attaining of a nutritional balance and a healthier diet.**

We produce nutritionally high-quality, safe and affordable food for all tastes and generations.

Through a sustainable approach we bring together several dimensions:

**health, culture, experience, relaxation and being free from worry.**

By informing, communicating and educating customers, we are promoting healthier food choices and lifestyles.



## Global challenges:

1. Low nutritional value of food, which opens the door to poor health and numerous diseases.
2. Unhealthy dietary patterns.





## Focus 1:

# Nutritionally balanced products

Activities	Indicators	Status 2020	Status 2021
Products with a “clean label”.	<ul style="list-style-type: none"> <li>Number of products <b>without additives</b>.</li> <li>Number of <b>GMO-free certified</b> products (no genetically modified organisms).</li> </ul>	<ul style="list-style-type: none"> <li><b>90%</b> of products <b>without additives</b>.</li> <li>The portfolio contains no products with the GMO-free certificate.</li> </ul>	<ul style="list-style-type: none"> <li><b>92%</b> of products <b>without additives</b>.</li> <li><b>7,7%</b> of products with GMO-free certificate.</li> </ul>
<b>Improving the nutritional profile</b> of the product.	<ul style="list-style-type: none"> <li>Nutritional profile of products in line with the <b>dietary traffic light</b>.</li> <li>Number of products <b>suitable for people with allergies and intolerance</b> to certain foods.</li> </ul>	<ul style="list-style-type: none"> <li><b>10%</b> of products with a favourable nutrition profile.</li> <li><b>5%</b> of products without dairy protein.</li> </ul>	<ul style="list-style-type: none"> <li><b>18%</b> of products with a favourable nutrition profile.</li> <li><b>2,5%</b> of products without dairy protein.*</li> </ul>
<b>Innovations</b> of nutrient-rich products.	<ul style="list-style-type: none"> <li>Number of products with <b>added nutrients</b> (e.g. vitamins, minerals...).</li> </ul>	<ul style="list-style-type: none"> <li><b>23%</b> of products feature added indicators of nutrition balance.</li> </ul>	<ul style="list-style-type: none"> <li><b>15%</b> of products feature added indicators of nutrition balance.*</li> </ul>

All percentages have been calculated on the basis of various flavours (e.g. 4 flavours out of 40 flavours – 10%).

\* Lower percentage because certain products have been withdrawn.



## Focus 2:

# Sustainable ingredients and product quality and safety

Activities	Indicators	Status 2020	Status 2021
Maintaining the <b>highest standards</b> of compliance with health and safety.	<ul style="list-style-type: none"> <li>• <b>GFSI</b> (Global Food Safety Initiative) and environmental standards in our production.</li> <li>• Proportion of <b>suppliers</b> with <b>GFSI</b> (Global Food Safety Initiative) standards.</li> <li>• Proportion of suppliers with environmental standards**.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>FSSC 22000, ISO 14001, ISO 50001: ADK Izola, AA Sarajevo.</b></li> <li>• <b>External production:</b> IFS (International Food Standards) <b>Production under licence:</b> SQF (The Safe Quality Food).</li> <li>• <b>35%</b> of suppliers of ADK Izola, AA Sarajevo have at least one <b>GFSI</b> standard*.</li> <li>• <b>17%</b> of suppliers of ADK Izola, AA Sarajevo have at least one environmental standard**.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>FSSC 22000, ISO 14001, ISO 50001: ADK Izola, AA Sarajevo.</b></li> <li>• <b>External production:</b> IFS (International Food Standards) <b>Production under licence:</b> SQF (The Safe Quality Food).</li> <li>• <b>52%</b> of suppliers of ADK Izola, AA Sarajevo have at least one <b>GFSI</b> standard*.</li> <li>• <b>26%</b> of suppliers of ADK Izola, AA Sarajevo have at least one environmental standard**.</li> </ul>
Increased use of <b>ingredients from sustainable sources.</b>	<ul style="list-style-type: none"> <li>• Proportion of <b>ingredients from sustainable sources.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Chicken meat: <b>Internal estimation: 75% conventional (battery) farming, 25% barn or ground farming.</b></li> <li>• <b>Internal estimation: 36%</b> of supplied fish ingredients caught <b>sustainably.</b></li> <li>• <b>MSC: 3.5%</b> quantity share in the Argeta's fish spread segment.</li> <li>• <b>No product</b> has an <b>ASC certificate.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Chicken meat: <b>Internal estimation: 31% conventional (battery) farming, 62% barn farming, 6% free range and 1% organic farming.</b></li> <li>• <b>First-time assessment by WWF Adria – 49%</b> of supplied fish ingredients <b>caught sustainably.</b></li> <li>• <b>MSC: 3.6%</b> quantity share in Argeta's fish spread segment.</li> <li>• <b>No product</b> has an <b>ASC certificate.</b></li> </ul>
Increased use of <b>BPA-NI packaging.</b>	<ul style="list-style-type: none"> <li>• Proportion of <b>BPA-NI packaging.</b></li> </ul>	<ul style="list-style-type: none"> <li>• All products not made by external producers or producers under licence are packed in <b>BPA-NI packaging.</b></li> </ul>	<ul style="list-style-type: none"> <li>• All products not made by external producers or producers under licence are packed in <b>BPA-NI packaging.</b></li> </ul>

\*FSSC, IFS, BRC,

\*\*ISO 14001, ISO 50001, Emas, FSC





**Focus 3:**

# Plant-oriented and balanced nutrition

Activities	Indicators	Status 2020	Status 2021
Increasing <b>alternatives</b> for consumers eating <b>less or no meat.</b>	<ul style="list-style-type: none"> <li>• Number of <b>plant-based.</b> products</li> </ul>	<ul style="list-style-type: none"> <li>• <b>6</b> plant spreads based on chickpeas.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>3</b> plant spreads based on chickpeas.</li> </ul>

In 2021, we achieved positive shifts in comparison with the previous year with most indicators. A worsening situation can only be seen with indicators, where we adapted the range of products to the market demand (number of plant-based products, GMO-free products, etc.).

# Products' identity

Argeta products offer the most stress-free experience of a light meal. Essentially, Argeta is striving to ensure that each individual, and especially families, can enjoy food without stress and thereby enjoy life in the same way. The product and life dimensions are tied together by the slogan of the sustainability project *"spread good"*, in which the double meaning covers both the product philosophy and the approach to life.

In everything we do, **our mind is on the consumers** with specific faces and life stories – children, mothers, business people, grandparents, families and others. We want to offer all of them the best light meal in the most honest way possible; to this end, we keep thinking about what we could improve and how we could integrate global trends into our products while also preserving the local spirit. We improve recipes, ingredients and procedures, bringing a series of innovations to the area of savoury spreads and raising the reputation of the entire segment.

We take initiative in all areas because we realise this is both the task and responsibility of a brand that is No. 1 in its segment. We come up with solutions and uniquely combine together surprising characteristics: on the one hand fast, effortless and immediately available, on the other hand slow, high-quality and with commitment. On the one hand economical and affordable, on the other hand exclusive.

On international markets, where Argeta has been present for an extended period, we are conquering new target groups and expanding our representation on store shelves. Argeta products bring a new feature to the new markets in the form of spreads made of high-quality ingredients and without additives. In terms of our marketing approach, we are building on the message that *Argeta is the best thing you could possibly spread on bread and a favourite among Europeans.*



# Products in the Argeta family

## **Argeta, meat and fish spreads for the whole family:**

**meat spreads:** chicken, turkey, liver, spicy, teatime, chicken with spicy salami, chicken with asparagus, oriental, hunter's, Ramadan, chicken with ajvar, chicken with onion, chicken with kulen sausage, chicken with sujuk, chicken with paprika, creamy and spicy chicken, and so on;

**fish spreads:** tuna, salmon, Adriatic sardine, spicy sardine, mackerel and sardine, tuna spread à la Siciliana, fasting spread, trout, spicy tuna.



## **Argeta Exclusive, superlative culinary creations for gourmets:**

the exquisite beef pâté with truffles and liver spread with mango are joined each year by a new limited-edition series with the signature of an acclaimed chef.



## **Argeta Junior, soft, creamy spreads for your youngest ones:**

Argeta Junior Original, Argeta Junior SuperTuna, Argeta Junior KokoKrem, Argeta Junior KremTuna.



## **Argeta, vegetable spreads for the whole family:**

black olives, natural hummus, red bell pepper.



# Free from additives for uncompromising quality

Argeta products boast the **"FREE FROM"** stamp, which ensures that they contain no artificial flavour enhancers, preservatives, artificial colours or gluten. At Argeta we adhere to the highest standards, and we prove that even a small meal can offer the highest quality. We are known for our selection of only the best ingredients, high-quality pieces of meat or fish and 100% natural seasonings and vegetable oils.

Argeta's success is based on outstanding flavour, spreadability, choice and above all quality. We are constantly raising the bar in the area of high-quality and safe food. We wish to democratise superlative quality, superlative raw materials and superlative recipes in a way that makes them accessible to the general public

## For our youngest ones - Argeta Junior with improved nutritional profile

One of the sustainable development commitments Argeta is especially devoted to is the commitment to offer to users and develop nutritionally balanced products. To this end, we decided last year to improve the nutritional composition of Argeta Junior products, which we develop with children at the forefront of our minds. Since these products are intended for our youngest ones, it is important to provide them with the best.

We improved our products' recipes so that every Argeta Junior product has 20% fat at the most, which means that they are no longer in the red dietary traffic light category, but are now in orange. In addition, we reduced the salt content and increased the proportion of protein. All Argeta Junior products can therefore feature a "high protein content" label. Our youngest as well as slightly older fans of the Junior line can enjoy the improved recipe and unchanged flavour on all markets where this Argeta line is present.





# A symphony of local flavours

Product superiority is one of the building blocks of Argeta's success. We are changing and improving products in accordance with food trends and our concern for the welfare of consumers.

We operate under the principle: **think globally, act locally**. We take world trends into account, but at the same time we constantly ask ourselves what could be even more local and closer to the consumer. We are conducting various market surveys and focus groups in different local markets. We are analysing the characteristics of people in different countries and the dietary habits of various environments. The recipes of flavours that are present in several markets are not being changed, but rather adapted by launching additional flavours that are characteristic of a particular market. This is the key to Argeta's success. Customers appreciate the fact that as an international brand we tune in to the wishes of local communities.

***We do not do this randomly – everything is based on research and an understanding of the wishes of local users.***



# Argeta's state-of-the-art, high-tech production

*We operate state-of-the-art and high-technology production facilities, applying stringent controls from the first raw materials to the sealing of packages to create only the best products.*

Sterility and long shelf life are ensured through heat treatment. Heat treatment is a completely safe technological process, which is the result of years of research and experience, and ensures that all Argeta products are free from preservatives.

First, our top experts carefully check the quality of the raw materials and packaging, and then supervise the whole production process until the sealing and sterilisation of spreads with the help of modern control instruments and laboratory research. Before the product is stocked on the shelves, final evaluations are carried out during a 10-day quarantine period.

## Compliance

All our processes, equipment and infrastructure, products and services are compliant with legislation and satisfy the high demands of various markets and customers. We are constantly conducting comprehensive risk assessments, along with identifying and implementing all the necessary preventive measures with the aim of reducing operating risk.



## Process management standards

Our own production is conducted at **ADK Izola** in Slovenia and at **AA Sarajevo** in Bosnia and Herzegovina.

As our aim is to ensure the best products and services, we have incorporated into our operations the highest standards of process management. The two production facilities hold the **following certificates**:





# Recyclable and safe packaging

Aluminium is one of the rare materials that can be recycled ad infinitum, which means that no aluminium is lost in recycling; instead, all input raw material returns in the form of new, recycled aluminium. It excellently protects the content against light and other external factors, which enables us to ensure a long shelf life of products.

What is more, aluminium is lighter than iron or glass, which results in a lower carbon footprint during transport. By transitioning to aluminium packaging, we have greatly reduced the weight of packaging in recent years, which has signalled a major reduction in our carbon footprint.

It is very important for Argeta to provide its consumers with only high-quality and safe products, which is why our aluminium packaging, which we use in our own production, features an inner protective layer that prevents the aluminium from migrating into the actual product.

The protective layer used is a BPA-NI (Not Intent) coating, which intentionally doesn't use bisphenol A, an industrial chemical traditionally used for inner coatings in food and beverage tins. Small quantities of BPA, a substance that could interfere with the functioning of the endocrine system, can thus move to food and drinks. Due to its hazardous characteristics, the use of BPA is restricted in the EU, i.e. it is restricted in order to safeguard the health of people and the environment.

Argeta vegetable spreads are packaged in glass jars, which are also **100% recyclable**.

*None of the Argeta product packaging used in our production have a coating with added BPA.*



# Customer satisfaction

We monitor customer satisfaction using a quality assurance system. Our system has various communication channels open, through which we seek to make communication as simple as possible for customers: **telephone, postal service, e-mail and various social networks.**

All questions, complaints and praise are handled centrally and in the shortest possible time. Periodically we measure customer satisfaction with products and the Argeta brand in comparison with the competitors.

Based on the results, we draw up an action plan each year to further improve the parameters. We also regularly monitor satisfaction with individual products and quickly adapt to market information.



# Complaints

The very high standards of quality and attentive monitoring of customer satisfaction are reflected in the small number of complaints relating to Argeta products. We take each complaint seriously, since this serves us as an additional incentive to make constant improvements.

## Number of justified complaints by production site, 2018–2021

Number of complaints/year	2018	2019	2020	2021
ADK Izola facility	4	2	4	4
AA Sarajevo facility	7	4	8	8
External production	7	3	4	1
<b>Total</b>	<b>18</b>	<b>9</b>	<b>16</b>	<b>13</b>



# Complete transparency

In the spirit of complete transparency, we open up our production facilities to the public under a special protocol, ***so that each individual can see for themselves the level of quality behind Argeta products.***

During the pandemic and in similar situations, out of concern for health, such open tours were of course not possible. Under normal circumstances, however, we disinfect visitors, provide them with protective clothing and footwear and show them the production facility. We have already hosted numerous schools, institutions, business delegations, journalists, consumer groups and so forth. We hide nothing. Even those who have had various prejudices regarding pâtés have affirmed after touring our facilities that in the future they would eat Argeta without reservation.

Our production facilities can be viewed in a 360-degree video on Argeta's website



# Procurement policy in line with the principles of sustainable development

The procurement policy of Atlantic Grupa, which also covers the management of the supply chain for the Argeta brand, pays special attention to the **following criteria** which must be satisfied both by suppliers and products supplied:

- adherence to the law, including the prohibition of bribery, receiving bribery or inappropriate payment for concluding transactions and realising cooperation,
- the respect of human and labour rights,
- protection of the employees' health and personal safety,
- prohibition of child labour,
- prohibition of discrimination based on race, religion, sex or any other criterion, and prohibition of sexual harassment,
- compliance with the applicable laws and standards on the protection and preservation of the natural environment as well as of animal and plant species.

The basic principles of procurement and supplier relations are defined in the Purchasing Guidelines, the fundamental document of the procurement organisation at Atlantic Grupa. According to the Guidelines, the procurement organisation of Atlantic Grupa only performs measures and practices that ensure sustainable obtaining and procurement through reduction of waste, improvement of impacts on the environment and the protection of human and workers' rights.

Suppliers are assessed once a year, usually based on two main criteria: quality and commercial conditions. The assessment is based on the quality of materials and suppliers; quality systems are performed within the Quality Assurance Service. Each supplier receives feedback on the assessment of their supply and the necessary improvements.

*Local suppliers that offer and satisfy all our needs for certain materials have preferential priority in the final selection of supplier. In Slovenia, 55% of suppliers are local, whereas in Bosnia and Herzegovina they make up 41.5%.*

**Equally, we support and assist small local producers in realising their or our joint projects.** If we see that their business activity has potential, we help them both through mentoring or transfer of knowledge from our professional staff and through more favourable terms of business.





# Commitment to environment





# Argeta's main focus

**We commit to reduce Argeta's environmental footprint by 20%.**

Through the selection of ingredients, materials, technology and services that are **environmentally acceptable**, through responsible management of environmental risks, rational and circular use of resources and the promotion of a sustainable attitude to the environment in participants of the value chain, we positively impact the environment.

In this way we contribute to **reducing the carbon footprint** of our entire chain and **preserving ecosystems**.

## Global challenges:

1. Impoverishment of ecosystems and sources of raw materials.
2. A major impact of the food supply chain in terms of greenhouse gas emissions and climate change.
3. 40% of food thrown out and large quantities of waste packaging.







### Focus 1:

## Sustainable and recyclable packaging

Activities	Indicators	Status 2020	Status 2021
Packaging that <b>replaces</b> the use of <b>virgin natural resources</b> .	<ul style="list-style-type: none"> <li>Proportion of <b>FSC</b> paper.</li> <li>Proportion of <b>recycled plastic</b>.</li> </ul>	<ul style="list-style-type: none"> <li><b>Packaging for multiple packs</b> (3 x 95 g, 4 x 95 g) with <b>FSC</b> certificate: <b>100%</b>.</li> <li><b>Secondary transport packaging</b> with <b>FSC</b> certificate: <b>0%</b>.</li> <li><b>Transportation packaging</b> from recycled plastic: <b>0%</b>.</li> <li><b>Transportation packaging</b> at production <b>under licence</b> in the <b>USA</b> with <b>SFI</b> certificate: <b>100%</b>.</li> </ul>	<ul style="list-style-type: none"> <li><b>Packaging for multiple packs</b> (3 x 95 g, 4 x 95 g) with <b>FSC</b> certificate: <b>100%</b>.</li> <li><b>Secondary transport packaging</b> with <b>FSC</b> certificate: <b>100%</b>.</li> <li><b>Transportation packaging</b> from recycled plastic: <b>0%</b>.</li> <li><b>Transportation packaging</b> at production <b>under licence</b> in the <b>USA</b> with <b>SFI</b> certificate: <b>100%</b>.</li> </ul>
Reduction in the use of <b>paper and plastic</b> .	<ul style="list-style-type: none"> <li>Proportion of <b>reduced paper use</b>.</li> <li>Proportion of <b>reduced plastic use</b>.</li> </ul>	<ul style="list-style-type: none"> <li>In <b>2019</b>, we printed around <b>329,700 labels</b>, which means <b>6,594 m<sup>2</sup></b> of waste stickers, waxed paper and ribbon.</li> </ul>	<ul style="list-style-type: none"> <li>In <b>2021</b>, we printed around <b>611,574 labels</b>, which means <b>10,946 m<sup>2</sup></b> of waste stickers, waxed paper and ribbon.</li> </ul>
Increase the <b>recycling rate of primary packaging</b> .	<ul style="list-style-type: none"> <li>Number of projects to raise awareness/ guide the behaviour of consumers.</li> </ul>	<ul style="list-style-type: none"> <li>There were <b>no projects in 2020</b>.</li> </ul>	<ul style="list-style-type: none"> <li>There were <b>no projects in 2021</b>.</li> </ul>



## Focus 2:

# Reducing the quantity of food waste

Activities	Indicators	Status 2020	Status 2021
Encouraging consumers to <b>reduce food waste.</b>	<ul style="list-style-type: none"> <li>Number of packaging with <b>optimal use of product.</b></li> <li>Number of projects/participants in <b>'zero food waste'</b> campaigns.</li> </ul>	<ul style="list-style-type: none"> <li><b>Reusable lid</b> (humus-twist off) – six products.</li> <li>There were no projects in 2020 to raise awareness about reducing food waste.</li> </ul>	<ul style="list-style-type: none"> <li><b>Reusable lid</b> (humus-twist off) – three products.</li> <li>In 2021, we began raising the awareness of consumers on social media about the ways in which we can reduce food waste (recipes to use bread that would otherwise go to waste, etc.).</li> </ul>

*The implementation of projects was affected by the exceptional situation both on the market and in daily life due to the COVID-19 epidemic.*



### Focus 3:

## Sustainable consumption of energy and water and waste management

Activities	Indicators	Status 2020	Status 2021
Reducing <b>water consumption</b> .	<ul style="list-style-type: none"> <li>Proportion of reduced water use, <b>ISO 14001</b>.</li> </ul>	<b>Water consumption</b> (2019): <ul style="list-style-type: none"> <li>ADK Izola: <b>4.21 m<sup>3</sup></b> water/ton.</li> <li>AA Sarajevo: <b>5.99 m<sup>3</sup></b> water/ton.</li> </ul>	<b>Water consumption</b> (2021): <ul style="list-style-type: none"> <li>ADK Izola: <b>4.55 m<sup>3</sup></b> water/ton.</li> <li>AA Sarajevo: <b>5.10 m<sup>3</sup></b> water/ton.</li> </ul>
Responsible use of <b>chemicals</b> .	<ul style="list-style-type: none"> <li>Proportion of <b>reduced chemical use</b>.</li> </ul>	Consumption of <b>chemicals for cleaning basins</b> : <ul style="list-style-type: none"> <li>ADK Izola: <b>23,000 kg</b> annually.</li> <li>AA Sarajevo: <b>11,432 kg</b> annually.</li> </ul>	Consumption of <b>chemicals for cleaning basins</b> : <ul style="list-style-type: none"> <li>ADK Izola: <b>18,480 kg</b>.</li> <li>AA Sarajevo: <b>9,774 kg</b>.</li> </ul>
Responsible waste management.	<ul style="list-style-type: none"> <li>Proportion of <b>sludge from own treatment plant</b>.</li> </ul>	<b>Sludge from own treatment plant</b> : <ul style="list-style-type: none"> <li>ADK Izola: <b>460 t</b>.</li> <li>AA Sarajevo: <b>173 t</b>.</li> </ul>	<b>Sludge from own treatment plant</b> (2021): <ul style="list-style-type: none"> <li>ADK Izola: <b>509.5 t</b>.</li> <li>AA Sarajevo: <b>110.5 t</b>.</li> </ul>





### Focus 3:

## Sustainable consumption of energy and water and waste management

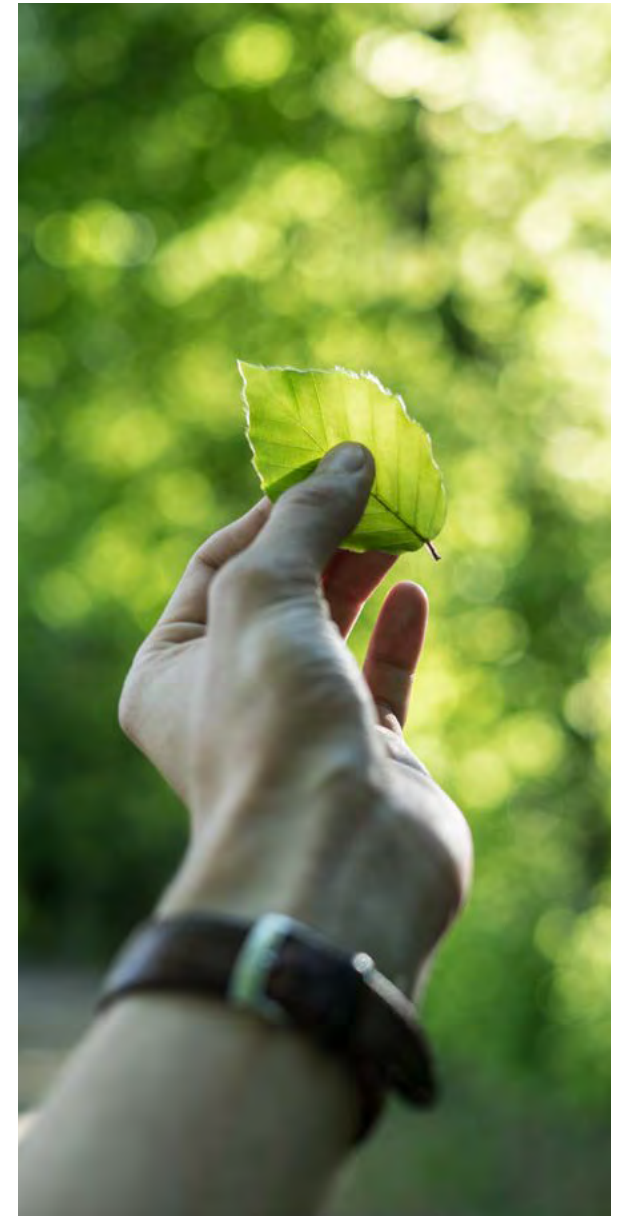
Activities	Indicators	Status 2020	Status 2021
Increase in the level of <b>circular handling of waste.</b>	<ul style="list-style-type: none"> <li>Proportion of waste or by-products in the <b>circular loop.</b></li> </ul>	<ul style="list-style-type: none"> <li><b>100%</b> of our organic waste from production is part of <b>the circular loop.</b></li> </ul>	<ul style="list-style-type: none"> <li><b>100%</b> of our organic waste from production is part of <b>the circular loop.</b></li> </ul>
Responsible <b>use of energy.</b>	<ul style="list-style-type: none"> <li>Proportion of <b>reduced energy consumption.</b></li> <li>Proportion of <b>energy from renewable sources.</b></li> </ul>	<p><b>Total energy consumption</b> per unit of production (2019):</p> <ul style="list-style-type: none"> <li>ADK Izola <b>1,046 kWh/t</b> and</li> <li>AA Sarajevo <b>1,362 kWh/t.</b></li> </ul> <p><b>Electricity consumption</b> per unit of production:</p> <ul style="list-style-type: none"> <li>ADK Izola <b>311.15 kWh/t</b> and</li> <li>AA Sarajevo <b>381 kWh/t.</b></li> </ul> <p><b>Electricity from renewable sources</b> (solar panels on production facility roofs):</p> <ul style="list-style-type: none"> <li>ADK Izola <b>7.75 %</b> and</li> <li>AA Sarajevo <b>0 %.</b></li> </ul>	<p><b>Total energy consumption</b> per unit of production (2021):</p> <ul style="list-style-type: none"> <li>ADK Izola <b>1,063 kWh/t</b> and</li> <li>AA Sarajevo <b>954 kWh/t.</b></li> </ul> <p><b>Electricity consumption</b> per unit of production:</p> <ul style="list-style-type: none"> <li>ADK Izola <b>299 kWh/t</b> and</li> <li>AA Sarajevo <b>313 kWh/t.</b></li> </ul> <p><b>Electricity from renewable sources</b> (solar panels on production facility roofs):</p> <ul style="list-style-type: none"> <li>ADK Izola <b>100 %</b> and</li> <li>AA Sarajevo <b>0 %.</b></li> </ul>

At our own locations, where we produce Argeta brand products, we have set up environmental management processes through which we control all the environmental aspects of our activity and risk. We place special emphasis on compliance, on preventing pollution and generating low carbon footprint, both in terms of efficient energy use and use of renewable energy sources, as well as on the circular economy in terms of all resources.

All our processes are based on the adopted policies pertaining to quality, environmental management and energy.

**To measure the success of the process we maintain the following indicators:**

- number of environmental complaints,
- number of legislative restrictions exceeded,
- proportion of separately collected waste in production and distribution for further processing,
- quantity of all waste, quantity of waste in landfill, quantity of urban waste,
- effectiveness of waste management,
- quantity of water consumed,
- amount of energy consumed.



# Environmental footprint

In order to manage all relevant environmental impacts in a comprehensive manner, we have developed a management model in which we quantified individual areas, which we measure individually for each production site. For quantitative indicators, we have set up baseline values specifically for each location. Over the years, the value of an indicator can be both positive or negative in relation to the baseline value. This way, we can annually monitor the overall progress (or potential worsening) of the environmental footprint of a brand or all of the production site together, while at the same time transparently assessing each location and area separately. Below we present a summary of assessments by individual areas.

## Areas:

### 1. systemic management of sustainable development in the company (in the area of the Argeta brand):

- Environmental certificates.
- Number of hours of environmental training for employees.

### 2. investments with major environmental effects in the LCA of Argeta products:

- Value up to EUR 10,000.
- Value from EUR 10,000 to EUR 50,000.
- Value above EUR 50,000.

### 3. management of drinking water:

- Consumption of water per ton of product (m<sup>3</sup>/t).
- Litre of chemicals used per ton of product (kg/t).

### 4. management of waste water:

- Formation of sludge on own treatment plants (1 kg/t of product).

### 5. management of energy and emissions:

- Electricity consumption per ton of product.
- Thermal energy consumption per ton of product.
- CO<sub>2</sub> emissions per ton of product.
- % of green energy in total energy consumption.
- % of green energy produced in total energy consumption.

### 6. management of effluents and waste:

- % of organic waste from production per ton of products.
- % of secondary raw materials in a new product.
- % of waste per ton of product.
- % of reused waste per ton of product.
- % of recycled waste per ton of product.
- % of heat-treated waste per ton of product.
- % of waste disposed per ton of product.

### 7. environmental management of suppliers:

- Number of suppliers with GFSI certificates.
- Number of suppliers with other environmental certificates.

### 8. investments in the natural environment of the wider society:

- Management of socially responsible environmental projects.





**Results of managing the environmental area, 2019–2021**

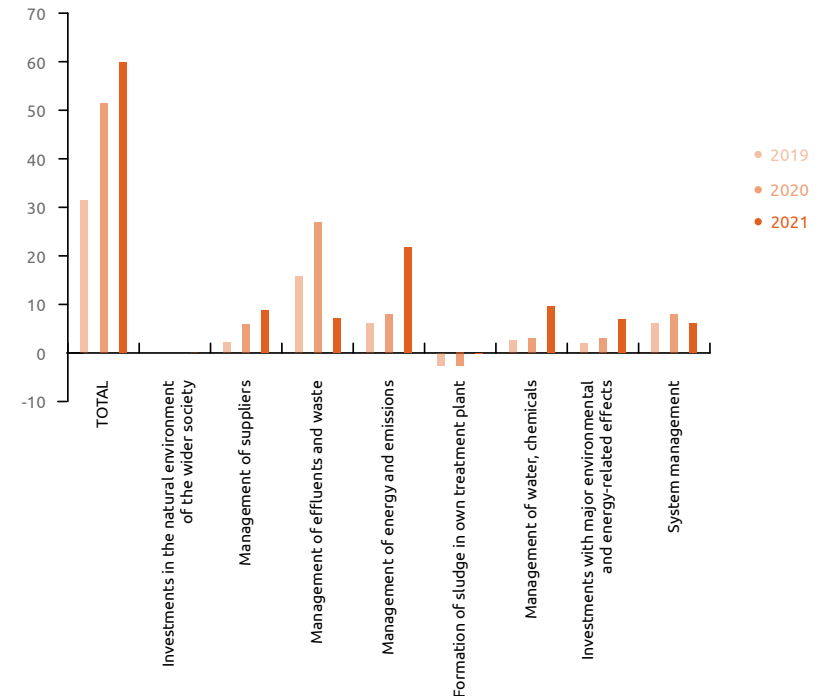
Area	2019	2020	2021
1. System management	6	8	6
2. Investments with major environmental and energy-related effects	2	3	7
3. Management of water, chemicals	2.5	3	9.5
4. Formation of sludge in own treatment plant	-3	-3.1	-0.2
5. Management of energy and emissions	6	7.9	21.7
6. Management of effluents and waste	15.7	26.8	7.1
7. Management of suppliers	2.2	5.8	8.8
8. Investments in the natural environment of the wider society	0	0	0
<b>Total</b>	<b>31.4</b>	<b>51.4</b>	<b>59.9</b>

Our model assumes that Argeta’s total environmental footprint amounts to 1,000 points, which means that we should reach 1,000 points by 2030 in order to neutralise the environmental impact. Argeta committed to reducing its footprint by 20% by 2030, which means it will gather 200 points by then through various activities in the defined areas.

The baseline year for the assessment of our environmental footprint was 2019, when we collectively achieved 31.4 points. A year later, we achieved 51.4 points, which is almost 64% more than in 2019. Better results were evident particularly in managing effluents and waste, suppliers, and energy and emissions. This fine progress continued in 2021, when we achieved a total of 59.9 points, which is almost 91% more than in the baseline year. The management of energy and emissions contributes by far the most to these values. We effected great shifts in all areas of management, the challenge remaining the formation of sludge on our own treatment plant, and we have left the doors open for future investments in the natural environment of the wider society.

In view of our commitments until 2030, we have thus far covered a good quarter of our path.

**Results of managing the environmental area, 2019–2021**



# Waste management

We separately collect waste in production facilities, warehouses and offices. At each location we have a waste collection point with containers of various sizes set up, since we wish to separate waste accurately at the source. The forklifts are equipped with scales to weigh the waste. We are constantly on the lookout for new solutions to process or reuse waste, as we want to recycle the highest possible percentage of waste in accordance with the hierarchy of waste management and the model of the circular economy.

Each year we concertededly reduce the quantity of mixed urban waste. We strive for re-use, where this is possible and appropriate, and for recycling and composting. Waste that cannot be materially recovered and which is suitable as an energy source is used to obtain energy. For the moment we have this possibility at ADK Izola. We have contracts with registered waste collection and recycling organisations for these services. Our aim is to send as little urban waste as possible to the landfill.

## Waste at the ADK Izola facility, 2018–2021 in kilograms

	Waste	2018	2019	2020	2021
<b>Recycling</b>	Metal packaging (Al)	5,812.0	1,710.0	2,330.0	4,500.0
	Paper	71,631.0	104,644.5	114,226.5	89,430.0
	Plastic packaging	15,691.0	16,787.0	20,353.5	10,660.0
	Metal dust and particles				
	Waste toners	115.0	182.5	175.0	95.5
	Ferrous metal dust and particles				
	Mixed packaging	1,970.0	1,878.5	1,859.7	2,014.5
	Fluorescent tubes	30.0	30.0	30.0	45.0
	Wooden packaging				
	Bulky waste	820.0		3,020.0	7,340.0
	Discarded electric and electronic equipment other than that mentioned in 20 01 21	70.0	290.0	500.0	630.0
	Glass packaging			450.0	
	Textiles	100.0			
	Plastic fractions/plastic waste	5,330.0	80.0	17.0	800.0
Iron, steel			370.0	2,460.0	
High-quality paper		90.0			
<b>Biogas plant - energy</b>	Sludge from the treatment plant	252,548.0	459,212.0	639,538.0	509,508.0
	Materials unsuitable for use for Saubermacher/Koto	33,742.0	41,580.0	56,210.0	59,105.0
	Organic waste other than that mentioned in 16 03 05	36,140.0	42,690.0	16,430.0	61,800.0
<b>Re-use - animal feed</b>	Mixture waste (from pâté) – SAPI	1,505.0			637
	Chicken bones	482,149.0	642,970.0	590,028.0	532,823.0
<b>Composting</b>	Biodegradable waste	305.5	389.5	544.5	1,728.0

**Waste at the ADK Izola facility, 2018–2021 in kilograms**

	<b>Waste</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Incineration, co-incineration</b>	Non-chlorinated engine, machining oils	313.5		7.5	90.0
	Hazardous substance packaging	16.0	249.0	35.0	433.0
	Adsorbents, filter materials	792.5	1,150.0	1,292.0	1,010.0
	Discarded inorganic chemicals consisting of or containing dangerous substances	5.0	2.5	14.5	2.0
	Adsorbents, filter materials, wiping cloths, etc.				233.5
	Chemicals consisting of or containing hazardous substances				
	Other solvents (lab)	20.0	70.5	72.5	58.0
	Oil filters	27.0		9.5	
	Chromates		1.0		0.5
	Waste paint and varnish containing organic solvents or other hazardous substances (ecol.)			17.5	
	Chlorofluorocarbons			2.5	
<b>Landfill</b>	Mixed urban waste	14,549.5	15,968.9	16,407.4	20,174.6
	<b>Total</b>	<b>923,682.0</b>	<b>1,329,975.9</b>	<b>1,463,940.6</b>	<b>1,305,577.8</b>

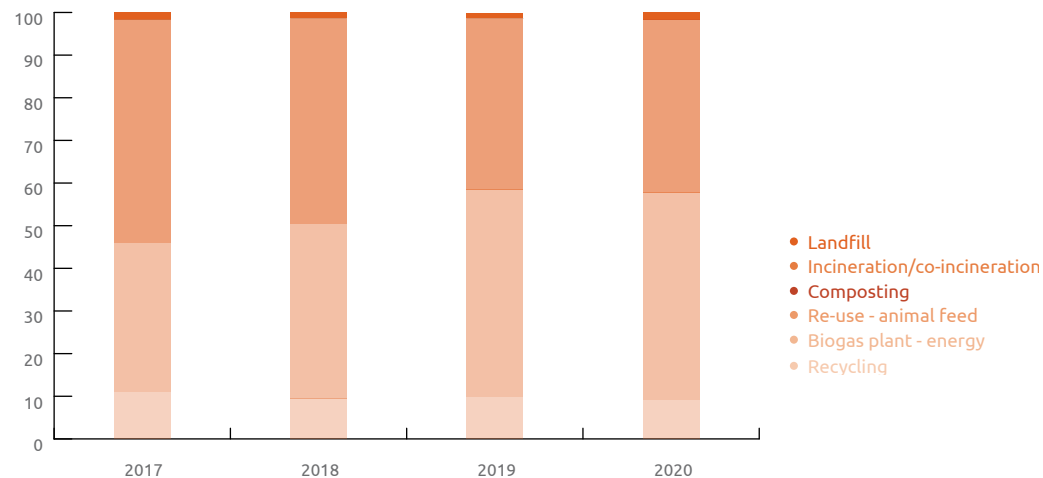
**In 2021, the amount of waste was reduced** due to the 6-week refitting of the production line. The delay caused less waste to be produced; in particular, the result was 22% less paper/cardboard, 10% less waste bones and 20% floating layers.



### Waste management at the ADK Izola facility, 2018–2021

	Recycling	Biogas plant – energy	Re-use – animal feed	Composting	Incineration/ co-incineration	Landfill	Total
<b>2018</b>	101,569.0	322,430.0	483,654.0	305.5	1,174.0	14,549.5	<b>923,682.0</b>
<b>2018</b>	11.0 %	34.9 %	52.4 %	0.0 %	0.1 %	1.6 %	<b>100.0%</b>
<b>2019</b>	125,692.5	543,482.0	642,970.0	389.5	1,473.0	15,968.9	<b>1,329,975.9</b>
<b>2019</b>	9.5 %	40.9 %	48.3 %	0.0 %	0.1 %	1.2 %	<b>100.0%</b>
<b>2020</b>	143,331.7	712,178.0	590,028.0	544.5	1,451.0	16,407.4	<b>1,463,940.6</b>
<b>2020</b>	9.8 %	48.6 %	40.3 %	0.0 %	0.1 %	1.1 %	<b>100.0%</b>
<b>2021</b>	117,975.0	630,413.0	524,460.0	1,728.0	1,737.0	20,174.6	<b>1,296,487.6</b>
<b>2021</b>	9.1 %	48.6 %	40.5 %	0.1 %	0.1 %	1.6 %	<b>100.0%</b>

### % of waste in relation to the processing in the 2018–2021 period at ADK Izola



**Waste at the AA Sarajevo facility, 2018–2021 in kilograms**

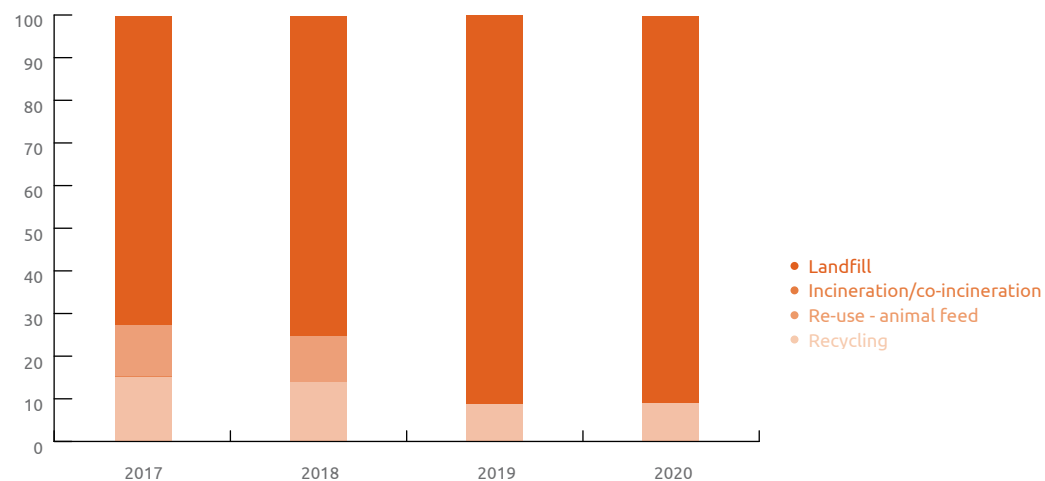
	2018	2019	2020	2021
Cardboard, paper, nylon	155,070.0	128,500.0 1,200.0	84,140.0 9,600.0	104,380.0 4,000.0
Liquid organic waste (floating layers)	152,607.0	173,000.0	128,500.0	110,500.0
Mixture waste (pâté)	2,373.0	0.0	1,209.2	2,799.0
Solid organic bone waste – animal feed	525,240.0 124,520.0	457,120.0 102,300.0	796,770.0 0.0	912,840.0 0.0
Mixed bulky waste	65,520.0	77,845.0	103,355.0	97,570.0
Metal waste	/		3,220.0	2,110.0
Ion-exchange resins	130.0	130.0	120.0	/
Slag and powder from boilers	2.8	2.5	2.8	/
Laboratory chemicals	/	30.0	20.0	18.0
Non-chlorinated lubricating oils	500.0	230.0	/	120.0
Fluorescent tubes	60.0	35.0	15.0	80.0
Electrical and electronic waste	/	15.0	/	/
Absorbents, oily cloths	/	15.0	/	80.0
Waste toners	/	70.0	120.0	5.0
Hazardous substance packaging	/	/	/	30.0
<b>Total</b>	<b>1,026,022.8</b>	<b>940,492.5</b>	<b>1,127,072.0</b>	<b>1,234,532.0</b>

In 2020 and 2021, the total amount of waste at the Sarajevo facility has been increasing due to the increased production (greater number of shifts and occasional Saturday work).

### Waste management at the AA Sarajevo facility, 2018–2021

	Recycling	Re-use – animal feed	Incineration/ co-incineration	Landfill	Total
<b>2018</b>	155,130.0	124,520.0	630.0	745,742.8	<b>1,026,022.8</b>
<b>2018</b>	15.1%	12.1%	0.1%	72.7%	<b>100.0%</b>
<b>2019</b>	129,820.0	102,300.0	405.0	707,967.5	<b>940,492.5</b>
<b>2019</b>	13.8%	10.9%	0.0%	75.3%	<b>100.0%</b>
<b>2020</b>	97,095.0	0.0	140.0	1,029,837.0	<b>1,127,072.0</b>
<b>2020</b>	8.6%	0.0%	0.0%	91.4%	<b>100.0%</b>
<b>2021</b>	110,575.0		248.0	1,123,709.0	<b>1,234,532.0</b>
<b>2021</b>	9.0%	0.0%	0.0%	91.0%	<b>100.0%</b>

### % of waste in relation to the processing in the 2018–2021 period at AA Sarajevo



A special factor in our production process is chicken bones and treatment plant sludge. The formation of waste is closely connected with the scope of production. Through consistent separate waste collection we will reduce the quantities of urban waste and raise the proportion of separately collected waste that is suitable for further processing or recycling. At ADK Izola we invested in two new waste balers and bought a new larger ecology station for storing treatment plant chemicals.

It should be noted that separate waste collection is also practiced at AA Sarajevo. Major differences in the proportions of waste separation arise mainly due to the incomparable state infrastructure for waste management, which does not allow for further processing of separately collected waste. For waste that, due to objective reasons, is placed in landfill, new solutions are constantly being sought for further processing or solutions that might contribute to improving the environmental impact of our operations.



# Energy consumption and carbon footprint

We approach energy management strategically, in accordance with the ISO 50001 standard, since we wish to keep reducing our energy consumption, our carbon footprint and other environmental impacts. We regularly update our energy policy, with the last update taking place in 2021.

Energy management comprises:

- promoting activities aimed at increasing effective use of all energy sources;
- promoting the use of renewable energy sources;
- seeking optimal solutions in designing products in the development stage, which indirectly impacts energy consumption;
- procurement of energy-efficient technologies or BAT (best available technologies);
- transfer of best internal practices to improve the energy efficiency among companies within AG;
- meeting statutory requirements relating to energy consumption.

Effective energy management at a production site is one of the key activities of technical services. We carry out a variety of activities through which we can optimally monitor energy consumption. For this purpose, we install additional meters every year in order to precisely determine the target use of energy in specific processes, machines or devices.

## Energy consumption in 2018–2021

Izola		2018	2019	2020	2021
Electricity	kWh	2,288,631	2,755,405	2,784,697	2,603,835
Network	kWh	2,143,069	2,604,213	2,620,315	
RES	kWh	145,562	151,192	164,382	2,603,835
Gas	kWh	5,617,709	6,505,070	6,658,715	6,658,715

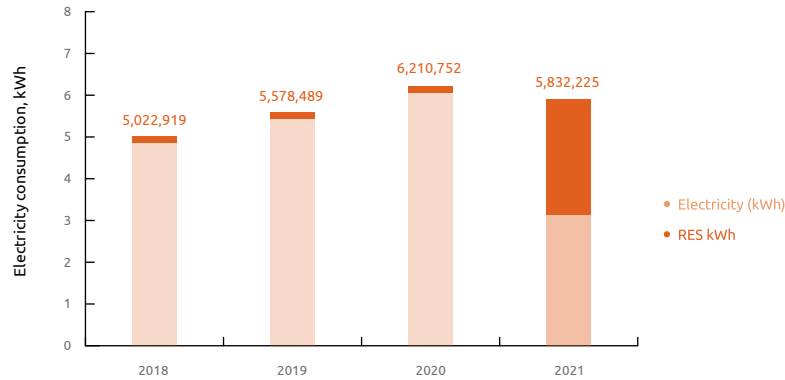
## Sarajevo

Electricity	kWh	2,734,288	2,823,084	3,426,055	3,228,390
Heating oil	kWh	279,792			
Gas	kWh	6,507,615	7,261,646	6,803,043	6,903,818

## Total

Electricity	kWh	5,022,919	5,578,489	6,210,752	5,832,225
Thermal energy	kWh	12,405,116	13,766,716	13,461,758	13,562,533
Total (E + TE)	kWh	17,428,035	19,345,205	19,672,510	19,394,758

## Electricity consumption (and proportion of RES)



In 2021, all electricity at the Izola facility came from renewable energy sources (RES), which resulted in a great leap in terms of using RES in comparison with the previous years. By doing so, we are fulfilling our strategic commitment to reduce our carbon footprint.

## Energy consumption per ton of products in 2018–2021

Izola		2018	2019	2020	2021
Electricity	kWh/t	318	311	313	299
Gas	MJ/t	2,766	2,604	2,765	2,751

Sarajevo		2018	2019	2020	2021
Electricity	kWh/t	398	381	346	313
Gas	MJ/t	2,675	2,718	2,476	2,341

We are achieving a positive trend of reducing energy consumption per ton of products at all three locations.

## Calculation of carbon footprint based on energy products consumed for production at ADK Izola and AA Sarajevo facilities in 2018–2021

ADK Izola	2018	2019	2020	2021
Emissions of CO <sub>2</sub> , total (t)	2,076	2,441	3,016	1,513
Emissions of CO <sub>2</sub> , scope 1 (t)	1,275	1,477	1,552	0
Emissions of CO <sub>2</sub> , scope 2 (t)	801	964	1,465	1,513

AA Sarajevo	2018	2019	2020	2021
Emissions of CO <sub>2</sub> , total (t)	3,574	3,757	4,015	3,849
Emissions of CO <sub>2</sub> , scope 1 (t)	1,379	1,445	1,375	1,396
Emissions of CO <sub>2</sub> , scope 2 (t)	2,195	2,311	2,641	2,453

CO<sub>2</sub> emission depends on the emission factor given for a specific energy product in a specific year, which is why these values fluctuate highly from one year to another.

### Emissions of CO<sub>2</sub> per ton of product for production at ADK Izola and AA Sarajevo, 2018–2021

<b>ADK Izola</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Production in tons	7,198	8,856	8,895	8,715
CO <sub>2</sub> emissions in t	2,076	2,441	3,016	1,513
CO <sub>2</sub> emissions in kg per ton of product	288.4	275.6	339	174

<b>AA Sarajevo</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Production in tons	6,866	7,402	9,892	10,616
CO <sub>2</sub> emissions in t	3,574	3,757	4,015	3,849
CO <sub>2</sub> emissions in kg per ton of product	520.5	507.5	405	362

We achieved significantly lower CO<sub>2</sub> emissions at the Izola production facility, which is due to the 100% transition to electricity from RES. Other emissions include emissions from cooling gases in our cooling devices, for which we regularly carry out mandatory annual check-ups and detection of gas leakage. By doing so, we make sure to minimise such gases from leaking into the environment.



# Water consumption

We draw public mains water for production at both locations. At ADK Izola we draw water from the public mains supply of the Rižanski vodovod Koper utility company. In 2015, the Ministry of the Environment and Spatial Planning issued us with a permit for direct use of water from facilities and plants for the supply of drinking water for technological purposes in the maximum amount of 4 l/s or 180 m<sup>3</sup> per day, with a yearly maximum of 35,000 m<sup>3</sup>. The water permit is valid until 30 July 2041.

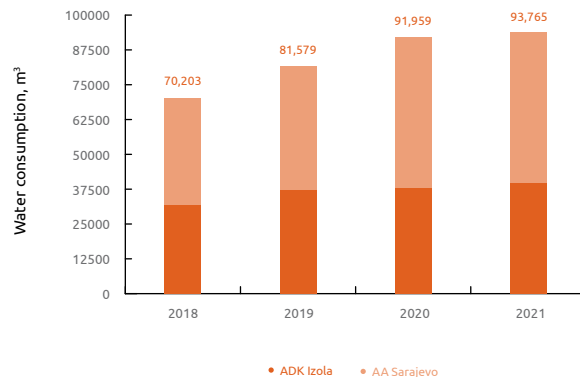
In 2018, at our request the Ministry of the Environment and Spatial Planning issued us with a decision amending the water permit, thereby allowing us to draw up to 44,000 m<sup>3</sup> of drinking water annually, which we needed for the increase in our production capacities.

At Atlantic AA Sarajevo, city mains water from the Garovci reservoir is supplied by the utility company Komunalac. The Mi-

nistry of the Economy in the canton of Sarajevo issued a water permit on 20 June 2017 for the supply of water for five years.

For the purposes of efficient water management, our facilities are equipped with a large number of meters, which we use to monitor water consumption. Reduction in water consumption, especially for the purposes of washing, is our priority, which is why we are actively seeking new optimisation opportunities.

## Mains water consumption



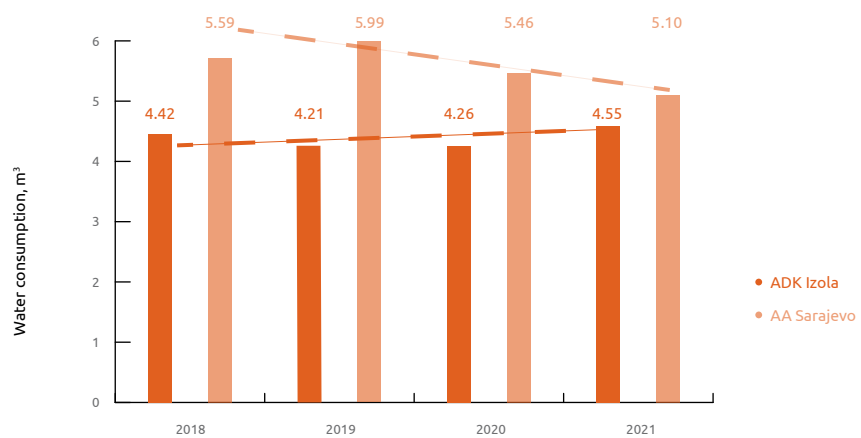
The rising volume of water used is closely connected with the increase in production. In 2021, the sterilisation technology at the Izola facility changed (replacement of autoclaves that use up more water), which is why more water was used per unit of product in 2021.

## Water consumption, 2018–2021

Izola		2018	2019	2020	2021
From the mains	m <sup>3</sup>	31,797	37,253	37,921	39,616
Per ton of product	m <sup>3</sup> /t	4.42	4.21	4.26	4.55
<b>Sarajevo</b>					
From the mains	m <sup>3</sup>	38,406	44,326	54,038	54,149
Per ton of product	m <sup>3</sup> /t	5.59	5.99	5.46	5.10
<b>Total consumption per ton</b>	<b>m<sup>3</sup>/t</b>	<b>5.0</b>	<b>5.0</b>	<b>4.9</b>	<b>4.9</b>



### Consumption per ton



# Waste water treatment

Industrial waste water in the Argeta production facilities is generated as technological water in cooking and separating meat, rinsing tins, cleaning machinery and the production section, as cooling water for cooling the autoclaves, air conditioning and cooling on the production line, and as boiler water. Industrial waste water at the production site is treated in a treatment plant. At the ADK Izola production facility a treatment plant performs mechanical and physical/chemical pre-treatment of industrial waste water before it is discharged into the public sewer system of the town of Izola, and from there to the Koper treatment plant. The capacity for treating industrial waste water is 10 m<sup>3</sup>/h, which ensures 90–95% removal of fats and 70–80% reduction of the organic burden measured using the parameters of COD and BOD<sub>5</sub>.

*By upgrading the technological line at the ADK Izola facility we will also upgrade the existing industrial treatment plant. The maximum capacity will increase to 11 m<sup>3</sup>/h. The pre-treatment installations will also be upgraded.*

The Argeta production location in Sarajevo has separate sewer systems for sanitary waste water, rainwater containing fats, clean rainwater and industrial waste water. Industrial waste water from the meat processing section is received by a system for pre-treatment of industrial waste water before it is discharged into the public sewer system, and from there to the public treatment plant. Waste generated in the process of pre-treating industrial waste water is collected in containers that are removed by an authorised company.

Precipitation water is treated in two oil and fat separators. Treated waste water from the separator is discharged into a test collector for the industrial zone, with outflow into the River Zujevina.

We conduct regular monitoring of both industrial treatment plants and report our findings to the competent institutions.

## Waste air

Waste air which is generated in the cooking of meat in boilers and contains steam is collected in a central hood and discharged into the outside air through a single exhaust vent.

## Compliance with environmental legislation

Each year we perform monitoring at both locations. In 2021, the environmental inspectors found no irregularities at our production facilities.



Year	Waste water monitoring (treatment plant outflow)	Monitoring oil separators (administrative building, car park, guard booth)	Monitoring waste water from cooling facilities and steam and hot water generating facilities, from ionic exchangers and after reverse osmosis*
2019	3 – all in accordance with the legislation	3 – all in accordance with the legislation	once yearly
2020	3 – all in accordance with the legislation	3 – all in accordance with the legislation	once yearly
2021	3 – all in accordance with the legislation	3 – all in accordance with the legislation	once yearly

\*We conduct monitoring waste water from cooling facilities and steam and hot water generating facilities, from ionic exchangers and after reverse osmosis for our own purposes, not due to any legislative requirements.





**Commmmitment  
to society**

# Argeta's main focus

Through education, support for better diets and promotion of sports we will positively contribute to quality of life for 20 million people.

Through our values, mission, products and social relations we are **committed to the good of society in general**, since we believe in the democratisation of the good and the opportunity for **prosperity for everyone**. We believe in **transparent and dignified business operations**, and **support and wish for sincere and high-quality partnerships in all areas**.



## Global challenges:

1. Major economic and social inequality, which leads to poverty;
2. Inaccessibility of opportunities and prosperity for all;
3. Stressful life with a lack of interpersonal values;
4. Lack of integrity, transparency and cooperation for the common good.







**Focus 1:**

# Improving the quality of the individual's everyday life

Activities	Indicators	Status 2020	Status 2021
Improving the quality of <b>educational entertainment (edutainment) content for children.</b>	<ul style="list-style-type: none"> <li>• Number of <b>content items.</b></li> <li>• Number of <b>edutainment projects.</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>6</b> edutainment <b>e-books for children.</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>9</b> edutainment <b>e-books for children.</b></li> </ul>
Increasing access <b>to high cuisine.</b>	<ul style="list-style-type: none"> <li>• Number of <b>projects.</b></li> <li>• Number of <b>participants.</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>3</b> products that enable greater <b>access to high cuisine.</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>3</b> products that enable greater <b>access to high cuisine.</b></li> <li>• European Food Summit &amp; Wine Art sponsorships.</li> </ul>



## Focus 2:

# Improving the quality of life in society

Activities	Indicators	Status 2020	Status 2021
<p><b>Financial support</b> for sports, education and culture.</p>	<ul style="list-style-type: none"> <li><b>Level of funds</b> for sponsorships and donations.</li> </ul>	<ul style="list-style-type: none"> <li><b>2.1%</b> of EBIT.</li> </ul>	<ul style="list-style-type: none"> <li><b>3 %</b> of EBIT, of which 93% in sports, 5% in education and training, and 2% in culture.</li> </ul>

# Identifying strategic stakeholders

A brand can succeed in promoting good in society in general only in harmony with all stakeholders.

At Argeta we identified the following strategic stakeholder groups with which we are building long-term partnerships.

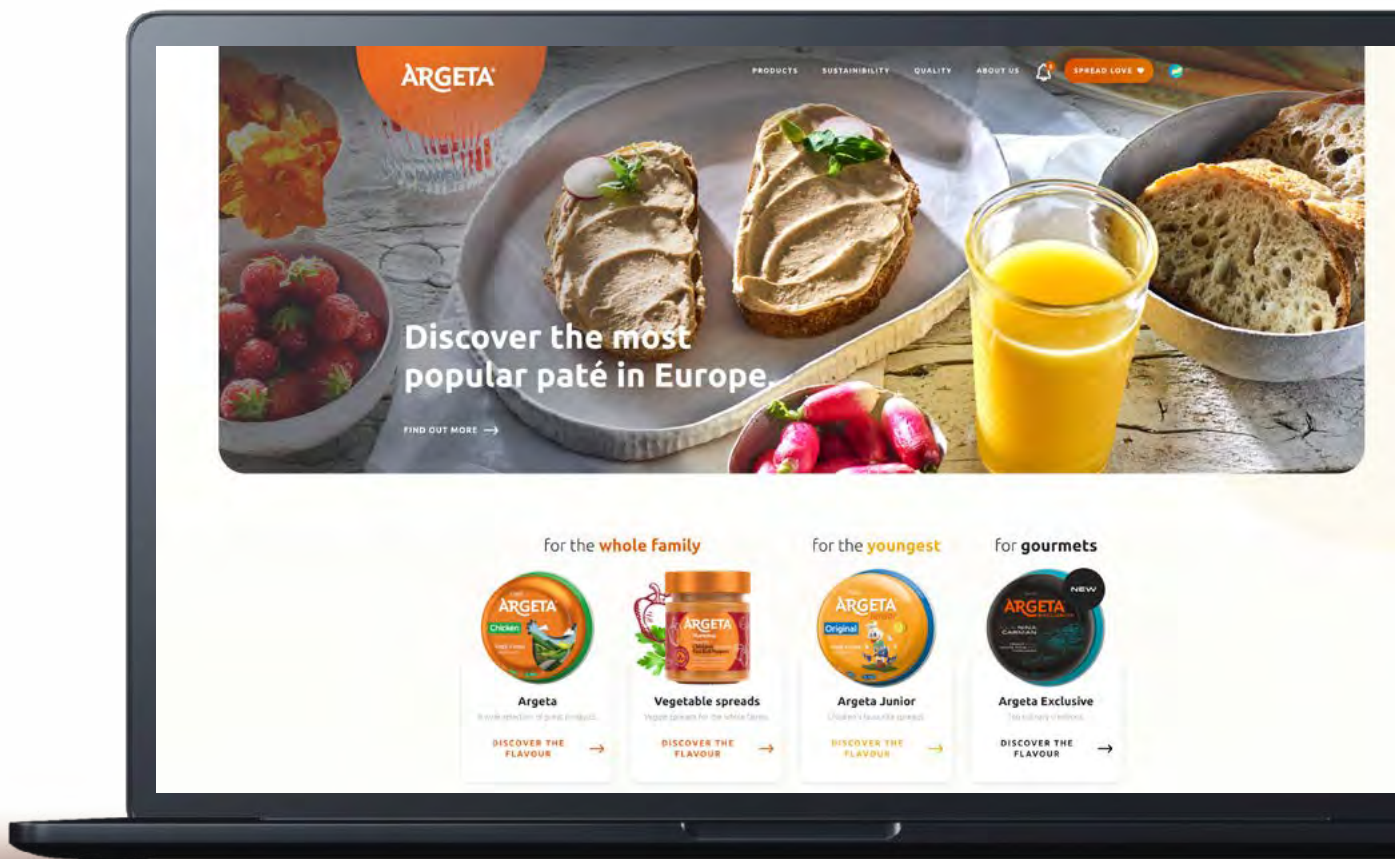
Strategic stakeholders	Objectives
Employees	<ul style="list-style-type: none"> <li>Loyal, satisfied and motivated colleagues.</li> <li>Proper and open relations.</li> <li>High security and concern for occupational health.</li> <li>Constant development of employee potential.</li> <li>Successful business operations and consequently long-term job security.</li> </ul>
Retail chains, customers	<ul style="list-style-type: none"> <li>Understanding the wishes and demands of customers.</li> <li>Fulfilling expectations.</li> <li>High level of customer trust and loyalty.</li> <li>Providing safe services and goods that are of the highest quality and more competitive.</li> <li>Incentives for sustainable shifts of dietary and purchasing habits and post-purchase behaviour.</li> <li>Incentives for a healthy, relaxed lifestyle and family values.</li> </ul>
Suppliers and other business partners	<ul style="list-style-type: none"> <li>Increasing added value in the supply chain.</li> <li>High quality of goods and services.</li> <li>Compliance with all standards and legislation (including in terms of sustainable development).</li> <li>Good procurement conditions.</li> <li>Reliable supply.</li> <li>Constant sustainable shifts.</li> <li>Consolidation of good business relationships.</li> </ul>
Owners	<ul style="list-style-type: none"> <li>Achieving business objectives, further internationalisation.</li> <li>Upstanding relationships.</li> <li>Long-term development of the company and Argeta brand.</li> </ul>
Social environment, local communities, civil initiatives	<ul style="list-style-type: none"> <li>Establishing and maintaining good relations, a high-quality natural environment and development of the social environment.</li> </ul>
Sports circles	<ul style="list-style-type: none"> <li>Incentives and support in achieving top results and spreading a healthy lifestyle.</li> </ul>
Professional circles	<ul style="list-style-type: none"> <li>Advancement and education of professionals by sharing experiences and best practices, especially in the area of business circles, marketing and the food chain.</li> </ul>
Media	<ul style="list-style-type: none"> <li>Provision of credible information on the activities and operations of the company and Argeta brand</li> <li>Strengthening the reputation of the company and Argeta brand and ongoing elimination of possible communication murmurs.</li> </ul>



# Communications

Argeta achieves transparency and operations in line with the interests of stakeholders by establishing numerous channels of two-way communication.

- Communication with employees is conducted using the intranet, internal newspaper, internal communication via special e-mail, notice boards and social networks.
- Customers can approach Argeta via digital media (e-mail and social networks) and also via ordinary channels such as telephone and the postal service. Argeta regularly and periodically conducts customer satisfaction surveys and in this way constantly monitors and improves areas where such surveys identify a need.
- Communication with the owners is open, direct and transparent. Reporting is conducted daily both automatically via internal databases and also informally via electronic and personal communication channels.
- The company cooperates with suppliers as a good partner and together with them builds added value, while pursuing the goals of sustainable development.
- We are involved in the local communities principally in places where production facilities are located.
- The most important of the professional circles are nutrition institutes, through which Argeta regularly verifies the quality of its products, and business and marketing circles where Argeta is an active member, focusing on ensuring progress and education in the profession by means of sharing experiences and best practices.
- We communicate with the media through personal interviews, events, press releases, press conferences and so forth.





# Employees

*Employees at all levels of the Atlantic Grupa organisational structure are vital for the achievement of strategic objectives, including our sustainability commitments. To this end, we make sure that an atmosphere of openness, respect, belonging, trust, honesty and personal responsibility is being spread in our horizontal and vertical structures, and that creativity is being promoted along with preserving our competitive advantage and creating a pleasant working environment.*

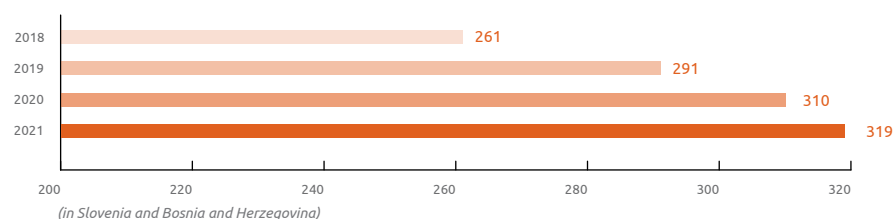
Rewarding and incentivising activities and people who through their work help create a better future for all of us are an integral part of our corporate culture. By monitoring new developments in industry and exchanging best practices among strategic sectors in the Atlantic Grupa company we are constantly implementing innovations to improve our business processes. Our corporate culture supports and promotes the principles of sustainable development: **business efficiency and environmental, social and ethical responsibility.**

We are growing with great responsibility towards our colleagues, clients, partners, the environment and other interested parties.

At the core of the strategy of human resources management are a simplification of the organisation and processes with the aim of focusing on our customers, authentic leadership and the personal responsibility of our managers.

In 2021, we hired **31 new** employees, of whom 14 were women and 17 men. Eight of the new employees are in the 20–29 age group, 10 in the 30–39 age group, 12 in the 40–49 age group and one is in the 50–59 age group.

## Number of employees in 2018–2021 in Atlantic Grupa in the savoury spreads sector



In 2021, 99.4% of employees were working under the collective agreement; **270 for an indefinite duration** and **49 for a fixed term.**

## New employees in Slovenia and Bosnia and Herzegovina in 2021

Age group	Gender	Types of employment contract		
		Indefinite duration	Fixed term	Total
20–29	Ž	2	1	3
	M	1	4	5
<b>20–29 total</b>		3	5	<b>8</b>
30–39	Ž	1	3	4
	M	3	3	6
<b>30–39 total</b>		4	6	<b>10</b>
40–49	Ž	1	5	6
	M	2	4	6
<b>40–49 total</b>		3	9	<b>12</b>
50–59	Ž		1	1
<b>50–59 total</b>			1	1
<b>Total</b>		<b>10</b>	<b>21</b>	<b>31</b>

**Employees in Atlantic Grupa in the savoury spreads sector (in Slovenia and Bosnia and Herzegovina) by level of education, 2018–2021**

	II. level	III. level	IV. level	V. level	VI. level	VII. level	VIII. level	Total
2018	17	70	65	40	9	57	3	261
2019	30	77	67	41	11	61	4	291
2020	27	6	110	88	12	58	9	310
2021	38	22	86	93	11	59	10	319



## Pay and remuneration policy

The company has a remuneration system that is constantly verified in the market, since we want our employees to be appropriately paid for their work and rewarded for their own achievements and those of the company. ***At the same time we are aware that a uniform system of remuneration has long been inadequate, and employers must adapt to the needs of individual groups within a company.***

For this reason, the wages we pay are enhanced with various benefits, bonuses and scope for employee development. This includes annual bonuses, one-off awards, the rewarding of business performance, 'sabbatical' and flexible benefits that employees can choose from the selection and thereby adjust to their wishes and life needs. Only in this way can we secure our place among the best employers in the labour market, exert an active influence on the fluctuation of our employees and attract the best candidates in the market.

## Employee development and training

HR development at Atlantic Grupa is based on the process of career management and the LEARN@Atlantic model. The career management process is a system whereby we identify the impact and potential of the individual, we verify what their ambitions and desires are, and we draw up an individual development plan. LEARN@Atlantic is the education and training model at Atlantic Grupa that enables the development of fundamental competences and skills. The model is divided into four areas:

- Leader Lab, as part of which managers acquire and strengthen management skills;
- Functional Lab, which is intended for obtaining and strengthening functional skills such as marketing, sales, corporate quality management and so forth;
- Talent Lab, which is involved in the development of young talent;
- My Lab, which is focused on the personal development of the individual and is based mainly on the individual's self-initiative.

***In 2021, we recorded 15 hours of education and training per employee, which is 15% more than in 2019. The employees who took part in education and training were 58% female and 42% male. Each employee attended at least one training course per year.***



Our employees undergo education and training in different fields:

- leadership skills,
- technical skills,
- soft skills,
- functional skills.

We cooperate with educational institutions, enabling secondary school and university students to perform required internships and to visit our production facilities.

## Code of ethical conduct

Atlantic Grupa and within it Argeta adhere strictly to the law in all areas of operation. The code of ethics, the policy of non-discrimination, prevention of corruption and whistle-blowing, protection of human rights and the Rules on Personal Data Protection are covered by the GRI report published on the company's website:

<https://www.atlanticgrupa.com>

*We are aware that communication with employees is vital to their wellbeing, their sense of contributing to the company and their motivation and loyalty.*



## Right to freedom of association and collective bargaining and cooperation with trade unions

Each employee has the right to join a trade union. The company regularly cooperates with unions (meetings every month or two months, agreements regarding various payments). A company-level collective agreement has been concluded with trade unions. At least twice a year we also convene meetings on the topic of financial operations.

## Prevention of mobbing

In accordance with the law the company has a set of rules, established procedures and officers appointed to deal with mobbing.

## Communication with employees

We are aware that communication with employees is vital to their wellbeing, their sense of contributing to the company and their motivation and loyalty. For this reason, at various levels and through various channels, before, during and even after employment we continuously communicate, since we realise that employees can be our best ambassadors.



## Occupational health and safety policy

The occupational health and safety policy is adopted by the company's management board, and focuses on ensuring a safe and healthy work environment for all employees, in accordance with regulations governing this area and by adhering to best practices. A risk assessment was adopted for all employment positions and, based on its findings, measures were adopted to manage and mitigate risks in workplaces and work processes.

We also implement various programmes in the area of promoting health: workshops, training for a healthy personal and working life, diet, physical exercise and so forth. We pay a lot of attention to procuring high-quality personal protective equipment for our employees, appropriate arrangement of the working environment and ensuring optimal conditions for work at work stations.

## Employer brand

We are constantly striving to be recognised in the labour market as an outstanding employer that cares for and invests in its employees, recognises them and develops them as individuals, and that creates a pleasant and motivating work environment. This effort is also acknowledged by our employees and the public, as we have received several awards for business and project excellence.



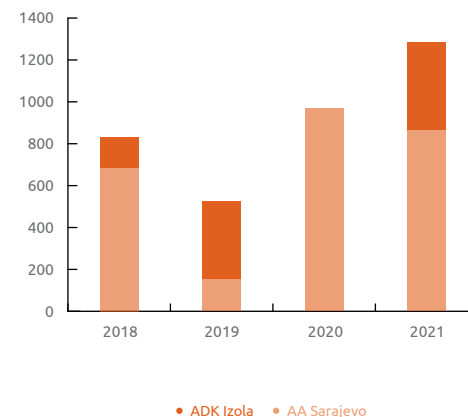
## Workplace injuries

We are happy that the rate of workplace injuries relative to the number of employees and intensity of the work (number of working hours performed) is relatively low in the savoury spreads sector in Slovenia and Bosnia and Herzegovina. All injuries have been minor and without any lasting consequences for employees (impacts, cuts, falls, puncture wounds, burns).

### Number of injuries at ADK Izola and AA Sarajevo production facilities, 2018–2021

	2018	2019	2020	2021
ADK Izola	2	3	0	4
AA Sarajevo	6	2	2	4

### Number of hours lost due to workplace injuries



## Preventive measures

*We have a wide range of preventive measures in place for the area of occupational safety and health.*

The following measures are being implemented for the purposes of preventing workplace injuries:

- supervision of the work performed by employees and managers in terms of adhering to instructions on safe and healthy work;
- training of employees and managers in safe and healthy work;
- performance of periodical employee health check-ups;
- checking the adequacy of work equipment, the working environment and working conditions

Under the Care programme we implement measures for easier balancing of work and private time (working from home, flexible hours, additional leave from work for the first day of school). Employees have options for recreation in various sports clubs. We have provided regular health checkups for all employees every two years, and additional checkups for employees over 40 – mammograms for women and prostate exams for men.

A concern for the ergonomics of work stations is extremely important at all work stations. For employees in production who need this, we have additionally eased their work by providing footwear specially suited to them. We provide for employees with adjustments to their protective and work clothes, and we have also provided individual, custom-made earplugs for work stations with greater noise exposure. Within the range of education and training provided we offer topics that address healthy living, exercise, healthy diet and soft topics (dealing with stress, assertive communication, time management and so forth).

## A disability-friendly company

We strive to find appropriate work for all employees who are granted the status of disability.

# Social responsibility

As a socially responsible company, Atlantic Grupa concerns itself with ensuring an effective sponsorship and donation policy that is based on:

- the expression of social responsibility in the ethical, social and environmental areas;
- the promotion of our corporate values of passion, growth, openness and care;
- building and maintaining the company's reputation;
- building the reputation, strength and position of individual brands and increasing the sales thereof;
- support in the search for new business opportunities, such as entering foreign markets;
- strengthening the employer brand.

In 2021, Argeta remained loyal to the strategy of focusing on sports, culture, education, environment and society.

## ***The major recipients of our sponsorship funds are:***

### ***Sport:***

The Cedevita Olimpija Basketball Club, the Ski Association of Slovenia (Slovenian alpine and Nordic ski teams), the Croatian Ski Association, Benjamin Karl;

### ***Education and science:***

business conferences in the region, Slovenian Advertising Chamber, Slovenian Marketing Association;

### ***Culture:***

Sarajevo Film Festival.

## Solidarity and help for colleagues struggling with mental health

Atlantic Grupa focuses not only on the physical, but also on the mental health of its employees. The Solidarity programme is intended to provide help to those facing exceptional life situations that they cannot handle themselves, be this a serious physical or mental injury or illness, damage caused by a natural disaster, or any other kind of a life crisis. The programme includes psychological support for employees via telephone by experienced psychologists from renowned regional groups and associations. In addition to telephone conversations,

free therapy sessions with psychotherapists are available when help is needed for colleagues and their family members who are dealing with deeper mental problems (depression, psychotic disorders, various forms of addiction, etc.) but don't know how or are unable to seek appropriate help, or the local healthcare system cannot respond quickly enough but an immediate response and assistance are essential.



## Sponsorship in Sports

In 2020, Argeta became a proud gold sponsor in the Sponsorship in Sports programme (Slov. Botrstvo v športu), which operates under the auspices of the Olympic Committee of Slovenia and the Ljubljana Moste-Polje chapter of the Slovenian Association of Friends of Youth. The programme provides young athletes aged 14 to 23, from socially disadvantaged backgrounds, who have no funds to engage in sports, with professional assistance, training sessions or equipment that could enable them to realise their sports potential.

As a great supporter of sports, Argeta was the first among food brands to support the programme. Within the first sponsorship year, Argeta allocated EUR 30,000 to the programme; through engagement on social media channels, consumers can further increase this donation.

*»You cannot even imagine how important sport can be for a young person. How important it is that there is an area in which they excel or are a force to be reckoned with. Even if such a talent does not ultimately evolve into a new Roglič, Bukovec, Dončić, Štuhec, Kopitar, Oblak, Žolnir, Zahovič, Majdič, Dragič or any other Slovenian sports hero, their equal starting point enables them further important steps in the processes of socialisation, education and seeking career paths. I am extremely happy and proud that the Sponsorship in Sports initiative was received so enthusiastically, and I look forward to future projects planned by the colleagues at the Ljubljana Moste-Polje chapter of the Slovenian Association of Friends of Youth and the Olympic Committee of Slovenia, Association of Sports Federations.«*

**Anita Ogulin,**

President of the Ljubljana Moste-Polje chapter of the Slovenian Association of Friends of Youth

*»Atlantic Grupa takes a very serious and planned approach to projects intended to aid the society in which we live. This is especially true when it comes to sports. We are connecting with Sponsorships in Sports via our umbrella brand, Argeta, in whose campaign we use the slogan that says life is what we make of it. But we realise that not everyone starts off from the same position, and so it is undoubtedly right to help such young individuals.«*

**Enzo Smrekar,**

Group Vice-President at Atlantic Grupa and the Olympic Committee of Slovenia





## Support for young skiing hopefuls

Argeta is the proud gold sponsor of Slovenia's national ski team. We additionally support young skiers through various campaigns. We invite fans of our excellent products to contribute to a special fund by purchasing them. In this way we provide supporters of Slovenian sports people with the opportunity to support skiers in a tangible way in achieving winning results.

Argeta also supports the Biathlon World Championships 2021 in Pokljuka.



Source: Pentaphoto



Source: Pentaphoto

## Donations

We traditionally cooperate and support Caritas of Slovenia, SI-BAHE (the Slovenian Food Bank), the Slovenian Association of Friends of Youth, the Social Chamber of Slovenia (safe houses and maternity homes), Slovene Philanthropy, the ŠENT, Ozara, Stigma and Novi paradoks associations, and the Slovenian Red Cross. For the most part this involves material donations of Argeta products. As the donor of the month, we also made donations to the Sponsorship in Slovenia fund (Slov. Botrstvo v Sloveniji, a child sponsorship project) and serve as a link in the Chain of Good People, which provides comprehensive assistance to families in distress in one place.

## Integration into the local environment

We work with local sporting and cultural clubs and associations in all areas where our business units are located. We actively support local community activities focusing on environmental protection, clean-up campaigns and education.

The Day of Values (Dan vrednot) is a special Atlantic Grupa activity when our employees, through their volunteer work, energy and positive attitudes, contribute to the improved wellbeing, living or working conditions of those in need. Our employees donate blood, visit retirement homes and institutions for children with special needs, landscape, plant trees, paint buildings, fences, playgrounds, etc.





## Argeta opening the doors to high cuisine for the third year with its mentoring programme involving an exclusive academy

For 13 years now, Argeta's premium line Argeta Exclusive has been providing indulging experiences to fans of gourmet flavours with exceptional combinations of first-rate ingredients. The restaurant experience is further intensified through collaborations with renowned chefs, who prepare a special, limited edition of Argeta Exclusive each year, bearing their signature.

Argeta has crowned the 10th anniversary of collaborating with top chefs from Slovenia and Croatia with a truly special social responsibility project – the Argeta Exclusive Academy, which is part of our Spread Good sustainability programme, in which we commit to increasing the accessibility of high cuisine and supporting the development of Slovenian and regional cuisine.

The mentoring programme introduces the young cooking talent to the world of exclusive cuisine, as it enables them to learn from the greatest Slovenian and Croatian masters of cuisine. Every year, this exclusive opportunity is bestowed on two of the best gastronomy students from Croatia and Slovenia. These talented apprentices go through one month's practical work experience with each of the chefs, learning about the philosophy of that chef and their restaurant, learning new techniques and getting to know new ingredients. The participants in the third Academy are Jure Cesar from the Biotechnical Education Centre Ljubljana and Karlo Gabrovec from ASPIRA University in Croatia, who have been given the opportunity to enrich their cooking abilities with five chefs whose culinary creations have already left their marks in the world of Argeta Exclusive.

To date, the following chefs have opened the doors to their kitchens: chef Janez Bratovž of JB Restaurant, chef Luka Košir of Grič, chef Teo Fernetich of San Rocco, chef David Vračko of Mak, and chef Nina Čarman of the Danilo inn and wine bar.



*»I think the Argeta Academy is a great project because it supports the development of future young chefs. Although the young might be slightly less experienced, I can learn a lot from them and so I listen to them – this is very important for our development. In any case, the Argeta Exclusive Academy offers them a stepping stone, from which they can introduce themselves in better-known and complex kitchens, and start creating. And that's definitely a great opportunity for everyone.«*

**Luka Košir**

*»We were the first restaurant to create a special-edition pâté for Argeta Exclusive, as we already shared the same passion and vision back then. It's interesting how in just a few years such a big and complex story has developed, one that's very important for the future of gastronomy, and I'm glad that it has also evolved into an Academy. I hope this is just the beginning because we need many more initiatives of this type. It's something we will appreciate greatly in the future and is definitely a step in the right direction.«*

**Teo Fernetich**

*»When I started out 40 years ago, no such connections were available. As a global company, Argeta has taken a very big step in this regard. I believe the future of Slovenian cuisine is bright. I said it ten years ago – Slovenian cuisine is great and this country will become a star on the global culinary map.«*

**Janez Bratovž**



## Junior adventures – when learning meets fun

Children deserve the best, whether it be during lunch, learning or browsing the internet. This is something that is especially difficult to ensure on the internet, where there are countless content items for children, but their role is often that of distraction.

Under the Argeta Junior sub-brand, which prepares well-known spreads for children, Argeta has marked the third year of a special online platform, Junior Adventure, where children can learn about a lot of things in a fun way and develop their cognitive skills in the process.

This completely carefree and safe corner developed especially for children is intended both for children and their parents and is entirely free. The regional online platform offers numerous games, challenges, tasks and online books developed together with experts from a number of fields and created for children of various age groups. The quality and appropriateness of the content that stimulates cognitive development

of children in a fun way was confirmed by renowned development psychologists who took part in its creation.

The content thematically covers five different areas that are of greatest interest to children, e.g. science, environment protection, and mindfulness, and are interactive so as to deepen the children's knowledge and cognitive abilities. Argeta takes great pride in its digital library as it is aware of the importance of reading and, above all, of cultivating children's imagination, also through various interactive tasks that pull children into a story and help them to actively experience it.

In the past year, the library was enriched with four new books that were written with the help of renowned and award-winning Slovenian and foreign authors, including Boštjan Gorenc – Pižama from Slovenia, Sanja Pilić from Croatia, Dejan Aleksić



from Serbia and Jagoda Iličić from Bosnia and Herzegovina. And what do our users say? Through the content available, Duck Junior has become their friend, someone they enjoy spending time with and someone who helped many mothers who were wondering what content they should offer their children, as is confirmed by the figures; the Junior Adventure platform has already been visited by over a million young adventurers and their parents.

# About the Sustainability Report

## Atlantic Grupa

Since 2013, Atlantic Grupa, which includes Atlantic Droga Kolinska d.o.o., has disclosed its progress towards sustainability in a sustainability report compiled under the GRI standards.

All the sustainability reports can be found on the following link

<https://www.atlanticgrupa.com/hr/mediji/publikacije/gri-report>.

## Brand Argeta

This is the second time the Argeta brand is reporting independently on its sustainable development in accordance with the GRI standards. We issued the first report last year; previously, we have reported on the sustainable aspects of our operations on our website and as part of the overall sustainability report for Atlantic Grupa.

Independent sustainable disclosure at the brand level is part of our comprehensive philosophy of excellence, by means of which we set high standards for the brand in the area of sustainable development as well. Through our own example – with achievements and challenges – we address the entire value chain, including our consumers.

The process of drawing up this Sustainability Report involved the active participation of all sectors of the Argeta brand, including the management.

Our reporting is transparent and includes data that is currently available to Atlantic Grupa, while at the same time we are presenting our annual steps towards fulfilling sustainability commitments up to 2030. When choosing the content, the following elements are of key importance: materiality, stakeholder involvement and the sustainability context. In presenting the content we endeavoured to set out the data in a balanced, comparable, accurate, clear and reliable way. In the future we will continue to produce annual sustainability reports.

Authorised by the Group Vice President for Savoury Spreads, Donat, and international expansion at Atlantic Grupa, the person in charge of reporting about sustainable development is Nataša Češnovar Gregorc, Director of Research and Development.

Her contact information:

[Natasa.CesnovarGregorc@atlanticgrupa.com](mailto:Natasa.CesnovarGregorc@atlanticgrupa.com)

# Indicators of GRI standards

Indicator		Page number
<b>Organisational profile</b>		
102-1	Name of the organisation	10
102-2	Activities, brands, products, and services	24
102-3	Location of headquarters	10
102-4	Location of operations	13
102-5	Ownership and legal form	10
102-6	Markets served	12
102-7	Scale of the organisation	11
102-8	Information on employees	3, 58, 59
102-9	Supply chain	31
<b>Strategy</b>		
102-14	Statement from the General Manager	9
102-15	Key impacts, risks, and opportunities	7, 15, 16, 19, 33, 53
<b>Ethics and integrity</b>		
102-16	Values, principles, standards, and norms of behaviour	5, 10, 14, 27
102-17	Mechanisms for advice and concerns about ethics	61
<b>Governance</b>		
102-18	Governance structure	11
102-19	Delegating authority	11
102-20	Executive-level responsibility for sustainable development	11
102-22	Composition of the highest governance body	11
102-23	General Manager	9, 11
102-29	Identifying and managing economic, environmental and social impacts	7, 17, 56
102-31	Review of economic, environmental, and social topics	7, 20, 21, 22, 34, 35, 36, 37, 54, 55

102-32	Highest governance body's role in sustainability reporting	68
<b>Stakeholder engagement</b>		
102-40	List of stakeholder groups	56
102-42	Identifying and selecting stakeholder groups	17, 56
102-43	Approach to stakeholder engagement	17, 57
<b>Reporting practices</b>		
102-46	Definition of report content	7, 15, 68
102-47	List of material topics	7, 17, 19, 33, 53
102-50	Reporting period	68
102-52	Reporting cycle	6, 68
102-53	Contact person for questions regarding the report	68
102-54	Claims of reporting in accordance with the GRI Standards	68, 69
102-55	GRI content index	69
<b>Economic performance</b>		
201-1	Economic indicators	3, 13
<b>Indirect economic impacts</b>		
204-1	Percentage of orders filled by local suppliers	31
<b>Materials</b>		
301-1	Materials used by the organisation	28
301-2	Recycled raw materials used	34, 37
<b>Energy</b>		
302-1	Energy consumption within the organisation	39, 46, 47
<b>Water</b>		
303-1	Water consumption	39, 49, 50
<b>Emissions</b>		
305-1	Direct GHG emissions – scope 1	47, 48
305-2	Indirect GHG emissions – scope 2	47, 48
305-3	GHG emission reduction	47, 48
<b>Effluents and waste</b>		
306-1	Water discharge by quality and destination	51

306-2	Waste by type and disposal method	41-45
306-3	Significant spills	51
<b>Environmental compliance</b>		
307-1	Compliance with environmental laws and regulations	51
<b>Environmental assessment of suppliers</b>		
308-1	Environmental assessment of suppliers	31
<b>Employees</b>		
401-1	New employees	58, 59
401-2	Standard benefits provided to full-time employees	60
<b>Occupational health and safety</b>		
403-1	Employee health and safety	62
403-2	Workplace injuries	62
<b>Education and training</b>		
404-1	Scale of employee training	60
404-2	Education and training programmes	60
<b>Non-discrimination</b>		
406-1	Non-discrimination	61
<b>Security practices</b>		
410-1	Security practices	17, 19, 62
<b>Local communities</b>		
413-1	Relations with local communities	63-66
<b>Customer health and safety</b>		
416-1	Assessment of the impact of the organisation's services on customer health and safety	19, 20, 21, 25, 27, 28
<b>Marketing and labelling</b>		
417-1	Information regarding products and services, and the protection of customers' interests	29, 30
<b>Regulatory compliance</b>		
419-1	Compliance with laws and regulations in the social and economic area	61



**ARGETA**<sup>®</sup>  
*The good side of bread*

*July 2022*