

SPREAD GOOD

Sustainability Report
for the brand Argeta.

2022

ARGETA[®]
The good side of bread

ÀRGETA®

ÀRGETA®
Junior

ÀRGETA®
EXCLUSIVE

ÀRGETA®
veggie

Key facts about the Argeta brand

no **1**
meat & fish
pâté in
Europe*



Sales markets:
36 countries



7 people
open a tin of Argeta
every second.



Sales in 2022:
18,963 tons
more than 208 million tins



Sales revenue in 2022:
120,7 mio €
10.23% more than 2021



No. of employees as at 31 December 2022
320

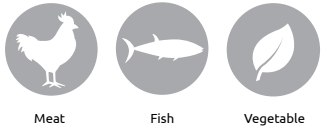
*Based on data from Nielsen/Q RMS for the category of meat/fish spreads (defined by the company Atlantic Droga Kolinika) for the 12-month period ending 30 November 2020, for the total retail market of 17 European countries (Austria, Bosnia and Herzegovina, Czech Republic, Croatia, Italy, Hungary, Germany,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

Key data about brand Argeta

FREE FROM

- PRESERVATIVES
- ARTIFICIAL FLAVOUR ENHANCERS
- ARTIFICIAL COLOURS
- GLUTEN

Types of spreads



History since



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 third year we are transparently disclosing 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

Our sustainable development vision is linked to a genuine commitment to improving our products, a healthy natural environment and an inspired society. By taking strategic steps, we are ambitiously pursuing our sustainability goals, and thus our 2030 operational guidelines, which we adopted in 2020. By doing so, we are contributing to the United Nations Sustainable Development Goals 2030.

COMMITMENT TO CUSTOMERS



We will help **20 million** people towards attaining a nutritional balance and a healthier diet.

COMMITMENT TO THE ENVIRONMENT



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

COMMITMENT TO SOCIETY



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



NUTRITIONALLY BALANCED PRODUCTS

- All Argeta meat and fish spreads will bear the "free from additives" label.
- We will improve the nutritional profile of the products.
- We will increase the number of products with the "GMO-free" certificate.



SUSTAINABLE AND RECYCLABLE PACKAGING

- We will use FSC-labelled packaging.
- We will reduce the use of paper and plastic.
- We will educate consumers about the advantages of aluminium and the correct separation of waste.



IMPROVING THE QUALITY OF THE INDIVIDUAL'S EVERYDAY LIFE

- We will improve the quality of educational entertainment (edutainment) content for children.
- We will increase access to high cuisine.



SUSTAINABLE INGREDIENTS AND PRODUCT QUALITY AND SAFETY

- At least 60% of our suppliers will have at least one GFSI or environmental standard.
- We will use 100% sustainably produced meat and fish.



REDUCING THE QUANTITY OF FOOD WASTE

- We will educate consumers on the importance of reducing food waste.
- We will provide consumers with solutions for the reduction of the quantities of food waste.



IMPROVING THE QUALITY OF LIFE IN SOCIETY

- We will allocate at least 1% of our annual profits to sponsorships and donations.



PLANT-ORIENTED AND BALANCED NUTRITION

- We will expand the portfolio suitable for vegans, vegetarians and flexitarians.



SUSTAINABLE CONSUMPTION OF ENERGY AND WATER AND WASTE MANAGEMENT

- We will reduce the quantity of sludge from our own treatment plant by 90%.
- We will seek new waste management solutions.
- We will reduce energy consumption per ton of product by 8%.
- We will apply green energy solutions.

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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*

We present the new Argeta Sustainability Report. This is the third report in three years, and it allows us to take stock of how well we are delivering on the sustainability commitments we set ourselves in 2020.

Sustainability is essentially a way of thinking and living, representing joy and enthusiasm, a particular kind of activism that connects and broadens the circle of like-minded people. This means that nothing is too difficult and our every action is meant for the good of nature and society.

When we undertook our first sustainability report with genuine passion and compared our performance against certain benchmarks, we often found ourselves blushing – sometimes because we were excited to see how well we were doing in some areas, and sometimes because we realised that our performance was far from exemplary in others. “Next year we will

do even better”, we told ourselves then, and again the year afterwards. We made the same promise to ourselves this year. Looking at this year’s Sustainability Report, we see that we have made progress in almost all of the target areas. And how could we not? Since we have integrated sustainability into every aspect of our business, from the design of our products to our business processes. However, we need to look at sustainability holistically. Namely, one of Atlantic Grupa’s values is growth, which necessarily entails increased consumption of energy, packaging and raw materials, more work, transport, waste, emissions... Yet, at the same time, one of our values is caring. And it is with the greatest care and consideration that we choose our certified suppliers and recyclable packaging, improve the nutritional value of our products, nurture good relationships, raise the level of competence of our employees, and promote healthy lifestyles – in short, we are at the fore-

front of brands and companies that raise awareness and share best practices in sustainable business.

The year 2030, the year when the United Nations Global Sustainable Development Goals are supposed to be achieved, is not far away. We will do our best to make a meaningful contribution to these global goals by achieving our own ambitious sustainability targets based on ever-better products, a healthy natural environment and an inspired society.

About the Argeta brand

Vision:

To enable the ultimate experience of carefree small meals.

Mission:

To create the best light 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 recognised 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., based in Sarajevo, Bosnia and Herzegovina.

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www.atlanticgrupa.com



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Kolinska ulica 1
1000 Ljubljana, Slovenia
+386 1 472 15 00
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Atlantic Argeta d. o. o. Sarajevo
Donji Hađići 138
71000 Sarajevo, Bosnia and Herzegovina
+387 33 476-600
www.argeta.com/ba/



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**

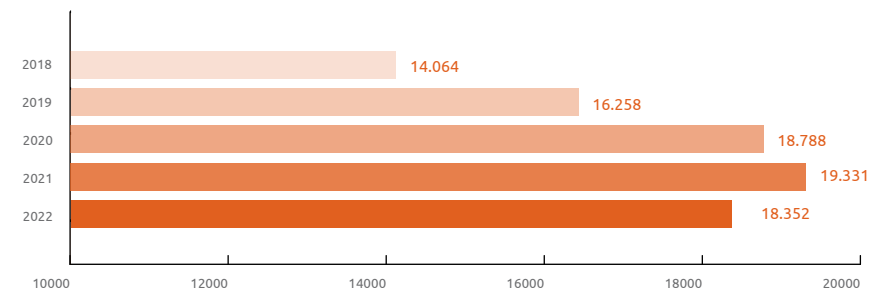
External production vegetable spreads: **Italy in the first half of the year, internal production in the second half (Igroš).**

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

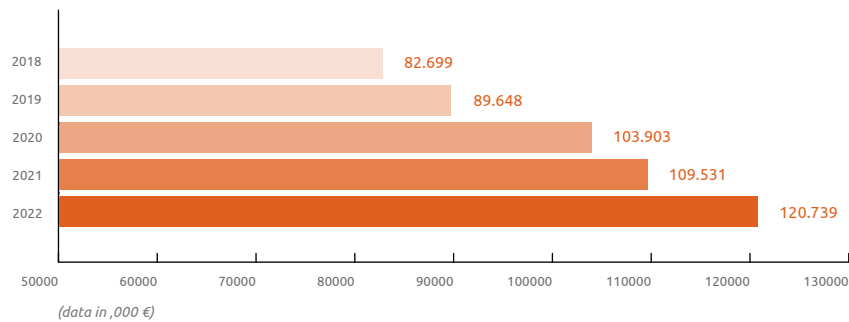
Argeta is **No. 1 meat and fish spread in Europe** and a favourite in 33 countries around the world.

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

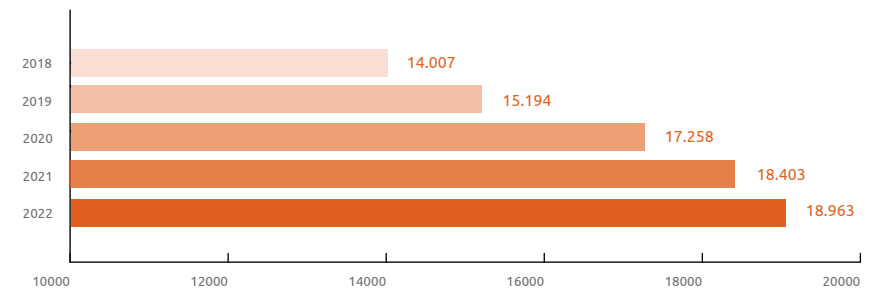
Production of Argeta in tons, 2018–2022



Argeta sales revenue, 2018–2022



Sales of Argeta in tons, 2018–2022





**Commitment
to customers**

Main focus of Argeta

We commit to making it easier for 20 million people to achieve a nutritional balance and a healthier diet.

We are constantly modifying and improving our products in line with food trends and our concern for the welfare of consumers. These products are of good nutritional quality, healthy, safe and affordable for all tastes and generations. We link healthy eating patterns with everyday, relaxed and carefree moments thanks to the convenience and ease of use of our products. In doing so, we are contributing to healthier lifestyles among the population through transparent, responsible and creative communication.



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 | Status 2022 |
|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Products with a “clean label” | <ul style="list-style-type: none"> Number of products free from additives Number of “GMO-free” certified products (no genetically modified organisms) | <ul style="list-style-type: none"> 90% of products without additives. The portfolio contains no products with the “GMO-free” certificate. | <ul style="list-style-type: none"> 92% of products without additives. 7,7% of products with the “GMO-free” certificate. | <ul style="list-style-type: none"> 97% of of products free from additives. 10,5% of products with the “GMO-free” certificate. |
| Improving the nutritional profile of the product | <ul style="list-style-type: none"> Nutritional profile of products in line with the dietary traffic light system. Number of products suitable for people with allergies and intolerance to certain foods. | <ul style="list-style-type: none"> 10% of products with a favourable nutrition profile. 5% of products without dairy protein. | <ul style="list-style-type: none"> 18% of products with a favourable nutrition profile. 2,5% of products without dairy protein.* | NUTRISCORE:** A – 2,6% B – 10,5% C – 47,4% D – 39,5% E – 0% 2,6% of products without dairy protein |
| Improving the nutritional profile of the product | <ul style="list-style-type: none"> Number of products with indicators of nutritional balance (e.g. vitamins, minerals...). | <ul style="list-style-type: none"> 23% of products feature added indicators of nutrition balance. | <ul style="list-style-type: none"> 15% of products feature added indicators of nutrition balance.* | <ul style="list-style-type: none"> 15,8% of products with added indicators of nutritional balance. |

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

*Lower percentage because certain products have been withdrawn.

**Transition to the Nutriscore methodology.



Focus 2:

Sustainable ingredients and product quality and safety

| Activities | Indicators | Status 2020 | Status 2021 | Status 2022 |
|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Maintaining the highest standards of compliance with health and safety. | <ul style="list-style-type: none"> • GFSI (Global Food Safety Initiative) and environmental standards in our production. • Proportion of suppliers with GFSI standards*. • Proportion of suppliers with environmental standards**. | <ul style="list-style-type: none"> • FSSC 22000, ISO 14001, ISO 50001: ADK Izola, AA Sarajevo. • External production: IFS (International Food Standards) Production under licence: SQF (Safe Quality Food). • 35% of suppliers of ADK Izola, AA Sarajevo have at least one GFSI standard*. • 17% of suppliers of ADK Izola, AA Sarajevo have at least one environmental standard**. | <ul style="list-style-type: none"> • FSSC 22000, ISO 14001, ISO 50001: ADK Izola, AA Sarajevo. • External production: IFS (International Food Standards) Production under licence: SQF (Safe Quality Food). • 52% of suppliers of ADK Izola, AA Sarajevo have at least one GFSI standard*. • 26% of suppliers of ADK Izola, AA Sarajevo have at least one environmental standard**. | <ul style="list-style-type: none"> • FSSC 22000, ISO 14001, ISO 50001: ADK Izola, AA Sarajevo • Production under licence: SQF (Safe Quality Food). • 85% of suppliers of ADK Izola, AA Sarajevo meet at least one GFSI standard.* • 41% of suppliers of ADK Izola, AA Sarajevo meet at least one environmental standard.** |
| Increased use of ingredients from sustainable sources. | <ul style="list-style-type: none"> • Proportion of ingredients from sustainable sources. | <ul style="list-style-type: none"> • Chicken meat: Assessment: 75% conventional (battery) farming, 25% barn or ground farming. • Internal assesment: 36% of supplied fish ingredients caught sustainably. • MSC: 3,5% quantity share in the fish spread segment. • No product has an ASC certificate. | <ul style="list-style-type: none"> • Chicken meat: Assessment: 31% conventional (battery) farming, 62% barn or ground farming, 6% free range farming and 1% organic farming. • WWF Adria assessment: 49% of supplied fish ingredients caught sustainably. • MSC: 3,6% quantity share in Argeta's fish spread segment. • No product has an ASC certificate. | <ul style="list-style-type: none"> • Chicken meat: Assessment: 20% conventional (battery) farming, 74% barn or ground farming, 5% free range farming, and 1% organic farming. • WWF Adria assessment: 46% of supplied fish ingredients caught sustainably. • MSC: 4,5% quantity share in the fish spread segment. • No product has an ASC certificate. |

*FSSC, IFS, BRC

**ISO 14001, ISO 50001, Emas, FSC.



Focus 2:

Sustainable ingredients and product quality and safety

| Activities | Indicators | Status 2020 | Status 2021 | Status 2022 |
|--------------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Increased use of BPA-NI packaging . | <ul style="list-style-type: none"> Proportion of BPA-NI packaging. | <ul style="list-style-type: none"> All products not made by external producers or producers under licence are packed in BPA-NI packaging. | <ul style="list-style-type: none"> All products not made by external producers or producers under licence are packed in BPA-NI packaging. | <ul style="list-style-type: none"> All products not made by external producers or producers under licence are packed in BPA-NI packaging. |



Focus 3:

Plant-oriented and balanced nutrition

| Activities | Indicators | Status 2020 | Status 2021 | Status 2022 |
|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| Increasing alternatives for consumers eating less or no meat . | <ul style="list-style-type: none"> Number of plant-based products. | <ul style="list-style-type: none"> 6 plant spreads based on chickpeas. | <ul style="list-style-type: none"> 3 plant spreads based on chickpeas. | <ul style="list-style-type: none"> 4 plant spreads based on chickpeas. |

In 2022, we achieved positive shifts in comparison with the previous year with almost all indicators.

Argeta Veggie spreads, the fantastic taste of vegetables

We at Argeta are proud to have been awarded a special prize for innovation in sustainability by the Nutrition Institute in Ljubljana. In addition to our efforts to improve the recipes of existing Argeta products, the Nutrition Institute made a special mention of our newest range of Argeta Veggie spreads, a delicious alternative to traditional meat pâtés. This is a great credit to our development department which, after years of research, has brought delight to so many lovers of good spreads.

The development was led and carried out by a Slovenia-based development team, following the company's sustainable vision of delivering nutritionally balanced products made from the highest quality ingredients. We believe in the philosophy of the best and that is why the "free from" formula is the foundation on which our products are developed. This ensures that our products are free from preservatives, artificial colours, flavour enhancers, palm oil and gluten. Argeta Veggie spreads are based on chickpeas and sesame seeds, with the addition of natural spices and other delicious plants such as olives, red peppers, chilli and lemon.

But before we brought these veggie spreads to the shelves, we carried out extensive recipe testing, quality improvement and interviews with consumers all over Europe. That is why today we are very proud that Argeta Veggie spreads are the first product in the Argeta family that is suitable for everyone – vegans, vegetarians and meat eaters.

Here at Argeta, we understand sustainable development as continuous progress and improvements that benefit both people and all aspects of society. At the same time, we know that sustainability is not only desirable and good for the company's image, but is at the heart of our current and future business success.

BREZ
KONZERVANSOV
•
UMETNIH
OJAČEVALCEV
AROME
•
UMETNIH BARVIL
•
GLUTENA

**Samo fantastičen
okus zelenjave**

NOVO

namaz
ARGETA
vegie
Črne olive
BREZ aditivov

namaz
ARGETA
vegie
Chilli & limona
BREZ aditivov

namaz
ARGETA
vegie
Čičerika
BREZ aditivov

namaz
ARGETA
vegie
Rdeča paprika
BREZ aditivov

argeta.com

BREZ GSO
VEGAN



**Commitment to
the environment**

Main focus of Argeta

We commit to reducing 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. the major impact of the food supply chain in terms of greenhouse gas emissions and climate change,
3. 40% of food is thrown out and there are large quantities of waste packaging





Focus 1:

Sustainable and recyclable packaging

| Activities | Indicators | Status 2020 | Status 2021 | Status 2022 |
|-----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Packaging that replaces the use of virgin natural resources . | <ul style="list-style-type: none"> Proportion of FSC paper. Proportion of recycled plastic. | <ul style="list-style-type: none"> Packaging for multiple packs (3 x 95 g, 4 x 95 g) with FSC certificate: 100%. Secondary transport packaging with FSC certificate: 0%. Transportation packaging from recycled plastic: 0%. Transportation packaging at production under licence in the USA with the SFI certificate: 100%. | <ul style="list-style-type: none"> Packaging for multiple packs (3 x 95 g, 4 x 95 g) with FSC certificate: 100%. Secondary transport packaging with FSC certificate: 100%. Transportation packaging from recycled plastic: 0%. Transportation packaging at production under licence in the USA with the SFI certificate: 100%. | <ul style="list-style-type: none"> Packaging for multiple packs (3 x 95 g, 4 x 95 g) with the FSC certificate: 100%. Secondary transport packaging with the FSC certificate: 100%. Transportation packaging from recycled plastic: 0%. Transportation packaging at production under licence in the USA with the SFI certificate: 100%. |
| Reduction in the use of paper and plastic . | <ul style="list-style-type: none"> Proportion of reduced paper use. Proportion of reduced plastic use. | <ul style="list-style-type: none"> In 2019, we printed around 329,700 labels, which means 6,594 m² of waste stickers, waste waxed paper and waste ribbon. | <ul style="list-style-type: none"> In 2021, we printed around 611,574 labels, which means 10,946 m² of waste stickers, waste waxed paper and waste ribbon. | <ul style="list-style-type: none"> In 2022, we printed 118,949 labels, which means 2,128.95 m² of waste stickers, waste waxed paper and waste ribbon. |
| Increase in the level of primary packaging waste separation . | <ul style="list-style-type: none"> Number of projects to raise awareness/guide the behaviour of consumers. | <ul style="list-style-type: none"> There were no projects in 2020. | <ul style="list-style-type: none"> There were no projects in 2021. | <ul style="list-style-type: none"> Veggie spreads in aluminium packaging. |

*Quantities are lower due to the relocation of the 27 g/45 g line.



Focus 2:

Reducing the quantity of food waste

| Activities | Indicators | Status 2020 | Status 2021 | Status 2022 |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Encouraging consumers to reduce food waste.</p> | <ul style="list-style-type: none"> • Number of packaging with optimal use of product. • Number of projects/participants in 'zero food waste' campaigns. | <ul style="list-style-type: none"> • Reusable lid (humus-twist off) – six products. • There were no projects in 2020 to raise awareness about reducing food waste. | <ul style="list-style-type: none"> • Reusable lid (humus-twist off) – three products. • 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.). | <ul style="list-style-type: none"> • There were no activities. • We continue to raise consumer awareness on social media about how to reduce food waste (recipes to use up stale bread, etc.). |



Focus 3:

Sustainable consumption of energy and water and waste management

| Activities | Indicators | Status 2020 | Status 2021 | Status 2022 |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reducing water consumption . | <ul style="list-style-type: none"> Proportion of reduced water use, ISO 14001. | Water consumption (2019): <ul style="list-style-type: none"> ADK Izola: 4.21 m³ of water per ton of product. AA Sarajevo: 5.99 m³ of water per ton of product. | Water consumption (2021): <ul style="list-style-type: none"> ADK Izola: 4.55 m³ of water per ton of product. AA Sarajevo: 5.10 m³ of water per ton of product. | Water consumption (2022): <ul style="list-style-type: none"> ADK Izola: 4.56 m³ of water per ton of product. AA Sarajevo: 4.5m³ of water per ton of product. |
| Responsible use of chemicals . | <ul style="list-style-type: none"> Proportion of reduced chemical use. | Consumption of chemicals (for cleaning basins): <ul style="list-style-type: none"> ADK Izola: 23,000 kg. AA Sarajevo: 11,432 kg. | Consumption of chemicals (for cleaning basins): <ul style="list-style-type: none"> ADK Izola: 18,480 kg. AA Sarajevo: 9,774 kg. | Consumption of chemicals (total; for cleaning basins): <ul style="list-style-type: none"> ADK Izola: 49,388 kg; 29,112. AA Sarajevo: 30,332 kg; 12,220 kg. |
| Responsible waste management. | <ul style="list-style-type: none"> Proportion of sludge from own treatment plant. | Sludge from own treatment plant: <ul style="list-style-type: none"> ADK Izola: 460 t. AA Sarajevo: 173 t. | Sludge from own treatment plant: <ul style="list-style-type: none"> ADK Izola: 509.5 t. AA Sarajevo: 110.5 t. | Sludge from own treatment plant: <ul style="list-style-type: none"> ADK Izola: 444.77 t. AA Sarajevo: 120.5 t. |



Focus 3:

Sustainable consumption of energy and water and waste management

| Activities | Indicators | Status 2020 | Status 2021 | Status 2022 |
|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Increase in the level of circular handling of waste . | <ul style="list-style-type: none"> Proportion of waste or by-products in the circular loop. | <ul style="list-style-type: none"> 100% of our organic waste from production is part of the circular loop. | <ul style="list-style-type: none"> 100% of our organic waste from production is part of the circular loop. | <ul style="list-style-type: none"> 100% of our organic waste from production is part of the circular loop. |
| Responsible use of energy . | <ul style="list-style-type: none"> Proportion of reduced energy consumption. Proportion of energy from renewable sources. | <p>Total energy consumption per unit of production (2019):</p> <ul style="list-style-type: none"> ADK Izola 1,046 kWh/t and AA Sarajevo 1,362 kWh/t. <p>Electricity consumption per unit of production:</p> <ul style="list-style-type: none"> ADK Izola 311.15 kWh/t and AA Sarajevo 381 kWh/t. <p>Electricity from renewable sources (solar panels on production facility roofs):</p> <ul style="list-style-type: none"> ADK Izola 7.75% and AA Sarajevo 0%. | <p>Total energy consumption per unit of production (2021):</p> <ul style="list-style-type: none"> ADK Izola 1,063 kWh/t and AA Sarajevo 954 kWh/t. <p>Electricity consumption per unit of production:</p> <ul style="list-style-type: none"> ADK Izola 299 kWh/t and AA Sarajevo 313 kWh/t. <p>Electricity from renewable sources (solar panels on production facility roofs):</p> <ul style="list-style-type: none"> ADK Izola 100% and AA Sarajevo 0%. | <p>Total energy consumption per unit of production (2022):</p> <ul style="list-style-type: none"> ADK Izola 1,005 kWh/t and AA Sarajevo 1,055 kWh/t. <p>Electricity consumption per unit of production:</p> <ul style="list-style-type: none"> ADK Izola 278 kWh/t and AA Sarajevo 362 kWh/t. <p>Electricity from renewable sources (solar panels on production facility roofs):</p> <ul style="list-style-type: none"> ADK Izola 6.6% (remaining electricity from leased external renewable sources). |

Environmental footprint

We manage all significant environmental impacts comprehensively, on a site by site basis, using our own management model. For quantitative indicators, we have set up baseline values specifically for each location. Over the years, the value of an indicator can be positive or negative in relation to the baseline value. This way, we monitor the overall progress (or potential worsening) of the environmental footprint of a brand or all production sites together on an annual basis, while transparently assessing each site and area separately. Below we present a summary of assessments by individual areas.

Areas of management :

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 (m³/t)
- litre of chemicals used per ton of product (kg/t).

4. management of waste water:

- formation of sludge in 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
- CO₂ 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
 - value up to EUR 1999
 - value from EUR 2000 to EUR 4999
 - value above EUR 5000



Results of managing the environmental area, 2019-2022

| | Area | 2019 | 2020 | 2021 | 2022 |
|----|-----------------------------------------------------------------|-------------|-------------|-------------|-------------|
| 1. | System management | 6 | 8 | 6 | 9 |
| 2. | Investments with major environmental and energy-related effects | 2 | 3 | 7 | 4 |
| 3. | Management of water, chemicals | 2.5 | 3 | 9.5 | 5,6 |
| 4. | Formation of sludge in own treatment plant | -3 | -3.1 | -0.2 | -0,3 |
| 5. | Management of energy and emissions | 6 | 7.9 | 21.7 | 24 |
| 6. | Management of effluents and waste | 15.7 | 26.8 | 7.1 | -2,8 |
| 7. | Management of suppliers | 2.2 | 5.8 | 8.8 | 10,5 |
| 8. | Investments in the natural environment of the wider society | 0 | 0 | 0 | 0 |
| | Total | 31.4 | 51.4 | 59.9 | 50 |

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.

Argeta is also committed to continuously improving its environmental footprint, which is why we manage it strategically. In 2022, we achieved 50 points, an improvement of almost 60% from our 2019 baseline of 31.4 points. However, this score was down 16% compared to 2021. Our environmental footprint model allows us to specifically monitor results by sector. We are pleased with our energy and emissions management and the environmental management practices of our suppliers, where we are improving our performance, confirming our commitment to decarbonisation.

We are facing challenges particularly in the management of materials and waste due to the inadequate state infrastructure in Bosnia and Herzegovina, which does not allow for the further processing of separately collected waste, resulting in its disposal to landfill, so we are looking for new solutions. We will also seek solutions in other areas where our performance has deteriorated to improve our environmental footprint in the long term.

Waste management

We see waste as a raw material, so we want to manage it strategically and in line with the hierarchy of waste management. We collect it separately 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. As we want to recycle as much waste as possible in keeping with the model of the circular economy, we are constantly looking for new solutions to recycle or reuse waste.

One of our priorities is to systematically reduce the volume of mixed municipal waste each year. 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, 2018–2022 in kilograms

| | Waste | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------------|-----------------------------------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Recycling | Metal packaging (Al) | 5.812,0 | 1.710,0 | 2.330,0 | 4.500,0 | 3.724 |
| | Paper | 71.631,0 | 104.644,5 | 114.226,5 | 89.430,0 | 127.863,4 |
| | Plastic packaging | 15.691,0 | 16.787,0 | 20.353,5 | 10.660,0 | 19.838,0 |
| | Metal dust and particles | | | | | 1.610,0 |
| | Waste toners | 115,0 | 182,5 | 175,0 | 95,5 | 77,5 |
| | Ferrous metal dust and particles | | | | | 982 |
| | Mixed packaging | 1.970,0 | 1.878,5 | 1.859,7 | 2.014,5 | 1.579,05 |
| | Fluorescent tubes | 30,0 | 30,0 | 30,0 | 45,0 | 42,5 |
| | Wooden packaging | | | | | |
| | Bulky waste | 820,0 | | 3.020,0 | 7.340,0 | 6202,35 |
| | Discarded electric and electronic equipment other than that mentioned in 20 01 21 | 70,0 | 290,0 | 500,0 | 630,0 | 505,0 |
| | Glass packaging | | | 450,0 | | 0 |
| | Textiles | 100,0 | | | | |
| | Plastic fractions/plastic waste | 5.330,0 | 80,0 | 17,0 | 800,0 | 1.260,0 |
| | Iron, steel | | | 370,0 | 2.460,0 | 1.740,0 |
| High-quality paper | | 90,0 | | | | |
| Biogas plant - energy | Sludge from the treatment plant | 252.548,0 | 459.212,0 | 639.538,0 | 509.508,0 | 444.772,0 |
| | Materials unsuitable for use for Saubermacher/Koto | 33.742,0 | 41.580,0 | 56.210,0 | 59.105,0 | 50.320,0 |
| | Organic waste other than that mentioned in 16 03 05 | 36.140,0 | 42.690,0 | 16.430,0 | 61.800,0 | 24.648 |
| Re-use - animal feed | Mixture waste (from pâté) – SAPI | 1.505,0 | | | 637 | 4.332,0 |
| | Chicken bones | 482.149,0 | 642.970,0 | 590.028,0 | 532.823,0 | 441.808 |
| Composting | Biodegradable waste | 305,5 | 389,5 | 544,5 | 1.728,0 | 1.548,0 |

In 2022, the volume of waste (mainly floating layers and waste bones) decreased compared to 2021 due to longer delays (three weeks more due to outages/maintenance). In 2022, we equipped forklifts with scales to better differentiate between the waste volumes of SBU Savoury Spreads and Coffee SBU – thus determining that 70% of waste with classification number 15 01 02 Paper and cardboard packaging and waste with classification number 15 01 02 Plastic packaging is generated by SBU Savoury Spreads, and 30% by Coffee SBU. Previously, paper (15 01 01) and plastics (15 01 02) were divided in half between the two SBUs – therefore the amount of these two types of waste is higher compared to previous years. The volume of waste destined for use in the biogas plant to generate energy (mainly 16 03 06 Waste pâté, other raw material) was lower in 2022 than in 2021 (in that year more than 30 tonnes of hummus were disposed of because it contained ethylene oxide). Due to a spillage of edible oil during the transfer from the truck to the tanks, there were new types of waste that had not occurred in previous years (grease and oil mixtures, oil-contaminated water, etc.).

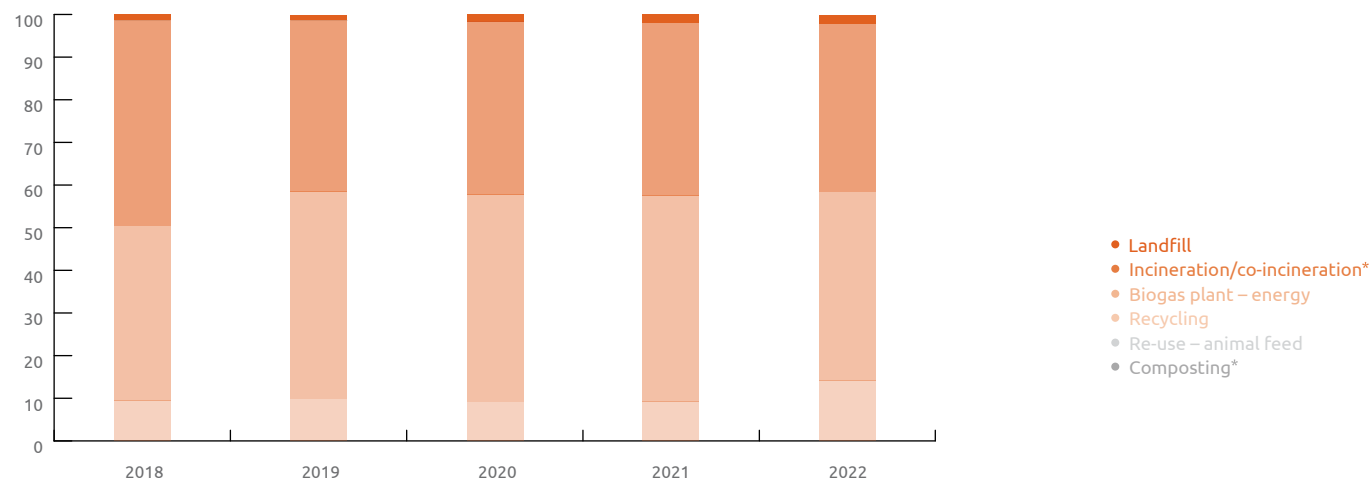
Waste at the ADK Izola facility, 2018–2022 in kilograms

| | Waste | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------------------------|-------------------------------------------------------------------------------------------|------------------|--------------------|--------------------|--------------------|--------------------|
| Incineration, co-incineration | Non-chlorinated engine, machining oils | 313,5 | | 7,5 | 90,0 | 0 |
| | Hazardous substance packaging | 16,0 | 249,0 | 35,0 | 433,0 | 368,2 |
| | Adsorbents, filter materials | 792,5 | 1.150,0 | 1.292,0 | 1.010,0 | 195,0 |
| | Discarded inorganic chemicals consisting of or containing dangerous substances | 5,0 | 2,5 | 14,5 | 2,0 | 173,0 |
| | Adsorbents, filter materials, wiping cloths, etc. | | | | 233,5 | |
| | Chemicals consisting of or containing hazardous substances | | | | | 14,0 |
| | Other solvents (laboratory waste) | 20,0 | 70,5 | 72,5 | 58,0 | 111,5 |
| | Oil filters | 27,0 | | 9,5 | | |
| | Chromates | | 1,0 | | 0,5 | 1 |
| | Waste paint and varnish containing organic solvents or other hazardous substances (ecol.) | | | 17,5 | | |
| | Chlorofluorocarbons | | | 2,5 | | |
| | Grease and oil mixture from oil/water separation containing only edible oil and fats | | | | | 880,0 |
| | Wastes containing other hazardous substances (16 07 09) | | | | | 800,0 |
| | Oil-contaminated water | | | | | 800,0 |
| | Batteries and accumulators not specified elsewhere | | | | | 20,0 |
| Landfill | Mixed municipal waste | 14.549,5 | 15.968,9 | 16.407,4 | 20.174,6 | 21.420,02 |
| | Total | 923.682,0 | 1.329.975,9 | 1.463.940,6 | 1.305.577,8 | 1.157.634,5 |

Waste management at the ADK Izola facility, 2018–2022

| | Recycling | Biogas plant – energy | Re-use – animal feed | Composting | Incineration/ co-incineration | Landfill | Total |
|-------------|-----------|-----------------------|----------------------|------------|----------------------------------|----------|--------------------|
| 2018 | 101.569,0 | 322.430,0 | 483.654,0 | 305,5 | 1.174,0 | 14.549,5 | 923.682,0 |
| 2018 | 11,0% | 34,9% | 52,4% | 0,0% | 0,1% | 1,6% | 100,0% |
| 2019 | 125.692,5 | 543.482,0 | 642.970,0 | 389,5 | 1.473,0 | 15.968,9 | 1.329.975,9 |
| 2019 | 9,5% | 40,9% | 48,3% | 0,0% | 0,1% | 1,2% | 100,0% |
| 2020 | 143.331,7 | 712.178,0 | 590.028,0 | 544,5 | 1.451,0 | 16.407,4 | 1.463.940,6 |
| 2020 | 9,8% | 48,6% | 40,3% | 0,0% | 0,1% | 1,1% | 100,0% |
| 2021 | 117.975,0 | 630.413,0 | 524.460,0 | 1.728,0 | 1.737,0 | 20.174,6 | 1.296.487,6 |
| 2021 | 9,1% | 48,6% | 40,5% | 0,1% | 0,1% | 1,6% | 100,0% |
| 2022 | 165.424 | 519.740 | 446.140 | 1.548 | 4917,0 | 21.420,0 | 1.157.634,5 |
| 2022 | 14,3% | 44,9% | 38,5% | 0,1% | 0,4% | 1,8% | 100,0% |

Proportion of waste in relation to the processing in the 2018–2022 period at ADK Izola



* value is less than 1%

Waste at the AA Sarajevo facility, 2018–2022 in kilograms

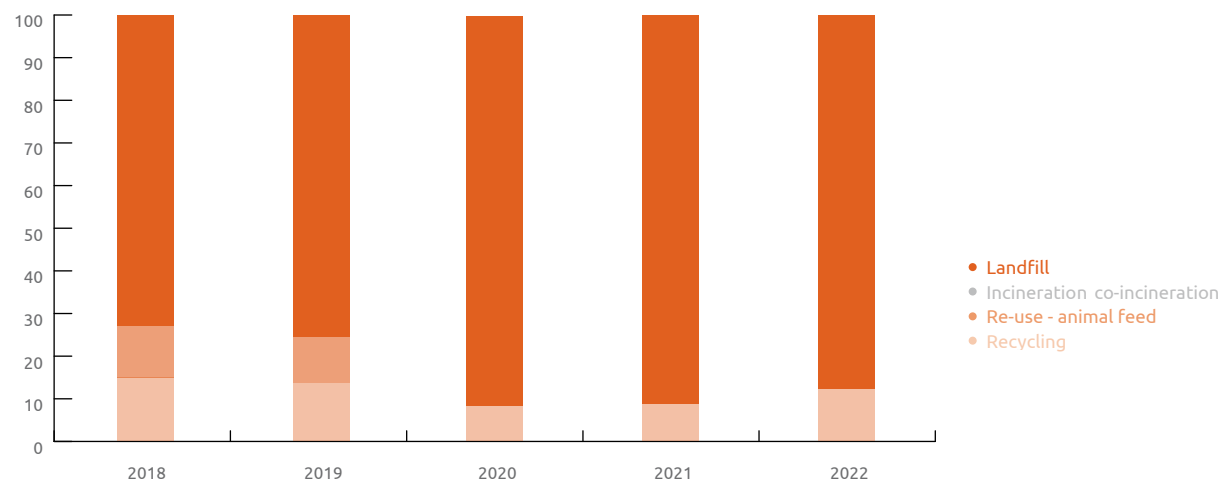
| Waste type | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------------------------------------|--------------------|------------------|--------------------|--------------------|--------------------|
| Cardboard, paper, nylon | 155.070,0 | 128.500,0 | 84.140,0 | 104.380,0 | 124.380,0 |
| | | 1.200,0 | 9.600,0 | 4.000,0 | 2.420,0 |
| Liquid organic waste (floating layers) | 152.607,0 | 173.000,0 | 128.500,0 | 110.500,0 | 120.500,0 |
| Mixture waste (pâté) | 2.373,0 | 0,0 | 1.209,2 | 2.799,0 | 1.265,0 |
| Solid organic bone waste – animal feed | 525.240,0 | 457.120,0 | 796.770,0 | 912.840,0 | 723.700 |
| | 124.520,0 | 102.300,0 | 0,0 | 0,0 | / |
| Mixed bulky waste | 65.520,0 | 77.845,0 | 103.355,0 | 97.570,0 | 91.910,0 |
| Metal waste | / | / | 3.220,0 | 2.110,0 | 4.480,0 |
| 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 | 35,0 |
| Non-chlorinated lubricating oils | 500,0 | 230,0 | / | 120,0 | 415,0 |
| Fluorescent tubes | 60,0 | 35,0 | 15,0 | 80,0 | 10,0 |
| Electrical waste | / | 15,0 | / | / | 100,0 |
| Absorbents, oily cloths | / | 15,0 | / | 80,0 | 10,0 |
| Waste toner | / | 70,0 | 120,0 | 5,0 | 50,0 |
| Waste printing toner containing dangerous substances | / | / | / | 30,0 | 16,0 |
| Hazardous substance packaging | / | / | / | 30,0 | 40,0 |
| Total | 1.026.022,8 | 940.492,5 | 1.127.072,0 | 1.234.532,0 | 1.069.331,0 |

The total volume of waste at the Sarajevo facility increased in 2020 and 2021 due to increased production (greater number of shifts and occasional Saturday work) and decreased in 2022 due to increased production of fish and chicken breast products compared to previous years (fewer bones, which constitute the bulk of the waste).

Waste management at the AA Sarajevo facility, 2018–2022

| | Recycling | Re-use – animal feed | Incineration/ co-incineration | Landfill | Total |
|-------------|-----------|----------------------|----------------------------------|-------------|--------------------|
| 2018 | 155.130,0 | 124.520,0 | 630,0 | 745.742,8 | 1.026.022,8 |
| 2018 | 15,1% | 12,1% | 0,1% | 72,7% | 100,0% |
| 2019 | 129.820,0 | 102.300,0 | 405,0 | 707.967,5 | 940.492,5 |
| 2019 | 13,8% | 10,9% | 0,0% | 75,3% | 100,0% |
| 2020 | 97.095,0 | 0,0 | 140,0 | 1.029.837,0 | 1.127.072,0 |
| 2020 | 8,6% | 0,0% | 0,0% | 91,4% | 100,0% |
| 2021 | 110.575,0 | | 248,0 | 1.123.709,0 | 1.234.532,0 |
| 2021 | 9,0% | 0,0% | 0,0% | 91,0% | 100,0% |
| 2022 | 131.440,0 | | 516,0 | 937.375,0 | 1.069.331 |
| 2022 | 12,29% | | 0,05% | 87,66% | 100,0% |

Proportion of waste in relation to the processing in the 2018–2022 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 increase 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 Argeta 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

Our approach to managing climate change and energy is comprehensive, as we work to mitigate the impacts of climate change while reducing the cost of energy. We manage energy in accordance with ISO 50001 and regularly update our energy policy.

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 2018–2022

| Izola | | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------|-----|-----------|-----------|-----------|-----------|-----------|
| Electricity | kWh | 2.288.631 | 2.755.405 | 2.784.697 | 2.603.835 | 2.336.504 |
| Network | kWh | 2.143.069 | 2.604.213 | 2.620.315 | | |
| RES | kWh | 145.562 | 151.192 | 164.382 | 2.603.835 | 2.336.504 |
| Gas | kWh | 5.617.709 | 6.505.070 | 6.658.715 | 6.658.715 | 6.113.798 |

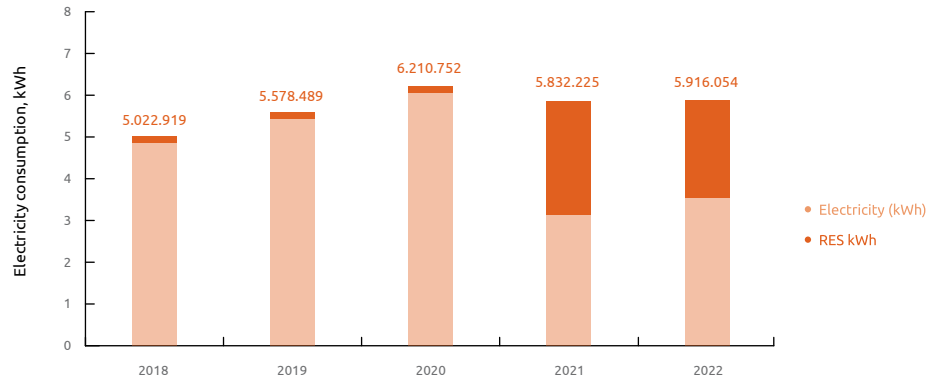
Sarajevo

| | | | | | | |
|-------------|-----|-----------|-----------|-----------|-----------|-----------|
| Electricity | kWh | 2.734.288 | 2.823.084 | 3.426.055 | 3.228.390 | 3.579.550 |
| Heating oil | kWh | 279.792 | | | | |
| Gas | kWh | 6.507.615 | 7.261.646 | 6.803.043 | 6.903.818 | 6.841.560 |

Total

| | | | | | | |
|----------------|-----|------------|------------|------------|------------|------------|
| Electricity | kWh | 5.022.919 | 5.578.489 | 6.210.752 | 5.832.225 | 5.916.054 |
| Thermal energy | kWh | 12.405.116 | 13.766.716 | 13.461.758 | 13.562.533 | 12.955.358 |
| Total (E + TE) | kWh | 17.428.035 | 19.345.205 | 19.672.510 | 19.394.758 | 18.871.412 |

Electricity consumption (and proportion of RES), 2018–2022



In 2021 and 2022, all electricity at the Izola facility came from renewable energy sources (RES), which resulted in a great improvement 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 2018–2022

| Izola | | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------|-------|-------|-------|-------|-------|-------|
| Electricity | kWh/t | 318 | 311 | 313 | 299 | 278 |
| Gas | MJ/t | 2.766 | 2.604 | 2.765 | 2.751 | 2.619 |

| Sarajevo | | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------|-------|-------|-------|-------|-------|-------|
| Electricity | kWh/t | 398 | 381 | 346 | 313 | 362 |
| Gas | MJ/t | 2.675 | 2.718 | 2.476 | 2.341 | 2.480 |

We are achieving a positive trend of reducing energy consumption per ton of products at the Izola production site, while the Sarajevo site shows a slight increase in 2022. In 2022, there was a modification concerning the split meter at the Sarajevo site; the energy consumption of the warehouse, which previously had a different tenant, has thus been added to the production. For this reason, there was an increase in consumption, but not due to an increase in production.

Calculation of carbon footprint based on energy sources consumed for production at ADK Izola and Atlantic Argeta Sarajevo production facilities 2018–2022

| ADK Izola | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------------------------------|-------|-------|-------|-------|-------|
| Emissions of CO ₂ , total (t) | 2.076 | 2.441 | 3.016 | 1.513 | 1.389 |
| Emissions of CO ₂ , scope 1 (t) | 1.275 | 1.477 | 1.552 | 0 | 1.389 |
| Emissions of CO ₂ , scope 2 (t) | 801 | 964 | 1.465 | 1.513 | 0 |

| AA Sarajevo | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------------------------------|-------|-------|-------|-------|-------|
| Emissions of CO ₂ , total (t) | 3.574 | 3.757 | 4.015 | 3.849 | 4.106 |
| Emissions of CO ₂ , scope 1 (t) | 1.379 | 1.445 | 1.375 | 1.396 | 1.386 |
| Emissions of CO ₂ , scope 2 (t) | 2.195 | 2.311 | 2.641 | 2.453 | 2.720 |

CO₂ 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 CO₂ per ton of product for production at ADK Izola and Atlantic Argeta Sarajevo 2018–2022

| ADK Izola | 2018 | 2019 | 2020 | 2021 | 2022 |
|----------------------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Production in tons | 7.198 | 8.856 | 8.895 | 8.715 | 8.406 |
| CO ₂ emissions in t | 2.076 | 2.441 | 3.016 | 1.513 | 1.389 |
| CO ₂ emissions in kg per ton of product | 288,4 | 275,6 | 339 | 174 | 165 |

| AA Sarajevo | 2018 | 2019 | 2020 | 2021 | 2022 |
|----------------------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Production in tons | 6.866 | 7.402 | 9.892 | 10.616 | 9.878 |
| CO ₂ emissions in t | 3.574 | 3.757 | 4.015 | 3.849 | 4.106 |
| CO ₂ emissions in kg per ton of product | 520,5 | 507,5 | 405 | 362 | 416 |

We achieved significantly lower CO₂ 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 leakages. By doing so, we make sure to minimise the amount of such gases leaking into the environment. CO₂ emissions at AA Sarajevo increased due to an increase in energy consumption per ton of product (reason: modified split meter).



Water consumption

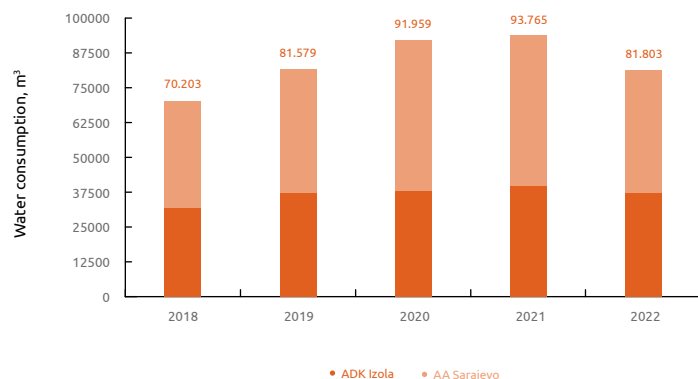
We draw public mains water for production at both locations. At ADK Izola we draw water from the public mains supply of the Rižanski vodovod Koper utility company. In 2015, the Ministry of the Environment and Spatial Planning issued us with a permit for direct use of water from facilities and plants for the supply of drinking water for technological purposes in the amount of up to 4 l/s or 180 m³ per day, with a yearly maximum of 35,000 m³. 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 m³ of drinking water annually, which we needed for the increase in our production capacities.

At Atlantic Argeta Sarajevo, city mains water from the Garovci reservoir is supplied by the utility company Komunalac. The Ministry 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.

Water consumption from the mains in 2018-2022

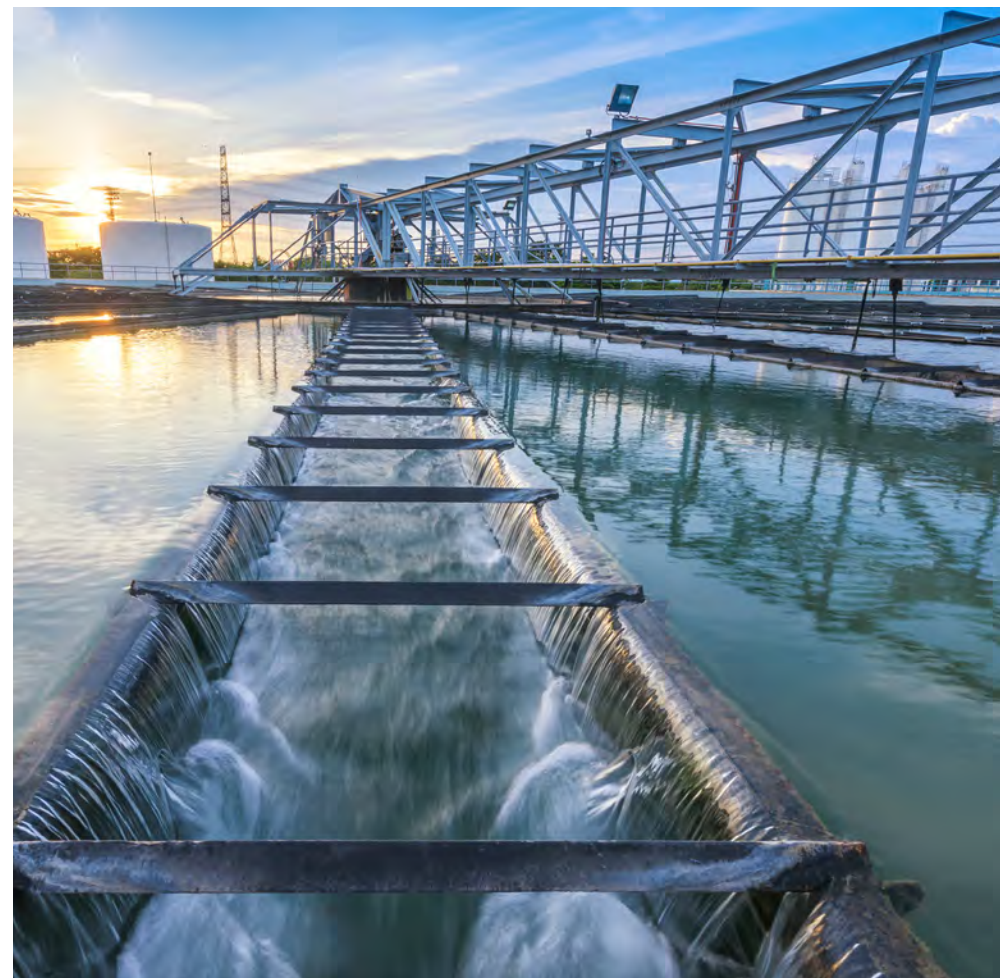


The rising volume of water used is closely connected with the increase in production. In 2021, the sterilisation technology at the Izola facility changed (replacement of autoclaves that use up more water), which is why more water was used per unit of product 2021 and 2022 compared to previous years.

Water consumption, 2018-2022

| Izola | | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------------|-------------------|--------|--------|--------|--------|--------|
| From the mains | m ³ | 31.797 | 37.253 | 37.921 | 39.616 | 38.364 |
| Per ton of product | m ³ /t | 4,42 | 4,21 | 4,26 | 4,55 | 4,56 |
| Sarajevo | | | | | | |
| From the mains | m ³ | 38.406 | 44.326 | 54.038 | 54.149 | 43.439 |
| Per ton of product | m ³ /t | 5,59 | 5,99 | 5,46 | 5,10 | 4,40 |
| Total consumption per ton | | | | | | |
| | m ³ /t | 5,0 | 5,0 | 4,9 | 4,9 | 4,5 |

Water efficiency water consumption relative to production (m³/t), 2018 - 2022



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 m³/h, which ensures 90–95% removal of fats and 70–80% reduction of the organic burden measured using the parameters of COD and BOD₅.

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 m³/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 2022, 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 |
| 2022 | 3 – all in accordance with the legislation | 3 – all in accordance with the legislation | once yearly |

*We conduct monitoring of 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.



**Commmittment
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. lack of access to opportunities and prosperity for all;
3. stressful lives 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 | Status 2022 |
|-----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Improving the quality of educational entertainment (edutainment) content for children. | <ul style="list-style-type: none"> • Number of content items. • Number of edutainment projects. | <ul style="list-style-type: none"> • 6 edutainment e-books for children. | <ul style="list-style-type: none"> • 9 edutainment e-books for children. | <ul style="list-style-type: none"> • 12 edutainment e-books for children. |
| Increasing access to high cuisine. | <ul style="list-style-type: none"> • Number of projects. • Number of participants. | <ul style="list-style-type: none"> • 3 products that enable greater access to high cuisine. | <ul style="list-style-type: none"> • 3 products that enable greater access to high cuisine. • European Food Summit & Wine Art sponsorships. | <ul style="list-style-type: none"> • 3 products that enable greater access to high cuisine. • Sponsorships: Wine Art, Portorož Business Conference, Diners Club golf tournament, Grajsko martinovanje (Ljubljana Castle) |



Focus 2:

Improving the quality of life in society

| Activities | Indicators | Status 2020 | Status 2021 | Status 2022 |
|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Financial support for sports, education and culture.</p> | <ul style="list-style-type: none"> Amount of funds for sponsorship and donations at least 1% of profits to be spent on sports, education and culture. | <ul style="list-style-type: none"> 2.1% of EBIT. | <ul style="list-style-type: none"> 3% of EBIT, of which 93% in sports, 5% in education and training, and 2% in culture. | <ul style="list-style-type: none"> 7.2% of EBIT, of which 89% in sports, 4% in education and training, and 7% in culture. |

Social responsibility

Social responsibility, sponsorship and donations

In line with its strategic orientations in the area of sponsorship and donations, Argeta practices social responsibility in the following three key areas.

Sport

Argeta has been supporting the development of Slovenian sport for several decades. It has supported sports associations, clubs and individual athletes, including the Croatian Alpine skier Filip Zubčić, promising young Slovenian BMX-rider Jaka Remec, German biathletes Vanessa Hinz and Sophia Schneider, and Austrian snowboarder Benjamin Karl.

It has also supported local and international sports events such as the 2021/22 Women's Ski Jumping World Cup Silvester Tour in Ljubno, the 2021 World Cup ski flying competition in Planica, the Ruhpolding 2022 Summer Biathlon World Championships, the Loka Cup youth alpine skiing competition, and Highlander Slovenia 2022.

Culture and education

Argeta supports the Sarajevo Film Festival, as well as professional conferences and associations such as the Slovenian Marketing Conference, Effie Slovenia, Sporto, the Slovenian Marketing Association and the Slovenian Advertising Chamber.

Caring for vulnerable social groups

Recognising its social responsibility and the importance of caring for vulnerable social groups, Argeta also supports the sponsorship programme "Botrstvo".

Sports sponsorship

The strategic approach to sports sponsorship is based on three key pillars. All sponsorships and activities are aligned with the brand strategy and values, as well as business objectives, allowing for the consistent and effective delivery of sponsorship activities.

Supporting top-level sport and involving fans

As Europe's leading producer of meat and fish spreads, Argeta supports those who dare to step out of their comfort zone. Those who like taking on new challenges, always looking for new ways to become the best version of themselves.

Argeta has taken a step further with the #AlwaysBetter sponsorship activation programme, changing the landscape of sports sponsorship. Launched in 2020, the programme promotes sport, motivates athletes and fans and brings them together. In this way, sponsorship activation goes beyond the mere display of a logo – by actively involving sports fans, it encourages the broader population to always strive to be better.

Promoting the development of top-level sport among children and young people

Argeta has been actively supporting the development of top-level winter sports in Slovenia for years. By supporting the Argeta Junior Cup series competitions in Nordic disciplines such as ski jumping, cross-country skiing, and Nordic combined, as well as Alpine skiing competitions, Argeta enables talented young athletes to gain their first competitive experience, while promoting a sporting lifestyle.

Supporting local sporting events and major international winter sports competitions

Argeta supports local and international sports events, enabling competitions to be held at the highest level. In addition to promoting Argeta's brand, these efforts also contribute to the visibility of the event in international markets and build Argeta's reputation and profile as a reliable partner in sports sponsorship.





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 online, where there is endless content aimed at children, but usually this is designed to distract rather than to educate or improve. Under the Argeta Junior sub-brand, which prepares well-known spreads for children, Argeta has marked the fifth 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 of the internet is intended for both 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 the 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 areas that are of the greatest interest to children, including science, environmental protection, and exploration, and it is interactive so as to deepen the children's knowledge and cognitive abilities.

We are aware of the growing importance of developing children's cognitive abilities and, in this context, of learning to think in a linear and especially creative way, as this is often overlooked in school curricula. Over the past year, we have therefore used the platform to introduce children to the world of creative thinking. In collaboration with Nastja Mulej, the only licensed De Bono thinking tools trainer in Slovenia, we created new books, games and challenges to help children develop their imaginations.

Argeta takes particular pride in its digital library as it is aware of the importance of reading and, above all, of cultivating children's imaginations, through both books as well as various interactive tasks that pull children into a story and help them actively experience it, while empowering them to make their own decisions about how to continue the narrative.



With all the (new) content on offer, Duckling Junior has become an even better friend to children and a great helper to parents across the region. And the figures prove it: so far, more than one million budding adventurers and their parents have visited the Junior Adventure platform, where Duckling Junior helps them build skills for the future.

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 Sustainability Reports are available at the following address:

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

The Argeta brand

The Argeta brand has previously reported on its sustainable development according to GRI standards in 2020 and 2021. These reports on the sustainability aspects of our operations were published on our website and as part of the overall Atlantic Grupa Sustainability Report. While the 2022 report has not been carried out according to GRI standards, it does provide an overview and a measurement of progress in that year.

Independent sustainable disclosure at the brand level is part of our comprehensive philosophy of excellence, by means of which we also set high standards for the brand in the area of sustainable development. Through our own example – with achievements and challenges – we address the entire value chain, including 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. We will continue to carry out annual sustainability reporting in the future.

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.

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ARGETA[®]
The good side of bread

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