

AGROKOR

Sustainability Report
2014 / 2015



The Agrokor Group is the largest privately owned company in Croatia and one of the leading companies in Southeast Europe. Quality, sustainable growth, development and business responsibility are basic corporate values of Agrokor.



Network Croatia
WE SUPPORT



Croatian Business Council
for Sustainable Development

Sustainability Report for 2014 and 2015 prepared in accordance with the G4 Sustainability Reporting Guidelines of the GLOBAL REPORTING INITIATIVE (GRI), Core option

Content

I. General Standard Disclosures

4. **STRATEGY AND ANALYSIS G4 1**
Statement by the President
5. **ORGANIZATIONAL PROFILE G4 3-16**
Name of the organization and location of the organization's headquarters
Legal form and nature of ownership
Scale of the organization and its workforce
Business structure
Operational organizational structure
Primary market brands and products
Countries and markets where the organization operates
11. **IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES G4 17-23**
Entities included in the organization's consolidated financial statements
Defining the report content and aspect boundaries
List of identified material aspects
12. **STAKEHOLDER ENGAGEMENT 24-27**
Basis for identification and selection of stakeholders with whom to engage
List of stakeholder groups engaged by the organization
15. **REPORT PROFILE G4 28-33**
Reporting period and cycle
Contact point for questions regarding the report and its contents
'In accordance' option
GRI Content Index
External Assurance Report - externally assured by the Croatian Business Council for Sustainable Development
16. **GOVERNANCE G4 34-55**
Governance structure and composition of Agrokor d.d.
Mechanisms for communicating critical concerns and recommendations to the Supervisory Board
17. **ETHICS AND INTEGRITY G4 56**

II. Specific Standard Disclosures

INDICATORS

19. **Category: Economic**
EC1, EC2, EC3, EC4, EC5, EC6, EC8, EC9
24. **Category: Social**
Sub-category: Labor Practices and Decent Work
LA1, LA3, LA4, LA6, LA9, LA10, LA11, LA12, LA13, LA16
Sub-category: Human Rights HR3, HR4, HR12
Sub-category: Society SO4, SO6, SO7, SO8
Sub-category: Product Responsibility
PR1, PR2, PR3, PR4, PR5
41. **Category: Environmental**
EN1, EN3, EN5, EN6, EN8, EN9, EN10, EN11, EN12, EN15, EN16, EN18, EN19, EN20, EN21, EN22, EN23, EN29, EN30, EN31
217. **Implementation of the UN Global Compact – Communication on Progress project in the Republic of Croatia**
219. **Annexes**
Annex 1: Agrokor Group Ownership Structure
Annex 2: List of Certified International Standards
Annex 3: List of Employees Involved in Drawing up the Report

G4 1

STRATEGY AND ANALYSIS

Statement by the President

Dear all,

I present to you the fourth Sustainability Report of the Agrokor Group covering 2014 and 2015. This Report has been prepared in accordance with the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI). Just like in the previous reports, the economic, employment, workforce, human rights, society and product responsibility indicators are presented as consolidated figures for the entire Group, while the environmental disclosures are presented separately for each company belonging to a particular group of related companies in order to allow for relevant intra-divisional comparisons and trend monitoring over time.

During the reporting period, we have faced various challenges arising from complex business circumstances in the countries where our companies operate. Moreover, the company also suffered the consequences of bad weather conditions, which adversely affected the economies in the entire region and therefore the business operations of some of our companies as well. Still, the relevant period was mainly marked by the acquisition and full integration of Mercator, not only from the aspect of successfulness of the merger performed, but also because of the synergy potential affecting the wider business community. Our partners, local and regional producers and suppliers, also benefit from the newly acquired market strength of the merged companies. More precisely, having strengthened and improved our competitiveness in the retail division, we can now introduce them to new markets and ensure opportunities for growth and sustainable operations. We have become a leading entity in the strategic retail and food production business segments, and have also confirmed our position as one of the leading companies in Central and Eastern Europe.

We have continued pursuing our clearly defined plan that envisages achievement of the goals and objectives we have set for our company, such as income growth, production modernization, competitiveness improvement, cost rationalization and business efficiency. I am happy to say that, in this period as well, we managed to affirm the chosen direction and achieve all the main strategic goals. I am also happy to see that the Agrokor family is developing into the largest business community in the countries where we operate, with impacts on the wider regional and European level. The Agrokor family does not only include the employees who contribute to achieving positive business results, but also all our business partners, suppliers



and producers, and, above all, the customers and buyers of our products and services. Our social responsibility is also reflected in the manner in which we perform our everyday operations. You can read more on the subject in our Report.

I believe that by preparing a report of this kind we demonstrate our dedication to achieving long-term sustainability of our operations and that by disclosing the details concerning our business decisions and choices we influence our environment and the community we operate in since, as a leading entity, we contribute to setting the pace and direction for business development. Through our membership in various associations that emphasize sustainability as one of the cornerstones of their business operations, we are committed to ensuring continuous enhancement and improvement in all our activities. In addition to the biannual report, we also prepare annual reports prescribed under the UN Global Compact agreement, in which we demonstrate our acceptance of the UN Global Compact principles and present the efforts invested to promote the same.

After reading and reviewing the Report, I kindly encourage you to send us your suggestions and comments.



Ivica Todorčić

President of the Agrokor Group

Name of the organization and location of the organization's headquarters

Agrokor d.d. (parent company) is a joint stock company established in the Republic of Croatia and entered in the register of the Commercial Court in Zagreb under Reg. No. 080020970, PIN 05937759187. The parent company's registered office address is Zagreb, Trg Dražena Petrovića 3.

Legal form and nature of ownership

The majority owner of the parent company is Adria Group Holding B.V., a company based in the Netherlands with an ownership share of 95.52%. The ultimate parent company is Agrokor projekti d.o.o., Zagreb, Croatia, and the ultimate owner is Mr. Ivica Todorčić. The main activities of the parent company and its subsidiaries (the Group) include retail sale, production and wholesale of food products.

Scale of the organization and its workforce

On December 31, 2015, Agrokor employed a total of 58,635 workers in all countries where it operates, including also the temporary and occasional workers. Most employees were once again recorded in the Republic of Croatia (28,550), followed by Slovenia (11,623), Serbia (11,466), Bosnia and Herzegovina (5,305), and other countries. 90.5% of all employees are covered by collective agreements.

Agrokor remained true to its long-term strategy of acting as a market leader in all its activities by offering the highest quality of products and services at favorable prices in its primary markets. The company places emphasis on maintaining and increasing the market shares of companies within both its business groups by implementing proactive measures in the form of efficient marketing strategies, by investing in prices as well as by ensuring adequate product portfolio management. We increased our market shares and maintained our leading positions in all business segments of the Food Production and Distribution Business Group, whereas the market shares in the Retail and Wholesale Business Group increased as a result of the acquisition of Mercator.

The significant impacts of the acquisition of Mercator were felt throughout 2015. The efforts were mainly directed to achieving further integration of retail operations, with an emphasis on achieving synergies. Among other, Agrokor's business development goals also include making upgrades to its online store platforms. As a result, the company started the first phase of operations using an upgraded online

store platform in 2015. The next step in this key area is the development of a new online shopping center that will offer the most recognizable regional and international non-food product brands. The company also made a strategic decision to direct more attention to wholesale operations in Croatia by transferring the said activities to a separate legal entity. Agrokor believes that wholesale business has a great potential, particularly if successful long-term cooperation is established with buyers from the HoReCa segment, considering Croatia's tourism potential.

If measured by its net sales, the Agrokor Group is the largest private company in the Adria Region. The revenues achieved in 2015 clearly reflect the impact of the acquisition and integration of Mercator in the Group. The Group includes some of the leading producers of food and beverages and some of the leading entities in the retail and wholesale market segments in Central and Eastern Europe. Our primary markets are Croatia, Serbia, Slovenia and Bosnia and Herzegovina. In our primary markets, our neighboring markets and more than 45 export markets, we serve more than 30 million customers.

Total revenues of the Agrokor Group in HRK 000

	2013	2014	2015
Total revenues	30,730,523	36,309,874	51,286,388

Total structure of liabilities broken down by own and external sources in HRK 000

	Dec 31, 2013	Dec 31, 2014	Dec 31, 2015
Total liabilities	33,084,027	50,403,615	52,819,676
Obligations	28,558,866	43,211,178	45,300,578
Equity	4,525,161	7,192,437	7,519,098

G4 3-16

ORGANIZATIONAL PROFILE

Operational organizational structure in 2015

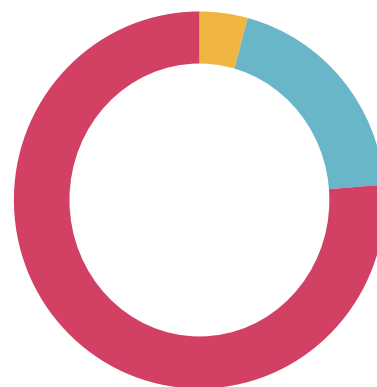
In the past ten years, Agrokor has made significant investments in all companies, thus creating the foundations for achieving growth and using the benefit of lower costs to additionally increase profitability and efficiency. Recognizing the correlation between customer needs, market trends

and innovation, Agrokor devotes special attention to research and development in the effort to achieve its long-term vision, i.e. to ensure competitive advantage and the highest production and quality standards.

The business structure of the Agrokor Group:

Agrokor - Ownership in Subsidiary Companies

BUSINESS GROUP RETAIL	BUSINESS GROUP FOOD	OTHER BUSINESS
Ambalažni servis d.o.o. HR..... 96.93%	Agrokor - Zagreb d.o.o. 80.34%	Agkor d.o.o. 55.30%
Ambalažni servis d.o.o. BIH..... 100.00%	Agrolaguna d.d. 85.22%	Agrokor AG 100.00%
Ambalažni servis d.o.o. Srbija..... 96.93%	Belje d.d. 94.23%	Agrokor - Energija d.o.o. 100.00%
Angropromet d.o.o. 96.93%	Dijamant a.d. 96.14%	Agrokor kft. 100.00%
Euroviba d.o.o. 91.57%	Frikom d.o.o. 55.30%	Agrokor - trgovina d.o.o. 100.00%
Idea d.o.o. 96.93%	Fonyodi kft. 80.44%	INIT d.d. 67.00%
Frikom Beograd dooel..... 55.30%	Irida d.o.o. 55.30%	Kor Broker d.o.o. 100.00%
Jamnica d.o.o. Beograd 80.44%	Jamnica d.d. 80.44%	Kron d.o.o. 100.00%
Jamnica d.o.o. Maribor 80.44%	Kikindski mlin a.d. 82.74%	L.G. Moslavina d.o.o. 100.00%
Konzum d.d. 96.93%	Ledo d.d. 55.30%	M-profil SPV d.o.o..... 100.00%
Konzum d.o.o. Sarajevo 100.00%	Ledo d.o.o. Čitluk 55.30%	mStart d.o.o. 100.00%
Krka d.o.o. 79.88%	Ledo kft. 55.30%	Projektgradnja d.o.o. 80.86%
Ledo d.o.o. Kosovo 55.30%	Ledo d.o.o. Podgorica 55.30%	
Ledo d.o.o. Ljubljana..... 55.30%	Mladina d.d. 48.98%	
Multiplus card d.o.o. 72.70%	Nova Sloga d.o.o. 100.00%	
PIK BH d.o.o. Laktaši 96.93%	PIK Vinkovci d.d. 70.87%	
Poslovni sistem Mercator d.d. 59.47%	PIK Vrbovec d.d. 96.93%	
Roto dinamic d.o.o. 80.44%	Sarajevski kiseljak d.d. 80.34%	
Roto ulaganja d.o.o. 100.00%	Sojara d.o.o..... 51.84%	
Super Kartica d.o.o. BiH..... 100.00%	Solana Pag d.d. 96.93%	
Super Kartica d.o.o. Srbija..... 64.95%	Vupik d.d. 88.34%	
Tisak d.d. 67.35%	Zvijezda d.d. 51.84%	
TPDC Sarajevo d.d. 51.00%		
Velpro-centar d.o.o. 96.93%		
Zvijezda d.o.o. Ljubljana..... 51.84%		
Zvijezda d.o.o. Sarajevo 51.84%		
Žitnjak d.d. 86.68%		



ORGANIZATIONAL PROFILE

Primary market brands and products, and the most significant awards

Waters and Soft Drinks

Jamnica
Sensation
Jana
Jana voda s okusom voća
Jana Ice Tea
Jamnica Prosport
Sarajevski kiseljak
Sky
Sky selection
Ski
Mg Mivela
Fonyodi
Ginger

Ice Cream
and Frozen Food

Ledo – Snjeguljica, Silk Milk, Maximo,
King, Kornet, Macho, Rumenko,
Kontiki, Quattro, Grandissimo, Twice;

Frikom – Kapri, King, Maximo, Macho,
Rumenko, Sneško, Leni, Čoko Moko,
Cmok, Šarenko, Rum koktel, Korneti,
Calipso, Bla bla, Quattro, Grandissimo,
Strauss, Fantasy, Vulkano, Twice;

Oil, Margarine and
Mayonnaise Products,
Cheeses

Zvijezda, Margo, Omegol,
Ol Dalmatia
Dijamant, Dobro jutro
Ol Istria, Sir Laguna



Meat and Meat Products

PIK svježe pakirano meso
PIK VOLIM ROŠTILJ
PIK šunka
PIK Mortadela
PIKO
PIK hrenovke
PIK Trajne kobasice
PIK kobasice za
kuhanje i pečenje
Sljeme
Panona
Rustika



Belje
Baranjski kulen
Belje Homemade Smoked Bacon
Baranjska kobasica

ABC Fresh Cream Cheese
ABCela
Vajkrem



Flour and Salt

Kikindski mlin Flour
Kikindski mlin Pasta

Pag Sea Salt
Solana Pag Salt Flower

Viticulture and
Wine Production

Belje -
Vina Belje,
Vina Belje Goldberg
Agrolaguna -
Vina Laguna,
Vina Laguna Festigia
Mladina -
Gaj, Poy,
Podrum Mladina

Retail

Konzum, Mercator, Idea, Roda

K Plus, K Plus Volim najbolje, K
Home, Standard, Dax, Olea, Bebe,
manXtreme, Buddy, Kitty, Era,
Dentoral, Natur, Ukusi mog kraja
Dream Factory
Konzum Benz, Konzum Klik
Velpro, Rial
MultiPlusCard, Super Kartica, Pika
kartica
Tisak centar usluga, Tisak paket, Tisak
Media

Konzum Hrvatska
Konzum BiH

K Plus, K Plus Volim najbolje, K
Home, Standard, Dax, Olea, be be,
manXtreme, Buddy, Kitty, Era,
Dentoral, Natur, Dream Factory

Idea
Roda
Mercator
Ukusi mog kraja
Konzum Benz
Konzum Klik
Velpro, Rial
Super Kartica
MultiPlusCard
Pika kartica
MultiPlus mobile
Tisak Centar usluga, Tisak paket
Tisak Media



G4 3-16

ORGANIZATIONAL PROFILE

The most significant awards received by the Group companies

Solana Pag	2015 - big gold medal at the Novi Sad Fair for Solana Pag fine sea salt	Dijamant	My Choice , Serbian customer choice award for sunflower oil and corporate award for Dijamant in 2014; My Choice , Serbian consumer award for sunflower oil in 2015; The Best from Vojvodina award for Dijamant oil in 2014 and 2015; QUDAL 2014/2015 for the highest quality of the Dijamant mayonnaise
Jamnica	Mineral Water Challenge Portugal 2015 : gold medal for the best carbonated mineral water	Kikindski mlin	Novi Sad International Agricultural Fair 2015 : large trophy for the high quality of mill and pasta products, big gold medal for quality for wheat semolina and wheat grits; gold medal for wheat flour T-500, graham flour, macaroni pasta, Grkljančići pasta
Sensation	Mineral Water Challenge Portugal 2015 : gold medal for the best flavored carbonated water	PIK Vrbovec	European Business Award for innovativeness and excellence in the category: customer orientation award
Jana	Valicon - No. 1 brand in Croatia 2015; Mineral Water Challenge Portugal - 4th place in 2015	Baranjski kulen	Kulenijada food festival in Jagodnjak in 2015, gold medal
Jana flavoured water	Mineral Water Challenge Portugal - silver medal in 2015	ABC Fresh Cream Cheese	2014 - Superior Taste Award , Bruxelles, 3 stars awarded (maximum); Best Buy Award 2014/2015 Croatia, label awarded; World cheese championship, USA , fourth place in the category of spreadable cheeses; Superbrands Croatia and Bosnia and Herzegovina , label awarded; QUDAL no. 1 in quality in 2013 and 2014, Croatia 2013/2014, label awarded; 12th Business Fair in Grubišno polje, ABC svježi krem sir kulen (ABC Fresh Cream Cheese Dry-cured Red-pepper Flavored Salami), champion title; 2015 - Superior Taste Award , Bruxelles, ABC svježi krem sir classic (ABC Fresh Cream Cheese Classic), 3 stars awarded (maximum); Novi Sad International Agricultural Fair, Serbia , two gold medals and the champion title; 13th Business Fair in Grubišno polje , ABC svježi krem sir hren (ABC Fresh Cream Cheese Horseradish), champion title; ABC svježi krem sir kulen (ABC Fresh Cream Cheese Dry-Cured Red-pepper Flavored Salami), gold medal; ABC Spužva Bob Skockani (ABC Sponge Bob Squarepants), gold medal
Sarajevski kiseljak	iTQi - International taste and quality institute , Crystal Taste Awards 2014 and 2015, award for the highest appraisals of taste and quality in the past three years for Sarajevski kiseljak and Sky Cola	Vina Belje	2015 - Emozioni dal Mondo: Merlot e Cabernet insieme : gold medal for Goldberg Merlot 2012; Mundus vini , gold medal for Goldberg Graševina 2006 and 2011; 16, VinAgora International Wine Competition , Budapest: gold medal for Goldberg Merlot 2012; DECANTER World Wine Awards, London : silver medal for Goldberg Chardonnay 2006 and High Quality Graševina 2013; Chardonnay du Monde, Chaintreuil - France : silver medal for Goldberg Chardonnay 2012 and 2013; Vinalies Internationales, Pariz, France : silver medal for Goldberg Chardonnay 2012 and 2013 2014 - Emozioni dal Mondo: Merlot e Cabernet insieme : gold medal for Goldberg Merlot 2012; Mundus vini, Njemačka : gold medals for High Quality Graševina 2006, Goldberg Merlot 2012, Goldberg Frankovka 2012 and Goldberg Graševina 2012; DECANTER World Wine Awards, London : regional trophy and gold medal for Goldberg Graševina 2006; Selections Mondiales des vins Canada : Vina Belje Goldberg Frankovka, 2012 selection; Vinalies Internationales, Pariz, Francuska : silver for Cabernet Sauvignon 2009, High Quality Graševina 2012 and High Quality Graševina 2006
Mivela	Global Bottled Water Awards , Lisabon 2015,		
Ledo	International Ice Cream Consortium 2014 , Hohhot, Kina, award for the most innovative ice cream - Ice Snack		
Frikom	2014 - award for the best technical solution for King Prestige Brownies ice cream, International Ice Cream Producer Association; gold medal for Frikom's Narandžica ice cream - Prodekspo 2014 - International Exhibition of Food and Beverages, Moscow; silver medal for Frikom's Parfe in the category of product packaging design innovation and convenience, Prodekspo 2014 - International Exhibition of Food and Beverages, Moscow; My Choice consumer award in the category of fruit and vegetables; 2015 - the Frikom Basket project won first place for the best sports sponsorship in Serbia - Sports Awards; the Frikom Basket project won silver medal for the best sports sponsorship in Europe - European Sponsorship Association (ESA); YouTube video King was declared the best commercial in 2015, The Night of the Ad Eaters;		
Zvijezda	Best Buy Award, General Survey - Croatia 2014/2015 for the best price and quality ratio in the margarine and mayonnaise category		
Ol Istria	2014 - Liquor d'Ulivi , Associazione Internazionale Ristoranti dell'Olio (International Association of Oil Restaurants), Italy - Ol Istria Ascolana, the best foreign extra virgin olive oil; Povenjak , Ol Istria Pendolino, the best store-sold olive oil; Olive d'Or , Canada - silver medal for the Ol Istria Selection extra virgin olive oil in the international competition; 2015 - Olive d'or Canada: gold medal for Ol Istria Pendolino; New York International Olive Oil Competition , gold for the Ol Istria Picholine, silver for Ol Istria Ascolana; Flos Olei 2015 - Ol Istria Pendolino; TERRA OLIVO 2015, International Extra Virgin Olive Oil Competition , gold medal for Ol Istria Ascolana, gold medal for Ol Istria Picholine; Los Angeles Extra Virgin Olive Oil , bronze medal for Ol Istria Picholine, silver medal for Ol Istria Istarska bjelica		

Vina Laguna 2015 - **DECANTER World Wine Awards, London:** gold medal and regional trophy for Vina Laguna Castello 2012; **Emozioni dal Mondo: Merlot e Cabernet Insieme:** gold medals for Vina Laguna Festigia Castelo 2013, Festigia Merlot 2013 and Festigia Cabernet Sauvignon 2013; **Mundus Vini – springtasting, Germany:** five gold medals for the following whites: Vina Laguna Festigia Malvazija 2013, Vina Laguna Festigia Riserva Malvazija Vižinada 2011, Vina Laguna Festigia Riserva Malvazija Akacija 2012, Festigia Riserva Malvazija Vižinada 2013, and one red wine: Vina Laguna Festigia Merlot 2012; **Mundus Vini, Germany:** Vina Laguna Cabernet sauvignon Festigia 2010; **2014 - International Wine Challenge, London:** gold medal for Vina Laguna Festigia Malvazija Vižinada 2011; **Mundus Vini 2014 – Spring Tasting, Germany:** gold medal for Vina Laguna Malvazija 2013, Festigia Malvazija 2013 and Festigia Vižinada 2011

Podrum Mladina 2014 - **Continental Croatia Wine Exhibition, Sv, Ivan Zelina:** POY Premium, gold medal; POY Rose Selected, gold medal; **Jastrebarsko Wine Games:** POY Rose Selected, gold medal and the Sparkling Wine Champion title; **2015 - Portugieser Du Monde Pecs:** Portugizac 2014, silver medal; **Continental Croatia Wine Exhibition, Sv, Ivan Zelina:** POY Premium, silver medal; POY Selected, silver medal; **Jastrebarsko Wine Games:** POY Selected, silver medal; POY Rose Selected, silver medal

Idea Best Buy Award 2013/2014
Best Buy Award 2015/2016

Mercator-S Superbrands 2015/2016

Konzum 2014/2015 **Best Buy Award**, Fresh Meat Department; **Best Buy Award**, Fish Department; **Qudal:** best commercial chain – Fish Department

Konzum BiH **Best Buy Award**, no. 1, the best price and quality ratio 2015/2016 in the Retail Chain and Internet Shopping categories; **Quadal** 2014/2015, no. 1 in quality, Retail Chain categor; **Posao,ba**, title of the Most Desirable Employer in 2015; **Directorate of the Agency for the Selection of the Best managers in Bosnia and Herzegovina, Southeast and Central Europe** - awards in the Best Company of the Decade and Best Manager in 2015 categories

MultiPlus **Loyalty Awards 2014:** Best Coupon or Voucher Based Loyalty Programme; Best Loyalty Industry Innovation; **Loyalty Awards 2015:** finalist in the Best Coupon or Voucher Based Loyalty Programme and Best Loyalty Industry Innovation categories



Mineral Water Challenge Portugal 2015
gold medal for the best flavored carbonated water



Superior Taste Award 2015,
ABC Fresh Cream Cheese Classic,
3 stars awarded

G4 3-16

ORGANIZATIONAL PROFILE

Countries where the organization operates

The Agrokor Group operates in the entire Adria Region. In terms of the significance of business operations, Croatia, Slovenia, Serbia and Bosnia and Herzegovina are the company's primary markets. In these markets, Agrokor achieves results and impacts that are considered particularly important in terms of sustainability.

Supply chain

In the Retail Business Group, a Category Management function was put in place for the purpose of ensuring adequate commercial goods supply management. Different teams have thus been assigned responsibility for different groups of products. These teams perform all activities related to the relevant group of products, from negotiating the terms of sale and prices, to determining the required amounts, and similar.

The Central Procurement function is responsible for all goods and services supplied for the Group's own purposes. These supplies are used by a large number of Group companies and have been recognized as the goods and services that are best supplied centrally because, in doing so, the Group takes advantage of the impact of quantity. The centrally procured goods include, for example, energy sources, vehicles and equipment, while the centrally procured services include, for example, communication, security, maintenance and cleaning services. The goal of the Central Procurement function is to create synergy effects for the benefit of Group companies by arranging the purchase of particular goods under more favorable terms compared to those that individual Group companies could negotiate in the market acting independently. In order to arrange the most favorable terms for the Group companies, in its negotiations with suppliers Central Procurement emphasizes its need for substantial volumes. Non-commercial goods used by only one or a small number of Group companies are supplied independently through local procurement departments.

Considering the large volume of retail operations performed within the Group, it is not surprising that Agrokor cooperates with a large number of suppliers at the regional and particularly at the national level. In 2015, the Group cooperated with more than six thousand suppliers.

Pursuant to its business policy, the Agrokor Group always strives to cooperate with suppliers that use ecologically acceptable and environmentally friendly energy sources. Supplier values perceived by the Group as advantages include efforts to ensure reduction of pollution and adverse environmental impacts, human and labor rights protection, and similar. If the competitiveness criterion is met, Agrokor prefers to include in its supplier portfolio the suppliers that foster sustainability as one of their core values.

A portion of the Group's electricity supplies refers to Zel-En (*Green Energy*), a type of electricity produced by HEP Opskrba exclusively from renewable sources at hydro power plants.

The Agrokor Group cooperates with more local than foreign suppliers. Although guided by the principle of competitiveness at all times, it's in line with the Group's policy to give preference to local suppliers, thus encouraging complete, quality and solid growth and development in the market where it operates.

Considering its engagement in various fields of business, each of which is characterized by distinctive features, Agrokor operates with different types of suppliers. In order to ensure the most favorable scenario for the Group, Agrokor and Agrokor companies insist on establishing business relationships with entities that are, in terms of the distribution channel, as close to the source as possible, i.e. the producer itself. If such business process organization is not possible, Agrokor and Agrokor companies also cooperate with various agents, wholesalers, subcontractors and distributors.

Because of the complexity and diversity of individual Group companies and the fact that they operate in different sectors, the Group's supply chain is rather diversified. While the retail operations of the Group are very labor intensive, the FMCG part, on the other hand, is rather capital-intensive and high-tech oriented.

Significant changes relating to the supply chain during the reporting period

The Agrokor Group fosters lasting and stable relations with all its key suppliers since they represent our exceptionally important business partners. We should note that, compared to the previous period, there were no material changes that affected the supply chain in 2015. The Group maintained its existing supply chain structure and organization since it is founded on solid foundations and ensures satisfaction of all partners involved.

Membership in local and international organizations and associations

HUP (Croatian Employer's Association)
 HGK (Croatian Chamber of Commerce)
 HR PSOR (Croatian Business Council for Sustainable Development)
 GIUPAK (Economic Interest Grouping for Packaging and Environmental Protection)
 GIUPPH (Economic Interest Grouping of Croatian Beverage Producers)
 Eko-Ozra
 HKK PPS (Croatian Food Sector Competitiveness Cluster)
 FoodDrinkEurope
 UN Global Compact

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

Entities included in the organization's consolidated financial statements

All business entities listed in Annex 1 (Business Structure of the Agrokor Group) are included in the Consolidated Financial Statements of the Agrokor Group.

Defining the report content and aspect boundaries

The application of the G4 Sustainability Reporting Guidelines has allowed Group companies more freedom in identifying material aspects compared to the requirements of the previous version of GRI Guidelines. The reporting teams initially met at the training in the implementation of new guidelines that was based on the application of the Reporting Principles for Defining Report Content, after which they proposed the indicators they considered material to their operations. Thereafter, two more rounds of consultations were held across Group companies in order to make the final identification of material business aspects and the selected material aspects were revised once more after the 2014 UN Global Compact Annual Report had been prepared. The entire process was greatly supported by concerted efforts of colleagues from

groups of related companies (e.g. the frozen food production segment encompasses four companies), which helped determine the specific features common to a particular segment, while also taking into consideration the distinctive features of each individual company in it.

Material Aspect Boundaries have been determined on the basis of the estimated impacts of Group companies and their materiality to the identified stakeholder groups. Environmental Aspect Boundaries were therefore determined as the immediate environment of the point of impact. It can therefore be asserted that such environmental impacts are limited to the local level, except for the impacts of energy production which have a global dimension because it generates greenhouse gas emissions. The economic and social aspects of the Agrokor Group are limited to the region in which the Group companies perform their activities.

In order to improve the reporting process in the next period, Agrokor will define particular goals for different areas and regularly report on the related goal achievement progress. We believe that, in doing so, we will facilitate the management of our operations and ensure that the activities performed to achieve the set goals and their contribution to sustainability of operations are presented in a more transparent way.

The following material aspects have been identified:

- Economic impacts
- Procurement practices
- Materials
- Energy
- Water
- Biodiversity (only Belje)
- Emissions
- Effluents and waste
- Compliance
- Transport
- Overall
- Employment
- Labor/management relations
- Occupational health and safety
- Training and education
- Diversity and equal opportunity
- Equal remuneration for men and women
- Labor practices grievance mechanisms
- Non-discrimination
- Human rights grievance mechanisms
- Freedom of association and collective bargaining
- Local communities
- Compliance
- Customer health and safety
- Products and services labeling
- Compliance

In accordance with our sustainable development strategy and the key aspects of the same, the content of the Report was defined in consultation with Agrokor's most important stakeholder groups. Stakeholder inclusion still represents, as in the case of most reporting companies, a special challenge. Although the companies are in everyday contact with various stakeholder groups and thus continuously maintain a certain level of communication with the same, it is quite challenging to achieve a good response to a special invitation for consultation purposes. Stakeholder engagement therefore remains an area where further intensive efforts are required to get an understanding of the needs of the stakeholders we find relevant for our operations, as well as to make them more familiar with the logic behind certain of our business decisions. It is only through transparent communication that we can get an understanding necessary to achieve such business development that also meets the needs of the stakeholder groups that the companies are associated with.

Just like in our previous reports, we provide information on various stakeholder groups that Agrokor companies have defined, in their separate mission and vision statements, as essential for their operations and success. Due to our mutual interests and the wish to better understand each other, we try to keep regular contacts with the following stakeholder groups:

Customers

Customers are an extremely important stakeholder group for all Agrokor companies. Their comments collected through various surveys make the basis for improvement of our existing products and development of new ones. We adjust the products and services to the needs of our customers and changes in their habits and trends. We dedicate special attention to the quality of our products. For that purpose, we have made free customer phone lines available to our customers in all our companies as well as ensured that the customers have the opportunity to submit their suggestions and comments via electronic mail and online interface. In addition, customer cards are used to follow the habits and needs of individual customers. Based on such information, our retail chains design special deals, discounts and benefits for their customers.

Employees

Agrokor companies always emphasize and prove that employees are their most valuable resource. By providing opportunities for continuous advancement and additional education as well as through career development planning, we try to motivate our employees and increase their satisfaction and efficiency. In return, we expect them to demonstrate the highest standards of excellence. Our employees, from all levels, are actively involved in the process of proposing and creating improved solutions, and their working environment offers them opportunities for continuous business and personal development.

Trade Unions

Once again we are proud to emphasize that Agrokor companies are the first companies in Croatia that have integrated collective bargaining in their business models for managing relationships with employees and unions. We apply the same practices in other countries in the region as well, subject to local laws and regulations however. At Agrokor companies, trade unions are involved in the decision making process through Workers' Councils and they also have an opportunity to supervise company operations through memberships in Supervisory Boards. The Agrokor Group supports and finances charity, educational and sporting activities responding to trade union initiatives.

Suppliers and partners

We cooperate closely with our suppliers and partners in order to create values for our customers and stakeholders that are adjusted to their needs. Joint commitment to sustainable development and compliance with the highest quality standards are the core requirements set for Agrokor companies, and they also apply to the partners that we cooperate with. Through intensive cooperation we create and improve business relationships, thus contributing to the achievement of direct business results and long-term goals associated with sustainable development.

Shareholders and financial institutions

The long-term strategy of the managements of Agrokor companies is directed towards increasing the value of shareholder capital. We have been earning the trust of our shareholders, investors and financial institutions for years, confirming our dedication to creating new values on the basis of our results. Through regular reporting and making sure that information about our business operations is available to all our stakeholder groups as well as through mutual interaction with the same, we ensure that mutual needs and demands are satisfied and we build trust which is the cornerstone of our relationships.

Local and central authorities

Each Agrokor company is closely associated with the environment in which it operates because it participates in its development and efforts aimed at raising the quality of living in the same by employing local population and paying local contributions. As one of the largest business entities in the region, the Agrokor Group carries additional responsibility to create a transparent, fair and motivating business environment. Our employees and companies continuously cooperate with all relevant institutions in the countries where we operate, and provide the required professional assistance and expertise depending on the requirements and needs of the state institution concerned. Through our dialogue with local

and central authorities, we help create business conditions for the benefit of all interest groups.

Community

The Agrokor Group is closely associated with the communities in which we create new economic value. Participation in local initiatives is therefore integrated in our corporate culture. Through various activities, our employees impact community development and contribute to raising the quality of living in their respective communities and propose financing of activities they consider truly important. Such activities are primarily associated with charity, protection of cultural heritage, preservation of environmental resources, art and culture, and projects pertaining to children and youth. By being actively involved in the activities carried out in their local communities, our employees and companies contribute to further development of the same, at all levels and in all spheres where such efforts are required. In that way, we help create a positive and sustainable business and living environment.

Let us mention, as one of the examples of our interaction with our stakeholders, the situation when a citizen of Zagreb living at Gupčeva Zvijezda complained to Konzum that the early delivery of goods to the nearby store, which usually started at 5:45 a.m., disturbed the night rest of the people living in the vicinity, thus significantly affecting the quality of living of the tenants of her and the neighboring buildings. In response to the complaint and respecting the wishes of the people concerned, Konzum not only rescheduled the delivery time to after 8 a.m., but also reduced the number of deliveries to the relevant store by optimizing the arrangement of transported goods.

In addition, in November 2014, Konzum supported the initiative “Mali hrvatski proizvođač” (Small Croatian Producer), allowing the participants to hold a Domestic Products Fair with a Sales Exhibition in a specially decorated space in front of the Konzum Store at Črnomerec in Zagreb, gathering more than 50 exhibitors. The smallest companies and family farms thus got an opportunity to present themselves to a large number of visitors. Konzum is dedicated to supporting domestic production and often and gladly gathers small producers that make the finest traditional products in its stores. This type of support gives the small producers an opportunity to present themselves to a large number of visitors and acquire new buyers. Producers of traditional delicacies such as honey, wine, cheese, meat and meat products, sweets, eco-cosmetics and handiwork come from all parts of Croatia, from Slavonia, Međimurje, Zagorje, Lika and Gorski kotar, to far southern parts of Dalmatia. In doing so, Konzum supports the efforts to preserve the traditional way of producing food and other products.



Customers are an extremely important stakeholder group for all Agrokor companies. Their comments collected through various surveys make the basis for improvement of our existing products and development of new ones.

Our Sustainability Report contains consolidated data for the entire Group presenting a set of indicators associated with economy, employment, workforce, human rights, community and product responsibility. Environmental indicators are once again presented separately for each company in order to allow comparison with the data from previous reports as well as keep their material value and relevance. In doing so, we have allowed monitoring of environmental impacts of each presented Agrokor company in this reporting period as well.

This Report is based on the data collected from the following companies:

AGRICULTURE: Agrolaguna, Belje, PIK Vinkovci,

Vupik, Solana Pag, Kikindski mlin;

ICE CREAM AND FROZEN FOOD: Ledo, Irida, Frikom,

Ledo Čitluk, Ledo Kft;

OIL, MARGARINE AND MAYONNAISE PRODUCTS:

Zvijezda, Dijamant, Sojara Zadar;

WATERS AND SOFT DRINKS: Jamnica, Sarajevski kiseljak,

Fonyodi, Nova sloga, Mladina;

MEAT AND MEAT PRODUCTS: PIK Vrbovec;

RETAIL: Konzum, Mercator, Mercator S, Konzum BiH i Tisak;

OTHER ACTIVITIES: Agrokor trgovina, mStart, Agrokor Energija.

Just like in the previous reports, the companies performing different business activities were classified according to the activity with the most significant volumes achieved.

Reporting period and reporting cycle

Agrokor opted to report in two-year cycles. This is our fourth Sustainability Report. It covers two reporting years, namely 2014 and 2015. The previous report was prepared for 2012 and 2013 and was published in September 2014. In our companies, business and calendar year mean the same.

Contact point for questions regarding the report and its contents

For all questions regarding this report, please contact:

Marta Bogdanić

Agrokor d.d.

Trg Dražena Petrovića 3

10000 Zagreb

Croatia

marta.bogdanic@agrokor.hr

'In accordance' option

This is the first report that we have prepared in accordance with the requirements prescribed under the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative. We have opted for the core option, and have asked the Croatian Business Council for Sustainable Development (HR PSOR) to assure the report content.

GRI REPORT CONTENT INDEX

For all questions regarding this report, please contact:

General Standard Disclosures

Strategy And Analysis (G4-1)

Organizational Profile (G4-3 - G4-16)

Identified Material Aspects And Boundaries (G4-17 - G4-23)

Stakeholder Engagement (G4-24 - G4-27)

Report Profile (G4-28 - G4-33)

Governance (G4-34)

Ethics And Integrity (G4-56).

Agrokor's fourth Sustainability Report brings us novelties regarding the results achieved by 61 Group subsidiaries over the past two years. Due to their highly complex structure, the transition to reporting under the G4 Guidelines of the Global Reporting Initiative (GRI) required additional efforts from the entire team involved in the preparation of the Report.

The Agrokor 2014/2015 Sustainability Report applies all relevant reporting principles and its content is in compliance with the GRI G4 compliance guidelines – the Core Option. A positive aspect of this is that each new Report helps enhance a process by offering improvements in its presentation and application of socially responsible business practices.

A particular challenge involved in the transition from the G3 version of the Guidelines to the G4 version was to determine the material aspects and consider what is truly relevant to the company's business, as well the aspects it is able to affect the most. One of the benefits provided is the fact that corporations are no longer required to disclose information in a broad range of topics and are thus able to focus on a smaller number of key performance indicators having the greatest impact on the stakeholders and the environment.

The first part of the Agrokor Report provides general information where the reader learns about the governance and organizational structure of the Group, its business areas, corporate culture and the profile of the Sustainability Report. Irrespective of changing the guidelines version, the data are comparable to Agrokor's earlier Reports, but also to information for other companies having a similar structure or operating in similar business areas. One of the novelties is that this Report defines 26 aspects identified as material and representing a framework for the second part.

Good economic indicators recorded during the relevant two-year period contributed to the stability of the business and the enlargement of the Group, both in terms of business entities (Mercator) and the number of employees. At the end of 2015, the large Agrokor Group family employed over 58,000 people, which makes it the largest private corporation in this part of Europe. As the Group holds a large share in the food sector, Agrokor made a significant contribution to providing training in the food production and environmental protection

segments during the reporting period by organizing a number of professional conventions and conferences in Croatia and its surrounding region.

A particular focus was placed on retaining and recruiting experts and additionally training employees for the purpose of attaining the highest level of readiness to achieve the Group's strategic objectives. In addition, the Group launched and supported numerous cultural and humanitarian initiatives within the social community. By considering the particularities of each environment in which a Group entity operates and identifying the needs of the local community, Agrokor demonstrated its commitment to taking actions important to the stakeholders. Reports of interactions with the local community in the Society segment also build stakeholder trust and stimulate development.

Being the most comprehensive part of the Sustainability Report, the third part addresses environmental aspects for 25 Group subsidiaries. The reader will learn in detail about each company's environmental impacts, how each company resolves its issues concerning its production processes, and about their respective environmental targets for the next period. Substantial investments were made in the environmental management systems used by Group companies during the reporting period and their positive results are also noticeable in Group companies' yards that now feature green containers for modern waste management.

It is also worth mentioning the announcement that the next Report will define targets for each business area in all categories and will report the levels of attaining these targets. This will help make the Report more lively and interesting and will increase the level of understanding the statistical data presented in consolidated reports, which implies a further step forward in making Agrokor Group's impacts transparent and increasing the credibility of its sustainable development concept. It is necessary to continue developing the process of involving the stakeholders in defining aspects and setting Agrokor's sustainable development targets to make the process fully compliant with the GRI Guidelines.

Commission, Steering Board, CBCSD



Network Croatia
WE SUPPORT



**Croatian Business Council
for Sustainable Development**

The **Supervisory Board of Agrokor d.d.** is composed of five members. All members are elected at the Shareholders' Meeting on the basis of the simple majority of votes of the shareholders present. Supervisory Board Members are elected for a term of four years. They choose the Chairman and Vice Chairman among themselves. The Chairman of the Supervisory Board in 2015 was Mr. Ivan Todorčić, with Mrs. Ljerka Puljić as his Vice Chairwoman. The Articles of Association of Agrokor companies envisage that Supervisory Board Members may also be elected and dismissed by the Company's Shareholders' Meeting, and one member may be elected by employees in accordance with the provisions of the Labor Law.

The function of the Supervisory Board is to supervise the management of company operations. The Supervisory Board is authorized to review and inspect company business books and documents, treasury, securities and other. It can also authorize particular members or experts to perform the said activities. The Supervisory Board issues an order to the auditor to review the annual financial statements of the company and the Group. The Supervisory Board submits a written report on the supervision of the manner in which the company's operations are managed and a review of financial statements. It also has the right to convene the Shareholders' Meeting and, in consultation with the Management Board or independently, propose decisions to be adopted by the Company's Shareholders' Meeting that fall within the scope of competence of the Shareholders' Meeting. The Articles of Association of Agrokor d.d. and the Articles of Association of other Agrokor companies prescribe that the Supervisory Board, as a governance body, is responsible for the election and dismissal of Management Board Members.

In Agrokor companies in which minority shareholders own more than 10% of the shares, the recommendations and instructions of the same are submitted to the Supervisory Board via their representative, namely the Supervisory Board Member nominated by such shareholders and elected by the Shareholders' Meeting. In companies where shareholders have less than 10% of the shares, the shareholders claim their rights at the Shareholders' Meeting in accordance with the Companies Act and Articles of Incorporation of the company concerned.

Most of Agrokor companies employ more than twenty workers who, in accordance with the Labor Law, have the right to participate in making decisions concerning their economic, labor and social rights and interests. To that end, the employees elect members of the Workers' Council who then nominate an Employee Representative to be appointed as a Supervisory Board Member. His/her responsibility is to protect employee interests and promote the suggestions and instructions proposed at workers' assemblies. Agrokor d.d. does not have a Workers' Council. The Employee Representative can be elected and dismissed by the workers in free and direct elections based on the secret voting system, as envisaged by the Labor Law.

All Supervisory Board Members share the responsibility for supervision, strategy, organizational monitoring and sustainability of operations, as well as other areas relevant for the Company's business.

Pursuant to the Articles of Association, the **Management Board of Agrokor d.d.** may consist of up to eleven members. Management Board Members are appointed and dismissed by the Supervisory Board. They are appointed for a term of five years, and can be reappointed without limitations. In order to comply with its right and obligation to run the Company's affairs, the Management Board is authorized and obligated to perform all measures, carry out all activities and make all decisions required to ensure successful operation of the Company. The Management Board regularly reports to the Supervisory Board, particularly about the business policy and strategy, profitability and current operations of the Agrokor Group, and all other extraordinary matters relevant for business operations.

Agrokor's Management Board in 2015:

Ivica Todorčić,

President of the Management Board

Ante Todorčić,

Deputy President of the Management Board

Hrvoje Balent,

Executive Vice President for Central Procurement and Services

Ivan Crnjac,

Executive Vice President for Finances, Strategies and Capital Markets

Piruška Canjuga,

Executive Vice President for Business Operations and Development

Mislav Galić,

Executive Vice President for the Food Business Group

Darko Knez,

Executive Vice President for Retail Business Group

Ivica Sertić,

Executive Vice President for Markets, Sales and Logistics

All Agrokor companies have adopted, comply with and publish their own Corporate Governance Code, as recommended by the Zagreb Stock Exchange and the Croatian Financial Services Supervisory Agency.

Agrokor d.d. implements the Binding Operational Instructions for implementing antitrust regulations, as a result of Agrokor's business policy which is based on the highest standards pertaining to familiarity and compliance with valid regulations. The adoption of the said document has contributed to raising the awareness of employees at all levels concerning the importance of being familiar with and properly applying various antitrust regulations. Agrokor companies are encouraged to consider adopting and implementing the Binding Operational Instructions and thus ensure proper application of the Antitrust Act, which will be equivalent to Agrokor's in content and include any necessary changes and adjustments (e.g. different legislation).

In its Corporate Governance Policy, Agrokor d.d. dedicates a lot of attention to the implementation of anti-corruption measures. Its commitment will be additionally confirmed by the adoption of internal regulations for the implementation of the anti-corruption policy in the next period.

Agrokor devotes significant attention to socially responsible business and compliance with ethical standards of honorable and responsible treatment of employees as well as compliance with laws and regulations, particularly those aimed at curbing corruption. Our business progress is closely associated with the welfare of the communities and protection of the environment in which we operate. Pursuing our business practices, we wish to prepare our own Code of Conduct in which we will define and supplement the corporate rules and procedures aimed at ensuring that, in performing their activities, our employees comply with high standards of conduct.

During this reporting period, Agrokor's Management Board adopted the Corporate Business Principles and the Corporate Governance Principles. Both documents are available at Agrokor's website (<http://www.agrokor.hr/en/the-agrokor-group/mission-vision-and-corporate-values/>), Agrokor companies listed on the stock exchange and Agrokor, as an umbrella company, have also adopted the Code of Ethics in Business of the Croatian Chamber of Commerce.

In the wider sense, business ethics integrate the rules about what is considered good or bad, fair or unfair and moral or immoral in a company's business environment. Business actions are judged in accordance with the general ethical standards of the society and not a special set of norms that can be interpreted in different ways.

Agrokor has made the strategic decision to operate in a socially responsible manner. The employees are required to pledge adherence to ethical principles simply because non-ethical strategies and behaviors are incompatible with the definition of socially responsible business. Agrokor's social responsibility strategy is based on socially beneficial activities for which the Group sets aside both money and time with the aim of increasing the quality of life in the communities where it operates through various humanitarian campaigns, environmental protection or improvement campaigns, working environment improvement initiatives, and similar.

In performing its business operations, Agrokor devotes a significant amount of attention to the issue of corruption as a harmful social phenomenon that undermines core social values. Corruption jeopardizes the rule of law, undermines the trust in public institutions and legal state, fairness, equality and safety of its citizens. Corruption particularly reduces cost efficiency and effectiveness. Agrokor wishes to get actively involved in the fight against corruption. One of the ways to do so is to ensure employee education and adopt internal rules that will apply to all Agrokor's employees and all third persons associated with Agrokor in any way whatsoever. We believe that, in doing so, we can eliminate the risks we could be exposed to in our operations, as well as pave the road to successful business development in the future.

Agrokor and its associated companies offer a wide range of services and products on markets in different countries. All employees are required to be familiar with and understand the laws and regulations relevant for their work re-

sponsibilities and obligations, as well as the regulatory requirements relevant for doing business in particular markets. Employees are required to comply with the highest standards of professional behavior at all times, so that even the slightest appearance of indecency is avoided. Actions and behaviors of employees must be exceptionally professional at all times in order to avoid the possibility of being wrongly interpreted by third persons.

Keeping a professional promise is key to business communication, which must be maintained regardless of the difficulties which may arise. The employees are required to adhere to the following core principles:

- *establish and nurture permanent value,*
- *respect people – co-workers and subordinate workers,*
- *refrain from misusing their hierarchical or status position,*
- *take into account the interests of the Company, the team and the Group,*
- *respect the dignity and rights of all people,*
- *respect the natural environment,*
- *respect and keep trade secrets,*
- *meet customer needs with minimum risk for their safety,*
- *identify and solve problems; amicable operations,*
- *keep promises.*

The employees are required to perform the activities regulated under their Employment Contracts in a conscientious, professional and timely manner, in accordance with the law as well as general and internal acts. Tasks and responsibilities may not be avoided or transferred onto colleagues.

The employees take care of the Company's property by making sure that damage and destruction of goods, working capital, small inventory and other assets is avoided. At work, the employees must act with the care of a prudent businessman and make sure that their colleagues, buyers and business partners behave the same way.

Employees may not misuse their position in the Company for their own benefit or for the benefit of others. Under no circumstances whatsoever may an employee overstep his/her authorities and rights.

The employees must consistently keep the Company's trade secrets in accordance with the Company's internal acts, refrain from harmful and competitive actions, as well as make efforts to protect the image and good reputation of Agrokor, their colleagues, buyers and business partners, both at work and in their free time. In addition, the employees are required to carefully store all data and information relevant for Agrokor, particularly those marked as confidential.

The employees must treat their colleagues, buyers and business partners with respect and maintain a relationship with them which is based on kindness and fairness. The employees must avoid all discriminatory types of behavior and respect the personal integrity and dignity of all those they come in contact with in performing their business activities.

The employees must be ready to share their knowledge with their colleagues and consistently comply with health and safety-at-work regulations.

An employee who experiences problems in claiming the rights guaranteed to him/her under a law and/or other internal act, must inform his/her immediate superior manager about such problems who will then be responsible for taking all the necessary steps in order to eliminate the obstacles preventing the relevant employee from claiming his/her guaranteed rights, within the scope of available possibilities.

Non-compliance with the said rules may result in implementation of disciplinary measures, even termination of employment. All the required measures will be carried out by the Human Resources Department in cooperation with the responsible manager or director.

Anti-corruption activities and measures are aimed at setting up Agrokor's business standards pertaining to the prevention of corruption. The defined rules refer to all Agrokor employees and the operations and activities Agrokor performs in all countries where it operates.

Agrokor and its employees may not promise, offer, give or approve, directly or indirectly, a bribe or any kind of value to anyone, including government officials, workers or representatives, government-owned or government-controlled companies, private persons or workers of any business entity, in order to improperly influence the actions or decisions of such person with the aim of achieving, retaining or ensuring any kind of inappropriate benefit for Agrokor.

Just as it is forbidden to offer a bribe to government officials, it is also forbidden to bribe private persons or companies. Under no circumstances may an employee of Agrokor offer, promise, give or pay any kind of value in return for an inappropriate benefit.

In addition to its employees, Agrokor often engages other persons to perform its business activities. With the aim of ensuring successful prevention of corruption, adequate measures must be taken in selecting third persons and it must be ensured that they are not giving bribes or committing any other type of illegal activities in relation with Agrokor's business activities. It is therefore necessary to be particularly careful when engaging and selecting third parties and determining their fees, as well as ensure that their activities are adequately monitored.



**Category:
ECONOMIC**

In spite of the unfavorable climatic and macroeconomic conditions, Agrokor was able to maintain its sales revenues and profitability at stable levels, while the consolidated results were mainly influenced by the acquisition of Mercator.

This reporting period was marked by extremely bad weather, particularly in the spring and summer of 2014. Such unfavorable weather conditions caused large-scale flooding in the entire area of our primary markets, namely Croatia, Bosnia and Herzegovina and Serbia, and also had an adverse effect on the tourist season in Croatia. Moreover, the macro-economic conditions remained unfavorable with the GDP trend continuously dropping, thus adding pressure on consumption.

At the consolidated level, total sales revenues increased in 2014 from HRK 30,144.8 million to HRK 34,969.1 million, representing an increase of 16%. EBITDA increased by 5.9 % reaching HRK 3,164.6 million, while the EBITDA margin dropped from 10 % to 9.1 % as a result of an increased share of income from retail operations in total revenues of the Agrokor Group.

In 2014, Agrokor companies continued implementing the strategy that focuses on increasing and/or maintaining market shares by implementing proactive measures, such as efficient marketing and promotional campaigns, investments in prices, continuous innovation, production program expansion and private brand offer development. The management put a strong focus on cost and business process optimization,

increasing efficiency and profitability, while continuing the process of systematization, reorganization and improved utilization of mutual synergies within the Group. In the second half of 2014, after the acquisition of Mercator, Agrokor strongly focused on the integration of Mercator's business processes in the operations of the rest of the Group companies.

In 2015, Agrokor managed to increase its market shares. All the companies within the Food Production and Distribution Business Group have maintained their leading positions, while the companies within the Retail and Wholesale Business Group increased their market shares due to the acquisition of Mercator. Further regulation and adjustment of pricing policies and marketing activities (campaigns and innovative solutions) and a sales offer adjusted to all environments in which the Group operates have additionally strengthened Agrokor's retail business. The year was significantly marked by the acquisition of Mercator, while the activities were mainly directed to further integration with the emphasis on achieving synergies.

The weather conditions, that significantly affect the consumption of ice cream, water and drinks, improved after a long time and thus contributed to the activities of the teams working in the Food Business Group and the successful realization of plans. Agrokor's agricultural companies managed to achieve profitability growth despite the market developments which resulted in oversupply and significant reduction in prices of all commodities, and therefore all categories of agricultural products as well.

At the consolidated level, total sales revenues increased from HRK 34,969 million to HRK 49,013.6 million, representing an increase of 40.1%. EBITDA increased by 33.2%, reaching HRK 4,216.2 million, while the EBITDA margin fell from 9% to 8.6%, also as a result of the increased share of income from retail business in total revenues of the Agrokor Group.

EC1 - Direct economic value generated and distributed

	2013 (HRK 000)	2014 (HRK 000)	2015 (HRK 000)	change %
Direct economic value generated	30,641,428	35,761,727	50,674,306	
a) Revenues	30,641,428	35,761,727	50,674,306	41.7%
Economic value distributed	29,675,925	35,100,623	48,066,885	36.9%
b) Operating costs	24,959,636	29,313,101	40,473,655	38.1%
c) Employee wages and benefits	2,696,341	3,286,319	4,704,998	43.2%
d) Payments to providers of capital	1,785,775	2,276,007	2,552,067	12.1%
e) Payments to government (by country)	234,173	225,196	336,165	49.3%
f) Community investments	18,257	23,010	22,585	-1.84%
Economic value retained	965,503	661,104	2,607,421	294.4%

(calculated as direct economic value generated less economic value distributed)

The revenues include income from sale, other income, interest income, net income from the sale of tangible assets and subsidiaries, the Group's share in the profit/loss of acquired companies, income from dividends and excess fair value of acquired assets in relation to the cost of acquisition less the goodwill that has been written off. In 2015, direct economic value generated grew by HRK 14,912.6 million or 41.7% compared to 2014, primarily as a result of the acquisition of Mercator.

Operating costs include the cost of material, services, other costs (excluding the cost of salaries, taxes and contributions paid in addition to salaries and cost of amortization/depreciation), investment value adjustments and net exchange rate differences. The increase in operating cost of 38.1 % and the increase in employee wages and benefits of 43.2 % were primarily caused by the acquisition of Mercator. Payments to the government include the profit tax, which increased in 2015 compared to the same period the year before as a result of more taxable profits. Payments to providers of capital include the accrued interest and paid dividends. As a result of the above-mentioned factors, in 2015 Agrokor achieved an increase in retained economic value of 294% compared to the previous year, which is mainly due to the adjustments made after the acquisition of Mercator.

More precisely, in accordance with IFRS 3, Sections 45 and 49, the Purchase Price Allocation of Poslovni sistem Mercator d.d. was performed on September 30, 2015, so that finally the non-tangible assets in the appraised value of HRK 1,589,899 were recognized. Brand appraisal was performed by a renowned independent appraiser. The end surplus of the fair value of the PS Mercator d.d. PPA amounts to HRK 1,798,629. A fair valuation surplus of HRK 514,757 was recognized in the previous period, so that finally the difference in the amount of HRK 1,283,872 was recognized.

EC2 - Financial Implications and other Risks and Opportunities for the Organization's Activities due to Climate Change

In this reporting period, extreme floods in 2014 demonstrated the scale of the possible impact of climatic changes on economy. Not only that the floods have affected all our primary markets and thus directly influenced the possibility of producing food and raw materials for the food industry, but they also adversely impacted the tourism sector that consequently recorded a significantly smaller turnover that year. The weather conditions were much more favorable in 2015, but it will nevertheless be remembered as an extraordinarily challenging year for the agricultural sector because of the decrease in the price of almost all commodities, sanctions against Russia affecting the agricultural goods in the EU and the resulting imbalance of global supply/demand of almost all agricultural products.

As far as agricultural production is concerned, we have continued preparing investments for growing vegetables in closed spaces (greenhouses) which we plan to realize using non-refundable EU funds in the next period. The investments in public irrigation infrastructure are under the control of institutions from the public sector. More precisely, most of the

large irrigation projects are implemented by counties and are expected to be executed with generous support from the Rural Development Fund. However, no tenders for such projects were announced in the reporting period. The existence of the public infrastructure is a precondition for the implementation of the irrigation system by plots of individual agricultural producers. Our agricultural companies have improved the possibility of irrigation on their own plots by investing in digging wells and purchasing appropriate pump stations to cut the cost of irrigation in crop and vegetable farming.

By the end of 2015, we invested in five biogas plants: through proper disposal of all types of by-products and waste from agricultural production and food industry, biogas is produced in the following plants: Gradec near Vrbovec, Mitrovac, Popovac, Ovčara and PIK Vinkovci. Total installed power of our biogas plants is 9.8 MW.

EC3 - Coverage of the Organization's Defined Benefit Plan Obligations

Pursuant to the regulations applicable in the countries where we operate, all employees are registered with the state pension fund. In the Republic of Croatia, the pension contribution rate still amounts to 20% and, depending on the age of the insured, refers to either mandatory Pillar I pension insurance, which amounts to 15%, and voluntary Pillar II pension insurance, which amounts to 5% of the base used to calculate the contribution. Pension contributions are paid by employers in the name and at the cost of the employee. In Serbia, the employees are registered with the state Retirement and Disability Fund. 14% of the employee's gross salary is paid into the fund at the cost of the employee and another 12% at the cost of the employer. In Bosnia and Herzegovina, all employees are registered with the Federal Pension and Disability Insurance Institute. 17% of the employee's gross salary is paid at the cost of the employee, 6% at the cost of the employer, and 18.5% at the cost of employees in Republika Srpska (Serb Republic). According to the provisions of collective agreements and general acts, the employees are entitled to a bonus on their base salary for each effective year of insurance.

At the time of retirement, pursuant to the collective agreement and general acts, workers in Croatia are entitled to a severance pay in the amount envisaged under the Income Tax Regulations, i.e. up to three monthly salaries paid prior to termination of employment. The entitlement to jubilee bonuses is approved on the basis of continued service for the same employer in the duration of full 10, 15, 20, 25, 30, 35 and 40 years without discontinuations. The conditions of entitlement and the amount of the jubilee bonus are determined on the basis of collective agreements and are paid in the maximum non-taxable amount determined in accordance with the appropriate Regulations of the Ministry of Finance. Retiring workers in Serbia are paid a non-taxable severance pay determined in the amount of two monthly salaries. In the Federation of Bosnia and Herzegovina, severance pay amounts to last 3 net salaries as published in the statistical bulletins. In Republika Srpska, severance pay amounts to last 3 net salaries paid.

CATEGORY: ECONOMIC

EC4 - Financial Assistance Received from Government

In this period too, the countries where we operate financially supported particular economic activities of business entities operating on their respective territories. Agrokor companies received subsidies for activities in the field of agricultural production and cattle farming, while financial incentives were received for employing disabled persons, investing in eco-friendly vehicles and training in eco-driving, investments in more energy-efficient production equipment and participation in cooperation projects with the scientific community. The data presented in the table below refer exclusively to financial assistance and support received by Agrokor companies in Croatia and Slovenia.

It is important to note that the government is not directly present in the ownership structure of any of Agrokor companies.

At the beginning of 2015, the first call for applications for non-refundable grants for rural development from the European Agricultural Fund was announced. Four Agrokor companies (Zvijezda, PIK Vrbovec, Agrolaguna and Vupik) submitted their applications and were awarded grant funds in the total amount of HRK 40.3 million. These amounts are not presented in the table above since the said funds will only be paid out if it is established that the implementation of the relevant investment projects complies with EU regulations.

	2013	2014	2015
Total financial assistance (HRK 000)	136,051	124,903	196,381
Tax relief and tax credits			
Subsidies	120,688	120,932	185,893
Cattle fattening	49,414	49,209	59,985
Agricultural production (harvest, orchards and vineyards)	71,274	71,723	125,908
Investment grants, research and development grants, and other relevant types of grants	2,420	172	106
Awards	0	0	0
Royalty holidays	0	0	0
Financial assistance from Export Credit Agencies (ECAs)	0	0	0
Financial incentives	12,943	3,799	10,382
Other financial benefits received or receivable from any government for any operation	0	0	0

Source: Finance Department of Agrokor d.d.

EC5 - Ratios of Standard Entry Level Wage by Gender Compared to Local Minimum Wage at Significant Locations of Operation

As far as the ratio of the minimum entry level wage in our companies in relation to minimum wages paid in the countries where we operate is concerned, it can be asserted that in all the relevant countries we offer higher entry level wages compared to the minimum guaranteed wage.

In 2014, the minimum gross wage in the Republic of Croatia amounted to HRK 3,017. In our companies, the minimum entry level wage paid to women was at least 13.9 % higher, while the minimum entry level wage paid to men was even 14.3% higher. In 2015, the minimum gross wage in the Republic of Croatia amounted to HRK 3,029. In our companies, the minimum entry level wage paid to women was at least 11% higher, while the minimum entry level wage paid to men was even 14.5% higher compared to the minimum wage at the national level.

In 2014 and 2015, the minimum gross wage paid in Bosnia and Herzegovina was KM 523.57. In our companies, the minimum entry level wage paid to women in 2014 was 22.5 % higher than the minimum, while the minimum entry level wage paid to men was even 23.6% higher. In 2015, the minimum entry level wage paid to women was 24.9% higher

while the minimum entry level wage paid to men was 24.3% compared to the minimum wage.

In 2014, the average minimum gross wage in Serbia amounted to RSD 26,941. In our companies, the minimum entry level wage paid to women was at least 33.2% higher compared to the minimum wage, while the minimum entry level wage paid to men was even 35% higher. In 2015, the average minimum gross wage in Serbia amounted to RSD 28,430. In our companies, the minimum entry level wage paid to women was at least 27.4% higher, while the minimum entry level wage paid to men was even 31.6% higher compared to the national minimum.

The minimum entry level wage received by Agrokor employees in Slovenia and Montenegro is the same as the national minimum since Mercator Slovenija and Mercator Crna Gora, two companies that have not been integrated into Agrokor's Retail Business Group, were acquired only in the fall of 2014. We have therefore maintained the conditions as we found them in those companies. The minimum gross wage in Slovenia is EUR 790, while the minimum gross wage in Montenegro is EUR 288.05.

EC6 - Proportion of Senior Management Hired from the Local Community at Significant Locations of Operation

Nall labor markets where Agrokor companies operate, we apply the principles of recruitment and local employment. Through our official and non-official activities, we also continuously recognize and point at the challenges and new solutions pertaining to national and local employment policies. We participate in career days and job fairs, and actively support the development and needs of the communities where we operate by employing local population and purchasing local products and services. As a result of such approach, most employees in our companies are hired from the local community, both those working at entry level and senior management positions. The Agrokor Group has the advantage of being inter-regionally and internationally present, which ensures our employees numerous opportunities for inter-location development and advancement regardless of whether it refers to different towns, regions within the country or countries.

In the structure of our senior management (both high and middle level), there are employees who have assumed positions in other towns or countries where the Group operates, as a result of career development, promotion within the system or personal reasons. A certain number of our specialists and experts, not necessarily members of the management, transfer their expertise and competences from their domicile company to support the operations of other companies within the Agrokor Group, working at such locations for a specific period of time or as needed, until specific investments or projects are completed, and similar. We see such opportunities as additional employee development possibilities.

Country	Percentage of senior management employees hired from the local community	(%)
Croatia		99.12
Serbia		97.42
Bosnia and Herzegovina		93.67
Slovenia		89.65
Hungary		66.66
Macedonia		100
Montenegro		100

EC8 - Significant Indirect Economic Impacts, Including the Extent of Impacts

Since the Agrokor Group is the largest private company in this part of Europe, it is not surprising that our operations result in certain indirect economic impacts. Over the years, Agrokor has invested significant funds in agricultural development. In doing so, it did not only increase the yields on its own fields and farms, but has indirectly, by transferring its expertise to contractors, influenced their progress and improvement as well. By demanding an increase in productivity, we also directly influence the operations and

results of our contractors. By transferring good practices, we also influence the farmers operating in our environment and contribute to the improvement of their results.

By investing in waste disposal from agricultural lands and from food processing plants through biogas plants, we have achieved significant environmental improvements, i.e. reduced the possibility of pollution through adequate disposal solutions. As the largest retail chain in the region, we make sure that various product price categories are available in our offer. Besides, our retail locations continue to provide a 10% discount to retired people once a month in order to make all our products available to low-income customers. As a reliable and desirable business system, we make an interesting partner for foreign investors. Joint investments with foreign companies in our activities in Croatia and the region where we operate indirectly promote the relevant areas as desirable areas for direct foreign investments, not only in our system, but also in other companies in our environment.

EC9 - Proportion of Spending on Local Suppliers at Significant Locations of Operation

The Agrokor Group and its companies procure more than 70% of all goods and services from local suppliers. The term local refers to the entire region in which Agrokor achieves most of its revenues, including Croatia, Bosnia and Herzegovina, Serbia and, after the acquisition of PS Mercator, Slovenia and Montenegro as well. Each supplier based in any of the named countries is considered a local supplier.

Agrokor adjusts to each of these markets individually. Considering its size, it has direct or indirect impact on the same. We make a direct impact by selecting primarily local suppliers for all types of goods that we place in the market. In this manner, the suppliers get an opportunity for a stable business growth. Indirect impacts include encouragement to development and new hiring, which contributes to the strengthening of the local economy. Strong local suppliers are key to the growth of the Agrokor Group, as they continuously support Agrokor companies with their developed sales and after-sales networks.

When entering new markets, such as the Slovene market through the acquisition of PS Mercator, Agrokor makes sure that local suppliers of acquired companies are taken care of. It maintains good business relationships with such entities, thus additionally improving their operations in the local market and introducing them to other markets in which the Group companies are present. There are, of course, certain exceptions in procurement practices. Since Agrokor strives to ensure high quality standards, 80% of industrial equipment is procured from the leading global suppliers. In addition, global markets are being accessed when the local market offers no local suppliers for a particular product. Lasting partnerships between the Agrokor Group and local suppliers guarantee job security and a stable local economy, with a positive growth outlook. In this manner, Agrokor also ensures sustainable development of the Group and its members at significant locations of operation.



**Category:
SOCIAL**

At the end of this reporting period, the Group had 58,635 employees. Our employees are the ones responsible for the progress and success of the Group. They continuously work on and create innovative solutions, ideas, products and services, thus ensuring successful results and improved quality of living for our stakeholders and buyers.

At the end of this reporting period, the Group had 58,635 employees. Our employees are the ones responsible for the progress and success of the Group. They continuously work on and create innovative solutions, ideas, products and services, thus ensuring successful results and improved quality of living for our stakeholders and buyers.

In 2014 and 2015, the activities of the Human Resources Department were primarily marked by the successful acquisition and integration of the companies and employees of the Mercator Group. Through this acquisition, the Agrokor Group confirmed its leading position in the regional retail market. In 2015, Agrokor continued providing employee development opportunities, as well as ensured further development of its systems and organization based on knowledge and innovation, adjustment and continuous strategic orientation towards achieving excellence.

We hold leading positions in five regional markets and the entire retail market of Southeast Europe. The Group performed the acquisition and integration of Mercator successfully, efficiently and in compliance with the best global practices in a rather short period of time. Material synergy effects were achieved for the benefit of the Group and its employees as well as all our partners and stakeholders.

The Human Resources functions continue to provide short-term and long-term support services to both employees and management, encouraging lifelong learning, development and striving for regional and global leadership, so that they could successfully promote and achieve the Group's mission and vision.

Furthermore, in its efforts to ensure further business growth and desired business results, the Group continued working on optimizing and simplifying its organization and business processes. It also makes efforts to harmonize the system and its efficiency with the Group's strategy and available resources.

After the Group's business structure had changed through the acquisition of Mercator, Agrokor adjusted its organizational structure, while the Human Resources functions, as strategic and business partners, have worked intensively on attracting and retaining experts and talents at all levels of the organization in order to create the foundations for further growth and development in changed market conditions.

The human resources management strategy and policy, which have been implemented by the Group for many years already and are based on the readiness and willingness of employees to achieve the organization's strategic goals and operational plans, have provided us with the means to timely and successfully overcome the changes and prepare the organization for future endeavors.

We are intensively and continuously working on all aspects of sustainable business. Since concern about employees is considered one of the material aspects, the Human Resources Department directed its activities to new areas in 2015 as well. We initiated additional activities with the aim of raising the level of informedness and communication towards and among our employees at the individual, operational and corporate level, we exchanged and applied good employee inclusion practices at all levels and in all areas and countries where the Group operates, being aware of the importance of communication as the best success measurement parameter in all aspects of our operations. By strengthening the autonomy and cooperation through additional responsibilities, better mutual understanding and motivation, we create an integrated environment in which the employees cooperate and develop creative solutions to adequately respond to modern business challenges.

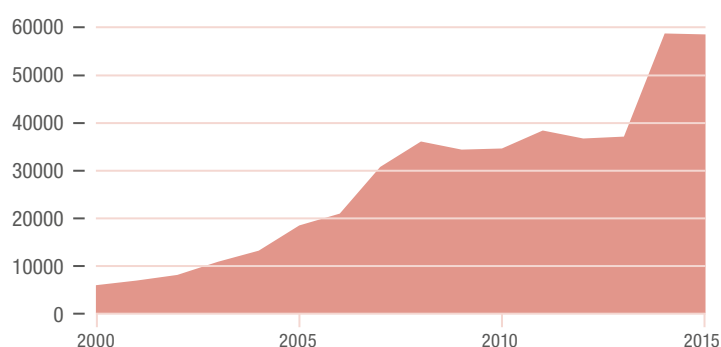
Education and development at all levels and in all areas and a working environment that appreciates and merits work, commitment, development and innovativeness have always been and have remained the focus of our activities.

The success of our ambitious and dynamic development projects, completed during this reporting period, is a result of the efforts of our employees who, united in their activities and processes, once again demonstrate their flexibility and readiness for adjustment in order to ensure long-term growth and development of the company.

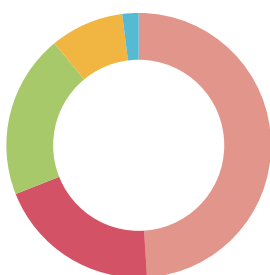
Our commitment to developing competences, respecting the values and a culture in which results are merited and an appropriate remuneration system is in place are our strongest advantages and strengths. Furthermore, continuous monitoring of the latest trends, strategic deliberations and modern human resources management processes help us achieve a competitive advantage which rests precisely on our employees.

The number of employees by type of employment contract, age, qualification and gender, and the share of employees by type of business activity and country is in proportion with the acquisition activities.

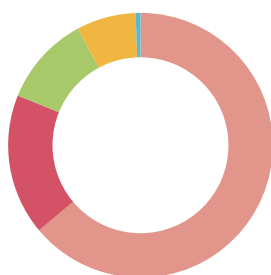
Growth Trend in the Number of Employees, Dec. 31, 2000 - 2015



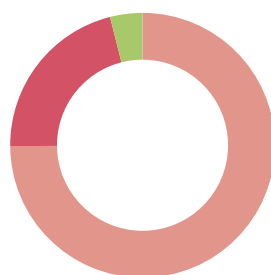
Employees by state, 2015



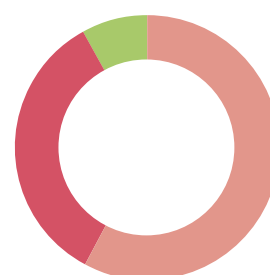
Employees by business sector, 2015



Employees by employment contract, 2015



Employees by qualification level, 2015



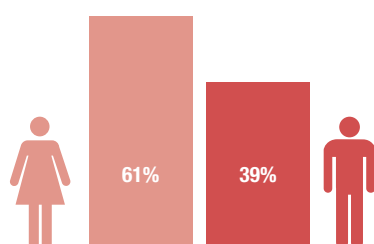
Croatia	49%
Slovenia.....	20%
Serbia.....	19%
Bosnia and Herzegovina.....	9%
Montenegro	3%
Hungary.....	>1%
Macedonia.....	>1%

Retail and Wholesale	64%
Food and Beverage	17%
Kiosk sector and services..	11%
Agriculture	7%
Other business.....	1%

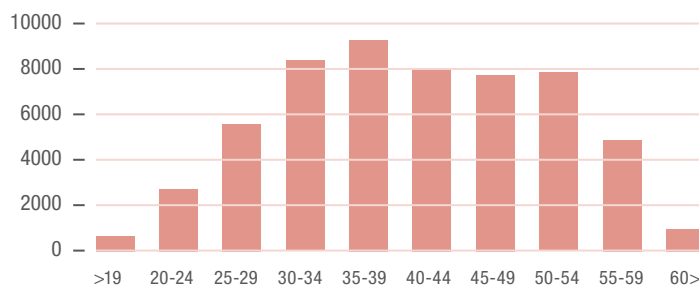
Permanent	75%
Fixed-term	21%
Temporary and Occasional	4%

BA, MA, PhD	64%
Elementary	34%
Secondary	7%

Employees by Gender, 2015



Employees by Age, 2015



LA1 Total Number and Rates of New Employee Hires and Employee Turnover by Age Group, Gender and Region

With the significant increase in employment caused by the integration of the Mercator Group (by 61.58%), the rate of new employee hires in 2014 amounted to 33.94%, with an almost equal share of newly employed men in relation to newly employed women (50.37 : 49.38).

In 2014, the largest share of new employee hires was recorded in the Republic of Croatia (65%), Bosnia and Herzegovina (19%) and the Republic of Serbia (15%). In 2015, the largest share of new hires was recorded once again in the Republic of Croatia (58.21%), the Republic of Serbia (25.08%) and Montenegro (6.69%), followed, with minimum differences in shares, by the Republic of Slovenia (5.66%) and Bosnia and Herzegovina (4.34%). The ratio between the newly employed men and the newly employed women is almost identical to that recorded in 2014.

The Group's employment rate and employee turnover are directly associated with the type of activities performed by our companies, particularly those whose operations are oriented towards seasonal employment (summer jobs, agricultural jobs and holiday jobs) to a large extent.

Seasonal employees are classified as workers employed on a fixed-term basis. The monthly average yoy was 1,072 in 2014 and 1,775 in 2015. In both reporting years, the number of seasonal employees at Group level was the largest in the third quarter (over 2,000). The ratio between men and women in the structure of seasonal employees is 50:50. Consequently, the largest share of workers who left the Group was employed on a fixed-term basis (53.97% in 2014 and 44.40% in 2015). Over the year, constant fluctuation of temporary and occasional employees is recorded as well.

Fluctuation Rates in 2015 (seasonal employment included):

Men 34.02

Women 20.52

Workers employed on a permanent basis 14.28

Workers employed on a fixed-term basis 79.13

Total employee fluctuation, regardless of the type of employment, region and gender amounted to 14.78% in 2014 and 18.01% in 2015, and more than 55% of employees who left the Agrokor Group refers to the natural outflow of workforce, i.e. retirement.

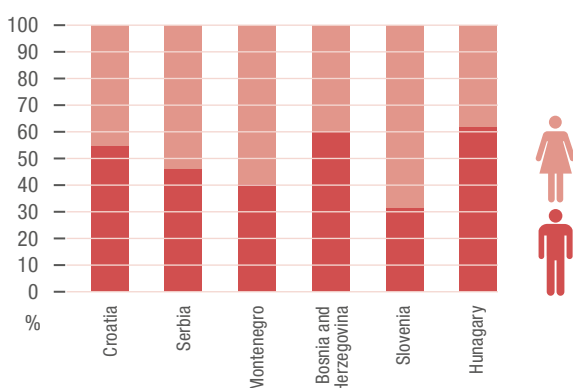
The Group records a total female employee turnover of 20.87% and a total male employee turnover of 25.90%. In 2014, the employee turnover rate recorded in the Republic of Croatia was 21.58%. It amounted to 15.46% in the Republic of Serbia and 9.75% in Bosnia and Herzegovina. In 2015, the employee turnover rate recorded in the Republic of Croatia was 28.37%. It amounted to 14.75% in Bosnia and Herzegovina, 10.79% in Slovenia and 26.79% in the Republic of Serbia.

All employees who left, regardless of the manner and type of employment (employment contract, temporary and part-time employees, seasonal employees, and similar), were taken into account in the calculation.

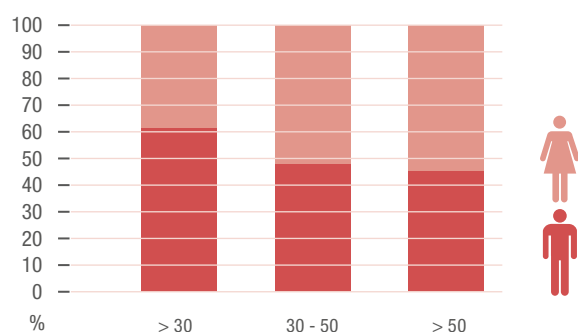
New employee hires and employees who left are, among other, a reflection of the natural employee outflow, continuous employment of persons of all profiles, educational qualifications and age, depending on the relevant business activities, reorganization processes, investments, introduction of new technologies and products, as well as optimization and improvement projects within particular business segments and business processes.

All employees from this category were timely informed about the rights and possibilities associated with career endings and the support provided by professionals within the companies. They are also entitled to an adequate termination pay determined in accordance with the valid laws, company acts and Collective Agreement. The companies make sure that employees who will continue working in other or similar positions within Agrokor companies are timely and adequately educated and prepared.

LA1 New Employee Hires and Employee Turnover, Employees who Left - Gender and Age Structure, 2015



LA1 New Employee Hires and Employee Turnover, Shares by Country and Gender, Total Number of Employees who Left, 2015



LA10 Transitional Assistance Programs Provided to Support Employees in Managing Career Endings

In 2014, the monthly average of temporary and occasional employees was 2,289. The largest number of such employees was recorded in July and August, reaching above 3,500. In 2015, the monthly average of temporary and occasional employees was 3,581, while the largest number of such employees was recorded in June, August and September, reaching above 4,000.

Support Program

Pre-retirement planning for intended retirees

Retraining for those intending to continue working within the Agrokor system

Severance pay

If severance pay is provided, does it take into account employee age and years of service

Job placement services

Assistance (such as training, counseling) on transitioning to a non-working life

For many years now, Agrokor has been actively participating in projects envisaged under public youth employment policies and measures, as well as their transition from the educational system to the labor market, with the aim of providing opportunities for acquisition of practical skills and experience to the same. In addition to continuous and regular employment of young people, one of our longtime practices is also to engage in additional campaigns with the aim of providing opportunities for employment and acquisition of the required initial experience to young people of various educational profiles, from those holding a master's degree in science, those holding a vocational master's degree and engineers, to educated salespersons, butchers or drivers, in the sales, logistics, finance, marketing, development, retail, food and beverage production and agricultural production segments.

In February of 2014, Agrokor Group carried out its second employment campaign offering jobs to several hundred young people for the purpose of acquiring initial experience. Out of the total number of applicants (16,527), 600 young persons were employed Konzum, Jamnica, Ledo, Zvijezda, PIK Vrbovec and PIK Vinkovci, more than a hundred of whom remained working within the Group.

We have also continued providing opportunities for practical training, i.e. traineeship, apprenticeship and practicum for young people with vocational education and highly educated young people of all profiles. Our cutting-edge technology and professional staff are extremely important for practical training of pupils and students in the real world of food industry and distribution, retail and agriculture. Ensuring adequate practical training is particularly important in the efforts to encourage young people to choose vocational professions in demand as their careers.

PIK Vrbovec is an example of good practices and cooperation with the local community. It provides scholarships to pupils of the Vrbovec Secondary School during all three years of schooling, as well as offers and ensures them a position in the company after graduation.

In both reporting years, pupils of second and third grades attended, in the framework of the Erasmus+ project implemented by the Agency for Mobility and EU Programmes, a two-week vocational practicum at the Danish Meat Trade College, one of the leading schools for butchers in Denmark.

Agrokor companies throughout the region offer employment to physically and intellectually impaired people, persons disabled as a result of occupational activities, as well as military and civilian war invalids in particular countries. Depending on the type and level of health damage and their remaining ability to work, persons with disabilities perform various types of activities at all organizational levels of the Group and in all areas of our operations, i.e. retail and wholesale, food and beverage production, and agriculture segments.

Immediately after the competent institutions announced that a new Professional Rehabilitation and Employment of Persons with Disabilities Act will be adopted and the news was spread by various communication channels, the Group got actively involved in the entire process. During the period of transition, Agrokor companies were regularly informed about all novelties by means of various notices, meetings and workshops conducted in order to screen the current situation and eliminate any possible obstacles to employing persons with disabilities in particular areas of our operations.

At the level of the Agrokor Group throughout the region and wider, the share of persons with disabilities was 0.87% in 2014 and 1.84 % in 2015. The ratio of men to women in the structure of this employee category is 53% to 47%.

As a socially responsible company, Agrokor actively participates, by cooperating with the competent institutions and associations of the countries in which it operates, in projects envisaged under public employment policies and measures, including initiatives whose aim is to ensure equal opportunities for persons with disabilities in the labor market, eliminate the associated obstacles and create equal possibilities.

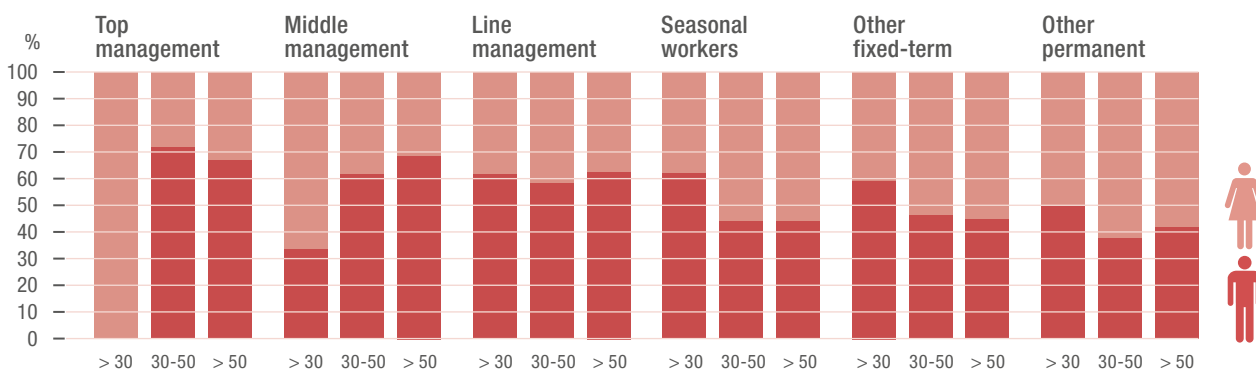
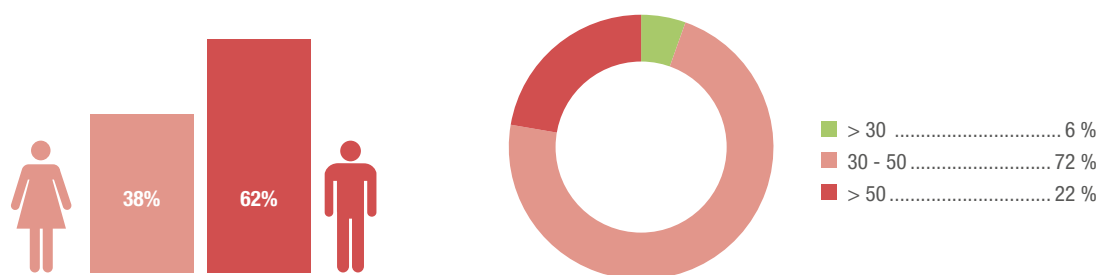
Zvijezda d.d. has been awarded the title of the Employer of the Year for hiring persons with disabilities and continues to implement its project aimed at employing and mentoring persons with disabilities through the Association for the Promotion of Inclusion of, in this particular case, persons with severe mental difficulties performing auxiliary activities in production.

LA12 Composition of Governance Bodies and Breakdown of Employees per Employee Category According to Gender and Age Group, Minority Group Membership, and other Indicators of Diversity

In the governance structure (different management levels) of the Agrokor Group, most employees are aged between 30 and 50 (75% in 2014; 72% in 2015) and the share of women is 38-39%, which is an increase of approx. 1% compared to the previous reporting period.

Share of women in management (%)	2014	2015
TOP MANAGEMENT	26.50	29.81
MIDDLE MANAGEMENT	38.09	36.83
LINE MANAGEMENT	41.33	40.01

Composition of Governance Bodies and Breakdown of Employees, Gender Structure, 2015



Women (%)	2014		2015	
	fixed-term	permanent	fixed-term	permanent
< 30	18.89	6.65	37.52	4.96
30-50	30.47	41.65	53.37	40.69
> 50	3.75	12.52	9.10	14.74

LA13 Ratio of Basic Salary and Remuneration of Women to Men by Employee Category, by Significant Locations of Operation

The salaries paid in Agrokor companies depend on the type of business activity performed, relevant regulations and collective agreements applicable in the countries in which we operate. During this reporting period, the average gross monthly salary of workers employed by Agrokor in 2014 were higher than the national average by 38.46% in the Republic of Croatia, by 36.60% in the Republic of Serbia, by 27.63% in Bosnia and Herzegovina, and by 3.19% in the Republic of Slovenia. In 2015, the salaries of workers employed in companies engaged in retail and wholesale business, food and beverage production and agriculture were higher by 43.68%, while the salaries of employees of companies that belong to the IT, Health and Other Services Business Group are by 150% (and more) higher compared to the national average. The average gross monthly salaries paid in the Republic of

Croatia in 2015 were higher than the national average salary paid in the Republic of Slovenia, Bosnia and Herzegovina and Serbia by 30.91%, 63.81% and 45.11% respectively.

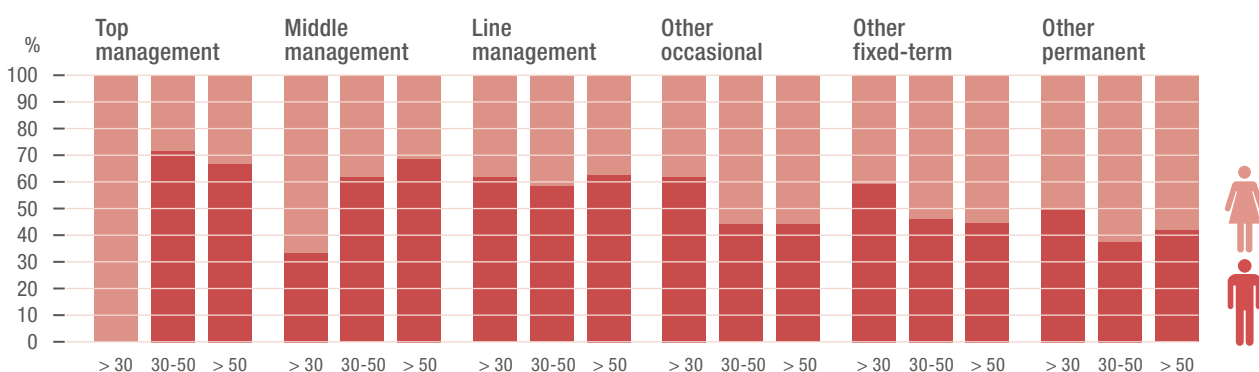
There are no differences concerning the entitlements to and amount of the basic salary between men and women, but if we consider the Group as a whole, the average monthly gross salary paid to women was on average 11.35% lower compared to the amount paid to men in 2015. In 2015, the figure dropped to 8%. As we have already explained in our previous reports, this is a result of the type of job at which most female employees are employed, which is retail and kiosk operations. As far as the management population is concerned, in the previous reporting period women recorded slightly higher gross monthly salaries in the segment of middle and line management above 50 year of age and top management under 30 years of age.

EC5 Ratio of Minimum Entry Level Wage by Gender and Local Minimum Wage at Significant Locations of Operation

As far as the ratio of the minimum entry level wage in our companies in relation to minimum wages paid in the countries where we operate is concerned, it can be asserted that in all the relevant countries we offer higher entry level wages compared to the minimum guaranteed wage. In 2014, the minimum wage in the Republic of Croatia amounted to HRK 3,017 gross. In our companies, the minimum entry level wage paid to women was at least 13.9 % higher, while the minimum entry level wage paid to men was even 14.3% higher than the national minimum. In 2015, the minimum wage in the Republic of Croatia amounted to HRK 3,029 gross. In our companies, the minimum entry level wage paid to women was at least 11% higher, while the minimum entry level wage paid to men was even 14.5% higher compared to the minimum wage at the national level. In 2014 and 2015, the minimum wage paid in Bosnia and Herzegovina was KM 523.57 gross. In our companies, the minimum entry level wage paid to women in 2014 was 22.5% higher, while the minimum entry level wage paid to men was even 23.6% higher than the national minimum. In 2015, the minimum entry level wage paid to women was 24.9%

higher, while the minimum entry level wage paid to men was 24.3% higher compared to the minimum wage.

In 2014, the average minimum wage in Serbia amounted to RSD 26,941 gross. In our companies, the minimum entry level wage paid to women was at least 33.2% higher compared to the minimum wage, while the minimum entry level wage paid to men was even 35% higher. In 2015, the average minimum wage in Serbia amounted to RSD 28,430 gross. In our companies, the minimum entry level wage paid to women was at least 27.4% higher, while the minimum entry level wage paid to men was even 31.6% higher compared to the national minimum. The minimum entry level wage received by Agrokor employees in Slovenia and Montenegro is the same as the national minimum since Mercator Slovenija and Mercator Crna Gora, two companies that have not been integrated into Agrokor's Retail Business Group, were acquired only in the fall of 2014. We have therefore maintained the conditions as we found them in those companies. The minimum wage in Slovenia is EUR 790 gross, while the minimum wage in Montenegro is EUR 288.05 gross



LA11 Percentage of Employees Receiving Regular Performance and Career Development Reviews, by Gender and by Employee Category

In the efforts to achieve business objectives based on the clearly defined individual and group goals, we try to motivate our employees as well as increase their operational productivity and efficiency through regular reporting and evaluation of their key performance indicators and adequate remuneration. In the Agrokor Group, depending on the type of business activity performed by the relevant company, employee remuneration is determined on the basis of the level of achievement of business and personal development goals. This type of remuneration is also determined on the results of the Annual Interviews with employees, in which the immediate manager talks with the employee and together with him sets his/her business and personal development goals at an annual or semi-annual level.

One of the main objectives to be accomplished at the level of the Group in the next period is precisely the improvement of the management performance evaluation system for those employed at managerial positions in Agrokor companies and cascadingly to all other employees in accordance with their professional, developmental and business competences and results.

In addition to monetary rewards, the remuneration system also includes various forms of material and non-material rewards: opportunities for quality professional development through additional education (Agrokor's internal academy, internal academies of Agrokor companies, internal education,

specialist seminars, conferences, post-graduate studies, and other), opportunities for advancement, and other types of benefits for employees and members of their families (employee recreation, quality additional healthcare insurance, and similar).

The activities of HR functions are directed towards raising employee competences, working on understanding and upholding values and improving the company's culture in order to pave the road to success, leadership and achievement of new values. We are determined in our efforts to continue implementing our multi-year strategy, whose goal is to ensure that all our employees achieve their full personal and professional potential in order to be able to follow the set strategy, mission and vision. Education and development are the key components of such an approach, whereas lifelong learning is the basic concept creating, at all levels and in all areas of our operations, sustainable employee competitiveness, work possibilities and opportunities for advancement, i.e. ability to work in several different position in different companies within the Group.

Every day, we invest efforts to improving our working environment that appreciates and merits work, commitment, growth, development and innovativeness. We focus on the development of competences, upholding of values and the importance of building a culture that values results and ensures adequate remuneration.

LA11, 2014

Top management		Middle management		Line management		Other fixed-term		Other permanent		Other seasonal workers	
Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
30.60	33.33	49.51	92.49	9.12	9.80	47.13	68.27	10.80	6.38	29.66	14.44

LA11, 2015

Top management		Middle management		Line management		Other fixed-term		Other permanent		Other seasonal workers	
Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
39.87	36.92	53.54	100	13.95	18.70	51.10	84.96	13.21	8.69	15.77	7.39

LA9 Average Hours of Training per Year per Employee by Gender, and by Employee Category

In 2014 and 2015, on average 85,976.50 employees participated in various types of educational and development programs, of which 64% were organized through internal academies, training courses, workshops and meetings.

Since education and internal training in the retail segment are very specific in terms of the topic, structure and duration, the average number of hours of employee training is consequently smaller, but the analysis of investments in education by business groups shows that 73% of total hours of training are recorded in the Retail Business Group through short training courses provided to a large number of employees, i.e. 79% of the total number of Group employees, when new services, operations, technologies and systems are introduced.

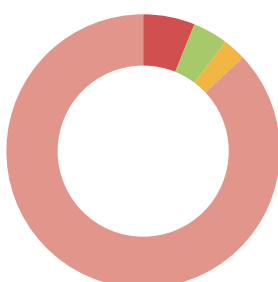
Average hours of training per year per employee by employee category, 2015

Top Management	32.92
Middle Management	22.33
Line Management	14.19
Other employees	13.52

Average hours of training per year per employee, 2015

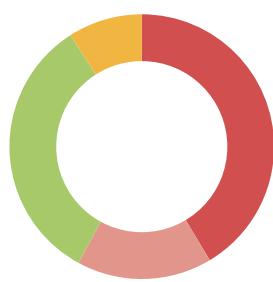
Employees (total)	18.09
Women	18.47
Men	13.48

Average Hours of Training per Year per Employee by Gender, and by Employee Category, Share by Employee Category, 2015



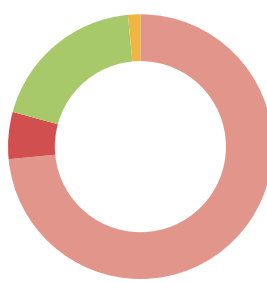
Top management	6%
Middle management	4%
Line management	3%
Other employees	87%

Shares of Investments in Employee Education and Development by Country



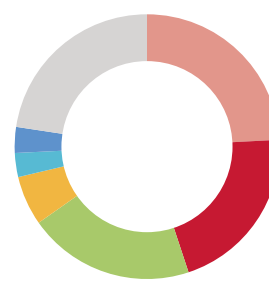
Croatia	41%
Serbia	17%
Slovenia	33%
Bosnia and Herzegovina	9%

Shares of Investments in Employee Education and Development by Type of Business Activity, 2015



Retail	73%
Agriculture	6%
Kiosk sector and services	19%
Other	2%

Shares of Investments by Program Type, 2015



Training, team building	24%
Associate's, Bachelor's, Master's degree	21%
Seminars, Conferences	20%
Foreign languages	6%
IT Courses	3%
Individual/Executive Coaching	3%
Other	23%

LA10 Programs for Skills Management and Lifelong Learning that Support the Continued Employability of Employees and Assist them in Managing Career Endings

As part of Agrokor's Futura A Academy, attended by 130 participants from all Agrokor companies in 2015 alone, four programs intended for selected, young and highly educated Group employees from the entire region were conducted with an additional goal to extend their knowledge of the corporate organization, operations and culture. In 2015, Mercator employees from the entire region participated in the Futura A Academy program for the first time.

All the employees who participated in the 2015 Futura A Academy program were given a chance to meet the Members of Agrokor's Management and Supervisory Boards, who are also longtime lecturers, as well as raise questions. Special contribution to the program was given by Ivan Crnjac, Executive Vice President for Finances, Strategy and Capital Markets, Damir Kuštrak, Agrokor Supervisory Board Member, and Mislav Galić,

Executive Vice President for the Food Business Group. Together with 16 professional internal lecturers, distinguished managers and experts, they introduced the new generation of Futura A Academy participants to the mission and vision, strategy, significance and role of various business functions of Agrokor.

Training/Assistance Programs

Internal training courses provided through Agrokor's Academy, internal training courses, workshops and practical training with the aim of acquiring knowledge, skills and competences

Funding support for external training or education, as regulated under internal documents and procedures relating to education and development of employees at the level of each company

Provision of sabbatical periods with guaranteed return to employment, as regulated under internal documents and procedures relating to education and development of employees at the level of each company

LA6 Type of Injury and Rates of Injury, Occupational Diseases, Lost Days, and Absenteeism, and total number of work-related fatalities, by region and by gender

Collective responsibility and a high level of awareness demonstrated by all stakeholders concerning the importance of ensuring healthy, safe and humane working conditions is based primarily on appropriate laws and subordinate legislation of the countries in which we operate, and such provisions are also transposed into company acts and collective agreements.

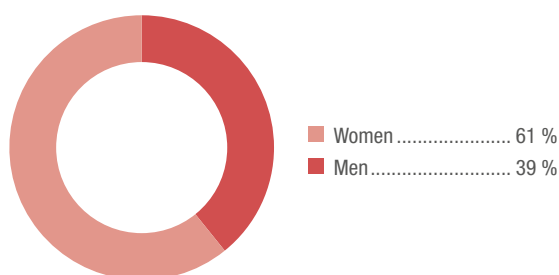
During the reporting period, the injury rate ranged from 1.32 to 1.41 at the Group level, and the indicators prescribed under the G4 Sustainability Reporting Guidelines were as follows:

Indicator	2014	2015
IR	3.20	3.66
ODR	0.00051	0.00412
LDR	90.12	134.13
AR*	10,823.56	10,731.15

**In the calculation of AR, the number of lost days included ALL the lost days due to incapacity of any kind, not only work-related injury or disease (excluded categories: allowed leave, vacation, parental leave, death in the family leave).*

Legend: (IR) Injury Rate, (ODR) Occupational Diseases Rate, (LDR) Lost Days Rate, (AR) Absentee Rate

LA6 Rates of Injury, Occupational Diseases, Lost Days, and Absenteeism, 2014 and 2015



In accordance with the provisions of Collective Agreements and the regulations of the respective countries in which Agrokor companies operate, the company established Safety at Work Committees. The conditions are constantly monitored and measures are being taken to achieve efficient implementation and organization of health and safety at work protection programs with the aim of ensuring prevention, reducing the number of all types of injuries and avoiding the most severe occupational injuries. Implementation of safety at work rules is being planned and monitored, measures aimed at preventing occupational injuries and diseases are being proposed, and continuous improvement of safety at work

is promoted. In practice, all issues pertaining to health and safety at work are resolved through mutual cooperation between the Management Board or a person authorized by the Management Board and the Health and Safety at Work Officer (appointed by the Union).

In proportion with the growth and expansion of our business operations and the increase in the number of employees across the region (by 61.58% as a result of the integration of the Mercator Group), we record a growth in indicator values associated with the lost days and absentee rates. At the Group level, there was only one work-related fatality in 2014 caused by actions of the deceased employee that were not in compliance with the prescribed procedures and work rules, which led to an accident with a fatal outcome. In 2015, we recorded another fatality. After the inspection conducted by competent institutions, it was established that the employee died a natural death.

All matters pertaining to protection of privacy and dignity of employees, protection of health and safety at work, election or appointment of Health and Safety at Work Officers and Coordinators, training for working in a safe way, participation in the preparation of danger studies, selection and procurement of personal protective gear, periodic medical examinations of employees in positions with special working conditions, protection of particular employee categories, right to refuse working in case life is at stake, proposing measures for the improvement of safety at work conditions, continuous cooperation with authorized employer representatives and safety at work specialists, and other matters have been regulated.

Professional health and safety at work activities are performed by one or more HSE professionals, including the performance of all the standard HSE activities, keeping of prescribed records, conducting inspections of the working equipment and working environment, preparing work instructions, referring employees to medical examination in accordance with the HSE and sanitary regulations, supervision and coordination of activities of all management representatives and employees participating in the implementation of health and safety measures.

The Personal Protective Equipment Regulations prescribe equipment for each working position. The Training Plan and Program defines the HSE topics of job-specific safety at work training programs, while the Health and Safety at Work Officer has the right, if required, to call the labor inspector if he identifies any failures that the employer refuses to eliminate.

The HSE Coordinator participates in labor inspection procedures in case of serious occupational injuries, while the employees participate in the preparation (review) of risk studies prepared for individual positions. Persons responsible for inspecting machines and high-risk devices are defined for each activity separately.

Agrokor supports promotion and preservation of the health of its employees, their family members and the wider community. We have arranged for more favorable health insurance terms and complete and specialist examinations in various health institutions for our employees and their family members.

LA3 Return to Work and Retention Rates after Parental Leave, by Gender

The Group makes its best efforts to promote equality of sexes, particularly the right of all employees to parental leave, on the basis of its internal acts, activities, positive climate and culture.

Agrokor companies devote care and attention to the health and safety at work of pregnant women and new moms. The Group tries to facilitate the return to work after parental leave as much as possible, allowing use of additional free days or the possibility of shorter working hours. The number of fathers using their right to paid parental leave is on the rise. The aim is to promote responsible parenting by both women and men without putting their further professional progress and development at risk. After using their right to parental leave, the duration of which depends on the personal wishes and needs, employees, regardless of their gender, regularly return to work in consultation with their superiors and the employer without the fear of losing their employment, benefit or careers.

LA3 Indicator	2014	2015
Rate of return to work after parental leave	92.45	93.96
Rate of retention after parental leave	93.41	94.13

LA3 Indicator / Gender	2014		2015	
	Men	Women	Men	Women
Total number of persons entitled to parental leave	1,100	4,815	404	2,228
Total number of persons that took parental leave	143	2,539	94	2,132
Total number of persons who returned to work after parental leave ended	132	1,833	83	1,717
Total number of persons who returned to work after parental leave ended who were still employed 12 months after their return to work	104	1,844	100	1,567

HR3 Total Number of Incidents of Discrimination and Corrective Actions Taken

Pursuant to the law, Agrokor systematically promotes, in the first place through prevention, informing, education and training, a psychological and social climate in which employee care is a professional responsibility of each individual and the organization as a whole.

When violations of labor and human rights, discrimination and mobbing are reported, we make efforts to find appropriate consensual solutions by implementing adequate procedures, mediation mechanisms and rely on the help of competent personnel, witnesses and other persons involved.

LA16 Number of Grievances about Labor Practices Filed, Addressed, and Resolved through Formal Grievance Mechanisms

The number of grievances by indicator	2014	2015
Total number of grievances about labor practices filed through formal grievance mechanisms during the reporting period	111	224
Number of grievances addressed during the reporting period	223	182
Number of grievances resolved during the reporting period	56	40
Number of grievances about labor practices filed prior to the reporting period that were resolved during the reporting period	70	122

The grievances about labor practices recorded in this reporting period mainly refer to employee damage compensation claims or other monetary claims arising from their work relationship, and grievances resulting from disciplinary procedures instigated against employees. During the reporting period, the number of disputes initiated was significantly reduced as a result of systematic and comprehensive approach implemented locally, at the level of companies, and globally, at the level of the Group. Through systematic planning and implementation of measures aimed at preventing psychological abuse and reducing the level of stress at work, as well as through timely and adequate conflict resolution, we ensure working conditions in which an employee's dignity is protected.

HR12 Grievances about Impact on Human Rights Filed, Addressed, and Resolved through Formal Grievance Mechanisms

In 2014, only one incident of discrimination and two grievances about the impact on human rights and employee dignity were reported, and all three were resolved in the course of the reporting period. After conducting the relevant procedure and considering the allegations of the injured party and depositions by persons named in the complaint, it was established in all three cases that the employer ensured continuity of business processes and operations and that there were no actions that violated or jeopardized the dignity of employees.

In 2015, four grievances about the impact on human rights were filed and addressed, and one was also successfully resolved through formal mechanisms already during the re-

porting period. From the four grievances reported, one was resolved pursuant to internal procedures, whereas in one case, addressed in accordance with the remediation plan, it was that discrimination was not committed. The remaining two grievances about mobbing have been referred to court resolution after all procedures and processes aimed at determining and resolving the same have proved in vain.

Taking into consideration the entire region in which we operate and the types of business activities performed, the Group recorded no incidents of forced, mandatory or child labor, or any other types of violations of the convention of the International Labor Organization.

REPORT ON THE RELATIONSHIP WITH TRADE UNIONS IN 2014 AND 2015

In 2014 and 2015, Agrokor continued the practice of maintaining good relationships and social dialogue with trade unions both at the level of the Group and at the level of individual companies. Participation in collective agreements at the level of individual companies is voluntary. The employees are not bound by sectoral or state collective agreements, and the agreed working conditions are more favorable compared to statutory requirements applicable in the countries where we operate.

Just like in the previous years, Agrokor maintains communication with the leading trade union associations and participates in joint activities which include, among other, preparation of proposals for amendments to labor related regulations. Trade unions are free to establish their branches in our companies, depending on the interest expressed by the employees. The implementation of policies and practices in enforcing decisions of individual companies, which are considered relevant in terms of the economic and social position of workers and which require any form of participation by trade unions or elected employee representatives, is managed actively, and centrally.

The companies are expected to comply with the Group policy in the field of social dialogue and enforcement of decisions concerning labor rights, irrespective of the local regulations of the country in which they operate. Trade union representatives appointed in individual companies keep regular contact with the Group concerning any open issues. In 2014 and 2015, as in the previous years, there were no unresolved open issues involving trade unions or appointed employee representatives.

In accordance with valid collective agreements, the workers employed in our companies are entitled to a number of rewards: Easter bonus, vacation regress, Christmas bonus, Christmas present for children, jubilee rewards, retirement-based severance pay, private health insurance, compensation for travel expenses to and from work, one-off assistance for sick-leave in the duration of more than ninety days, financial assistance in the event of death in the family, allowance for a warm meal, right to an increase in salary due to overtime, work on Sundays and holidays, right to a paid leave in the duration of up to seven days per year in case of special needs, such as the birth of a child, death in the family, moving, education, and similar. In 2014 and 2015, the acquired entitlements and levels of the same were maintained. According to publicly disclosed information, the trade unions that we cooperate with have assessed their efforts successful, as they managed to maintain the acquired salary entitlements and material rights of workers.

It can be concluded that, in 2014 and 2015, we maintained a good relationship with the trade unions that we cooperate with (32 trade unions active in the countries of the region in which Agrokor companies operate). There are no unresolved open issues and valid collective agreements are in place in all companies. In addition to trade union representatives, the companies have also elected their own employee representatives. Furthermore, we maintain regular communication and dialogue with the trade unions and are recognized in the society as a company that has established and maintains a fair relationship with the trade unions. Furthermore, various trade unions have more than 26,000 members in our companies.

There are 17 active trade unions in Croatia: PPDIV Trade Union, Commercial Trade Union of Croatia, Croatian Association of Trade Unions of Industrial and Trade Workers of Croatia, Ledo Independent Trade Union, Trade Union of Croatian Workers, The New Trade Union, Trade Union of Istria and Kvarner, Novine Trade Union, Union of Workers Employed in Graphic and Publishing Activities, Trade Union of Slavonia and Baranja, HUS DZZP Independent Trade Union, Croatian Trade Union of Traffic and Communication, Workers' Trade Union of the Republic of Croatia, Croatian Autonomous Trade Union of Workers Employed in Service Activities, Croatian Trade Union of Workers Employed in Agricultural and Food Industry, Trade Union of Workers Employed in Tourism and Hospitality.

We actively cooperate with three trade unions in Bosnia and Herzegovina: PPDIVUT, Trade Union of Workers in Commercial and Service Activities of Bosnia and Herzegovina, Commercial Trade Union of the Republic of Serbia.

We actively cooperate with ten trade unions in Serbia: Dijamant PPDIV Independent Trade Union, PPDIV Frikom Autonomous Trade Union, PPDIV Nova Sloga Autonomous Trade Union, PPDIV Kikindski mlin Autonomous Trade Union, Association of Autonomous and Independent Trade Unions of Serbia, Autonomous Commercial Trade Union of Serbia, Association of Trade Unions, Independent Trade Union of Serbia, Frikom Industrial Trade Union, Serbian Trade Union of Commercial Workers.

We actively cooperate with two unions in Slovenia: Commercial Trade Union of Slovenia and Confederation of Trade Unions of Slovenia 90.

LA4 Minimum Notice Periods Regarding Operational Changes, Including whether these are Specified in Collective Agreements

The employees are timely and regular informed about all important operational changes. They are timely involved in such changes and joint efforts are invested in preparing the employees for managing the same. The companies are required to inform the Workers' Council or the Employee Representative about decisions relevant for the economic and social status of workers.

The minimum notice period in which employees must be informed about significant operational changes is eight days (1 week). It may however vary depending on the coun-

try and type of business activity, ranging from two, four or even six weeks. Such notice periods are defined under valid legal regulations, collective agreements and internal acts, depending on the country and the type of business activity. If minimum notice periods are not defined under collective agreements, the prescribed minimum notice periods must be specified in the provisions of legal regulations pertaining to labor and work relationships, as well as provisions related to employee counseling and negotiation.

PR1 Percentage of Significant Product and Service Categories for which Health and Safety Impacts are Assessed for Improvement

Balanced nutrition, i.e. optimum intake of all nutrient categories, from macro-nutrients such as carbohydrates, proteins and fat, to minerals, vitamins and other essential micro-nutrients, is essential for health protection during a person's lifetime. This is particularly important today, when the rate of metabolic diseases associated with nutritional habits, such as cardiovascular diseases, diabetes, osteoarthritis and some types of tumors as well (endometriosis, breast cancer, colon cancer), is constantly increasing (Source WHO, <http://www.who.int/mediacentre/factsheets/fs311/en/>, downloaded on March 18, 2016). On the other hand, deficiency in essential micro-nutrients caused by a monotonous diet is a significant risk factor in developing a disease.

As a regional leader in the production, distribution and sale of food, we are aware of our influence on the community and our obligation to help the wide population of our buyers

and customers acquire better dietary habits.

„**Baranjski kulen**“ a red-pepper-flavored dry-cured meat product made by Belje, a member of the Agrokor Group, and the Association of Producers of Baranjski kulen, is entered in the register of protected trademarks of designated geographic origin at the EU level. Baranjski kulen is not only a food product of high nutritional value, it is also part of the cultural and historic heritage of Baranja.



WHAT WE DO – OUR APPROACH

We continuously improve the nutritional composition of our products in the effort to:

- *reduce the content and improve the quality of fats,*
- *reduce the quantity of sugar,*
- *reduce the quantity of salt,*
- *enrich the products with micro-nutrients (vitamins, minerals),*
- *use natural ingredients,*
- *adjust the products to persons with special dietary needs,*
- *educate our customers.*

WHAT WE HAVE ACCOMPLISHED

During this two-year reporting period, positive steps were made in all aspects of our approach to raising the nutritional quality of our products, without jeopardizing their highly recognizable taste and quality. The innovativeness of our research and development teams, in combination with high quality standards, played a key role in that process. In the text below we provide examples of nutritionally improved products by different product categories.

PRODUCTS WITH IMPROVED NUTRITIONAL CONTENT

FATS

In 2014, Dijamant launched its **Dobro jutro Dijet** spreadable margarine enriched with functional ingredients, vitamins B6 and B12. The product's total nutritional content meets the European quality requirements prescribed for products on which approved health statements may be printed. The product thus indicates: „Vitamins B6 and B12 contribute to the normal maintenance of energy metabolism“.

Dobro jutro Dijet margarine

- rich in vitamins B6 and B12
- Vitamins B6 and B12 contribute to the normal maintenance of energy metabolism



In 2014, Zvijezda launched **Omegol with flax seeds**, a premium quality product with premium quality content, including flax seeds and millet, rapeseed rich in omega-3, vitamins A and D relevant for normal functioning of the immune system. It is also naturally gluten-free.

Omegol with flax seeds

- rich in non-saturated fats
- rich in vitamins A, D and E
- rich in omega-3 fatty acid ALA (alpha-linolenic acid) that contributes to maintaining the normal cholesterol level in blood



CATEGORY: SOCIAL

Sub-category: Product Responsibility

BEVERAGES

In our Jamnica product mix, we are very close to achieving the goal of using only natural ingredients. We have thus replaced sweeteners such as sodium cyclamate, sodium saccharin, acesulfame-K and aspartame in **Jana Ice Tea** peach with sugar. In Zeleni čaj, the Green Tea, launched in the Hungarian market, we have increased the percentage of natural green tea extract and enriched it with natural roiboos tee extract.

Sarajevski kiseljak has enhanced its product mix by launching **SkyCola Green**, a non-alcoholic carbonated beverage with herbal extracts and reduced caloric value. A 30% reduction in caloric value was achieved by replacing a portion of the sugar content with natural sweetener steviol glycoside, which has no caloric value and is produced from the leaves of stevia.

The Jamnica product mix has also been enriched with new low-calorie products containing stevia. Only 2.5 g sugar in 100 ml.

Sky Cola Green

The first beverage on the market of Bosnia and Herzegovina with natural sweetener steviol glycosides from Stevia plant leaf

Jana Mint Lime

Low-calorie flavoured water with reduced sugar content



MEAT PRODUCTS

PIK Vrbovec started a campaign called „**Less is More**“, which resulted in products that do not contain taste enhancers, artificial colors, gluten or soybeans in the entire PIK brand product mix.



The project Less is More was created based on the recognized consumer requirements and needs for healthier, but equally good and tasty products.



ICE CREAM

Suitable for diabetics

Frikom enriched its ice cream product mix with a new line of ice creams suitable for diabetics in which the sucrose content was reduced by 55%. Instead, natural sweeteners such as maltitol, erythritol and steviol glycoside were used.

Suitable for customers with special dietary needs

In 2015, Ledo launched its first ice cream suitable for persons with special dietary needs in a family package of 500 ml.

Frikom Strauss čoko-lešnik is an ice cream in which milk proteins were replaced by pea proteins. It is also gelatin-free and there are no other ingredients of animal origin either. It has however preserved the recognizable taste of the Strauss ice cream product line. The product is equally good as the other Strauss products based on milk.

PROMOTIONAL AND EDUCATIONAL ACTIVITIES

In addition to product development activities, we carry out numerous marketing campaigns covered by the media and accompanied with printed materials such as brochures, flyers and posters, as well as promotional tastings in various points of sale and attractive outdoor locations, where we interact with our visitors and engage the entire local community.

The educational aspect of our activities is significantly contributed by numerous lectures at conferences, professional meetings of national and international character, at schools and other educational institutions. Here are but a few:

- **Mg Mivela** – lecture, educational workshop for the press, Opatija, February 2015
- „**Natural Mineral Waters**“, lecture for students of the School of Medicine, 6th Student Congress - „**Nutrition and Clinical Diet Therapy**“, Rijeka
- „**Our Food**“, lecture for pupils from 5th to 8th grades, Borovje Elementary School, Zagreb

CATEGORY: SOCIAL

Sub-category: Product Responsibility

- „Health Benefits of Bottled Natural Mineral Waters from the Perspective of EU Regulations“, „Mineral Waters of Serbia -180 years of Science“ – International Conference, Belgrade
- „Integration of Contemporary Trends in the Croatian Meat Industry“, lecture presenting the educational project called „Less is More“ to professional public, which emphasizes customer care, „3rd International Congress of Nutrition“, Zagreb, November 6 – 8, 2015

We are active members of a large number of professional national and international associations, such as the European Federation of Bottled Waters, in the framework of which we participate in the project called Diversity of Minerals in Bottled Waters implemented by the Clitravi International Meat Industry Association, Croatian Biotechnology Association, Croatian Microbiology Association, and other.

In May of 2015, the Konzum Academy conducted a workshop on the topic of trademark product quality, which was organized for the purpose of transferring the relevant know-how. It gathered 120 representatives of sixty suppliers from Slovenia, Serbia, Bosnia and Herzegovina, Macedonia and Croatia. The workshop also included lectures by guests from competent ministries, i.e. the Ministry of Agriculture and the Ministry of Health, as well as from the leading analytical laboratories, and various consultants and professionals from Agrokori companies.

OUR GOALS FOR THE NEXT REPORTING PERIOD

We will invest continuous efforts in improving the taste and nutritional quality of our products, and will gradually increase the share of products that meet the highest nutritional standards in our entire product mix. In order to achieve this goal, we will attempt to ensure:

LESS SALT

LESS SUGAR

MORE
MICRO-NUTRIENTS

NATURAL
INGREDIENTS

CUSTOMER
EDUCATION

INCREASED QUALITY
STANDARDS

PR2 Total Number of Incidents of Non-compliance with Regulations and Voluntary Codes concerning the Health and Safety Impacts of Products and Services during their Life Cycle, by Type of Outcomes

During the relevant reporting period, there were no incidents of non-compliance with the relevant national or European laws and regulations or standards concerning the quality, safety and possible health impacts of products offered by Agrokori companies. In accordance with the

relevant Group policy, which puts customer trust, safety and product quality first, preventive activities, including pulling back certain products from the stores, were carried out to ensure additional customer protection.

PR3 Type of Product and Service Information Required by the Organization's Procedures for Product and Service Information and Labeling, and Percentage of Significant Product and Service Categories Subject to such Information Requirements

By accepting all regulatory national guidelines and European regulations, all Agrokori companies have fully harmonized and adjusted the information on the packaging of products in terms of content, depending on the category, origin and the relevant technological process applied. The new order of listing nutritional values, information on how to use the product and indicating allergenic ingredients (if any) and other arbitrarily selected labels, in combination with modern design and innovative packaging materials, bring additional value to the wide product portfolio of own brands, particularly the trademarks of regional character, thus also ensuring a more competitive market position.

In response to specific demand and identified needs for specific products, five Agrokori companies - Belje, Dijamant, Frikom, Ledo BiH and PIK Vrbovec - have adjusted their pro-

ducts to comply with the requirements of the Halal Standard defined for the group of products distinguished by specific quality attributes. The same were also made suitable for consumption by followers of the Islam religion. In addition, 11 Agrokori companies also include a list of Kosher certified products, which means that they were produced in accordance with Jewish nutritional requirements.

In companies engaged in agricultural activities, more and more emphasis is placed on monitoring and control of raw materials in accordance with the international Global G.A.P. Standard that prescribes good agricultural practices and is a key element in conducting agricultural and processing production processes. The implementation of the said standard has resulted in an award of the related certificate in four of our companies: Belje, Vupik, PIK Vinkovci and Frikom.

PR4 Total Number of Incidents of Non-compliance with Regulations and Voluntary Codes Concerning Product and Service Information and Labeling, by Type of Outcomes

PR9 Monetary Value of Significant Fines for Non-compliance with Laws and Regulations Concerning the Provision and Use of Products and Services

During the reporting period, there were no incidents of non-compliance with regulations and voluntary codes concerning product and service information and

labeling. Also, no fines were imposed since no incidents of non-compliance with laws and regulations were recorded either.

PR5 Results of Surveys measuring customer Satisfaction

The Agrokor Group and its member companies devote special attention to customer satisfaction. We distinguish between corporate customers and end customers of our products and services. Agrokor's Market Research function conducts regular customer satisfaction surveys in defined intervals applying pre-defined mechanisms, i.e. standardized instruments and objective measuring methods. Standardization of the measuring process allows us to collect results and systematically monitor the same, which results in two important benefits for the Group and its companies: all comparable Group companies apply the standardized valuation method, which allows mutual comparison of the resulting effects. The results obtained can also be systematically monitored over time. The objectivity in data gathering is also at the top of our priorities, and is realized by collecting and interpreting data from renowned international research institutes and agencies.

Agrokor Group carries out two major customer satisfaction monitoring projects: continuous monitoring of compliance with retail service standards and a two-year customer satisfaction survey focusing on large customers of our production companies. The first project concerns the evaluation of the level of compliance with standards at various points of sale by applying the mystery shopping method and is conducted regularly in commercial chains in Croatia (Konzum), Bosnia and Herzegovina (Konzum BiH), Serbia (Mercator S) and Slovenia (Mercator). The research is conducted by independent research agencies respecting the highest market research standards, while the purpose of the project is to evaluate various aspects of the service standard: store tidiness and

cleanliness, staff communication with customers, communication between staff members to get the better understanding of customer needs and succeed in their efforts to meet the same, provision of adequate feedback information to customers, cash register service, etc. The research results are monitored over time at the level of companies and at other levels (regions and business areas), and they help us respond timely by improving particular elements of service at the location of operation concerned, with the aim of increasing the satisfaction of our end customers.

The other large project concerns the evaluation of the satisfaction of our B2B customers, i.e. corporate customers of our production companies, such as partners and buyers in the wholesale, retail, hotel, restaurant, and other similar business segments. The survey is conducted by the Ipsos Puls agency, one of the five leading research agencies at the global level using the computer-assisted telephone interviewing method (CATI).

The results of B2B customer satisfaction surveys conducted in previous years have demonstrated high satisfaction rates at the general level and at the of particular aspects of our products and services. Key contributors to customer loyalty and priority areas for improvement in each of the companies have also been identified. Taking into consideration the overall results achieved and the findings identified on the basis of various surveys and research activities conducted in individual companies and at the Group level, we will continue to improve particular aspects of our services and products because we have recognized customer satisfaction as one of the cornerstones of the Group's success.



Category:
ENVIRONMENTAL

Together and in balance with the social and economic aspect of business, Agrokor's firm environmental pillar continues to responsibly promote the sustainable development concept.

Agrokor's environmental management systems (EMS) were given significant new improvements in 2014 and 2015. These improvements were confirmed by attaining the environmental targets and implementing environmental programs and resulted in reduction of adverse environmental impacts and pollution, i.e. reduction of waste generation, reduced use of raw materials, water and energy, and increased levels of knowledge, responsibility, safety and readiness in ordinary and extraordinary situations. This Sustainability Report provides an overview of the systems relevant to the critical G4 GRI environmental impact indicators in 25 companies in five countries (Croatia, Bosnia and Herzegovina, Macedonia, Slovenia and Serbia).

During this reporting period, Agrokor's companies were awarded two new environmental management system certificates according to the **ISO 14001:2004** international standard. In May of 2014, Kikindski mlin a.d. was awarded its first ISO 14001 certificate, as well as Nova Sloga d.o.o. in May of 2015. The system implemented in Kikindski mlin resulted in significant improvements in waste management and excellent Instructions for Employees and Visitors providing an overview of the entire integrated management system, which may serve as a role model for all other companies. Nova Sloga was awarded certificates for both its plants – the Mg Mivela Natural Mineral Water Bottling Plant and the Refrigeration Plant. Improvements are also noticeable in systematic waste management, better monitoring and higher safety levels. In addition, Nova Sloga optimized its technological processes and enlarged its production capacities at the MG Mivela Plant, thus quickly achieving savings of electricity per liter of finished product in this reporting period. The acquired Mercator d.d. is the first retail company in Slovenia and the entire region to be awarded an ISO 14001 certificate back in 2009, with very impressive professional environmental protection. Frikom a.d., Ledo d.o.o. Čitluk, Solana Pag d.d., Sarajevski kiseljak d.d., Dijamant a.d., Belje d.d., and Agrolaguna d.d. successfully completed their ISO 14001 recertification audits in 2014; Ledo d.d. of Zagreb, Mercator d.d. of Ljubljana, Mercator-S d.o.o. of Belgrade, and Konzum d.o.o. of Sarajevo completed these audits in 2015. The other companies successfully completed their scheduled surveillance audits. Today, 21 Agrokor companies use environmental management systems (EMS) certified according to the world's most prom-

inent environmental standard ISO 14001:2004. These certificates, symbolically referred to as "Green Emeralds", confirm the establishment of high business criteria which, if properly set up, bring significant improvements and have thus become an important tool for better management of companies. ISO 14001 is a fundamental environmental management system in Agrokor's companies, underlying all other standards directly or indirectly associated with environmental matters.

Energy efficiency is an integral part of the environmental management system. The purpose of systematic energy efficiency management according to **ISO 50001:2011** is to additionally improve management efficiency, use and consumption. We thereby aim to minimize our greenhouse gas emissions and other adverse environmental impacts, as well as our costs. Three Agrokor's companies – Zvijezda d.d., Jamnica d.d. and PIK Vrbovec d.d. – received their first ISO 50001:2011 energy efficiency certificates in late 2015. Their energy management systems were effectively integrated with the existing underlying systems.

PIK Vinkovci d.d. successfully passed its first certification audit of its occupational health and safety systems according to the requirements of the **OHSAS 18001:2007** international standard in November of 2014 and has thus become the fifth company within the Agrokor Group system to comply with OHSAS. Risks were identified and assessed for each position and made available to each employee and measures were undertaken for risk minimization whereby the employees were made aware of the risks at their respective workplaces for the purpose of additionally reducing the number of workplace injuries. Another PIK (industrial agricultural system) within our system – PIK Vrbovec d.d. – played an important role and provided assistance and coordination in the implementation of OHSAS, once again highlighting our internal synergies and knowledge transfer. PIK Vrbovec and PIK Vinkovci are an excellent example of first-class management of a company where individual systems are highly effective.

In 2015, Belje d.d., PIK Vinkovci d.d. and Vupik d.d. were awarded certificates for two new systems – **ISCC** and **DS**. **ISCC** (*International Sustainability and Carbon Certification System*) is a leading certification system covering the entire supply chain and all types of bio feedstock and renewable energy sources. Independent third party certification ensures compliance with high environmental and social sustainability requirements and demonstrates company's responsibility in relation to the minimization of greenhouse gas emissions, sustainable use of land and protection of natural biospheres. **DS** (Dunav Soja) confirms the development and security of supplying controlled-origin soybean from the Danube Basin. The Dunav Soja association intends to promote sustainable GMO-free soybean growing in Europe.

BELJE d.d., PIK Vrbovec d.d., Vupik d.d. and Frikom a.d. continue to successfully pursue their good agricultural practices and were awarded certificates under the **GlobalGAP** standard. The global partnership for safe and sustainable ag-

riculture directs us toward the careful management of soil, air and water with a global sustainable goal of leaving them to be used by future generations.

Numerous **statutory audits** were conducted in Agrokor's companies (integrated IPPC audits, environmental protection, water protection, occupational safety and fire protection, sanitary audits, etc.). No cases of legal noncompliance were found, while minor objections concerning non-conformities were responded to by taking quick and effective corrective measures, so no fines of non-monetary sanctions were imposed. The general conclusion arising from the findings of independent inspectorates, certification audits and banking trade institutions is in compliance with the relevant statutory and all other requirements. This compliance allows for the control of all environmental and environmental impact aspects. The environmental regulations relevant to Agrokor's companies in Croatia in this reporting period included the Environmental Permit Regulation (Official Gazette no. 08/2014), the Project Environmental Impact Assessment Regulation (Official Gazette no. 61/2014), the Energy Efficiency Act (Official Gazette no. 127/2014), and the Large Enterprise Energy Auditing Ordinance (Official Gazette no. 123/2015). Such regulations in Serbia and Slovenia include the Integrated Environmental Pollution Prevention and Control Act (Official Journal of the Republic of Serbia 135/2004 and 25/2015) and the Waste Regulation (Official Journal of the Republic of Slovenia no. 37/2015), respectively.

Companies prepare their **environmental reports** on an individual basis. Such reports are an excellent mechanism for controlling the effectiveness of EMS because they determine the positive and negative shifts in company's activities relating to environmental protection and beyond in a simple, accurate and measurable manner. The preparation of these reports confirms a higher level of systematic management in a company and is also used as a tool for making new improvements in future periods.

In 2014, twelve of our companies prepared the Environmental Report 2013: Dijamant a.d., Belje d.d., Pik Vinkovci d.d., Ledo d.o.o. BiH, PIK Vrbovec d.d., Ledo d.d. Zagreb, Sarajevski Kiseljak d.d., Vupik d.d., Zvijezda d.d., Jamnica d.d., Idea a.d. (Mercator-S d.o.o.) Srbija, and Solana Pag d.d. In 2015, eight of our companies prepared the Environmental Report 2014: Belje d.d., Pik Vinkovci d.d., Ledo d.d., Ledo d.o.o. BiH, PIK Vrbovec d.d., Sarajevski Kiseljak d.d. BiH, Vupik d.d., Zvijezda d.d., and Jamnica d.d.

In 2014 and 2015, Agrokor prepared its Annual Report 2013 and Annual Report 2014, prominently featuring the chapters "Integrated Management System" and "Environmental Management System".

The environmental training processes were very intensive during the relevant period. In addition to important external training courses attended by our employees, we will highlight our in-house training course held exclusively for our employees. Most of the trainers were also our employees,

so we once again made positive use of the synergies enabled by the size of our Group.

In 2014, some forty executives from seventeen Agrokor's companies in Croatia received **training in alignment of the environmental management system** with the new legislation of the Republic of Croatia. During that same year, training was provided on the preparation of sustainability reports according to the G4 GRI Guidelines for all Agrokor's companies. In early 2015, training was provided for Agrokor's companies in Serbia with respect to the alignment of the environmental management system with the environmental legislation applicable in Serbia. The training included lectures about the EMAS (Eco Management Audit Scheme) certificate and about the upcoming ISO 14001 audit. In early 2015 in Zagreb, we provided an in-house training on the subject of more efficient energy management, process optimization and cost minimization, energy management system and the ISO 50001 international energy management standard for all our large enterprises.

Agrokor's Futura Academy continued with its programs. In 2015, four groups of our employees learned, amongst other topics, about environmental protection, management systems and sustainable development. This is a program designed for young employees of the Group that gives them an opportunity to acquire new knowledge and quickly learn about the most important elements of Agrokor Group.

We will highlight the second edition of the Agrokor Environmental Protection Days held in Poreč in May of 2015.

The three-day event was attended by 56 experts coming from 28 Agrokor Group companies. This year, the lectures were subject-specific and mostly associated with the defining and attaining of environmental targets, including as many as fourteen lectures from the Agrokor Group system and three external ones. CO2 Print of Montenegro presented a successful carbon footprint pilot project with our Jamnica, while a partnership of the Cleaner Production Center of Serbia and the Croatian Cleaner Production Center presented the possibility of achieving more feedstock-efficient and cleaner production as a path toward sustainable development. We also heard an excellent motivational lecture given by the famous mountaineer Stipe Božić about organizing the ascents to the highest seven summits in the world on all continents.

We will also mention the presentation of Agrokor's e-Kolektor d.o.o. company to Agrokor's companies. As a company specializing in waste management, **e-Kolektor** is a powerful addition to Agrokor's environmental management systems. The critical points of their mission and vision statements are to ensure top service quality in the process of waste collection, treatment and disposal and to help it focus on becoming a leading waste management company in the region.

Positive results are visible in the yards of all Agrokor's sites: the distinctive green containers and modern facilities improving the waste management activities.

In addition to our regular trainings for environmental executives, employees responsible for important aspects of environmental protection, internal environmental auditors and new employees, but also our customers, suppliers and partners, our senior management (Vupik d.d., Kikindski mlin a.d., Nova Sloga a.d., Ledo d.d.) also received training. Training continues to drive our efforts toward improving our systems on all business levels.

Agrokor is a party to the UN Global Compact Network, a member of the Croatian Business Council for Sustainable Development (CBCSD), and takes an active part in the activities of the Environmental Protection Association attached to the Croatian Chamber of Economy, GIU PAK (Economic Interest Grouping for Packaging and Environmental Protection), EKO Ozra, and other institutions.

We are now in our fourth year of collecting plastic bottle caps in Agrokor companies in Croatia for the benefit of the Croatian Leukemia and Lymphoma Patients Association. This is a humanitarian campaign intended to improve the lives of leukemia and lymphoma patients, but also to improve the separation of this type of waste which used to end up in municipal waste.

In 2014 and 2015, our companies made numerous improvements in the area of environmental protection. Professionally managed environmental protection yields results – many interesting projects were designed within Agrokor's integrated systems.

At the Fifth National Socially Responsible Business Conference held on 25 March 2014 at the Esplanade Hotel in Zagreb, **Ledo d.d. won an Indeks DOP Award for 2013.** Thanks to adhering to high production quality and innovation standards, but also those relating to environmental management, Ledo was included in the prestigious list of award-winners in the Responsible Environmental Management Policies and Practices category. That same year, forty Ledo's drivers completed eco-driving training aiming to reduce fuel consumption and CO2 emissions. In 2014, Irida successfully had its new FSSC (Food Safety System Certification) 22000 system certified. Frikom reassembled their heating line in a part of the factory, which significantly reduced heat and water losses. Ledo d.o.o. of Čitluk improved their waste storage area as part of a project associated with the exports of fish to EU member states.

In cooperation with the Croatian Cleaner Production Center and UNIDO's consultants, **Jamnica** completed its Low Carbon Technologies project. The project aims to provide best-practice examples for Low-Carbon (LC) technologies in selected Southeast European companies. CO2 Print of Montenegro completed a successful carbon footprint pilot project for carbonated natural mineral water, also with Jamnica. In addition,

fifty Jamnica's drivers completed eco-driving training.

Sarajevski kiseljak built and put into service an alkali regeneration plant which provided savings of alkali and fresh water and reduced wastewater saturation. A waste baling press was also installed as part of a modern waste management eco-corner.

Mladina completed their tank enclosure in the pesticide storage area.

Fonyódi reduce the weight of their secondary packaging materials and reconstructed their CIP unit.

Roto Dinamic began to systematically track their waste management and appointed their Environmental Officer.

The **Belje** business complex in Mitrovac, Baranja, is an example of successful synergy because the largest dairy farm in Croatia provides part of the materials necessary to make biogas, the **Agrokor – Energija** biogas plant produces electricity and heat, and the greenhouse uses heat to grow tomatoes on a year-round basis. Beside all this, the farm also includes a solar power plant. Belje's Dairy Factory put into service an equalization pool and started to use gas at five pig farms. A 2 MW biogas plant next to the Popovac farm in Belje was also put into service. Agrokor – Energija built two more biogas plants – Vinka within the eponymous plant near Vinkovci and Ovčara next to Vupik's dairy farm near Vukovar.

Vupik completed the process of obtaining a number of water management licenses which were issued for all sites. The implementation of a quality management system according to ISO 9001:2015 is in its final stage.

The primary energy source at the Sopot site within **PIK Vinkovci** was replaced by a more environmentally acceptable energy source (pellets), thus reducing CO2 emissions. Improvements are also noticeable in remote facilities: at PIK Vinkovci we will highlight the roofing of the diesel fuel tank at the Polača site in Ravni kotari. PIK Vrbovec extended the scope of their EMS to their sales centers (Osijek and Rijeka), reconstructed part of the internal sewage system, and commissioned a wastewater treatment plant. In early 2014, PIK Vrbovec also obtained an Integral Environmental Authorization for its existing plant in Vrbovec, a so-called Environmental Permit according to the IPPC Directive. That same year, 50 PIK Vrbovec's drivers received eco-driving training.

Zvijezda organized an interesting project for reducing waste pallet volumes. A new steam boiler was commissioned, which resulted in lower air emissions. A training project titled "Eco-Driving" included training of twenty cargo vehicle drivers who may significantly contribute to the reduction of fuel consumption and CO2 emissions by changing their driving style.

Dijamant launched a useful initiative for regularly meeting with residents of communities around the factory where neighbors are given an opportunity to learn about the company's activities with respect to environmental protection. The amount of wastewater at Dijamant was reduced

by using an appropriate operating method and reviewing the technological operations.

Agrolaguna completely resolved its problems regarding wastewater coming from the Špin Farm because wastewater generated by milking and milk storage at the farm was connected to the wastewater treatment plant at the cheese plant at the same site. Works are in progress at the winery and the oil mill for the construction of new collectors and wastewater treatment plants.

As part of a coarse salt irrigation facility project at **Solana Pag** the existing equipment was replaced and a new drying facility was installed, thus making additional positive shifts with respect to reducing energy consumption and using new energy sources.

Konzum Hrvatska trained 215 drivers for eco-driving and thus reduced their CO₂ emissions from cargo vehicles, heating oil was replaced by more energy-efficient and less harmful natural gas, the existing exterior lighting was replaced by LED bulbs, the fluorescent tubes were replaced by more energy-efficient tubes, etc. **Konzum d.o.o. BiH** demonstrated their social responsibility by taking part in the “Let’s Plant One Million Trees in 1 Day” and “Let’s Clean the Earth in 1 Day” projects. 306 employees were trained for the environmental management system. In addition, they installed 14 grease traps for separating waste grease and oil.

Mercator Slovenija increased the share of their sorted waste at 206 retail stores, conducted a central audit of their technical refrigeration equipment for the purpose of en-

suring energy efficiency at all major facilities, replaced the lighting at 23 facilities, and purchased 27 commercial vehicles featuring EURO 6 engines, thus achieving a reduction in emissions generated by freight vehicles.

Mercator-S Srbija trained their employees at all levels about the relevant amendment to the legislation concerning food safety and environmental protection and increased the volumes of collected and recycled waste.

In addition to purchasing old paper, in 2015 **Tisak** began to purchase textile and purchase 30% more nonhazardous waste in 2014 and 2015 than in 2013. 58 Tisak’s drivers received eco-driving training. In addition, three Group companies (Konzum, Jamnica and Aviva) purchased a total of seventeen hybrid vehicles to reduce the environmental impact of driving and exhaust fumes.

These are just some of the important Agrokor’s environmental projects implemented during the reporting period. More details are provided below, in the company-specific reports. In future, we plan to focus even more on quality by setting new environmental targets and implementing new environmental programs, on quality audits under international standards, in particular ISO 14001:2015, on energy-efficiency, and on greater involvement of management of our companies in this segment of business.

Together and in balance with the social and economic aspect of business, Agrokor’s firm environmental pillar continues to responsibly promote the sustainable development concept.

For the fourth Sustainability Report, the Agrokor Group companies gathered data representing a total of eighteen environmental indicators as follows:

EN1	Materials used by weight or volume	EN19	Reduction of greenhouse gas emissions
EN3	Energy consumption within the organization	EN20	Emissions of ozone-depleting substances (ODS)
EN5	Energy intensity	EN21	NO _x , SO _x , and other significant air emissions
EN6	Reduction of energy consumption	EN22	Total water discharge by quality and destination
EN8	Total water withdrawal by source	EN23	Total weight of waste by type and disposal method
EN9	Water sources significantly affected by withdrawal of water	EN29	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations
EN10	Percentage and total volume of water recycled and reused	EN30	Significant environmental impacts of transporting products and other goods and materials for the organization’s operations, and transporting members of the workforce
EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	EN31	Total environmental protection expenditures and investments by type
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas		
EN15	Direct greenhouse gas (GHG) emissions (Scope 1)		
EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)		
EN18	Greenhouse gas (GHG) emissions intensity		

Category: ENVIRONMENTAL Retail



Konzum

Konzum is the largest national and regional retail chain which presently operates over 750 stores. In late 2014, the Mercator retail chain was merged into Konzum, which additionally reinforced Konzum's regional position. A total of 75 additional stores were included in the system (12 Super Konzum stores, 12 Maxi Konzum stores, two Velpro Centers and 49 small stores). Management systems had been implemented in all former Mercator stores (ISO 140001 and ISO 22000). In 2015, each Mercator store received an ISO 14001 certificate, while 12 Super Konzum stores and three Velpro Centers received ISO 22000 certificates. Some of the Mercator stores had implemented and certified HACCP systems, but had not received an ISO 14001 certificate with respect to environmental protection (their business was in compliance with the statutory requirements, but the system was not formally certified). In August of 2015, the Kozmo stores, which had also implemented environmental management and food safety systems, were merged into Konzum's system (their systems will be certified in 2016). Kozmo conducted their business in compliance with the relevant legislation, but their management systems were not implemented or certified.

Konzum continues to improve its services and introduce innovations, as confirmed by the management systems implemented and certified during the past period. An ISO 14001:2004 environmental management system was implemented and certified in all company facilities back in 2010 and successfully recertified in 2013, so Konzum will continue to undertake its activities in this respect. A 22000:2005 food safety management system was implemented in all company stores and certified in Velpro Centers, Super Konzum stores and in warehouses. Konzum also had its occupational safety system certified according to OHSAS 18001:2007 and its information security system according to ISO/IEC 27001:2013.

The objectives of the environmental management system in 2014 and 2015 were to train drivers for eco-driving, implement new technological solutions and achieve savings by using nonrenewable energy sources. Savings were achieved by regularly maintaining equipment, reconstructions (heating system, installation of LED lighting and motion sensors) and training the employees. The heating plants in four stores were reconstructed and heating oil was replaced by more energy-efficient and less harmful natural gas in four stores. In 57 stores the existing exterior lighting was replaced by LED bulbs, T8 fluorescent tubes were replaced by more energy-efficient T5 tubes, and motion sensors were installed in the least used areas. Motion sensors were installed in the garages of six Super Konzum stores and LED bulbs replaced the former lighting at the Fruits & Vegetables departments in 18 stores. Train-

ing of freight vehicle drivers resulted in reduced CO₂ emissions generated by cargo vehicles. Between May and November of 2014, 215 cargo vehicle drivers attended an eco-driving course (held by ORYX Group) in five cities (Zagreb, Osijek, Rijeka, Poreč and Split).

Thanks to the integration of the ISO 14001 and HACCP documentation and its availability in electronic format on the intranet portal, the volume of printed documents was reduced and less paper waste is now generated. According to the target set and the relevant statutory requirements, R-22 was completely phased out in all equipment. We did not fully achieve our objective of implementing an energy-efficient management system because the legal framework is vague (not all necessary regulations were put in place), so the attainment of this objective was transferred to the next period.

In 2015, we began to prepare for the implementation of an energy-efficiency system according to the requirements of 50001. The implementation and certification of this system are scheduled for late 2016. In late 2015, a new Ordinance was put in place that defines the possibility of donating food, whereby Konzum became even more actively involved in cooperation with the local community – in addition to the primary goal of helping people with lower income, this should also help reduce the amount of retired assets. In addition to their intensified activities regarding food donation, Konzum continues to participate in the campaign for collecting plastic bottle caps for the Croatian Leukemia and Lymphoma Patients Association. One of the most important future objectives is to fully computerize the flow of all types of waste on all levels, which is why we expect to improve our control of the entire waste management system.

In late 2015, the former Mercator P-3200 store on Radnička Street in Zagreb was redesigned and it is now quite different than the other stores – the fresh product departments were improved and new services were offered (for example, the juice bar, the coffee corner in the winter garden. etc.). A prize contest was organized for the opening ceremony at the redesigned Super Konzum Radnička where the main prize was a Tesla electric car, whereby we made it clear to our customers that we are an environmentally conscious company promoting the use of alternative energy sources. The store's parking lot features the first Konzum electric vehicle charging station, representing an important service now available to environmentally aware citizens who will surely appreciate this. 10 more charging stations are planned to be installed in 2016 in parking lots or garages of Konzum stores.

A new web shop (Konzum Klik) was opened in late 2015 in the former Getro Vrbani building in Zagreb. In addition to home delivery, the shop offers a drive-in service.

Materials

EN1: Materials used by weight or volume

Type of material used (kg)	2014	2015
Materials for packaging purposes	11,448,950	11,417,338.29
Total	11,448,950	11,417,338.29

In 2014 and 2015, we put 0.05% more packaging on the mar-

ket than in the preceding reporting period. The packaging presented for this indicator is packaging of marketed products directly imported by Konzum, for which it pays a charge to the Environmental Protection and Energy Efficiency Fund. The reduction of packaging weight is a result of reduced imports and a trend of using less packaging.

Energy

EN3: Energy consumption within the organization (GJ)

Year	Diesel	Natural gas	LPG	Electricity	ELHO	Steam
2014	4,189,410	111,551	897	898,139	14,973	20,725
2015	4,358,870	143,203	1,139	1,029,412	19,839	17,891
Total	8,548,280	254,754	2,036	1,927,551	34,812	38,616

Energy consumption increased by 14.48% during this reporting period due to an increased number of stores (Mercator was integrated in the system in late 2014 – 75 stores with around 80,000 m², while Kozmo was integrated in 2015 – 70 stores with around 17,000 m²). Consumption of natural

gas and district heating steam decreased (gas by 4.77% and steam by 6.96 %). Consumption of heating oil (14.69%) and electricity (18.05%) increased compared to the preceding reporting period due to an increased number of stores.

EN5: Energy intensity (GJ/turnover)

Energy intensity was not presented for the preceding reporting period. Energy intensity was calculated by dividing total energy consumption denominated in GJ (electricity, gas, heating oil...) by the turnover expressed in HRK 100,000. This line of business recorded higher energy intensity by 11.11% than in 2014 as a result of the acquisition of Mercator and Kozmo stores.

Year	Energy intensity (GJ/HRK 100,000)
2014	9
2015	10

EN6: Reduction of energy consumption

The installation of motion sensors and more efficient lighting (LED bulbs, T8 fluorescent tubes replaced by more energy-efficient T5 tubes) at six Super Konzum stores resulted in reduced electricity consumption by 6.37%. The reconstruction of heat-

ing plants and replacement of energy sources (eight stores) resulted in reduced heating oil consumption in these stores by 62.71% compared to the preceding reporting period.

Water

EN8: Total water withdrawal by source (m³)

Year	Public water supply system	Total volume of water withdrawn
2014	416,860	416,860
2015	509,336	509,336
Total	926,196	926,196

Water consumption increased by 23.95% compared to the preceding reporting period. This is a result of an increased number of stores (acquisition of Mercator and Kozmo in 2015).

Emissions, Effluents and Waste

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

Direct greenhouse gas emissions (t CO ₂)	2014	2015
Buildings	3,411.29	3,104.27
Transport	11.19	11.62
Total	3,422.48	3,115.89

Greenhouse gas emissions decreased by 19.32% compared to the preceding reporting period. The sources of emissions

in buildings are heating plants and boilers where emissions were reduced by 19.37%, while vehicle emissions decreased by 1.2%. This result was achieved by training drivers and thus reducing vehicle greenhouse gas emissions, while the results for the heating plants were achieved by regularly inspecting and maintaining our heating plants. In 2014, the fleet comprised 389 cargo vehicle, which number increased to 406 vehicles in 2015.

EN16: Energy indirect greenhouse gas (GHG) emissions (Scope 2)

Indirect greenhouse gas emissions (t CO ₂)	2014	2015
For electricity	195,507.38	224,083.06
Total	195,507.38	224,083.06

A total of 419,590.44 tons of CO₂ was emitted to produce the electricity used in Konsum stores during this reporting period.

EN18: Greenhouse gas (GHG) emissions intensity

Year	Greenhouse gas emissions intensity (t/HRK 100,000)
2014	0.031
2015	0.026

Greenhouse gas emissions intensity was not recorded during the preceding reporting period, so no data comparison is available. Intensity was reduced by 16.13% in 2015 compared to 2014 as a result of regular maintenance of heating plants and training of freight vehicle drivers.

EN19: Reduction of greenhouse gas emissions

Compared to the preceding reporting period, greenhouse gas emissions were reduced by 1565.94 t of CO₂, i.e. by 19.32%. The greatest reduction was achieved with respect to the emissions from heating plants and boilers used to heat premises and water. Eight heating plants were reconstructed, re-

sulting in a reduction of emissions by 19.37% (1565.64 t of CO₂). A lesser reduction in CO₂ emissions was achieved for vehicles (1.2%, i.e. 0.3 t of CO₂) as a result of our freight vehicle driver training which continues on an ongoing basis.

EN20: Emissions of ozone-depleting substances (ODS)

Only permitted refrigerants are used in refrigeration equipment and air conditioners (R404a, R407c, R410a). Regular servicing and maintenance, as well as proper use of equipment,

prevent air emissions of substances. Compared to the preceding period, R22 was phased out in all company stores in accordance with the relevant legislation (2851 kg still remains).

EN21: NO_x, SO_x and other significant air emissions

Air emissions (t)

Year	SO ₂	NO ₂	CO
2014	1.3	2.72	0.23
2015	1.25	2.58	0.21
Total	2.55	5.3	0.44

Air emissions were reduced by 36.38% compared to the preceding reporting period. The reduction is a result of regularly servicing heating plants and boilers, reconstructing heating plants, and replacing heating oil by more energy-efficient and environmentally less harmful natural gas. In four heating plants, heating oil was replaced by gas (P-603, P-521, P-24 and P-904). Four heating plants were reconstructed. They continue to use heating oil but they are now much safer and more efficient (P-462, P-181, P-494 and P-1310).

EN22: Total water discharge by quality and destination

Wastewater discharged from company facilities is not subject to the Ordinance on Emission Limit Values for Wastewater Discharges, does not exceed 30 m³ per day, and does not require a water management license. This is why wastewater amounts are not directly recorded and no exact figures are available – the amounts may be estimated based on the water use figures (EN8). Wastewater not contaminated by

dangerous substances is discharged into sewerage systems or septic tanks (no direct discharge into natural recipients). In stores operating gastro departments, wastewater is discharged through grease traps, thus reducing the possibility of discharging harmful substances to a minimum. 33% more grease traps were used in this reporting period than in the preceding one.

EN23: Total weight of waste by type and disposal method

Type of waste	Treatment	Waste disposal contractors	2014 (t)	2015 (t)
Nonhazardous waste	R4, R13	e-Kolektor, Unijapapir, Metis, Cezar, Tisak, Unija Nova, Agroproteinka, Ekoflor plus, ZG Holding, Odvodnja, Jolly JBS, CLOS, CIAK, Friš	12,020.55	12,960.64
Hazardous waste	R3, R4, R5, R12	Flora VTC, CIAK, Friš	31.09	18.56
Total			12,051.64	12,979.20

Compared to the preceding period, Konzum produced 38.33% more nonhazardous waste and 36.56% more hazardous waste in company facilities. As the system now includes Mercator

and Kozmo, such results were expected. Konzum pays a great deal of attention to sorting waste at source, thus enabling the extraction of maximum amounts of useful waste and reduc-

CATEGORY: ENVIRONMENTAL

Business Group Retail

Konsum

tion of municipal waste. The focus on reducing municipal waste will remain present in the next period as well. After implementing a digital application, control will be more effective and it will be possible to respond more quickly, which is why we are expecting even better results, i.e. more useful waste and less municipal waste. It is also of utmost im-

portant to continuously train employees – a great emphasis will be placed in the next period on intensified training and awareness of employee on all levels. Compared to the preceding reporting period, our revenue from selling sorted useful waste increased by 42.26%.

Compliance

EN29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

No cases of noncompliance with any environmental laws and regulations were recorded during 2014 and 2015. No fines or nonmonetary sanctions were imposed. As there were no fines

or sanctions in the preceding reporting period either, there is no difference.

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

Year	Fuel for transport (GJ)
2014	153,661.81
2015	159,534.63
Total	313,196.44

In 2014 and 2015, 313,196.44 GJ was used for transport, which is 12.75% more compared to the preceding reporting period. At the same time, CO₂ emissions were reduced by 1.2% as a result of training freight vehicle drivers.

Environmental Protection Investments

EN31: Total environmental protection expenditures and investments by type

In 2014 and 2015, the costs of waste transport and disposal and the costs of utility equipment amounted to HRK 46,470,101.10, which is 28.38% more compared to the preceding reporting period. HRK 17,852,240.14 was spent on equipment maintenance (heating plant servicing, chimney sweeping services, emission measuring, maintenance of refrigerating and air conditioning equipment), which is 3.92% more compared to the preceding reporting period. This increase in costs is a result of network enlargement. The costs

of landscaping, green surface cleaning and snow cleaning decreased by 17.30% compared to the preceding reporting period and amounted to HRK 6,381,000. These costs were lower because the snow cleaning costs were lower as a result of the weather conditions. As no environmental incidents were recorded, no funds were spent on remediation of damage (one spill occurred in the preceding reporting period and HRK 1,036,972.25 was spent to remediate it).

Year	Waste disposal, emission treatment and remediation costs (HRK)	Prevention and environmental management costs (HRK)
2014	23,041,576.37	8,816,446.18
2015	23,428,524.73	9,035,793.96
Total	46,470,101.10	17,852,240.14

CATEGORY: ENVIRONMENTAL

Business Group Retail

Konsum

Targets for the next period:

- The targets for the next period are reduction of fuel consumption for freight vehicles and reduction of air emissions as a result of switching to more environmentally acceptable fuel. We plan to install autogas systems in around 150 cargo vehicles and expect to thereby reduce our fuel consumption and greenhouse gas emissions. We will also continue to provide training to our freight vehicle drivers to achieve even greater reductions.
- In the context of waste management, we plan to implement a fully computerized system for monitoring the flow of all types of waste in all facilities. This will facilitate document preparation on the store level, however, the greatest benefit provided will be full control at all stores at all times, which will allow for better results with respect to the organization of sorting and transport of waste from each site.
- We also plan to intensify our activities regarding food donations which should have a social effect of helping citizens with low income and result in better discard planning in stores, i.e. reduction of Class 3 waste. We will continue with our campaign for collecting bottle caps to help leukemia patients, but it will be extended to additional sites. We are also planning to conduct marketing campaigns to mark environment-relevant dates (Environment Day, etc.) to make Konsum a prominent leader in the area of environmental protection as well.
- The management systems implemented and certified during the preceding period will continue to be maintained and improved. An ISO 14001 recertification is scheduled for May/June of 2016. Surveillance audits to be conducted by the ISO 22000 certifier are planned in two phases – in February and July of 2016. In the next reporting period, we also plan to introduce a new management system – an energy efficiency management system according to ISO 50001.

Konzum Sarajevo

Konzum d.o.o. Sarajevo operates in the retail and wholesale segments on the market of Bosnia and Herzegovina. They closed the year 2015 with 258 retail stores and seven wholesale facilities.

The most important activity to be highlighted in this reporting period is the acquisition of 90 Mercator retail stores in late 2014, which significantly reinforced the network in the context of size and market position.

In 2014, a natural disaster occurred in Bosnia and Herzegovina – a flood that destroyed three retail stores along the Bosna River (Doboj, Maglaj and Žepče). One of the stores was completely destroyed, while the other two suffered substantial damage. All destroyed stores were fully reconstructed. All products affected by the flood and all waste resulting from the renovation were disposed of in an environmentally acceptable manner. A post-flood inspection found no emissions of dangerous substances.

This reporting period was marked by preparations for alignment with the legislative requirements in the area of chemicals management, a database of the chemicals we use in our business was created, and the relevant documents were verified for compliance with the relevant statutory requirements.

According to the targets set for this reporting period, preventive surveillance was established over the discharge of refrigerant from equipment in Maxi and Super stores within the retail network and all Velpro Centers. We trained 306 employees on the requirements of the environmental

management system. We also installed 14 grease traps for separating waste grease and oil.

In 2014, we worked on preparing a technical and technological project for a banana ripening plant. This implied designing the layout for all rooms and arranging the pallet spaces in the ripening facility. An environmental impact assessment was made and a proposal was submitted for the management of all management aspects. These aspects pertain to potential emissions of refrigerant and ethylene gas, hazardous and nonhazardous types of waste to be generated (paper, plastic, fluorescent bulbs, EE waste, wood and bio-waste), and wastewater discharge.

In 2015, we successfully had our ISO 14001 environmental management system recertified. According to the targets set for the preceding period, we installed a heat recovery system and a VAR compensator. LED lighting was installed in 20 retail stores and containers were made available for voluntary disposal of EE waste in 10 retail stores. Useful waste selection (paper, nylon, bottle caps) was launched in the administration building. The forklift trucks are equipped with sound and light signals as an occupational safety measure and office areas were equipped with certified power cables.

For the purposes of presenting the environmental indicators, the information about the input and output categories pertain to the entire system including the retail and wholesale networks and the administration building. It should be noted that most of the indicators in 2015 were higher as a result of the sales network enlargement in late 2014.

Materials

EN1: Materials used by weight or volume

In the context of the basic materials used to provide the services performed by Konzum, they primarily refer to the packaging materials of marketed and sold products.

Type of material used (kg)	2014	2015
Raw materials	-	-
Associated process materials	-	-
Materials for packaging purposes	2,818,140	2,361,569

The amounts of packaging material used that were 16% less in 2015 than in 2014 are a result of sales network and capac-

ity stabilization, while the increase by 17% compared to the preceding reporting period is a result of the rapid growth of the sales network in late 2014 when an increase occurred due to the initial stocking of standard assortment.

In February of 2014, a regulation came into force that defines payment of charges for disposable bags based on their thickness and prohibits purchasing of disposable shopping bags thicker than 20 µm because all disposable bags exceeding this figure are considered to be multipurpose. This practice allowed for the multiple use of bags because the defined price of a disposable bag encouraged the consumer to reuse it.

Energy

EN3: Energy consumption within the organization (GJ)

Year	Electricity	Diesel	Steam
2014	210,720	32,390	17,086
2015	316,278	29,557	23,615
Total	526,998	61,947	40,701

Compared to 2014, in 2015 we recorded an increase in electricity consumption by 50% as expected, since 2015 was the first year with an increased number of retail stores. Electricity consumption increased by 110% compared to the preceding reporting period. Electricity is necessary to operate all equipment and lighting fixtures, as well as cooling and heating.

The nonrenewable energy source used for transport is diesel. The fleet comprises cars, light commercial vehicles and freight vehicles. In 2015, we used 60 own freight vehicles, compared to 49 in 2014 and in the preceding reporting period. The number of cars and light commercial vehicles varies, with the average number of vehicles in 2014 being 94 and 110 in 2015.

648,559 liters of diesel fuel were used to drive 3,444,610 kilometers in 2015, and 721,072 liters of diesel fuel were used to drive 3,243,275 kilometers in 2014. Compared to the preceding reporting period, our diesel consumption increased by 62% as a result of more vehicles and a larger sales network.

As energy products, hot water and steam are used to heat premises as a product of the combustion of different fuel types (extra light heating oil, coal, gas). 48 stores used these types of fuel in 2015, consuming a total of 23,615 GJ. The surface area to which this figure pertains is 41,930.50 m². A 38% increase compared to 2014 is a result of a long heating season. Compared to the preceding reporting period, our indirect energy consumption increased by 65% as a result of more stores using it.

As a renewable energy source, pellets were used in 14 stores during the 2015 heating season. The surface area heated was 13,389.00 m². In 2014, 11 stores used pellets. The consumption levels can only be stated financially. Volatile biofuel prices year after year prevent a comparison in consumption.

EN5: Energy intensity

Energy intensity (GJ/turnover)	2014	2015
GJ of direct nonrenewable energy/ EUR of turnover	0.00009	0.00007
GJ of indirect electricity/ EUR of turnover	0.0006	0.0007

Organization-specific intensity expresses GJ of direct non-renewable energy (diesel fuel) per turnover used for the pur-

pose of transporting goods within the retail and wholesale networks and delivering them to other wholesale network customers.

Another organization-specific figure is GJ of indirect electricity used to operate equipment, cooling and heating per square meter of the surface area of the stores using it for such purposes.

This figure was not calculated in the preceding reporting period.

EN6: Reduction of energy consumption

Change of the tariff model and the supplying/measuring voltage network, replacement of meters, installation of reactive power compensators and an integrated meter, and transport route optimization are the measures undertaken on an ongoing basis for the purpose of reducing costs and consumption of fuel of all forms and sources.

The tariff model change, i.e. switching to a model where power is not measured to a model with power measurement provides financial savings of around 10% for facilities

using a total of 10,000 kWh of active power per month. The meter replacement also results in financial savings between 10% and 20%.

The installation of compensators is an investment with a payback period of 12-15 months. It provides financial savings because it eliminates reactive power by 2-3%, but also extends the equipment lifetime. The installation of an integrated meter initiates savings of around 20% due to the measuring of both expensive and cheap daily tariffs.

Water

EN8: Total water withdrawal by source (m³)

Year	Public water supply system	Total volume of water withdrawn
2014	140,010	140,010
2015	148,041	148,041

Water is supplied from the public water supply system, for drinking and as process/sanitary water. An increase by 6% in 2015 compared to 2014 is a sole result of a sudden increase in the number of fuel consuming devices, i.e. enlargement of the retail network. Compared to the preceding reporting period, water consumption increased by 51%, also as a result of the retail network enlargement.

CATEGORY: ENVIRONMENTAL

Business Group Retail

Konzum Sarajevo

Emissions, Effluents and Waste

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

Direct greenhouse gas emissions (t CO ₂)	2014	2015
Transport	2,400	2,187
Total	2,400	2,187

Direct CO₂ emissions relate to transport and emissions resulting from diesel combustion. The estimate includes all ve-

hicles comprising the fleet, i.e. cargo vehicles, light commercial vehicles and cars.

The noticeable reduction is equivalent to the fuel consumption reduction in 2015 compared to 2014. Compared to the preceding reporting period, our greenhouse gas emissions increased by 65% as a result of increased fuel consumption due to fleet enlargement.

EN16: Energy indirect greenhouse gas (GHG) emissions (Scope 2)

Indirect greenhouse gas emissions (t CO ₂)	2014	2015
Electricity	45.87	68.84
Total	45.87	68.84

Indirect CO₂ emissions relate to kWh of electricity supplied to the company and used.

The increase is equivalent to the increase in the amount of supplied electricity in 2015 compared to 2014. Compared to the preceding reporting period, our greenhouse gas emissions increased by 110%, which is consistent with the electricity consumption increase percentage as explained in EN3.

EN18: Greenhouse gas (GHG) emissions intensity

Greenhouse gas emissions intensity (t/turnover)	2014	2015
t of emitted CO ₂ / EUR turnover	1.33x10 ⁻⁷	1.58x10 ⁻⁷

Organization-specific emission intensity indicates the ratio between CO₂ emitted and turnover obtained. CO₂ emitted represents greenhouse gases resulting from direct and indirect emissions. Compared to the preceding reporting period, our greenhouse gas emissions intensity increased by 50%.

EN19: Reduction of greenhouse gas emissions

By technically improving our equipment and using sources with less adverse environmental impacts thanks to their

composition, creation and use, we aim to reduce emissions generated by company's daily activities.

EN20: Emissions of ozone-depleting substances (ODS)

Year	Number of devices using R - 12	Replenished with R - 12	Number of devices using R - 22	Replenished with R - 22
2014	0	0	8	677
2015	0	0	8	519
Total	0	0	8	1,196

In 2014, all refrigeration devices using R-12 were completely discontinued; three were used the year before. The company has refrigeration devices using R-22 and their number remained the same as in 2013. Compared to the preceding reporting period, R-22 consumption was reduced by 10% as a result of preventive maintenance.

CATEGORY: ENVIRONMENTAL
Business Group Retail
Konzum Sarajevo

EN21: NO_x, SO_x and other significant air emissions

Direct emissions (t NO ₂)	2014	2015
Transport	0.426	0.389
Total	0.426	0.389

The calculation is based on the disclosed emission factors per kilometer considering the engine displacement and average consumption for all vehicles comprising the fleet. Compared to the preceding reporting period, our direct emissions increased by 38% as a result of using more vehicles.

EN22: Total water discharge by quality and destination

Wastewater generated at all company sites is discharged into the public sewerage system or a particular recipient, depending on the location. Wastewater quality is not subjected to regular analysis because this is not a legal requirement.

Several facilities use separators operating on a decanting basis, i.e. mechanically separating large impurities, which is one of the preventive measures positively affecting wastewater quality.

EN23: Total weight of waste by type and disposal method

Cardboard/paper and plastic (polypropylene and polyethylene) account for most of our nonhazardous waste. An increase by 27% in selective collection of cardboard and plastic packaging in 2015 compared to 2014 is primarily a result of the network enlargement, but also of ongoing improvements of the management system relative to that type of waste. Compared to the preceding reporting period, the amount of nonhazardous waste collected increased by 85% as a result of

a greater number of sites generating it and improvements of methods for its management.

Nonhazardous wastes include waste edible oil and small household appliances that are found to be defective, retired and classified as EE waste.

Hazardous wastes include gas light bulbs and batteries that are disposed of in an environmentally acceptable manner after being replaced.

Type of waste	Treatment	Waste disposal contractors	2014 (t)	2015 (t)
Nonhazardous waste	Temporary storage, selection, compacting	Alba, Ekosirovina, Grand turnover, Čistoća AD Banja Luka Zeos, Mulalić, Ladanušić	1,661.8	2,123.75
Hazardous waste	Temporary storage	Zeos	0.830	0.480
Total			1,662.63	2,124.23

Compliance

EN29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

As of 1 January 2015, we have updated information about all official audits in the company (Management, Retail and Wholesale). We designed an operating procedure that all employees are required to comply with within the scope of their assignments and responsibilities.

The operating procedures defines how to act in case a representative of a competent auditing authority visits the company and manage nonconformities and corrective/preventive actions to ensure that any nonconformities are

identified and recorded and that appropriate corrective or preventive actions are taken. The information provided in such audit records include the audited site, audit date, audited area and subject matter of the audit, auditing authority's level, document number, and any nonconformities identified.

As of mid-2015, we began to maintain such records using an application allowing us to send audit report summaries to all stakeholders.

CATEGORY: ENVIRONMENTAL
Business Group Retail
Konzum Sarajevo

Area and number of audits in 2015

Audit information			Retail					Wholesale
No.	Area/Number of audits	Management	Sarajevo Region	Mostar Region	Tuzla Region	Banja Luka Region		
1,	Sanitary	182	2	78	35	24	37	6
2,	Veterinary	305	0	198	18	29	58	2
3,	Agriculture	21	0	2	13	2	4	0
4,	Market	121	1	43	19	19	37	2
5,	Environment	61	1	23	4	12	21	0
6,	Labor	45	6	14	5	8	11	1
7,	Tax	3	10	1	1	0	1	0
Aggregate 2015		738	10	359	95	94	169	11
Aggregate 2015		738	10		717			11

“Environment” refers to audits conducted by the Environmental Protection Inspectorate, Urban Planning Inspectorate, Fire Protection Inspectorate, Occupational Safety Inspectorate and the Electricity Inspectorate.

Summary of results - Environment:

Area	Region	Number of stores	Total number of audits	Total number of audits with noncompliance found	% of audits with noncompliance found	Fines imposed (KM)
Management	-	-	1	0	0%	0
Retail	Sarajevo	135	23	10	43.5	0
	Banja Luka	40	21	13	61.9%	800
	Mostar	47	4	2	50.0%	0
	Tuzla	31	12	6	50.0%	0
Wholesale	-	7	0	0	-	-

Područje		Reason for noncompliance – number of audits with noncompliance found / % - fines											
		Noise		Occupational safety		Protective equipment		Waste		Documentation		Hygiene	
		Number	Fines (KM)	Number	Fines (KM)	Number	Fines (KM)	Number	Fines (KM)	Number	Fines (KM)	Number	Fines (KM)
Management	-	0	-	0	-	0	-	0	-	0	-	0	-
Retail	Sarajevo	2	0	1	0	0	0	2	0	4	0	1	0
	Banja Luka	1	0	2	0	3	0	3	800	3	0	1	0
	Mostar	1	0	0	0	1	0	0	0	0	0	0	0
	Tuzla	1	0	3	0	1	0	1	0	0	0	0	0
Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-

The first table presents the share of audits with identified noncompliance in the number of audits conducted by inspectorates auditing environmental aspects, while the second

table specifies the number of audits by segment/subject of audit. The fine imposed related to our failure to snow outside a retail store.

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

In 2015, 23,646 GJ of diesel fuel was used as directly produced energy by 60 trucks, which resulted in air emissions, namely 1.749 t CO₂/year, 1.838 t CO/year, and 0.219 t NO_x/year. In 2014, the emissions were 1.945 t CO₂/year, 2.043 t CO/year, and 0.243 t NO_x/year.

The significant increase in 2014 compared to 2013 is a result of a sudden enlargement of the retail network. The 10% decrease in 2015 compared to 2014 is a result of process optimization.

Environmental Protection Investments

EN31: Total environmental protection expenditures and investments by type

Year	Waste disposal, emission treatment and remediation costs (KM)	Prevention and environmental management costs (KM)
2014	586,243	908,031
2015	866,340	1,231,431
Total	1,452,583	2,139,462

The figures under "Waste disposal, emissions treatment and remediation costs" relates to municipal waste disposal and treatment. The 82% increase compared to the preceding reporting period is a result of significant network enlargement and additional waste generators.

The figures under "Prevention and environmental management" relate to the aggregate costs incurred as a re-

sult of prevention, regular maintenance of refrigerating and air conditioning equipment, forest exploitation charges, and river basin burdening charges.

The charge paid for disposable bags put into circulation in 2014 amounted to KM 38,605. In 2015, the sale of disposable bags subject to such charge, i.e. bags less than 20 microns thick, was discontinued.

Plans for 2016 and 2017:

- audit the compliance with the ISO 14001 requirements on a sample of at least fifty stores, including a summary by format;
- regularly maintain a chemicals registry;
- install two new EE waste containers (small household appliances) intended for Konzum customers;
- dispose of batteries collected from consumers;
- replace the waste oil collecting operator;
- equip a park in Sarajevo Canton with benches; and
- take part in voluntary environment cleaning campaigns in municipalities across Bosnia and Herzegovina.

Mercator Slovenia

Mercator Group operates as part of the Agrokor Group and is one of the largest business entities in Slovenia. In the Slovenian market, the Group is present with 11 companies, with nine other subsidiaries operating in other Southeast European markets. In late 2015, Mercator in Slovenia operated 861 retail stores, 222 of which were franchised stores. As regards the formats of the stores, 65% are neighborhood stores, 26% are supermarkets, and 5% are hypermarkets. In addition to their core business of selling fast moving consumer goods, Mercator is also present in Slovenia with the following brands: Intersport, Modiana, M Tehnika, Maxen and Beautique. 143 such stores operate on the Slovenian market, 47 of them being home product stores, 42 textile stores, and 35 sporting goods stores.

On the Serbian market, which is Mercator's most important market beside Slovenia, the company operates three store formats in the FMCG segment: Mercator, Roda and Idea. The company has a total of 377 retail stores, 92% of which sell FMCG. Mercator is also present in Serbia with the following brands: Intersport, Modiana, M Tehnika and Beautique, with a total of 30 retail units. We have no franchised stores in this market. Due to market consolidations within Agrokor Group, since July of 2015 Mercator has only been present on the Croatian market with the Intersport and Modiana brands with 63 retail units and only conducted its non-core business in the market of Bosnia and Herzegovina under the Intersport, Modiana and Beautique brands with 25 retail units. In Montenegro, Mercator operates its Roda, Intersport and M Tehnika formats with a total of 104 retail units.

As a responsible trader, the company operates according to sustainable development principles. It is actively involved in its greater economic, social and natural setting. The company adheres to sustainable commerce principles and endeavors to make its activities sustainable and environmentally harmless on a daily basis, while encouraging its suppliers to engage in sustainable production and its customers to practice sustainable consumption.

The management of environmental aspects in Mercator has been systematically defined since 2009 and confirmed by a certificate for its established environmental management system according to ISO 14001:2004.

For the purpose of effectively managing the environmental aspects, we assessed the environmental risks. The greatest environmental risk we identified for 2015 was the risk in the area of electricity, heating and waste management. The only identified critical risk was the risk associated with less efficient consumption of electricity due to sub-optimally designed business processes and installed technologies.

This is the first time Mercator provides its sustainable development report according to the GRI Guidelines as part of Agrokor Group.

In 2014 and 2015, the environmental management system was developed by undertaking the following crucial activities:

- For the purpose of reducing costs and optimization in the area of packaging waste management, in early 2014 the company joined the Unirec collective packaging waste scheme. For the purpose of efficiently managing over 10,000 tons of packaging waste generated by Mercator every year, 25 stationary screw presses of 32 m³ were installed in distribution centers and at retail sites. These presses are able to reduce the volume of packaging up to 10 times, thus also reducing the frequency of packaging waste transport. Using revised internal documents, our employees were trained for proper packaging waste sorting;
- For the purpose of complying with our mid-term plan for reducing mixed municipal waste by 10%, 206 retail stores optimized the volume of their mixed municipal waste containers, installed containers for small packaging waste and bio-waste, and thus increased the share of sorted waste and reduced the cost of mixed municipal waste disposal;
- 23 renovated retail stores installed separate waste baskets for customers;
- According to the requirements of the Waste Electrical and Electronic Equipment Regulation (Official Journal of the Republic of Slovenia no. 55/2015), collection of small-volume waste electrical and electronic equipment is available in retail stores where at least 400 m² of the sales area is intended for selling electrical and electronic equipment, i.e. equipment not exceeding 25 cm, exclusive of any removable attachments;
- Different activities were undertaken for the purpose of minimizing and/or optimizing our energy consumption;
- We regularly conduct central audits of refrigeration equipment in all major facilities within the RetailCare project;
- We implemented and completed a project for the replacement of lighting in interior and exterior elements of the entire graphic image on all 23 stores as planned;
- According to the annual fixed asset purchasing plan, in 2015 we purchased 27 commercial vehicles featuring EURO 6 engines;
- Our withdrawal from well BM-1/72 (DC Maribor) was tested for the purpose of obtaining an authorization to increase the amount of water withdrawn for building cooling purposes;
- Initial wastewater measurements were carried out at the carwash on Slovenčeva Street in Ljubljana, identifying the generation of industrial wastewater. As the daily water consumption levels are very low and statutory measures are regularly undertaken, it was not necessary to monitor wastewater in our plants or pay environmental charges for environmental pollution resulting from wastewater separation;

RIBARNICA

TEDENSKA
PONUDBA

JAPONSKE
KOČICE

14.99

EUR/kg

SUPER
CENA

ROMB svež

12.79

EUR/kg

SUPER
CENA

ORADA
300-400g, sv.

8.4

EUR/kg

SVEŽE IZ
MREŽE

Velika izbira
kakovostnih rib
kontroliranega

Mercator



CATEGORY: ENVIRONMENTAL

Business Group Retail

Mercator Slovenia

- We established more suitable records of safety data sheets listing the dangerous chemicals we use in our internal process, such as energy, refrigerants, gases, etc.;
- A firm licensed for measuring noise emitted into the natural environment performed 200 noise measurement at Mercator's business sites;
- The LIFE e-WASTE GOVERNANCE project involving Mercator was successful at a competition of LIFE programs for

the environment and weather conditions 2014-2020. The project aims to permanently make consumers aware of the importance of disposing of and sorting e-waste and waste batteries and establishing effective infrastructure for collecting this type of waste, which will be convenient for individuals. This five-year project will be funded by the European Commission and the Ministry of the Environment and Space.

Materials

EN1: Materials used by weight or volume

Type of material used (kg)	2014	2015
Raw materials	11,890,490	8,966,711
Associated process materials	-	-
Materials for packaging purposes	15,990,457	15,821,455
Total	27,880,947	24,788,166

The total amount of packaging materials used in 2015 decreased by 1.06% compared to the total amount in 2014 as a result of divesting the Pekarne Grosuplje plant and arranging the data about product packaging in the new GOLD application. The total amounts of raw materials recorded in 2015 were 24.60% lower than those recorded in 2014, also as a result of divesting the Pekarne Grosuplje plant. As this is its Mercator's first reporting period, we cannot compare it with the preceding one.

Energy

EN3: Energy consumption within the organization

Total energy consumption in Mercator includes the consumption of electricity, heating oil (ELHO), natural gas, LPG for heating and industrial machinery, remote heating, fuel for product and workforce transport, and fuel for working machinery.

Energy consumption (GJ)	2014	2015
Fuel (gasoline)	1,646	1,231
Diesel	63,086	63,953
Natural gas	84,533	76,135
LPG	10,828	12,923
Electricity	728,592	712,736
Heating oil	59,853	59,111
Remote heating	121,096	207,401
Total	1,069,634	1,133,490

Mercator is a major energy consumer in Slovenia. In 2015, the company used 1,333,490 GJ of energy, which is a 6% increase compared to 2014. The reason for such increase is assumed to be an error in entering data about heating and heating LPG consumption in the SAP MM application. Gasoline consumption decreased by 25% as a result of outsourcing some of the maintenance services, which in

turn resulted in less business trips. Natural gas consumption decreased by 10% as a result of a project for producing heat and electricity through a system of 25 cogenerations. Remote heating consumption (a method of heating buildings where heat is transmitted to the consumer from a large source of heat via a pipeline; the heat transmission medium is normally water or steam; the heat source is a boiler or a central heating plant) was specified as being 71.3% higher compared to 2014, however, this is a result of an error in entering consumption data in the SAP MM application due to a lower average temperature in 2015 and implementation of new cogenerations, which in turn resulted in lower natural gas consumption and higher remote heating consumption due to a defective meter (calorimeter) at Mercator Center Ljubljana. Consumption of LPG that powers forklift trucks increased as a result of redirecting the distribution of fresh products from DC Zalog to DC Maribor and DC Ptuj which have no loading ramps, so products are loaded and unloaded using forklift trucks. In 2015, consumption of other energies, according to the activities undertaken and described in other indicators, decreased compared to 2014, i.e. remained comparable. It was found in 2014 that incorrect data was used for analyses in earlier years, which is why it is impossible to compare the figures for this reporting period with the figures for 2013.

CATEGORY: ENVIRONMENTAL
Business Group Retail
Mercator Slovenia

EN5: Energy intensity

Energy intensity is presented as energy consumption per EUR 1000 of Mercator's gross turnover.

Energy intensity (GJ/turnover)	2014	2015
Fuel (gasoline)	0.0008	0.0005
Diesel	0.0297	0.0292
Natural gas	0.0399	0.0347
LPG	0.0051	0.0059
Electricity	0.3439	0.3253
Heating oil	0.0282	0.0270
Remote heating	0.0572	0.0947
Total	0.5048	0.5173

As regards energy consumption in Mercator in 2015, energy efficiency was 2.5% higher than in 2014. The reason for such increase is an error in entering data about heating and heating LPG consumption in the SAP MM application. Gasoline consumption decreased by 35% as a result of outsourcing some of the maintenance services. Natural gas consumption decreased by 13% as a result of a project for producing heat and electricity through a system of 25 cogenerations. Consumption of LPG that powers forklift trucks increased as a result of redirecting the distribution of fresh products from DC Zalog to DC Maribor and DC Ptuj. In 2015, consumption of other energies, according to the activities undertaken and described in other indicators, remained comparable to 2014.

It was found in 2014 that incorrect data was used for analyses in earlier years, which is why it is impossible to compare the figures for this reporting period with the figures for 2013.

EN6: Reduction of energy consumption

For the purpose of ensuring efficient energy consumption, improving the cost-effectiveness and optimizing business activities, the following measures were undertaken during this reporting period:

- As part of the "Upgrading of existing energy accounting with detailed specific monitoring of energy consumption and undertaking of measures for efficient energy consumption" project implemented in cooperation with a contractor, we established an energy accounting system for monitoring the specific energy consumption levels for each facility. This upgrade of the energy accounting system will establish supervision of efficient energy consumption measures undertaken by employees at all times. The project also included efficient energy consumption measures in the area of:
 - optimization of refrigeration equipment and the ventilation system;

-lighting optimization; and

-employee training on efficient energy consumption;

- We completed a pilot project for controlling devices in our food warmer displays for the purpose of optimizing the action of respective devices to minimize our energy costs;
- We regularly conduct central audits of refrigeration equipment in all major facilities within the RetailCare project;
- We obtained heat and electricity from a system of 25 cogenerations; and
- According to the annual fixed assets purchasing plan, in 2015 we purchased 27 commercial vehicles featuring EURO 6 engines.

As a result of undertaking these activities, our electricity consumption in 2015 decreased by 2.18% compared to 2014, our consumption of heating oil (ELHO) decreased by 1.24%, and our consumption of natural gas decreased by 9.93%.

Water

EN8: Total water withdrawal by source

In Mercator, water is primarily used as potable water and for sanitary purposes. Certain sites also use it for cooling their premises (DC Zalog, DC Maribor and Maximarket), making products (the Pekarna Grosuplje plant), and for washing cargo vehicles (workshop on Slovenska Street).

Most of the sites are supplied with potable water via the public supply system, while water for DC Zalog, DC Maribor and Maximarket is withdrawn from watercourses (groundwater and surface water).

Water consumption depends on the number of active sites, process optimization, production capacities and exterior temperatures.

Total water withdrawal (m³)	2014	2015
From wells	2,776,091	1,737,466
From the public water supply system	673,976	690,606
Total volume of water withdrawn	3,450,067	2,428,072

As a result of a fire at DC Zalog and its inability to operate for seven months in 2015, the amounts of water withdrawn from watercourses were 37.41% lower during the seven-month period compared to 2014. The amounts of water supplied from the public water supply system in 2015 were comparable to those recorded in 2014 (2.74% higher).

CATEGORY: ENVIRONMENTAL

Business Group Retail

Mercator Slovenia

Emissions, Effluents and Waste

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

Direct greenhouse gas emissions (t CDE)	2014	2015
Electricity and Heating energy	128,751	133,867
Fuel - Gasoline	116	87
Fuel - Diesel	4,624	4,688
Fuel - LPG	62	73

As regards the consumption of electricity and other forms of heating energy in Mercator's facilities in 2015, direct emissions were 3.97% higher than in 2014. This increase is a result of an error in entering remote heating data in the

system. The error was detected during the preparation of this report and data alignment is in process. As regards our consumption of gasoline in 2015, direct emissions decreased by 25% compared to direct emissions in 2014 as a result of outsourcing some of the maintenance services, which in turn resulted in less business trips. As regards the consumption of diesel in 2015, direct emissions were comparable to (1.3% higher than) direct emissions in 2014. As regards the consumption of LPG powering forklift trucks, direct greenhouse gas emissions were 17.54% higher than in 2014. The consumption of LPG for forklift trucks increased as a result of redirecting fresh product distribution from DC Zalog to DC a Maribor and DC Ptuj.

EN16: Energy indirect greenhouse gas (GHG) emissions (Scope 2)

	2014	2015
Indirect greenhouse gas emissions (t CDE)	158,600	155,149

Indirect greenhouse gas emissions were reduced by 2.18% in 2015 as a result of lower electricity consumption due to

the optimization of cooling equipment and the ventilation system, optimization of lighting and optimization of certain devices for the purpose of reducing the energy cost of food warmer displays and regular central surveillance of refrigeration equipment in all major facilities as part of the Retail-Care project.

EN18: Greenhouse gas (GHG) emissions intensity

Greenhouse gas emissions intensity (t CDE / EUR 1000)	2014	2015
Electricity and heating energy	0.060000	0.061000
Gasoline	0.000049	0.000036
Fuel - diesel	0.002000	0.002000
Fuel - LPG	0.000029	0.000033

The emissions relative to the consumption of electricity and heating power in our facilities in 2015 are comparable to those recorded in 2014 (1.67% higher). The emissions relative to gasoline consumption in 2015 decreased by 26% compared to the emissions recorded in 2014 as a result of outsourcing certain services. The emissions relative to the consumption of LPG powering forklift trucks increased as a result of redirecting fresh product distribution from DC Zalog to DC Maribor and DC Ptuj.

EN19: Reduction of greenhouse gas emissions

During this reporting period, the following activities ensured efficient energy consumption and maintenance of greenhouse gas emissions on a comparable level:

- Quarterly informing of employees about efficient energy consumption and adjustment of annual operating regimes;
- As part of the "Upgrading of existing energy accounting with detailed specific monitoring of energy consumption and undertaking of measures for efficient energy consumption through the contractor MakedEnergiea", we estab-

lished an energy accounting system for monitoring the target consumption levels for each facility. This upgrade of the energy accounting system will also accelerate the supervision of energy consumption measures undertaken by employees. 359 sites are presently included in the ems. energiea.si system through data about fifteen-minute measurements on primary subscriber sites using the electricity supplier GEN I, and 29 sites with additional electricity meters in a fifteen-minute interval, with a total of 60 meters

CATEGORY: ENVIRONMENTAL
Business Group Retail
Mercator Slovenia

(the total number of sites with installed additional meters is 55 and these sites contain a total of 200 meters);

- The measures for efficient energy consumption, e.g. optimization of cooling equipment and ventilation systems, optimization of lighting, efficient energy consumption training, etc., were accepted. They are being undertaken in a total of 172 sites; and

- We completed our pilot project for controlling the food warmer display devices for the purpose of optimizing the operation of particular devices to reduce our energy costs. We also regularly conduct central audits of refrigeration equipment in all major facilities within the RetailCare project. Heat and electricity are produced by a cogeneration system.

EN20: Emissions of ozone-depleting substances (ODS)

In Mercator, all refrigeration and air conditioning devices are only replenished with fluorinated greenhouse gases in accordance with the applicable statutory requirements, without using any ozone-depleting substances. In 2015, measures were undertaken to replace or retrofit the equipment containing

R-22. The equipment containing R-22 has not been replaced yet and may be used until the end of its lifecycle, but Regulation (EC) No. 1005/2009 on substances that deplete the ozone layer does not allow for replenishment of R-22.

EN21: NO_x, SO_x and other significant air emissions

Mercator conducts all statutory measurements of emissions on its heating devices.

The SO₂ and NO_x emissions recorded in 2015 were comparable to those recorded in 2014.

Year	Air emissions (t)	
	SO ₂	NO _x
2014	0.28	0.03
2015	0.28	0.03
Total	2.55	5.3

EN22: Total water discharge by quality and destination

The wastewater resulting from Mercator's activities is primarily municipal wastewater. Mercator is connected to the public sewerage network at most of its sites, while wastewater at sites with no sewerage network is discharged into wastewater treatment plants or septic tanks. Each site is immediately connected to the network as soon as it is established.

Certain Mercator's sites used grease traps for treating wastewater before discharging them.

The amounts of wastewater are not measured using water meters – instead, records of wastewater quantities are maintained, which equal the quantity of sanitary water purchased. Records are also maintained of the amounts of industrial wastewater, which equal the amounts of water withdrawn from watercourses at the DC Zalog and Maximarket sites. At the DC Maribor site, all water withdrawn evapo-

rates after it is used, which is why this site does not generate any wastewater.

Effluents (m ³)	2014	2015
From wells	2,758,691	1,717,841
From the public water supply system	673,976	690,606
Total water discharge	3,432,667	2,408,447

As a result of a fire at DC Zalog, the total amounts of water discharged in 2015 were 29.84% lower compared to 2014. The amounts of water discharged from the public water supply system in 2015 were comparable to (2.47% higher than) those recorded in 2014.

CATEGORY: ENVIRONMENTAL

Business Group Retail

Mercator Slovenia

EN23: Total weight of waste by type and disposal method

Mercator has established fundamental principles with respect to waste management and treatment of the environment, which are based on the strategic guidelines of the Republic of Slovenia concerning waste management. Accord-

ingly, our fundamental principles are prevention, resolving waste issues at source, and waste sorting.

Presented below are the quantities of waste generated by Mercator in 2014 and 2015:

Type of waste	Treatment	Waste disposal contractors	2014 (t)	2015 (t)
Nonhazardous waste	R, D	Unirec, Biotera, Zeos, utility companies...	101,146	51,484
Hazardous waste	R, D	Zeos, Saubermacher, Slopak, EKO-TEH...	91	133
Total			101,237	51,617

The amounts of nonhazardous waste generated in 2015 were not comparable to those generated in 2014 (they are 49.1% higher) or those recorded in the preceding reporting period because errors were found in accounting for and entering data into the SAP MM application. The amounts of hazardous waste generated in 2015 were 45.09% higher than those recorded in 2014 and the preceding reporting period as a result of a fire at DC Zalog.

In 2015, we optimized our waste management by undertaking the following crucial activities and achieving the following results:

- In 70 retail units we optimized the volume of the mixed municipal waste containers and put in place appropriate containers for small packaging waste and biowaste, thus in-

creasing the share of sorted waste and reducing the costs of mixed municipal waste management;

- In 23 redesigned retail units we put in place baskets for waste sorting for customers;
- Pursuant to the requirements of the Waste Electrical and Electronic Equipment Regulation (Official Journal no. 55/2015), we now collect very small waste electrical and electronic equipment in our retail units where at least 400 m² of the sales area is intended for selling electrical and electronic equipment;
- To ensure effective management of environmental aspects, we prepared, updated and standardized our internal environmental records.

Compliance

EN29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

Mercator regularly reviews their compliance with the applicable statutory and other requirements and maintains records of such statutory requirements in the Mercator Environmental Legislation Registry (REGOZ-0-01).

In 2015 we recorded intensified environmental audit activities compared to 2014. Several audits were conducted (Index 179). The Inspectorate of the Republic of Slovenia for the Environment and Space and inter-municipal environmental inspectorates conducted 12 audits in 2015. No irregularities were found in one case, while the other cases resulted in a request for additional information or a request to rectify irregularities. The irregularities found were rectified. In one

case, a fine of EUR 700 was paid for inadequate waste management. A tax/customs audit was also conducted and no irregularities were found with respect to environmental levies.

An external review of the environmental management system according to ISO 14001 was conducted by SIQ. No nonconformities were found in 2015 and 16 recommendations were issued. 94% of the recommendations were positively resolved. As part of an internal review conducted in 2015, 13 organizational units were reviewed. No major inconsistencies were found. A total of 23 recommendations were issued. Environmental compliance is also monitored by our Internal Control Department.

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

Mercator's environmental impacts in the area of transport include impacts resulting from transporting products using cargo vehicles within our fleet, transport of employees using

passenger vehicles within our car fleet, and use of industrial machinery (diesel and LPG powered forklift trucks).

CATEGORY: ENVIRONMENTAL

Business Group Retail

Mercator Slovenia

We selected the following transport environmental impact indicators:

- consumption of fuel (gasoline, diesel) and LPG in GJ; and
- we do not yet calculate our greenhouse gas emissions in tons of CO₂ equivalent.

Our consumption of gasoline and diesel and the relevant amounts of such fuels in 2015 are comparable to our consumption and emissions in 2014. Our consumption of LPG and the relevant emissions were higher in 2015 compared to 2014 (consumption by 17.97 % and CO₂ emissions by 17.74 %). Our consumption of LPG used to power forklift trucks increased as a result of distributing our fresh product

range from DC Zalog to DC Maribor and DC Ptuj, which have no leading ramps, so all goods were loaded and unloaded using forklift trucks.

Energy intensity (GJ/turnover)	2014	2015
Fuel for transport - gasoline, diesel (GJ)	64,809	65,829
Fuel for transport - LPG (GJ)	996	1,175
Total CO ₂ emissions (t CDE for fuel – gasoline, diesel)	4,740	4,775
Total CO ₂ emissions (t CDE for fuel – LPG)	62	73

Environmental Protection Investments

EN31: Total environmental protection expenditures and investments by type

Mercator is committed to including environmental protection in its development strategy and annual management plans defining the measures, funds, contractors and time limits for the purpose of minimizing adverse environmental impacts of our activity.

In this reporting period, our environmental investments, current expenditures and revenue were as follows:

- Investments (for implementing RetailCare, lighting optimization...);
- Current expenditures (for monitoring, waste disposal, EMS certification ...); and
- Revenue from the activities undertaken (disposal of packaging waste, sale of waste raw materials...).

Total investments, current expenditures and revenue - € (VAT excl.)	2014	2015
Investments	696,907	6,140,166
Current expenditures	4,289,695	4,192,219
Revenue from activities	1,288,047	1,056,688

Compared to 2014 and the preceding reporting period, our environmental investments increased in 2015 as they included new devices installed as part of reconstruction projects. Our current environmental expenditures and revenue from our environmental activities were comparable.

Targets for the next reporting period:

Mercator set the following targets for its next reporting period:

- Reduce air emissions by purchasing cargo vehicles with EURO 6 engines (in accordance with the annual fixed assets purchasing plan). In 2016, we plan to purchase 19 cargo vehicles (8 N2-class cargo vehicles and 11 N3-class cargo vehicles);
- Establish a system for central management of in-store electricity consuming equipment and reduction of electricity consumption by approximately EUR 60,800 (pizza ovens, bread and meat ovens, warmers and lighting in refrigerating equipment);
- Install waste sorting baskets for customers in our redesigned stores (around 30 stores);
- Ensure more appropriate waste identification at waste sources in Mercator;
- Comply with the requirements of the Chemicals Notification Ordinance (Official Journal of the Republic of Slovenia no. 35/11, 49/13, 18/15, 69/15, 97/15);
- Ensure regular maintenance of the APZ system and obtain certificates of eligibility; and
- Maintain intranet sites (the Varstvo okolja portal) and websites featuring environmental contents.

Idea – Mercator S

In our earlier sustainability reports, the Group was represented by Idea in Serbia. After Agrokor acquired Mercator, a new company was established which includes Mercator's and Idea's activities in Serbia, titled Mercator-S. Mercator-S d.o.o. Novi Sad is the largest retail chain in the Republic of Serbia, employing around 9000 people. Mercator-S operates 296 Idea stores, 36 Roda megamarkets, two Mercator Centers, nine wholesale centers, three logistic & distribution centers, and two central fruit & vegetable warehouses including banana ripening plants.

The Idea stores are retail units with a sales area of less than 1500 m², while the Roda megamarkets are retail units with an area of more than 1500 m². The wholesale centers are FMCG facilities intended for wholesale and corporate customers, while the logistic & distribution centers supply goods to Mercator-S retail units. The central fruit & vegetable warehouses are located in Belgrade and Niš and supply the entire retail network. These centers include banana ripening plants.

Initiated in late 2014, the process of conditionally allowed concentration of Idea d.o.o. Novi Beograd and Mercator-S d.o.o. was completed in 2015, resulting in major organizational changes and alignment of operating processes on all levels. In the phase of conditionally allowed concentration of Idea d.o.o. and Mercator-S, an operating control area was established, whose employees were assigned to the following organizational units:

- Quality Control Division;
- Security Department;
- Internal Control Department.

The employees of the Quality Control Division were assigned to four departments:

- Retail Quality Control Department;
- Wholesale, Logistic & Distribution Center and Brand Quality Control Department;
- Standard Implementation Department; and
- Fruit & Vegetable Quality Control Department.

In 2015, we selected the Quality Austria certification firm of Belgrade to externally audit our implementation of ISO 9001:2008, ISO 14001:2004, and the HACCP system. Before being integrated, Mercator-S had had its HACCP system certified by Quality Austria and its ISO 9001:2008 by SIQ Slovenia, ISO 14001:2004 was certified at Idea by TUV Sud Germany, while the HACCP system was integrated and maintained, but not certified. 17 to 19 November 2015, Quality Austria conducted a recertification audit, found no nonconformities, and only issued recommendations for improvements, which will be implemented in 2016.

In 2015, we disposed of hazardous waste from two sites:

1. 28.12 t of hazardous waste was delivered for harmless disposal from the bankrupt bicycle factory "Partizan" in Subotica, followed by soil and groundwater quality testing;
2. 36.06 t of hazardous waste and 20 t of nonhazardous waste were delivered for harmless destruction from the "Prvi Partizan" facility in Užice.

These sites had been owned by Mercator-S before the conditionally allowed concentration. The Subotica site had been dangerous and was cleared at request of Mercator-S management, while the site in Užice was cleared after a small fire, as ordered by the environmental inspectorate. The site in Subotica is now used as an equipment warehouse, while the hall in Užice remains empty.

We accomplished the following targets defined for this reporting period:

1. Recertification of ISO 9001:2008, ISO 14001:2004 and HACCP;
2. Training of employees on all levels on amendments to the legislation applicable to food safety and environmental protection;
3. Conclusion of cooperation agreements with waste collecting firms and accredited laboratories; and
4. Increased amounts of collected and recycled waste sorted at each site.

Materials

EN1: Materials used by weight or volume

Type of material used (kg)	2014	2015
Raw materials	0	0
Associated process materials	0	0
Materials for packaging purposes	4,348,500	2,795,311
Total	4,348,500	2,795,311

A total of 3046.8 t of paper packaging, 733.5 t of wooden packaging, 340.7 t of glass packaging, 198.4 t of metal packaging, and 28.85 t of plastic packaging was used for products imported by Mercator-S in 2014. In 2015, we used 2795.32

tons of packaging for imported products as follows: 4.40 t of plastic packaging, 375.76 t of glass packaging, 217.36 of metal packaging, 1578.33 t of paper packaging, and 615.86 t of wooden packaging. Including the goods imported during this reporting period, we put a total of 7143.82 t of packaging on the market of the Republic of Serbia, compared to 5497.65 t of packaging imported in the preceding reporting period, which is an increase by 16.5%. Such increased import of packaging materials is a result of greater imports of store brand items and plastic bags because the number of business sites increased after the conditionally allowed concentration and opening of new stores during the reporting period.

Energy

EN3: Energy consumption within the organization

	2014	2015
Diesel	80,206.00	90,465.62
Electricity	656,366.00	643,489.00
Gas	8,560.46	7,693.14
Heating oil	263.00	123.77

Our total consumption of gas for heating in 2014 and 2015 was 16,253.60 GJ, compared to 24,958.69 GJ in 2012 and 2013. Our consumption of gas for heating was reduced by 53.56% because we discontinued the use of our heating boilers at our wholesale centers in Čačak and Niš and three boilers in IDEA Extra stores.

Our consumption of heating oil in this reporting period was 386.77 GJ, compared to 1105.22 GJ in the preceding reporting period. This triple reduction of our heating oil consumption is a result of termination of facilities using heating oil as energy or transition to other forms of energy, electricity or pellets.

Our consumption of diesel in this reporting period was 170,671.62 GJ, compared to 170,883.75 GJ in the preceding period. The information presented shows no actual savings achieved during this reporting period. It should, however, be noted that all goods were transported from our logistic & distribution centers using vehicles in our own fleet after the conditionally allowed concentration, without any increase in diesel consumption.

In 2014, we used 656,366.08 GJ of electricity, compared to 643,489.10 GJ in 2015. The figures for 2014 include the energy used during all 12 months for all IDEA business sites and for the Mercator-S business sites during the Sep-Dec 2014 period, as of the effective date of the conditionally allowed concentration. Our total consumption of electricity in this reporting period was 1,299,855.18 GJ, compared to 608,463.23 GJ in the preceding period. Such 114% increase in electricity consumption is a result of newly opened stores and conditionally allowed concentration.

EN5: Energy intensity (GJ/turnover)

Year	Energy intensity GJ / EUR turnover
2014	7.33 x 10 ⁻⁴
2015	7.90 x 10 ⁻⁴

Organization-specific intensity expresses the ratio between the energy used (EN3) in GJ and the turnover obtained. In 2014, our turnover was EUR 1,016,885,639 and our energy consumption was 745,395.50 GJ. In 2015, our turnover was EUR 938,705,675 and our energy consumption was 741,771.53 GJ.

CATEGORY: ENVIRONMENTAL

Business Group Food

Mercator S

EN6: Reduction of energy consumption

In 2015, we established our Utility Costs Management and Energy Efficiency Department whose employees are responsible for monitoring energy consumption and designing projects aiming to reduce our energy consumption and financial costs of purchasing energy, as well as our utility costs. The most important projects and activities completed in 2015:

- Savings achieved by temporary reduction of approved powers for 2015;
- Switching the meters from the lessor to Mercator-S (better commercial terms);
- Repair of the permanent compensator in the administration building in Belgrade;
- Installation of variable compensators to save reactive power (99 sites);
- Instructions for the rational use of electricity in buildings (internal procedures for temperature regimes and lighting optimization);

- Installation of medium-voltage permanent compensators at 15 sites;
- The DANFOSS RETAIL CARE project including optimization of refrigeration systems featuring ADAP COOL technology; this project provides monthly savings of 136,000 kWh and is based on optimizing refrigerated display cases in our stores. The Danfoss system automatically adjusts and optimizes the operation of refrigerated display cases based on several factors;
- Negotiations with the Supply Division of Elektroprivreda Srbije;
- Separation of meters of the Heineken brewery and the administration buildings in Novi Sad – electricity calculation according to the actual consumption; and
- Converting MP258 Jagodina and MP454 Požega from heating oil to pellets – installation of pellet boilers.

The key activities and projects completed in 2015 resulted in savings of EUR 248,353.23.

Water

EN8: Total water withdrawal by source (m³)

Year	From wells	For process purposes	Public water supply system	Total volume of water withdrawn
2014	0	0	181,818	181,818
2015	0	0	743,742	743,742
Total	0	0	925,560	925,560

Mercator-S uses water from the city water supply system as potable water and sanitary water. In 2014, we used a total of 181,818 m³ (Idea stores). Our water consumption in 2015 was 743,742 m³ (Mercator-S, all sites). The number of sites at the end of this reporting period doubled (Mercator-S stores acquired following the concentration and newly opened stores).

Our total water consumption in this reporting period was 925,560 m³, compared to 419,138 m³ in the preceding period. The 120.83% increase in water consumption is a result of the conditionally allowed concentration and newly opened stores. In 2015 we also began to maintain vehicle hygiene internally.

Emissions, Effluents and Waste

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

Greenhouse gas emissions are a result of using energy to obtain heat. In 2014, we emitted a total of 207.5 t of CO₂, 1.7 t of SO₂ and 0.15 t of NO_x, compared to 206.1 t of CO₂, 1.65 of SO₂ and 0.14 of NO_x in 2015.

We emitted a total of 413.6 t of CO₂ in this reporting period, compared to 10.96 t in the preceding reporting period. Such increase is a result of more passenger and freight vehicles and more facilities where fuel combusts to obtain heat.

Total direct greenhouse gas emissions by weight (t)

Year	SO ₂	NO ₂	CO ₂
2014	1.7	0.15	207.5
2015	1.6	0.14	206.1
Reduction of emissions (%)	5.88 %	6.66 %	0.67 %

CATEGORY: ENVIRONMENTAL
Business Group Food
Mercator S

EN16: Energy indirect greenhouse gas (GHG) emissions (Scope 2)

Indirect greenhouse gas emissions are calculated based on statistical data which show that 1 t of carbon dioxide is emitted by producing 1276.08 kWh of electricity.

	2014	2015
Indirect greenhouse gas emissions (t CO ₂)	157,379.08	149,293.21

Indirect emissions are presented for all electricity used. In 2015, we used a total of 190,523,442 kWh, compared to

200,828,289 kWh in 2014. In 2015, our indirect emissions were reduced by 5.14% compared to the preceding year as a result of a reduction in electricity consumption achieved by undertaking the relevant activities intended to reduce our energy consumption.

In 2014 and 2015, our emissions amounted to 306,663 t of CO₂. No information is available for the preceding period because we did not present this indicator, so it is impossible to make a comparison with the preceding period.

EN18: Greenhouse gas (GHG) emissions intensity

Expressed in tons of CO₂, the greenhouse gas emissions intensity is presented as a sum of direct and indirect greenhouse gas emissions (EN15 and EN16) compared to the turnover obtained for the relevant period. As no data was calculated for the preceding period, it is impossible to make a comparison.

Greenhouse gas emissions intensity	2014	2015
CO ₂ (t) emissions / EUR turnover	1.55 x 10 ⁻⁴	1.60 x 10 ⁻⁴

EN19: Reduction of greenhouse gas emissions

The reduction in greenhouse gas emissions is directly associated with the reduction in the consumption of combustible energy forms, but also with their quality and the purchase of vehicles featuring new-generation engines. During the reporting period, we used energy forms of controlled and improved quality because oil derivative controls are more stringent in the Republic of Serbia. The fleet comprises passenger cars featuring new-generation engines, while our freight vehicles use Euro 4 or Euro 5 engines. Ad Blue, a urea-based additive, is used for all our cargo vehicles, aiming to convert nitrogen oxide to atmospheric nitrogen and steam almost completely. Thanks to better combustion (higher pressure

and temperature in the combustion area), our trucks use up to 5% less fuel and produce much less soot. This technology allows for reaching the emission limits -3.5 g NO_x/kWh for Euro 4 and 2.0 g NO_x/kWh for Euro 5. These parameters are checked during regular technical inspections of vehicles. During this reporting period we also conducted regular inspections of all fuel combustion boilers (at the beginning and at the end of the heating season). No information is available for the preceding reporting period (prior to the conditionally allowed concentration) about greenhouse gas emissions for Mercator-S sites. Mercator-S did not have its own fleet at the time, so it is impossible to compare data for the two periods.

EN20: Emissions of ozone-depleting substances (ODS)

Mercator-S stores do not use R-12 as refrigerant in their refrigerated display cases. 53 kg of R-22 was present in the system in 2014 (Idea d.o.o.), compared to 120 kg in 2015 (all Mercator-S sites). In this reporting period, the system contained a total of 173 kg of refrigerant, compared to 312.60

kg in the preceding reporting period. This reduction in the share of R-22 is a result of disinvesting old facilities and renovations where old installations were replaced by new ones using R 404A.

CATEGORY: ENVIRONMENTAL

Business Group Food

Mercator S

EN22: Total water discharge by quality and destination

The total amount of wastewater withdrawn from 10 septic tanks in 2014 was 94,836 m³, compared to 4139 m³ from six retail units in 2015. In 2015, we discontinued our operations in four facilities using septic tanks.

Year	Total water discharge (m ³)
2014	94,836
2015	4,139
Total	98,975

During this reporting period, we withdrew a total of 98,975 m³ of wastewater from our septic tanks, compared to 193,362 m³ in the preceding period. This reduction in water withdrawal is a result of connecting three facilities

to the city sewerage system and closing our facilities using septic tanks.

Wastewater quality is tested in 35 business facilities three times a year. Tests showed a number of noncompliant analyses performed during the period following the conditionally allowed concentration, so the drainage pipes and grease separators were rewashed and the wastewater was retested. This large number of noncompliant analyses is a result of the fact that some of the separators and their drainage pipes had not been adequately maintained for an extended period of time and contained a large amount of deposited grease that was gradually washed out. No noncompliant analyses were found in the last quarter of 2015.

EN23: Total weight of waste by type and disposal method

Waste by type	2014	2015
Paper packaging waste	2,548.87 t	3,512.08 t
Plastic packaging waste	99.92 t	218.39 t
Waste edible oil	4,750 lit	6,309 lit
Waste metal	-	2.81 t
Electronic and electrical waste	6.44 t	3.46 t
Animal-origin waste	250 t	497.29 t
Oiled mixtures from separators	80 t	2.32 t

In 2015, we cleaned two warehouses containing large amounts of hazardous waste. We disposed of 28.12 tons of hazardous waste at the Subotica site. This is a bicycle production plant where we performed surface metal treatment (galvanization, protection, painting and coating). At our site in Užice we disposed of 36.06 t of hazardous waste. This plant was used to make all parts necessary for assembling kitchen and bathroom faucets.

The figures concerning the amounts of waste generated in 2014 were calculated by adding the amounts for Idea and Mercator-S sites based on the records maintained for each entity prior to the concentration.

Type of waste	Treatment	Waste disposal contractors	2014 (t)	2015 (t)
Nonhazardous waste	R	Papir servis, Set reciklaža, Dimničar, Prekon, Napredak, AIK Bačka Topola	2,645,538	4,240.34
Hazardous waste	D	Set reciklaža, Kemis	6,435	64.18
Total			2,645,544.4	4,304.52

During this reporting period, we collected and delivered for recycling 2,649,778.3 t of nonhazardous waste, compared to 1,946,876.6 t during the preceding reporting period. The figures for 2014 and 2015 relate to all facilities after the concentration of the two companies, while the figures for the preceding period relate only to IDEA stores, which is why they are not mutually comparable.

During the preceding reporting period we delivered 5.31 t of hazardous waste, compared to 70.62 t in this reporting period. This increase in the amount of hazardous waste

collected is a result of cleaning two plants in Subotica and Užice that had been owned by Mercator-S prior to the conditionally allowed concentration.

In 2014, around 80 tons of oiled mixture was disposed of from a total of 17 separators that are cleaned three or four times a year, classified as nonhazardous waste. In 2015, 2320 m³ of nonhazardous waste was withdrawn from a total of 36 separators.

As regards the data concerning the separators, in 2012/2013 we withdrew 193,362 m³ of oiled grease, com-

CATEGORY: ENVIRONMENTAL

Business Group Food

Mercator S

pared to 82,320 m³ in 2014/2015. The data for the preceding period only applies to IDEA before the conditionally allowed concentration, while the data for this reporting period includes Mercator-S after the concentration. In addition, we replaced the firm withdrawing oiled grease from separators

between the two reporting periods. Oiled mixture is subjected to numerous physical-chemical processes where the oily phase (input for biodiesel production) is extracted, while wastewater is treated by the municipal treatment plant.

Compliance

EN29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

No fines or non-monetary sanctions were imposed in this reporting period for noncompliance with any environmental laws or regulations.

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

Year	Fuel for transport	LPG	Total CO ₂ emissions	
	GJ	GJ	Tons of CO ₂ equivalent for fuel	Tons of CO ₂ equivalent for LPG
2014	80,206	0	5.7	0
2015	90,465	0	6.5	0
Total	170,671	0	12.2	0

In 2014, our consumption of diesel fuel was 80,206.25 GJ and the total number of passenger and freight vehicles was 298; our consumption in 2015 was 90,465.62 GJ and the total number of passenger and freight vehicles was 390.

In 2014, our emissions from stationary sources were 5.7 t of CO₂, 0.05 t of NO_x and 0.009 t of solid particles, while the relative values recorded in 2015 were as follows: 6.5 t of CO₂, 0.85 t of NO_x and 0.09 t of solid particles.

In this reporting period, we used a total of 170,671.87 GJ diesel fuel for passenger and freight transport,

compared to 170,883.75 GJ in the preceding period. The total number of vehicles used for transport in the preceding reporting period was 650, compared to 688 in this period. Such increase is a result of the conditionally allowed concentration of the two companies, where Mercator-S did not have its own vehicles for transporting goods. No spills of oil, chemicals, fuel or wastewater into the ground or water were recorded during this reporting period.

Environmental Protection Investments

EN31: Total environmental protection expenditures and investments by type

In 2014, our waste management costs amounted to RSD 54,168,020.85 compared to RSD 153,098,436.51 in 2015 (the cost of disposing of hazardous waste was RSD 19,586,399.11). We spent RSD 1,050,000 to purchase utility equipment, compared to RSD 2,280,970 in 2015. In 2014, our environmental protection costs (packaging put on the market, special environmental protection and improvement charge, wastewater

quality testing, air emissions, waste classification and noise measuring) amounted to RSD 1,358,000, compared to RSD 18,880,240.26 in 2015. Analogously to the previous indicators, the costs in 2014 are costs incurred prior to the conditionally allowed concentration and those in 2015 are costs incurred thereafter.

Year	Waste disposal, emissions treatment, and remediation costs (EUR)	Prevention and environmental management costs (EUR)
2014	444,209	8,400
2015	1,375,830	18,248
Total	1,820,039	26,648

Targets for the next two-year period:

- Phase out R-22;
- Revise the documentation and obtain recertification according to the requirements of ISO 9001:2015 and ISO 14001:2015;
- Open a logistic & distribution center for fresh meat and delicacies in Novi Banovci just outside Belgrade from where fresh bulk ungulate meat in reusable packaging will be distributed to all retail stores using vehicles in our own fleet. This project also includes the exclusion of category 3 external waste carriers from three interim facilities, which should reduce the amount of Class 3 waste, as well as the costs of and the indirect emissions resulting from their transport.

Tisak

Tisak d.d. is the largest retail chain of newsstands and a leading Croatian distributor of print, tobacco products, prepaid telecom vouchers and other commercial goods. As a result of our ongoing development of our own retail network, we have set new trends on the market and have supplemented the distinctive offerings of Tisak with new attractive products and services designed for modern customers. In addition to their wide product range, Tisak newsstands also offer many unique and innovative services at over 1,300 retail units across Croatia.

In 2014 and 2015, Tisak continuously worked on developing new services such as money transfer, parking payment and bus ticket sale, but also further improved its existing services such as delivering parcels to newsstands and international shipping. Tisak also continued to sell commercial goods supplied by local suppliers and toys for which Tisak is an exclusive agent, which it distributes to other customers' retail units in addition to its own retail units, which makes Tisak unique in this area.

As of 2013, Tisak has purchased old paper from individuals at purchasing stations across Croatia. In 2015, they started to purchase textile from individuals. At the end of the reporting period, Tisak had a total of 33 purchasing stations on the territory of the Republic of Croatia. Tisak purchases dai-

ly newspapers, leaflets, magazines, catalogs, office paper and textile. After collection, paper is treated, pressed and baled, and then sold in the open market to companies engaging in paper processing. This activity provides multiple social benefits by reducing the amount of landfilled waste, enabling the use of waste as a raw material for the production of new paper, and by raising environmental awareness among citizens. In 2014 and 2015, Tisak purchased 30% more nonhazardous waste than in 2013. To maximize its scope, Tisak provided old paper collection boxes in all its offices, which paper is then sent for recycling. These boxes are also available in the administration buildings of other Agrokor Group members and Tisak collects and disposes of that old paper as well.

In this reporting period, Tisak continued to conduct its "Plastic Bottle Caps for Expensive Medicines" campaign organized by the Croatian Leukemia and Lymphoma Patients Association. The project aims to use the money raised by bottle cap recycling to purchase expensive medicines for Patients Association members, but also to encourage our employees to avoid throwing away plastic PET packaging caps.

Tisak collects other waste resulting from its business activities and has it properly disposed of by using licensed companies: toner, CDs, IT equipment, etc.

Materials

EN1: Materials used by weight or volume

Type of material used (kg)	2014	2015
Film	71,406	69,117
Cardboard packaging	147,156	195,713
Strapping machine ribbon	32,003	27,857
Paper	132,791	130,765
Total	383,356	423,452

The weight of the materials used in 2014 was 383,356 kg, compared to 432,452 kg in 2015, which is an increase by 10% in 2015 compared to 2014, and 11% in 2014 compared to 2013. The increase recorded in this reporting period is a result of an increased scope of work and implementation of new operating methods. This is why we recorded increased consumption of all types of materials used.

The materials used relate to imports and are denominated in kg. In 2014, the total weight of the packaging materials used for imports was 223,441 kg, compared to 314,908 kg in 2015, which is an increase by 41% in 2015 compared to

2014 and by 21% compared to 2013. The absence of aluminum cans in 2014 and 2015 compared to 2013 is a result of changes in product packaging (we now use polymeric materials), while the reduction in incoming pallets is a result of reduced amounts of goods received from European suppliers. The total increase in the amount of paper/cardboard packaging and other polymeric materials is a result of increased container imports.

Packaging materials used for imports

Type of material used (kg)	2014	2015
AL – cans	0	0
Paper/cardboard	129,676	187,867
Wood (wooden pallets)	35,838	32,953
Other polymeric materials	57,927	94,089
Total	223,441	314,908

Energy

EN3: Energy consumption within the organization

Direct energy consumption is the total consumption of energy from primary sources (fuel and natural gas).

Direct energy consumption by primary source (nonrenewable energy sources)

Year	Fuel (GJ)	Natural gas (GJ)
2014	91,399	6,910
2015	92,930	8,098
Total	184,329	15,008

In 2014, our direct energy consumption by primary source was 98,309 GJ, compared to 101,028 GJ in 2015, which is an increase by 3% in 2015 compared to 2014 and by 21% compared to 2013.

This increased fuel consumption is a result of an increased number of distribution routes following an increase in the distribution of newspaper subscriptions and parcels, as well as enlargement of Tisak's fleet. The decrease in natural gas consumption compared to the preceding reporting period is a result of heating optimization in the administration building and the logistic & distribution center in Zagreb, as well as a decrease in the surface area of the warehouses heated using natural gas.

Indirect energy is energy produced outside Tisak and obtained outside the company.

Indirect energy consumption by primary source (indirect energy supplied and used from nonrenewable energy sources)

Year	Electricity (GJ)	Steam (GJ)
2014	14,038	460
2015	16,185	627
Total	30,223	1,087

For this reporting period, our electricity consumption was 14,038 GJ in 2014 and 16,185 GJ in 2015, which is an increase by 15% in 2015 compared to 2014 and an increase by 21% compared to 2013. This increase in electricity consumption is a result of the acquisition of 25 retail units of Glas Istre and additional cold display cases installed in retail units, which we now use on a year-round basis.

Our consumption of heating steam was 460 GJ in 2014, compared to 627 GJ in 2015, which is an increase by 36% in 2015 compared to 2014 and a decrease by 29% compared to 2013. The decrease is a result of not using the business premises heated by steam.

EN5: Energy intensity

Energy intensity (GJ/t)	2014	2015
Total energy used (GJ)	112,807	117,840
Total turnover (HRK billion)	3.77	3.72
Energy intensity (GJ/HRK billion)	29,905	31,656

Energy intensity is presented as a ratio between total fuel, natural gas and electricity used in a year and total turnover obtained in that year. Energy intensity is calculated by dividing absolute energy consumption by Tisak's total turnover in HRK billion for each year. The increase is a result of reduced total turnover and somewhat higher energy consumption.

EN6: Reduction of energy consumption

In 2014, Tisak began to control the management of its air conditioning systems and to control its use of electricity in its business premises. Such controls resulted in the purchase of air conditioners of higher energy standards and replacement of standard lighting fixtures by energy-efficient light bulbs or LED lighting. The decrease in natural gas consumption compared to the preceding reporting period is a result

of controlling central system management and consumption rationalization, as well as controlling its use by end users. The calculation was made based on the consumption rates recorded for larger facilities using data obtained by internal measurements and information provided by suppliers for the respective reporting years.

Water

EN8: Total water withdrawal by source

Retail units account for most of the consumption in Tisak, if any. As they use no water, there is no withdrawal from sources.

The administration and Management Board offices are located in a building not owned by Tisak, so our consumption

CATEGORY: ENVIRONMENTAL

Business Group Retail

Tisak

can only be expressed financially – HRK 244,571 was paid in 2014 and HRK 318,350 in 2015. The reasons for this increase

are an increase in the scope of work and more employees due to the expansion of parcel and subscription distribution.

Emissions, Effluents and Waste

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

Total air emissions (t ekv CO ₂)	2014	2015
Fuel for transport	3,234	3,288
Total	3,234	3,288

Our total greenhouse gas emissions expressed in tons of CO₂ equivalent were 3234 t for the 2014 reporting period, compared to 3288 t in 2015, which is an increase by 2% in 2015

compared to 2014 and an increase by 41% compared to 2013. This increase in emissions is a result of fleet enlargement in Tisak required by an increased scope of work with respect to newspaper subscription and parcel distribution. At the end of the 2015 reporting period, Tisak's fleet comprised 313 freight vehicles and 277 motorcycles, which means that the average number of vehicles in 2015 is greater by 14 freight vehicles and 197 motorcycles compared to 2013.

EN16: Energy indirect greenhouse gas (GHG) emissions (Scope 2)

Electricity consumption	2014	2015
Electricity (kWh)	10,132,452.00	10,355,730.00
CO ₂ (in tons)	5,066.23	5,177.86
Potrošnja plina	2014	2015
Gas (m ³)	104,500.00	131,200.00
CO ₂ (in tons)	1,910.07	2,398.09

The increase in greenhouse gas emissions denominated in tons of CO₂ equivalent for the 2015 reporting period compared to the 2014 reporting period was 8.6% as a result of expanding our business in the parcel distribution segment, acquisition of Glas Istre's retail units, and additional cold display cases installed at our retail units, which we now use on a year-round basis.

Compared to the preceding reporting period, our greenhouse gas emissions resulting from our use of electricity, denominated in tons of CO₂, decreased by 10.88%, while

our greenhouse gas emissions resulting from our use of natural gas, denominated in tons of CO₂, increased by 13.07% as a result of moving to a new building, greater warehouse areas and a colder winter.

Greenhouse gas emissions intensity (t ekv, CO ₂ /billion)	2014	2015
Total air emissions (tons of CDE)	3,234	3,288
Total turnover (HRK billion)	3.77	3.72
Greenhouse gas emissions intensity (tons of CDE/billion)	857.82	883.87

Emissions intensity is presented as a ratio between total greenhouse gas emissions and total turnover obtained in a year. Greenhouse gas emissions intensity was calculated by dividing absolute greenhouse gas emissions and Tisak's total turnover in HRK billion for each year. The increase is a result of reduced total turnover and somewhat higher emissions.

EN19: Reduction of greenhouse gas emissions (GHG-a)

Tisak is gradually replacing its vehicles by new ones that emit exhaust fumes according to the relevant environmental standards – new vehicles featuring EURO 5 engines. In 2015,

10 vehicles were replaced by vehicles featuring Euro 5 engines, compared to 35 vehicles replaced in 2014.

EN20: Emissions of ozone-depleting substances (ODS)

Freon is used as refrigerant in our refrigeration equipment (air conditioning). We phased out R-12 and R-22 and replaced them by environmentally acceptable R-407 and R-410. Some of the cold display cases at Tisak's retail units are owned by

our suppliers and Tisak insists that they use environmentally acceptable gas. In 2014, Tisak purchased 200 cold display cases using environmentally acceptable gas.

CATEGORY: ENVIRONMENTAL

Business Group Retail

Tisak

EN21: NO_x, SO_x and other significant air emissions

As a retail chain and distributor whose operations do not involve any manufacturing or processing, Tisak has no significant air emissions.

EN22: Total water discharge by quality and destination

As specified in EN8, Tisak's core business is its retail units across Croatia which have no water connections and therefore discharge no water.

EN23: Total weight of waste by type and disposal method

Type of waste	Waste disposal contractors	2014 (t)	2015 (t)
Hazardous waste	Ciak	0	2.55
	M SAN EKO	0	1.22
Materials unsuitable for consumption or processing	Ciak	0	0
	Unija Nova	61.87	21.04
	e-Kolektor	0	14.04
Total		61.87	38.85

During the 2014 reporting period, Tisak disposed of 61,870 kg of hazardous waste and materials unsuitable for consumption or processing, compared to 38,845 in 2015, which is a decrease by 37% in 2015 compared to 2014 and an increase by 126% compared to 2013.

Tisak is only able to present its municipal waste disposal figures financially. The total value of waste disposed of in 2015 was HRK 3,473,332, HRK 2,888,595 in 2014 and HRK 3,239,211 in 2013. This decrease in municipal waste disposal costs in this reporting period is a result of separation and sorting of waste for reuse and waste separation for further recycling and reuse.

In addition to collecting old paper from individuals, in 2015 Tisak launched its campaign for collecting textile from individuals. 22 purchasing stations were in place across Croatia at the end of 2014, where a total of 5425 t of print was purchased from individuals. In 2014, Tisak purchased 5919 t of paper from various companies and recorded 9077 t of paper from returns. A total of 20,421 t of old paper was purchased in 2014. At the end of 2015, we had 33 purchasing stations where a total of 5927 t of print and office paper, 2 t of cardboard and 624 t of textile were purchased from individuals. In 2015, Tisak purchased a total of 5023 t of paper, 512 t of cardboard and 133 t of polyethylene film from various companies and recorded 6318 t of paper from returns. A total of 17,268 t of old paper was purchased in 2015.

The revenue obtained from collecting, treating and selling nonhazardous waste in 2014 was HRK 10,886,749, compared to HRK 10,707,046 in 2015.

Type of waste	Waste disposal contractors	2014 (t)	2015 (t)
Paper and cardboard	Hartmann d.d.	430.98	0
	Hamburger recycling	0	0
	Unijapapir d.d.	169.02	0
	Vipap Videm	74.04	0
	Slr Steyrermuhl	368.04	0
	Bunzl&Biach gmbh	256.77	0
	Waste paper trade	549.91	0
	Pak Papir d.o.o.	8.28	0
	Vetel d.o.o.	17,253.31	18,070.74
	Univerzal d.o.o.	4.84	0
Plastic packaging	eKolektor d.o.o.	0	0
	Hamburger recycling	0 28.3	0
	Waste paper trade	253.34	0
	Vetel d.o.o.	17.62	176.41
	e-Kolektor d.o.o.	1.52	0
Paper and cardboard packaging	Univerzal d.o.o.		0
	Hamburger recycling	0	0
	Unija papir d.d.	0	0
	Vetel d.o.o.	686.92	487.77
	e-Kolektor d.o.o.	259.05	139.13
	Univerzal d.o.o.	8.78	0
	Bunzl&Biach gmbh	20.54	0
Textile	Waste paper trade	44.92	0
	Regeneracija d.o.o.	0	384.18
	Trgo-Sirovina	0	125.62
Total		20,436.18	19,407.97

Compliance

EN29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

During the 2014/2015 reporting period, Tisak did not receive any fines or non-monetary sanctions for noncompliance with any environmental laws or regulations.

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

Tisak does not provide organized workforce transport because its business units are dispersed and some of its sites are not easily accessible. The other environmental impacts of transport relate to the transport of goods. In Tisak, this pertains to the transport and delivery of commercial goods and

print to retail units and to our wholesale customers' sites, as presented in the calculations of oil consumption and the calculation of greenhouse gas emissions resulting from distribution activities.

Environmental Protection Investments

EN31: Total environmental protection expenditures and investments by type

	2014	2015
Waste disposal, emission treatment, and remediation costs (HRK)	154,950.00	69,409.30
Prevention and environmental management costs (HRK)	0	0
Total	154,950.00	69,409.30

The environmental protection expenditures and investments during this reporting period pertain to the cost of disposing of goods written off. In 2014 they totaled HRK 145,950 compared to HRK 69,409.30 in 2015, which is a decrease by 55% in 2015 compared to 2014 and an increase by 14% compared to 2013. The decrease in 2015 compared to 2014 is a result of smaller quantities of goods written off and replacement of our waste disposal contractor.

Targets for 2016 and 2017:

- Increase the volume of our purchasing of nonhazardous waste from individuals and corporations by 20%;
- Purchase new Euro 6 vehicles;
- Purchase electric delivery vehicles (motorcycles) for courier services provided in urban areas;
- Increase the share of our electricity-powered warehousing machinery; and
- Dispose of e-waste (IT equipment): computers, printers, toner, mobile phones and other equipment.

Roto dinamic

Roto dinamic d.o.o. is a company established in 1992 under the name of Roto-promet d.o.o. During the 1990s, the company recorded constant growth and development and became a leading distributor of all drinks and beverages in the region, while extending its business to retail and services. In the course of its further growth, the company extended its business through exclusive agency arrangements for globally renowned brands such as Capri-Sonne juices, Montes and Kaiken wines, and Astoria prosecco.

As of May of 2013, Roto dinamic has been a member of Agrokor Group. In early 2015, Roto dinamic became a wholly owned subsidiary of Jamnica d.d.

Roto dinamic operates through 20 sale & distribution centers and 22 retail discount stores in Croatia. These specialized discount stores and their product ranges are designed for hospitality businesses and offer discount prices.

The logistic segment currently uses 145 cargo vehicles, 60 light commercial vehicles and 125 forklift trucks. We supply over 5000 customers, which figure rises up to 7500 during the tourist season.

Roto dinamic distributes products to its customers through five sales channels: HoReCa, independent retailers, retail chains, public procurement and redistributors.

Roto dinamic employs 548 people.

The company holds a HACCP certificate and conducts regular audits of the entire distribution process for the purpose of maintaining its service quality at the highest level. In 2015, six internal audits of the business management system (quality/HACCP) were conducted. SGS conducted one external HACCP audit.

As this is our first Sustainability Report, we are unable to make a comparison to the preceding period.

Materials

EN1: Materials used by weight or volume

Our total consumption of materials includes packaging materials. We purchase these materials from external suppliers.

In 2015, our consumption of materials used increased as a result of increased sales volumes.

Type of material used (kg)	2014	2015
Materials for packaging purposes	23,900.15	27,219.05
Total	23,900.15	27,219.05

Energy

EN3: Energy consumption within the organization

	2014	2015
Fuel	28,246	32,570
Natural gas	1,596	2,207
LPG	2,366	2,601
Electricity	4,923	5,699
Total	37,131	43,077

Our total energy consumption includes fuel, natural gas, LPG and electricity. The energy consumption levels depend on the type of product, type of packaging, and their volumes.

Our total consumption of fuel obtained from nonrenewable sources (fuel, natural gas, LPG) in 2014 was 37,131

GJ, compared to 43,077 GJ in 2015. The fuel consumption levels remained stable and the slight increase is a result of increased turnover in 2015.

Roto dinamic uses LPG (liquefied petroleum gas) powered forklift trucks and environmentally acceptable electric forklift trucks for indoor areas in its warehousing operations. LPG consumption depends on logistic processes and product handling rates. As an alternative fuel, LPG results in less greenhouse gas emissions than any other fossil fuel, its combustion is clean, and is a high-grade environmentally acceptable fuel we use in reusable 10 kg bottles. The use of electric forklift trucks reduces our fuel costs. In addition, they are less noisy and their use improves the quality of air in the warehouse.

CATEGORY: ENVIRONMENTAL

Business Group Retail

Roto dinamic

EN5: Energy intensity

Energy intensity is expressed as electricity consumption per HRK 100,000 of turnover for the entire company (in 2014 turnover was 7737,5 in thousands of HRK, and in 2015 8503,3 thousands of HRK).

Energy intensity is expressed as electricity and fuel consumption per HRK 100,000 of turnover for the entire company.

Energy intensity (GJ/HRK 100,000 turnover)	2014	2015
Electricity	0.64	0.67
Fuel	3.65	3.83

EN6: Reduction of energy consumption

Roto dinamic d.o.o. is preparing its first Sustainability Report for the 2014/2015 period, which will be considered the reference period for future comparisons of energy consumption

data. Our energy consumption levels increased in 2015 as a result of increased turnover.

Water

EN8: Total water withdrawal by source

Year	From wells	For process purposes	From the public water supply system	Total volume of water withdrawn
2014	-	-	4,567	4,567
2015	-	-	4,220	4,220
Total	0	0	925 560	925 560

Roto dinamic uses water from the public water supply system for its operations. Being an important resource, water is

managed rationally. Water is used for sanitary and hygienic purposes.

Emissions, Effluents and Waste

EN15: Direct greenhouse gas (GHG) emissions (Scope 1) (područje 1)

CO₂ equivalent is a measure used to compare emissions of different greenhouse gases based on their Global Warming Potential (GWP), equaling 1 for the next one hundred years.

Direct greenhouse gas emissions (t CO ₂)	2014	2015
Fuel for transport	1,941	2,238
LPG	141	155
CO₂ equivalent	2,082	2,393

Our total direct CO₂ emissions by weight relate to the transport of materials and products and were calculated by estimating the CO₂ emissions resulting from combustion.

As a sum of all direct emissions, total greenhouse gas emissions are denominated in tons of CO₂ equivalent.

In 2015, our greenhouse gas emissions increased as a result of increased turnover and sales network expansion. We opened three retail discount stores and one sales & distribution center.

In 2014, our vehicles completed 5,043,466 km compared to 5,630,495 km in 2015.

EN18: Greenhouse gas (GHG) emissions intensity

Year	CO ₂ emissions (t)/turnover
2014	0.27
2015	0.28

CATEGORY: ENVIRONMENTAL

Business Group Retail

Roto dinamic

EN19: Reduction of greenhouse gas emissions (GHG)

In 2015, Roto dinamic worked on optimizing their routes and minimizing the distances traveled.

We provided our drivers with internal eco-driving training and ordered two environmentally acceptable Mit-

subishi Fuso Canter Eco Hybrid vehicles. We also intensified our control of fuel consumption for all company vehicles. We redesigned the sales & distribution center in Samobor and made it more thermally efficient.

EN20: Emissions of ozone-depleting substances (ODS)

According to the Code of Good Practice for Ozone-Depleting Substances, the Ozone-Depleting Substances Regulation and the Waste Electrical and Electronic Devices and Equipment Management Ordinance, a Report is prepared on the inspection of our refrigerating and air conditioning equipment by a licensed firm.

The Ozone-Depleting Substances and Fluorinated Greenhouse Gases Regulation (Official Gazette 92/12) allows

for the use of the controlled substances specified in Annex C, Group I: Hydro-chlorofluorocarbons until 31 December 2015. By aligning its environmental aspects with the relevant legislative and other requirements, Roto dinamic discontinued the use of equipment containing such substances and properly disposed of it.

Four such devices were removed in October of 2015 from three sites.

EN21: NO_x, SO_x and other significant air emissions

Roto dinamic does not have any production or use any heating plants. As the most significant emissions come from production processes, Roto dinamic does not measure these emissions.

EN22: Total water discharge by quality and destination

Wastewater resulting from using sanitary facilities and wastewater resulting from the washing process are discharged into the sewerage system. In 2014, we used 4567 m³ of water, compared to 4220 m³ in 2015.

EN23: Total weight of waste by type and disposal method

Presented below are the amounts of waste for Roto dinamic:

Type of waste	Treatment	Waste disposal contractors	2014 (t)	2015 (t)
Nonhazardous waste	R	Unija papir, Val-sol,	54.45	96.37
Hazardous waste	D	e-Kolektor	-	2.62
Total		Spectra Media d.o.o.	54.45	98.99

Waste is sorted at source, collected separately and temporarily stored in areas designed for temporary storage of each type of waste.

By signing and amending our contracts with licensed waste collecting organizations, purchasing containers for systematic sorting of all types of waste at source and disposing of waste at precisely defined sites within the process area, we obtained profit by selling recyclable types of waste (paper packaging, PET, film...). In 2014, we earned HRK

39,400 compared to HRK 69,890 in 2015. As regards hazardous waste, we disposed of IT equipment and office furniture.

Improved sorting at source increases the amount of nonhazardous waste, which is sold to licensed collecting organizations as secondary raw materials.

This substantial increase in the amount of waste collected in 2015 compared to 2014 is a result of better training provided at specific sites and organization of waste collection.

Compliance

EN29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

The Ministry of Agriculture, the Sanitary Inspection Administration of the Ministry of Health and the Ministry of Environmental and Nature Protection conducted several audits during the year and found no cases of noncompliance

with any laws or regulations, so no fines or nonmonetary sanctions were imposed, except for one case where we were instructed to rectify defects, which was done within the time limit set.

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

The environmental impacts of Roto dinamic are a result of transporting products using its own vehicles.

Year	Fuel for transport	LPG	Total CO ₂ emissions	
	GJ	GJ	Tons of CO ₂ equivalent for fuel	Tons of CO ₂ equivalent for LPG
2014	28,246	2,366	1,941	141
2015	32,570	2,601	2,238	155
Total	60,816	4,967	4,179	296

These parameters are presented according to the following criteria:

- use of energy in GJ, and
- greenhouse gas emissions in tons of CO₂ equivalent.

The increase in CO₂ emissions is a result of increased turnover and market expansion.

Environmental Protection Investments

EN31: Total environmental protection expenditures and investments by type

In 2014, Roto dinamic began to implement its Waste Management System and conducted internal employee training,

which is why we recorded no significant environmental protection expenditures or investments.

Year	Waste disposal, emission treatment, and remediation costs	Prevention and environmental management costs
2014	160,467.50	-
2015	174,008.00	11,100
Total	334,475.50	11,100

Environmental targets and programs for 2016:

- adopt an integrated environmental and energy efficiency management policy;
- align with the provisions of the Sustainable Waste Management Act;
- align with the provisions of the Chemicals Act; and
- complete energy audits of all sites by the end of 2016.

Category: **ENVIRONMENTAL** Food



Zvijezda

Zvijezda d.d. is the largest producer of vegetable oil and fat and the only producer of different types of margarine, mayonnaise, salads and mayonnaise-based dressings in Croatia, having a tradition of almost a hundred years. In 1993, Zvijezda became part of Agrokor Group. By continuously investing in production, product safety and customer satisfaction, Zvijezda provides its customers with high-quality, safe and nutritionally balanced standardized products. Production includes processing raw sunflower, rape and soybeans and making margarine, mayonnaise and mayonnaise-based delicacies. Our longstanding experience in producing high-quality products meeting the market requirements allows us to develop new products based on health, nutritional and environmental trends to provide our customers with full satisfaction and value for money and to extend the range of our products available on the market.

Our production plants are located at Marijana Čavića 1, Zagreb. Zvijezda's production facility comprises three basic units: oil refining plant, oil bottling plant and margarine and delicacy production plant.

In 2014, distribution and storage of Zvijezda products were outsourced to PIK Vrbovec for the purpose of rationalizing our costs by using the synergic effects within Agrokor Group. PIK Vrbovec took over the entire fleet, including all trucks (77 trucks of different load capacities) and forklift trucks (31 electric and gas forklift trucks). All Zvijezda's and PIK Vrbovec's products are distributed together to our distribution centers in Osijek, Rijeka and Split and to our major customers' (retail chains) central warehouses. This reduced the amount of fuel used for our vehicles in our balance sheet, which was much higher in earlier years. We now only present the amount of fuel used by our company cars. Accordingly, we reduced the amount of greenhouse gas emissions denominated in tons of CO₂.

Environmental protection is one of the key targets in Zvijezda and is practiced by adhering to the principles of sustainable development and cleaner production, as well as by preventing any environmental pollution at all times. Our systematic monitoring of environmental risks and impacts allowed us to define the aspects that have or may have environmental impacts, which now represent a base for environmental management by defining the targets and meeting them by conducting programs.

Our quality, environmental and food safety management system certificates demonstrate our compliance with ISO 9001, ISO 14001 and HACCP, as well as the Codex Alimentarius. In addition, Zvijezda holds a Kosher certificate for its products and had its information security management system certified according to ISO 27001:2011. All these systems

were recertified in late 2015. As required by retail chains, we also implemented IFS Food, a food safety management system, thus increasing the level of safety for Zvijezda products.

In 2015, we completed the implementation of our energy efficiency management system according to ISO 50001:2011 and had it certified. This reinforced the environmental protection position at Zvijezda and we also complied with the statutory requirement of conducting energy audits or implementing energy efficiency management systems at major organizations. In late 2014, the Energy Efficiency Act (Official Gazette 127/14) was promulgated, which defines the requirements of conducting energy audits at major organizations.

The quality and environmental protection targets set for the 2014 reporting period were attained.

- We put into service a new steam boiler at the heating plant (installed in late 2013); after the burner parameters were adjusted, the results became noticeable in 2014. Our reduction of emissions is proportional to our reduction of energy consumption (natural gas) and using a new combined burner. This combined burner (natural gas/heating oil) allows us to switch between these two energy forms in risky situations when natural gas supply is disrupted, in particular during the winter months.
- A training project titled "Eco-Driving" was conducted and co-funded in cooperation with the Environmental Protection and Energy Efficiency Fund. We trained 20 freight vehicle drivers who will be able to significantly reduce our fuel consumption and CO₂ emissions by changing their driving style.
- We also successfully completed our Pallet Management and Monitoring target, achieving savings in excess of 30%.

Most of the targets set for 2015 were attained, except for major investments such as the margarine plant modernization projects, which will be completed in 2016.

We attained the following targets:

- We implemented ISO 50001 – Energy Efficiency Management;
- We built a waste container dock outside the margarine plant;
- We built an awning to cover pallets and waste margarine in barrels;
- We replaced R-22 by an environmentally acceptable refrigerant for the air conditioning system in the administration building.

We are very much focused on improving our technological processes and training our employees, in particular with respect to environmental matters. Our management systems are improved and upgraded on an ongoing basis.

Materials

EN1: Materials used by weight or volume

Materials used include raw materials, associated process materials and materials for packaging purposes used in the production of primary products. All materials are supplied by external suppliers.

These figures show that the total amounts of materials used in 2015 were reduced compared to 2014. This is a result of a decrease in total production, which is in line with the trend recorded during the preceding reporting period where the amount of materials used decreased by around 10% com-

pared to this reporting period. This decrease in production mostly concerns oil production.

Type of material used (kg)	2014	2015
Raw materials	46,985,390	39,063,925
Associated process materials	910,559	502,164
Materials for packaging purposes	4,569,161	6,057,499
Total	52,465,110	45,623,586

Energy

EN3: Energy consumption within the organization

Our total energy consumption is denominated in GJ and presented for 2014 and 2015.

	2014	2015
Natural gas	103,888	90,060
Electricity	24,410	21,243
Fuel	24,739	6,321
Total	153,037	117,624

In the processes of producing edible vegetable oil, margarine and industrial vegetable fats we use superheated steam for heating pipelines and tanks that heat operating areas intended for production and storage of finished products. The entire steam generation process takes place at the heating plant and steam is used wherever necessary. The form of energy used in the heating plant to make steam is natural gas, which is

mostly used for the deodorization phase in the raw oil refining plant. In 2013 we installed a new boiler having a capacity (10 t/h) lower than the previously used one, which resulted in noticeable reduction of gas consumption in 2014. Our reduction of emissions is directly proportional to our reduction of energy consumption (natural gas).

Electricity is mostly used to power machines, lines and pumps, mainly in the margarine and delicacy production plant. Some of the electricity is used for cooling the raw materials and finished products warehouses. Our electricity consumption depends on the season and is greater during the summer months than during the winter months due to the seasonal nature of production.

A significant decrease was also recorded in transport fuel consumption because PIK Vrbovec transported Zvijezda's products in this reporting period. Reductions were recorded for other energy forms as well, however, not so substantial.

EN5: Energy intensity

Energy intensity is presented as consumption of electricity and gas per product unit.

Energy intensity is presented as electricity and natural gas consumption per ton of product. A slight decrease was recorded in 2015 compared to 2014, which may be associated with reduced production quantities.

Energy intensity (GJ/t)	2014	2015
Electricity	0.49	0
Gas	2.11	1

CATEGORY: ENVIRONMENTAL
Business Group Food
Zvijezda

EN6: Reduction of energy consumption

As a responsible corporation, Zvijezda undertakes measures for efficient use of energy. Our ongoing plant modernization, production rationalization and batch size optimization result in improved energy efficiency and our employees are continually trained on responsible conduct and rational use of energy. In late 2014, we began to implement our energy efficiency management system. Our energy efficiency man-

agement system was successfully certified in November of 2015. During the implementation of the energy efficiency management system, an energy audit was conducted at Zvijezda, large energy consuming devices were identified, and a reference base was set, which is used to prepare measures to improve energy efficiency and energy efficiency indicators.

EN8: Total water withdrawal by source

Zvijezda uses water from two sources:

- the public water supply system, and
- its own onsite well for which it holds a concession.

Water is used as part of products, for cooling, for washing plants and plant lines, as sanitary water, and for drinking. Water is also used to make steam at the heating plant.

Like any other food industry, Zvijezda uses large amounts of water for washing to comply with hygienic standards and ensure product safety. Our water is under constant control of our own laboratory and external licensed laboratories, as required by the relevant regulations.

Total water withdrawal by source (m³)

Year	Process water (well water)	Public water supply system	Total volume of water withdrawn
2014	55,596	29,868	85,464
2015	47,370	24,870	72,240

As a result of undertaking systematic rational water consumption measures, complying with all applicable hygienic and safety standards, regularly maintaining our pipelines and quickly intervening in case of an accident, the amounts of water used/consumed are constantly decreasing, as shown by the figures concerning the amounts of water used. Compared to the preceding reporting period, we reduced our total

consumption of water (public and well water). Part of this reduction is associated with the reduction in production and part is a result of improved utilization of condensate recovery, repair of leaks on the public and well water pipelines, and training our employees for the rational use of water (plant washing, timely closing of any water sources, faucets, etc.).

EN9: Water sources significantly affected by withdrawal of water

Zvijezda systematically monitors and rationalizes its water consumption – recirculation was performed in earlier periods, whenever possible. When we purchase new lines and technologies, they practically already contain closed water systems (new refinery), which reduces our water consump-

tion to a sustainable level. We have water meters in place and constantly monitor our consumption, which allows us to detect any illogical consumption caused by ruptures and to repair them immediately. We regularly inspect and maintain our pipelines.

EN10: Percentage and total volume of water recycled and reused

The water used in the heating plant to make steam and for production purposes is recirculated condensate, accounting for 25% and 30%. The same amount of condensate was recirculated during the preceding reporting period, however,

as mentioned above, we utilized the condensate optimally, which resulted in reduced water consumption. We continue to examine the options of using/recirculating condensate in other process locations.

Emissions, Effluents and Waste

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

Direct greenhouse gas emissions from Zvijezda's plants include emissions from stationary sources and emissions resulting from fuel combustion in mobile combustion sources. The impact of air greenhouse gas emissions at Zvijezda includes emissions from stationary sources and emissions resulting from transporting materials and products using own vehicles and transporting workforce members to and from work using cars owned by Zvijezda. Direct greenhouse gas emissions were calculated taking into account the combustion of natural gas used to power the heating plant and fuel (diesel) for transport using freight and passenger vehicles.

Emissions are regularly monitored in accordance with the national legislation and CO₂ equivalent is calculated by using the methodology specified in the Guide for Preparing Plant Greenhouse Gas Emissions Monitoring Plans issued by the Ministry of Environmental Protection, Physical Planning and Construction according to the following formula:

$CO_2 \text{ (combustion emissions)} = \text{consumption} * \text{size of combustion} * \text{emission factor} * \text{oxidation factor}$

CO₂ equivalent is a measure used to compare emissions of various greenhouse gases based on their Global Warming Potential (GWP), equaling 1 for the next one hundred years. Our total direct CO₂ emissions are measured on an annual or biannual basis, depending on the size and power of the rele-

vant heating devices (medium-sized or small) used in Zvijezda's plants by a licensed organization.

Direct greenhouse gas emissions (t CDE)	2014	2015
Production plants	5,068	4,662
Fuel for transport	1,757	464
Total	6,825	5,126

As a sum of all direct emissions, total greenhouse gas emissions are denominated in tons of CO₂ equivalent.

Our total CO₂ emissions were reduced by 30% compared to the preceding reporting period. This reduction of total emissions is a result of:

- reduced emissions associated with transport because the distribution of Zvijezda products was outsourced to PIK Vrbovec during the 2014-2015 reporting period;
- reduction of total production;
- using a new boiler with a smaller capacity (to make steam); and
- rational use of steam, which is directly related to the heating plant's operating mode.

EN18: Greenhouse gas (GHG) emissions intensity

The intensity of greenhouse gas emissions in Zvijezda is presented as a ratio between total emissions in tons of CO₂ and the amount of products made in tons. Compared to the preceding reporting period, the intensity of greenhouse gas emissions was reduced in this reporting period, which is directly associated with the above indicator.

Greenhouse gas emissions intensity (CO ₂ emission (t) / ton of product)	2014	2015
CO ₂ emission	0.1009	0.1007

EN19: Reduction of greenhouse gas emissions

After installing a smaller-sized boiler in the heating plant (10 t/h) and adjusting the burner parameters, our natural gas consumption in 2014 decreased by around 19%. Our gas consumption is directly proportional to our emissions of CDE

and the figures concerning CO₂ emission (t)/ton of product show a roughly equal decrease. Total CDE recorded during the 2012/2013 reporting period were 10% higher than total CDE recorded during the 2014/2015 reporting period.

EN20: Emissions of ozone-depleting substances (ODS)

Our onsite refrigeration devices have been cataloged and are systematically supervised by licensed servicers and our equipment is inspected and maintained according to the schedule defined by law. Each refrigeration device is assigned a Maintenance Card for Refrigerating and Air Condition-

ing Equipment and Heat Pumps (Form SK 1). In September of 2013, we reported to the Ministry of Environmental and Nature Protection all our stationary equipment and systems containing 3 kg or more of ozone-depleting substances or fluorinated greenhouse gases (Form PNOS).

CATEGORY: ENVIRONMENTAL

Business Group Food

Zvijezda

Zvijezda's production plants use refrigeration devices containing refrigerants allowed to be used under the Ozone-Depleting Substances and Fluorinated Greenhouse Gases Regulations (Official Gazette 90/14). Only the air conditioner in the administration building contained 14 kg of the ozone-de-

pleting HCFC-22 (hydrochlorofluorocarbon). For all other refrigeration equipment, ODS = 0. In April of 2015, Zvijezda replaced the refrigerant by an environmentally acceptable refrigerant and thus complied with the requirements of the Regulation.

EN21: NO_x, SO_x and other significant air emissions

Emission of pollutants from stationary sources are measured every year for the boiler in the heating plant because it is classified as a medium-sized heating device, while the other heating devices are small and the measurements for them are carried out on a biannual basis by a licensed organization for CO₂, NO₂ and CO emissions.

According to the measurements of pollutant air emissions for all heating equipment, the air emissions are within

the permitted limits and were reduced compared to 2014 and compared to the preceding reporting period.

Total greenhouse gas emissions (t)

Year	SO ₂	NO ₂	CO
2014	5,106	2.84	0.28
2015	4,295	2.60	0.25

EN22: Total water discharge by quality and destination

The total amount of water discharge is determined on the basis of data about the amount of water supplied from the water supply system and water withdrawn from wells minus 5%, which is the amount of water incorporated in products and loss from evaporation on the cooling towers.

The consumption of water and other forms of energy has been systematically monitored in Zvijezda since 2001 and strategic water reduction tasks were set based on such data. Wherever possible, the plants worked on water recirculation procedures as a measure to reduce the total amount of water used. Production on production lines is planned by allowing for making products one by one without washing the line or maximizing the size of each batch. This resulted in water savings without affecting the safety of our products. All wastewater is treated by a wastewater treatment plant (physical-chemical treatment).

Year	Total water discharge (m ³)
2014	81,191
2015	68,628
Total	149,819

The quality of treated process wastewater is checked according to the schedule defined by the water management license by the licensed Andrija Štampar Laboratory (twice a year). Zvijezda's internal laboratory conducts analyses of wastewater. Compared to the preceding reporting period, the amounts of water discharge recorded in this reporting period were directly dependent on the amounts of water used and decreased as the production quantities decreased.

EN23: Total weight of waste by type and disposal method

Type of waste	Treatment	2014 (t)	2015 (t)
Nonhazardous waste	R	697.54	589.14
Hazardous waste	D	14.16	12.75
Total		711.70	601.89

Waste is sorted at source, collected separately and temporarily stored in areas designed for temporary storage of each type of waste. Improved waste sorting increases the amount of nonhazardous waste, which is sold to licensed waste collecting organizations as secondary raw materials. Our waste management plan and ongoing employee training resulted in

improved waste sorting and constant reduction of landfilled waste. A comparison between the reporting periods shows that the amount of nonhazardous or hazardous waste and the total of amount of waste are constantly decreasing (by 13% for hazardous waste and 25% for nonhazardous waste).

Compliance

EN29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

In 2014, a coordinated audit was conducted at Zvijezda, as presented in the table below. All audits showed compliance

with the legal requirements and no sanctions were imposed, which is also the case for 2015.

Auditor	Audit date	Audit Reports
Fire Protection Inspectorate	02/06/2014	Ministry of the Interior Zagreb Police Administration
Sanitary Inspectorate (dangerous chemicals audit)	02/06/2014	Ministry Of Health Sanitary Inspection Administration City Of Zagreb Department
Environmental Protection Inspectorate	03/06/2014	Ministry of Environmental and Nature Protection Industrial Contamination, Environmental Impact and Sustainable Waste Management Inspection Department
Veterinary Inspectorate	04/06/2014	Ministry of Agriculture Veterinary Inspection Department
Water Management Inspectorate	04/06/2014	Ministry of agriculture National Water Management Inspection Department
Occupational Safety Inspectorate	05/06/2014	Ministry of Labor and Pension System Labor Inspectorate Occupational Safety Department
Electricity Inspectorate	06/06/2014	Ministry of Economy Electricity Supervisory Department
Vessels-Under-Pressure Inspectorate	06/06/2014	State Inspectorate Electricity, Mining and Vessels-Under-Pressure Department

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

Zvijezda's environmental impacts of transporting products and other goods and transporting workforce are presented

as greenhouse gas emissions in tons of CO₂ equivalent for transport (fuel) in EN15.

Environmental Protection Investments

EN31: Total environmental protection expenditures and investments by type

Zvijezda constantly monitors its environmental protection costs to ensure further economic progress based on the sustainable development principles. Our waste disposal costs are decreasing because we separate several more types of plastic waste which does not burden mixed packaging waste.

Our total environmental protection costs include the costs of:

- waste disposal;
- laboratory analyses of waste and wastewater;
- the charge for packaging and waste packaging disposal (Environmental Protection and Energy Efficiency Fund);

- emission measurements and the charge for air emissions from stationary sources;
- cleaning sewers and separators;
- operating our WTP;
- certifications and trainings for the environmental management system; and
- environmental protection investments.

A comparison between the reporting periods shows that the environmental protection investments were roughly on the same level.

Year	Waste disposal, emission treatment and remediation costs (HRK)	Prevention and environmental management costs (HRK)
2014	1,307,697	675,503
2015	1,080,395	466,098
Total	2,388,092	1,141,601

We set our environmental targets for 2016 and the last two targets set for 2016 were feasibility analyses. If they show it is feasible to begin to implement these investments, they will be made in 2017. We aim to modernize our margarine plant and replace the pool evaporator and ice water pool – these are major investments to be completed in 2016.

Each year Zvijezda sets its targets for the next one-year period (2016) and prepares its investment plan. Targets may only be set after the investment plan is accepted. We are therefore unable to make our plan for 2017 until late 2016.

The targets are:

- modernize the margarine plant;
- replace the pool evaporator and ice water pool;
- utilize waste heat from air compressors for superheating process or sanitary water;
- analyze the feasibility of modernizing our lighting and its operating mode within the margarine and delicacies department (LED lighting).

Dijamant

Dijamant A.D. is an oil, vegetable fat, margarine and mayonnaise industry headquartered in Zrenjanin. Dijamant has operated within Agrokor Group since 2005 and is one of the largest oleaginous plant processors and vegetable fat producers in this part of Southeast Europe. The report shows data for 2014 and 2015. The indicators prepared demonstrate Dijamant's focus on environmental protection. It is reflected in reduced pollution, proper waste management, direct investments in equipment and processes generating less noise and designed to prevent any leaks, etc.

In 2014, Dijamant successfully had its existing standards (ISO 9001:2008, ISO14001:2004, GMP+, FSSC22000, HACCP and HALAL) recertified and added Kosher to the list of certified standards.

As regards its targets set in the preceding reporting period, Dijamant attained as follows:

In 2014, we put into service our wastewater pumping station which allows for precise measuring of wastewater discharge and adjusting the discharge mode;

We started to separate polypropylene (packaging waste) from municipal waste – during this reporting period we separated five tons of waste polypropylene and delivered it to licensed collecting organizations;

The chemicals we purchase and use are reported and registered in the Chemicals Registry. MSDS (Master Safety Data Sheets) are updated on an annual basis and solid and liquid chemicals are particularly monitored. We also maintain records of the circulation of chemicals and biocides. Chemicals are supplied in reusable packaging;

For this reporting period, we plan to precisely determine our consumption of electricity as an environmental indicator for each production process (chemical water preparation, oil extraction, compressor operation, etc.). We are still working on this environmental indicator because we have not yet provided for the measurement of all parameters for each production line. In other words, some parameters are still measured on a plant basis and then calculated for each product and process (electricity consumption, water consumption).

We managed to reduce the amount of our municipal waste by increasing the share of secondary raw materials extracted from it, improving our management or our working processes (less wasting), introducing reusable packaging for raw materials, etc. This resulted in a decrease by 21% compared to the preceding reporting period;

We conducted an internal employee training about the importance of waste sorting as a prerequisite for efficient disposal. We regularly inspect the factory area and instruct our employees on how to handle waste. In 2014, we launched regular meetings with individuals residing near the factory for the purpose of obtaining feedback on the performance of Dijamant's environmental management policy. This primarily concerns the control of noise, unpleasant odors and dust emissions;

Although we planned to, we did not plant trees or undertake any activities regarding the excessive noise and dust in Dijamant's plants. This includes facilities not located in Zrenjanin for which Dijamant is responsible (as the owner or lessee). They are the following sites: Odžaci, Bački Sokolac, Novo Miloševo, Novi Bečej, and Uljma;

In 2015 we had our existing standards successfully recertified. In addition, the HALAL food standard was extended to all products made by Dijamant A.D. We implemented Kosher as a new standard. Kosher only applies to fats and oils made in Dijamant. This decision was made because, technologically, only this product group is made under conditions required by Kosher. No ISO 18001 training was held; and

For the purpose of obtaining a water management license, in 2015 we created a document titled "Water Management Requirements" as the first document to be used to complete that task. A decision was made to establish a team that will prepare an action plan to resolve our wastewater issues in 2016. Unlike the 2015 plan, we did not work on obtaining an integrated license because it is conditional upon holding a water management license.

CATEGORY: ENVIRONMENTAL

Business Group Food

Dijamant

Materials

EN1: Materials used by weight or volume

The amount of materials used in 2015 was 3.6% lower compared to 2014 and 0.25% lower compared to the preceding reporting period. These differences in amounts are a result of different structures of the materials supplied and inventories carried forward.

Dijamant does not use any raw materials or secondary materials made of recycled materials in its processes. As regards production input, only a small share of secondary packaging (cardboard boxes and trays) contains recycled paper.

Type of material used (kg)	2014	2015
Raw materials	203,075,241	194,727,962
Associated process materials	1,048,120	1,066,608
Materials for packaging purposes	3,788,901	4,538,623
Total	207,912,262	200,333,193

Energy

EN3: Energy consumption within the organization

Dijamant uses steam resulting from using natural gas and sunflower shell in its production processes. The other forms of energy used are electricity, diesel, gasoline and LPG for motor vehicles.

Total consumption of fuel from nonrenewable energy sources (Direct energy consumption by primary source)

Year	Diesel (GJ)	Gasoline (GJ)	LPG (GJ)	Natural gas (GJ)
2014	29,860.13	1,365.58	5.44	90,040.95
2015	27,677.21	1,256.97	6.01	82,793.15
Total	57,537.34	2,622.55	11.45	172,834.10

In 2015 we continued to reduce our consumption of natural gas, by approximately 8% compared to 2014 because our increased levels of sunflower seed purchasing generated more sunflower shell used as energy instead of natural gas.

During this reporting period, we reduced the number of diesel-powered passenger vehicles (our diesel consumption decreased by 5%) and invested in vehicles combining gasoline and LPG. The trucks used to transport our products continue to be the main consumers of diesel fuel.

Total consumption of fuel from renewable energy sources (Direct energy consumption by primary source)

Year	Sunflower shell (GJ)
2014	282,260
2015	274,673
Total	556,933

In 2015, we increased our share of energy obtained from renewable sources (sunflower shell) by 20% compared to the preceding reporting period. The amount of energy obtained

from shell in 2015 was insignificantly lower than in 2014 due to a different production structure and shell quality (the moisture content in the shell affects the amount of energy obtained).

Indirect energy consumption by primary source (Indirect energy supplied and used from nonrenewable energy sources)

Year	Electricity (GJ)
2014	92,725.93
2015	104,650.30
Total	197,376.23

Our electricity consumption in 2015 increased by 12% compared to 2014 and 5% compared to the preceding reporting period as a result of an increased scope of work in Dijamant's silos which operate using electricity only. The scope of trading agricultural products stored in the silos also increased.

Indirect energy consumption by primary source (Indirect energy supplied and used from nonrenewable energy sources)

Year	Steam (GJ)
2014	76,926.77
2015	71,300.00
Total	148,226.77

Our consumption of energy from nonrenewable sources (natural gas) decreased by 8% in 2015 and by approximately 55% compared to 2013. The main reason for this is a higher amount of sunflower shell purchase, which is why the amount of fuel available from renewable sources increased proportionally.

CATEGORY: ENVIRONMENTAL

Business Group Food

Dijamant

EN5: Energy intensity

Energy intensity is presented as the total amount of energy used per product unit. The total amount of energy is a sum of the energy obtained from electricity, fuel and natural gas, i.e. from nonrenewable sources. A product unit is the total amount of production in tons.

In this reporting period, the total energy intensity decreased by 30% compared to the preceding reporting period. Our electricity consumption in 2015 increased by 12% in 2015 compared to 2014 as a result of increased turnover of

commercial seed in our silos. Our consumption of natural gas decreased by 8% in 2015 as a result of an increased scope of sunflower processing which generates shell as a form of energy much cheaper than natural gas.

Considering that the amount of goods produced and the structure of products varied during the reporting period, it may be concluded based on the energy intensity recorded during this period that the total amount of energy used per product unit did not change significantly.

Year	Energy form	Total energy used (GJ)	Total amount of products (in tons)	Energy used per unit produced (GJ/ton)
2014	Electricity	92,725.93	461,097.17	0.201
	Fuel for transport	31,231.15		0.067
	Natural gas	90,040.95		0.195
	Total	213,998.03		0.464
2015	Electricity	104,650.30	424,830.79	0.246
	Fuel for transport	28,940.19		0.068
	Natural gas	82,793.15		0.194
	Total	216,383.64		0.509

EN6: Reduction of energy consumption

During this reporting period, Dijamant was primarily focused on reducing its electricity and natural gas consumption. In 2014, additional electricity meters were installed and consumption levels in our plants were recorded. We check for any variations in consumption on a daily basis and regularly check samples. The organization of our production process

makes the greatest contribution to electricity consumption optimization and we endeavor to maintain production continuity, without any unnecessary interruptions or restarting because this requires substantial amounts of electricity.

By practicing constant monitoring of the condition of our equipment, we find any steam leaks and repair them.

Water

EN8: Total water withdrawal by source

Year	Own wells	From the public water supply system	Total volume of water withdrawn
2014	350,507	103,305	453,812
2015	382,900	97,300	470,200
Total	733,407	200,605	924,012

Water is sourced from the public water supply system as potable water and sanitary water.

The total amount of water withdrawn is affected by the scope and structure of production, but also the average temperature because a higher temperature requires more water. Water is mainly used for cooling processes in our refin-

eries. After we overhauled the oil refinery and implemented automated replenishment of cooling water in the system, the total water consumption decreased by 18% compared to the preceding reporting period.

EN10: Percentage and total volume of water recycled and reused

Dijamant does not use any recycled water, which means that all water is only used once.

Emissions, Effluents and Waste

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

The CO₂ emissions generated by the production plants are reflected in the figures concerning the consumption of natural gas as a nonrenewable energy form. We reduced our consumption of gas and used more sunflower shell, which is energy obtained from a renewable source. Compared to the preceding reporting period, we reduced our greenhouse gas emissions by approximately 50%.

Total air emissions (t CDE)	2014	2015
Production plants	3,221.31	2,961.84
Fuel for transport	2.43	2.28
Total	3,223.74	2,964.12

EN18: Greenhouse gas (GHG) emissions intensity

Greenhouse gas (GHG) emissions intensity is presented as the total amount of CO₂ emitted per product unit. Total CO₂ is the amount of direct greenhouse gas emissions. While it tended to decrease during this reporting period compared to

the preceding reporting period, the total amount of CDE in tons did not affect greenhouse gas emissions intensity because of a reduced scope of production, which neutralized the effect.

Greenhouse gas (GHG) emissions intensity

Year	Total CDE in tons	Total CDE in tons	Tons of CDE per unit produced
2014	3,223.74	461,097.17	0.00699
2015	2,964.12	424,830.79	0.00697
Total	6,187.86	885,927.96	0.01396

EN19: Reduction of greenhouse gas emissions

Dijamant uses the following ozone-depleting substances:

Ozone-depleting substances by weight (kg)

Year	Refrigerant R12	Refrigerant R 134a	Refrigerant R22	Refrigerant R404	Refrigerant R407C	Total
2014	-	-	-	16	-	16
2015	-	39	26	143	-	208
Total	-	39	26	159	-	224

These substances are used in certain Dijamant's refrigeration systems. The increase in 2015 compared to 2014 is associated with the maintenance of refrigeration equipment and each maintenance job implies emitting the existing refrigerant

into the air and replacing it by new refrigerant. In normal operation, no refrigerant is emitted into the air so any extraordinary emissions may be considered accidental.

CATEGORY: ENVIRONMENTAL

Business Group Food

Dijamant

EN21: NO_x, SO_x and other significant air emissions

The above table presents data for emissions generated by Dijamant's boilers. No significant investments were made in the steam production plant during this reporting period. The level of NO₂ in 2015 decreased compared to 2014 because we improved our management of the boiler combustion process, sunflower shell was more homogeneous as energy, and greater control was established over burner temperature. Inhomogeneous energy results in unwanted overheating of the boiler, which generates nitrogen oxides. The reduced levels of powdery substances are a result of repairing the electrostat-

ic filter in 2013, which increased our operating efficiency in this reporting period

Total direct and indirect greenhouse gas emissions by weight (in tons)

Year	SO ₂	NO ₂	CO	PM
2014	0	50.07	11.67	2.10
2015	0	42.83	17.23	1.80
Total	0	92.90	28.90	3.90

EN22: Total water discharge by quality and destination

No changes were made during this reporting period with respect to treatment plant technology or chemicals used (coagulants and flocculants).

The decrease in wastewater contamination is a result of improved management of grease resulting from the production process. Waste grease from products passes directly through a grease trap and is channeled to processing for animal feed production. This grease was previously incorporated in wastewater, thus putting an additional burden on the treatment plants.

On the other hand, as technology developed and businesses for biogas production emerged, the grease and grease deposits collected from wastewater now have their commercial value, which justified the additional cost of investing in treatment plant chemicals.

Year	Total water discharge (m ³)
2014	262,915
2015	263,700
Total	526,615

In 2014 and 2015, we continued to reduce our wastewater levels as a result of reconstructing our water cooling system. The abovementioned refinery overhaul (automation of cooling water dosage) resulted in decreased consumption of clean water and, consequently, less wastewater. The amount of wastewater recorded in 2015 decreased by 33% compared to the preceding reporting period.

EN23: Total weight of waste by type and disposal method

We did not significantly change our waste management method in this reporting period compared to the preceding reporting period. We identified all types of waste and determined their EWC codes. The increase in the amount of nonhazardous waste disposed of in 2015 is a result of an in-

creased amount of pallets disposed of compared to the earlier years. The ordinary production process in Dijamant does not generate and hazardous waste. The hazardous waste generated is a result of replacing our lubricants (mineral oil), old electrical materials and old IT equipment.

Type of waste	Treatment	Waste disposal contractors	2014 (t)	2015 (t)
Nonhazardous waste	R/D	Luna doo, Bačka Palanka; Grand grupa, Bačka Palanka; JKP "Čistoća i zelenilo", Zrenjanin; "Centar za reciklažu", Beograd; "Dren Eco", Čelarevo; "Zvezda", Zrenjanin; "Pan Riko", NoviSad; Papir Servis FHB; "Dogama", Zrenjanin; "Pima", Čačak; "Pneutech", Vrbas; "Jugo-impex", Niš; "Esotron", NoviSad; Metal Đurđevo, Novi Sad; Repro Miš, Beograd	2,727.54	2,685.80
Hazardous waste	R	Centar za reciklažu "Železnik, Beograd; BIS, Pančevo; Delta eko sustav, Kladovo; SCT-CERT, Kikinda	7.43	1.94
Total			2,734.97	2,687.74

Compliance

EN29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

No fines or any other sanctions were imposed during this reporting period for noncompliance with any environmental regulations. No complaints were received from individuals or

any associations about Dijamant's operations as they relate to environmental pollution.

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

Year	Fuel for transport (GJ)	Total CO ₂ emissions (tons of CDE for fuel)
2014	31,231.15	2.43
2015	28,940.20	2.28
Total	60,171.35	4.71

The decrease in fuel consumption in 2015 compared to the preceding reporting period is a result of improved organization of transport routes, but also of changes in fuel used for transport (increased use of LPG).

Environmental Protection Investments

EN31: Total environmental protection expenditures and investments by type

Year	Waste disposal, emission treatment and remediation costs (RSD)	Prevention and environmental management costs (RSD)
2014	43,139,712.34	8,682,618.81
2015	36,913,766.74	7,896,775.50
Total	80,053,479.08	16,579,394.31

We recorded a noticeable decrease in the costs of waste disposal, emission treatment, remediation and pollution. This decrease is primarily a result of reduced wastewater charges.

All environmental management prevention, investment and management costs remained at approximately the same level. The differences in monetary values are a result of different amounts of environmental parameter monitoring costs.

Compared to 2014, in 2015 the cost of waste treatment and disposal was slightly higher as a result of the structure of waste and disposal costs. Pursuant to the Waste Management Act, we outsourced our organic waste disposal activities as of 2015, which primarily relates to expired products. In 2015, we disposed of 8.8 tons of waste, which is 21% more than in 2014.

Our emission treatment cost was 24% higher in 2015 than in 2014 as a result of more accurate measuring of electricity consumption for the plant and of taking into account the electricity used by other devices indirectly connected to the electrostatic filter. The electrostatic filter's scope of operation in 2015 did not significantly change compared to 2014. The 66% increase recorded in this reporting period compared to the preceding reporting period is a result of installing additional electricity meters and more accurate measuring of consumption, which is why it should not be considered an increase in costs but rather improved allocation of air emission treatment costs. In 2015, our cost of water from the public water supply system decreased by 5% compared to 2014, which is a direct result of increased use of water from our own wells. Compared to the preceding reporting period, our water costs

CATEGORY: ENVIRONMENTAL

Business Group Food

Dijamant

decreased by 41% because we started to use more well water compared to public water in 2014.

The costs of wastewater discharged into the public sewerage system during this reporting period decreased by 68% compared to the preceding reporting period due to a change in the legal status of the wastewater recipient.

The institute costs are the costs of external laboratories and institutes hired to conduct mandatory measurements of environmental parameters. These costs increased by 12% in 2015 compared to 2014 as a result of doubling the number of emission analyses on Dijamant's boilers as directly required by the relevant authorities. No substantial changes were recorded compared to the preceding reporting period.

Plans for 2016

Dijamant set the following targets for the next reporting period:

- Continue pursuing our activities toward obtaining a water management license;
- Continue with our efforts toward obtaining an integrated license – these activities are primarily related to the water management license which must be obtained as a condition precedent to obtaining an integrated license;
- Finalize our activities with respect to measuring environmental indicator parameters by production line. In 2016, we plan to conduct a statistical analysis of the process parameters measurement results (consumption of electricity, water, energy, etc.), based on which we will determine the efficiency of managing environmentally relevant parameters;
- Revise our management of waste grease and oiled process water for the purpose of determining whether or not the changes in waste grease management were effective.
- Implement the following new standards and extend the scope of the following existing standards: Dunav Soja / a standard for the management of producing and processing non-GMO soybean grown on the territory of the Danube Basin. GMP+ B3 / an extension to the existing GMP+ B2 standard. The scope of certification will extend to primary agricultural product trade.

Sojara

Sojara d.o.o. Zadar is a company transporting oleaginous plants and all kinds of cereals and storing and handling goods in silos and under-floor warehouses. Until 2012, Sojara processed domestic or imported soybeans into soybean meal, soybean oil and lecithin. The processing capacity is up to 1100 t per day. On 1 July 2014, a decision was made to undertake no processing activities in 2014 and 2015 due to the planned investments and for the purpose of obtaining the required documentation for the new plant. Sojara is conveniently located near Zadar Port and very close to railway and road routes used for transporting and handling oleaginous plants and cereals. In addition, Sojara is equipped with its own transshipment tower on a port pier, which is able to receive the largest freight ships. Our silo for storing oleaginous plants, cereals and flour, having a capacity of 38.000 m³, offers opportunities in the context of imports and exports of goods.

Sojara Zadar started its production activities in 1977. In 1991, Sojara d.d. became part of Agrokor Group, thus establishing better cooperation with companies such as Belje, Zvijezda, etc. In late 2013, Sojara changed its legal status as a joint-stock company to a limited liability company. In November of 2012, Sojara discontinued its processing activities. As of 2013, Sojara only transports oleaginous plants and all kinds of cereals and stores and handles goods in silos and under-floor warehouses. Before this report was written, a location permit was issued for a new heating plant and the relevant building permit is still pending. The indicators provided in the report thus only relate to transport, handling and storage.

Sojara is particularly committed to quality control, environmental protection and product safety. It reduces its adverse environmental impacts by constantly training its employees and optimizing its energy and natural resource consumption.

As no production activities were undertaken during the reporting period, but only handling, transport and storage activities, Sojara's environmental impacts were significantly reduced.

In 2001, Sojara was certified according to the ISO 9001:2008 quality management standard. The most recent recertification was carried out in 2015, while surveillance audits are conducted every year. In 2010, we had our environmental management system certified according to ISO 14001:2004, while surveillance audits are also carried out every year. Our ISO 14001 was last recertified in 2013. Sojara has also implemented an HACCP system and is subject to the IPPC Directive and the Kyoto Protocol.

The targets set for 2014 and 2015 were as follows:

- Improve our waste management system by providing ongoing training of all employees with respect to the need to sort municipal and other waste, provide more containers for specific types of waste and improve our solid waste depository. This target was partially met. Trainings are provided on an ongoing basis and we did not purchase new containers or improve of solid waste depository for financial reasons. We trained all our employees and also conduct internal trainings as necessary;
- Improve our hazardous waste depository by cementing and roofing it and providing it with water, electricity and fire alarm installations to comply with the relevant regulations. The target was not met for financial reasons;
- Reduce our wastewater emissions and our direct impact on the recipient (the sea) by connecting to the common wastewater treatment plant in Gaženica Port as soon as it becomes available. The availability of the treatment plant is up to the City of Zadar. This target was not met because the wastewater treatment plant in Gaženica Port is still unavailable.

Materials

EN1: Materials used by weight or volume

Type of material used (kg)	2014	2015
Raw materials	0	0
Associated process materials	250	200
Materials for packaging purposes	-	-
Total	250	200

We did not use any raw materials during this reporting period because we did not undertake any processing activities, including soybean as the raw material to be processed.

The amount of goods used in our transport, handling and storage activities (wheat, soybean, soybean meal, corn)

in 2014 was 101,735,000 x 103 kg, compared to 74,012,771 x 103 kg in 2015. The quantity of goods decreased by around 26% for financial reasons and due to the prices of commodities in the market.

No comparison is possible to the preceding reporting period because the data for the preceding reporting period was based on the amount of soybean processing in the production plant. The factory discontinued its operations in late 2012.

Energy

EN3: Energy consumption within the organization

Indirect energy consumption by primary source (indirect energy obtained and used from nonrenewable energy sources)

Year	Electricity (GJ)
2014	3.02
2015	3.10
Total	6.12

The amount of electricity used in 2015 was somewhat higher

than the amount of electricity used in 2014 as a result of an increased scope of work at the terminal for storing and transporting cereals and soybean meal and secondary consumption of electricity at the refrigeration plant in the port terminal.

An increase in electricity consumption by around 10% was recorded for reporting period as a result of an increased scope of work at the terminal for storing and transporting cereals and soybean meal and secondary consumption of electricity at the refrigeration plant in the port terminal.

EN5: Energy intensity

Energy intensity may be properly determined based on the parameters provided in the guidelines (fuel, electricity, heating, cooling, steam, etc.). Unfortunately, none of the parameters

other than electricity consumption are relevant after the production plant discontinued its operations. Our electricity consumption is specified in EN3.

EN6: Reduction of energy consumption

Effective reduction of electricity consumption is a primary task that we accomplish by reducing the operating time of our cargo (cereals) handling machines by minimizing the idle time of the transporters used to carry cereals for loading/

unloading. In addition, preventive inspections of machines and equipment minimize unforeseen plant malfunctions. Our electricity consumption is measured on a monthly basis.

Water

EN8: Total water withdrawal by source (m³)

Year	Public water supply system	Total volume of water withdrawn
2014	247	247
2015	514	514
Total	761	761

Our water consumption in 2015 increased by about 45% compared to 2014 and relates primarily to sanitary water. The water consumption level increased as a result of an increased scope of work.

Our water consumption levels decreased several times compared to the preceding reporting period as a result of the absence of process water due to the absence of processing activities.

EN9: Water sources significantly affected by withdrawal of water

Not applicable to Sojara d.o.o.

Emissions, Effluents and Waste

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

Not applicable to Sojara d.o.o. as no processing activities are undertaken.

EN18: Greenhouse gas (GHG) emissions intensity

Sojara has no information available that could be used to determine the indirect CO₂ emissions generated by vehicles

used by our employees to travel to and from work and the company does not have any vehicles used for business trips.

EN19: Reduction of greenhouse gas emissions

Sojara does not use any ozone-depleting substances in its production processes. Its fire extinguishing systems contain

499.5 kg of Halon, which was disposed of by a licensed undertaking in late 2014.

EN20: Emissions of ozone-depleting substances (ODS)

Not applicable to Sojara d.o.o.

EN21: NO_x, SO_x and other significant air emissions

Not applicable to Sojara d.o.o. as no processing activities are undertaken.

EN22: Total water discharge by quality and destination

Year	Total water discharge (m³)
2014	0
2015	0
Total	0

No wastewater discharge was recorded as no processing activities were undertaken.

EN23: Total weight of waste by type and disposal method

Type of waste	Treatment	Waste disposal contractors	2014 (t)	2015 (t)
Nonhazardous waste	R	e-Kolektor, CeZaR	58.12	314.56
Hazardous waste	D	CIAK	3.96	0.16
Total			62.08	314.72

The amount of waste increased by around 400% compared to 2014 as a result of an increased scope of mechanical maintenance and replacement of worn out machine parts at the oleaginous plant and cereal transshipment terminal and disposal of nonconforming products (waste wheat). Compared to the

preceding reporting period, the amount of hazardous waste remained at the same level, while the amount of nonhazardous waste decreased by around 100% as a result of discontinued processing.

Compliance

EN29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

No fines or non-monetary sanctions were imposed during the reporting period for noncompliance with any regulations and no actions were taken using dispute resolution mechanisms.

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

Sojara does not perform its own distribution of products, does not use any passenger vehicles and has no organized transport of workforce members, which is why it had no significant environmental impacts in this aspect.

Environmental Protection Investments

EN31: Total environmental protection expenditures and investments by type

	2014	2015
Waste disposal, emissions treatment, and remediation costs (HRK)		
Waste treatment and disposal	244,707.32	292,665.96
Emission treatment	4,500.00	0
Expenditures of obtaining and using emission certificates	0	0
Total	249,207.32	292,665.96
Prevention and environmental management costs (HRK)		
Outsourced environmental management services	0	0
Environmental management system certification	11,828.40	5,794.49
Ukupno	11,828.40	5,794.49
Troškovi ukupno	261,035.72	298,460.45

In 2015, our costs of waste disposal, emission treatment and remediation in HRK were around 10% higher compared to 2014 as a result of disposing of a nonconforming product (waste wheat). The other costs are roughly the same every year because they are mainly fixed costs determined on a city or county level (e.g. municipal waste transport, etc.). Our environmental prevention and management costs in HRK recorded during this reporting period decreased by around 50% compared to the preceding reporting period. This is a result of a recertification of ISO 14001 in the preceding period.

Activities planned

On 30 November 2012, Sojara Zadar was issued an Integrated Environmental Authorization for its existing plants in accordance with the Environmental Protection Regulation (Official Gazette 114/08) and Act. A Compliance Study, being a part of the Environmental Permit, sets the time limits for rectifying any noncompliance. The Environmental Permit was issued for a period of five years and expires on 30 November 2017.

As the targets set for 2014 and 2015 were not fully met, they will be extended to the 2016 & 2017 period, expect for

the reconstruction of the hazardous waste depository. This target was abandoned because no processing activities are undertaken and thus no significant amounts of hazardous waste are generated. Any hazardous waste generated is immediately disposed of. As the reconstruction of the hazardous waste depository is a major expenditure and we do not generate substantial amounts of such waste, we decided not to set it as a target.

Our targets toward improving our environmental protection system planned for 2016 and 2017 are as follows:

- Improve our waste management system by continuously training all our employees on the need to sort municipal and other waste, purchasing more containers for each type of waste and improving our bulky waste depository. We plan to purchase one container. Our present scope of work does not require more containers. If the scope of work should increase, we will consider whether or not it is necessary to purchase new containers and how many of them.
- Reduce our wastewater emissions and our direct impact on the recipient (the sea) by connecting to the common wastewater treatment plant in Gaženica Port as soon as it becomes available, provided our production activities are resumed.

Jamnica

Jamnica d.d. is the largest Croatian producer of natural mineral water and soft beverages operating as part of Agrokor Group.

Its production plants for natural mineral water and soft beverages include the Jamnica Plant at Ulica Vladimira Nazora 57, Pizarovina, and the Jana Plant at Svetojanske Toplice b.b., Gorica Svetojanska. In addition to these production plants Jamnica's properties include an administration building at Getaldićeva 4, Zagreb, 11 sales centers and its own distribution companies in Slovenia and Serbia.

In late 2013, Jamnica and Stanić Grupa entered into an agreement for the acquisition of the Juicy fruit juice production line. Based on this agreement, Stanić Grupa became a new owner of the juice bottling plant in Jastrebarsko and the Juicy, TO, Juicy Fruits, Juicy Kids and Juicy Vita brands as of 1 January 2015.

Further changes in Jamnica's operations became effective as of 1 January 2015 – Emil Frey Group acquired the commercial vehicle workshop at the administration building site at Getaldićeva 3, Zagreb, while Jamnica only retained the car wash and the tire workshop.

This sustainability report includes data for 2014 for the Juicy fruit juice plant and for the car workshop that were part of Jamnica until 1 January 2015.

For the purpose of meeting our customers' demands and expectations subject to the environmental protection and sustainable development principles and aiming to improve the quality of all our activities across the organization, Jamnica has integrated its quality management system, food safety management system, environmental management system and energy management system into a single management system.

Jamnica has certified its quality management system according to ISO 9001:2008, its food safety system (HACCP), its environmental management system according to ISO 14001:2004, its energy management system according to ISO 50001:2011, as well as its Corporate Social Responsibility System – SWA according to McDonald's requirements. A Kosher Certificate and Carbonfree® Certificate were obtained for Jana natural mineral water, which has been included in the Directory of Sanitarily Approved Food Establishment for Armed Forces Procurement and the NSF list for International Bottled Water –FDA Regulations, and certified in all fifty U.S. states.

All general environmental targets set were attained. In 2014, we installed a new L5 line in the Jamnica production plant and put it into service and switched to a new bottle format and short-neck design in the same production plant. We installed a plant for new product development.

For the purpose of making lasting improvements, Jamnica launched a project in cooperation with the Environmental Protection and Energy Efficiency Fund intended to reduce CO₂ emissions and carbon footprint and improve energy and input efficiency.

In 2014 we conducted our Eco-Driving Program focused on training drivers (of trucks and company cars) to change their driving styles and thus help significantly reduce our CO₂ emissions. The Eco-Driving project included training for 20 M1 passenger transport category drivers and 30 N2 and N3 freight transport category drivers for vehicles in excess of 3.5 tons and 12 tons, respectively. All passengers successfully completed this training provided by ORYX Group and were issued their Eco-Driver Certificates.

We purchased five hybrid vehicles which are expected to reduce our CO₂ emissions by around 10%.

We implemented a transport optimizing information system which, in addition to reducing our energy consumption and pollutant emissions, ensures efficiency in our daily fleet operations.

In cooperation with the Croatian Cleaner Production Center and UNIDO's consultants from Austria, Jamnica implemented its Low Carbon Technologies project. Low-Carbon is an economic system which implies producing and using basic goods with less fossil fuels. We conducted a feasibility study, analyzed our production processes and our existing technology, measured and analyzed our energy balance sheet, and prepared a plan including an economic analysis for LC options. The project was implemented at the Jamnica plant site and the report shows that, in the present situation as assessed, Jamnica does not have plenty of room for improvements. The improvement options offered are financially unfeasible and imply a long payback period.

As part of an initiative to promote carbon footprint analysis and neutralization projects, Jamnica launched its Carbon Footprint project. In 2015, we implemented a pilot project to determine the carbon footprint of Jamnica mineral water in 1.5 L PET packaging and 1 L reusable glass packaging considering the entire product lifecycle, from the production and transport of production input and production and distribution of the product, to the disposal and treatment of packaging.

The study included a comprehensive carbon footprint estimate taking into account all major sources of emissions throughout the product lifecycle. We identified and quantified the materials and energy forms used for the production, transport and procurement of production materials for our key suppliers.

The carbon footprint analysis pertains to the years 2013 and 2014 and the following products:

- Jamnica, carbonated natural mineral water, 1 L reusable glass packaging, and
- Jamnica, carbonated natural mineral water, 1.5 L PET packaging.

Having implemented this project, Jamnica demonstrated its commitment to reducing its carbon footprint and helping raise the awareness of the importance of climate change, as well as its strong interest in sustainable and responsible

NAJBOLJA GAZIRANA VODA U EUROPI



**GOLD
MEDAL**
Mineral Water
Challenge 2015



UZ SVAKI OBROK

U KONKURENCIJI 175 PRIJAVLJENIH PROIZVODA IZ 11 DRŽAVA NA
EUROPSKOM NATJECANJU JAMNICA JE OSVOJILA ZLATNO ODLIČJE.

www.jamnica.hr

CATEGORY: ENVIRONMENTAL

Business Group Food

Jamnica

business. During the project, we defined the basis for implementing an energy management system, improving our energy efficiency and making changes with respect to selecting and purchasing our production materials, our production processes, and the transport segment. Our projects aim to provide best practice examples of energy and material efficiency and cleaner production by using Low-Carbon (LC) technologies and making Carbon Neutral products.

In 2015 we reached our targets of reducing our environmental impacts according to the relevant environmental indicators. We replaced R22 refrigerant by more environmentally acceptable refrigerants. We reviewed and revised our environ-

mental management system documentation to comply with the applicable legislation. In late 2015, we successfully completed our certification process conducted by the accredited independent organization Buerau Veritas and integrated our energy management system according to ISO 50001:2011. We adopted our integrated Environmental and Energy Efficiency Management Policy according to the requirements of the energy management system.

We conducted numerous internal employee trainings about the HACCP system, the quality system, the environmental management system, the waste management system, and the energy management system.

Materials

EN1: Materials used by weight or volume

Our total consumption of materials includes raw materials, associated process materials and packaging materials. All these materials were supplied by external suppliers.

Type of material used (kg)	2014	2015
Raw materials	635,774,014	644,434,649
Associated process materials	4,391,304	4,155,929
Materials for packaging purposes	18,886,516	18,234,202
Total	659,051,834	666,824,780

The total weight of the materials used in the 2014/2015 period was 1,325,876,614 kg, compared to 1,445,967,093 kg in the 2012/2013 period. Although the amounts of materials used by weight or volume vary, our consumption per product unit has decreased over the years.

As regards nonrenewable materials, Jamnica uses oil and gas.

Renewable and nonrenewable materials (kg)	2014	2015
Renewable materials	655,944,394	664,206,590
Nonrenewable materials	3,107,440	2,618,190
Total	659,051,834	666,824,780

Energy

EN3: Energy consumption within the organization

The sources of energy used in Jamnica d.d. are nonrenewable energy sources. Energy consumption within Jamnica includes fuel used for the production plants, natural gas used at the Zagreb, Osijek and Varaždin, liquefied petroleum gas used for our warehousing operations, and electricity.

Total energy consumption (GJ)	2014	2015
Diesel	113,669	105,057
Electricity	4,275	4,971
Gas	9,693	10,455
Heating oil	77,887	85,394
UKUPNO	205,524	205,877

The levels of our energy consumption depend on the type of product, type of packaging and volume.

In the preceding reporting period, our total consumption of fuel from nonrenewable sources was 415,919 GJ, compared to 411,401 GJ in this reporting period.

Our consumption of fuel used for our production plants remained mostly at the same level over the years. By investing in new production lines and optimizing the operation of our plants, we use our best efforts to reduce our fuel consumption per product unit or keep it at the same level.

Variations in fuel consumption for the production plants depend on the rate of bottling and the type of product. Soft beverages require more fuel because of additional needs for line preparation and syrup and finished product pasteurization. In addition, Jana Plant's fuel consumption depends

CATEGORY: ENVIRONMENTAL

Business Group Food

Jamnica

on the operation of its aseptic line. The share of production on aseptic lines determines the consumption of fuel to make steam.

Our production plants make their own steam resulting from the combustion of fuel, in a closed system, and make the necessary calculations based on the heating value of fuel.

As a result of our production planning optimization, including longer batches, we reduce our fuel consumption and produce greater quantities of finished products. Our measurements of fuel consumption for production and heating purposes are not physically separated, so any variations in consumption may also result from weather conditions. In its warehousing operations, Jamnica uses forklift trucks powered by liquefied petroleum gas (LPG) and environmen-

tally acceptable electric forklift trucks for its indoor activities. Our consumption of LPG depends on our logistic processes and finished product and material handling rates.

Natural gas is used at our sales & storage sites (PC Zagreb, PC Osijek and PC Varaždin) for heating, so its consumption is dependent upon the weather conditions.

Our electricity consumption depends on the type of product (juice, water) and the packaging used for the products. In addition, we took into account our electricity consumption at all Jamnica's sites.

We are supplied with electricity by Hrvatska elektroprivreda.

EN5: Energy intensity

Energy intensity indicators are calculated in relation to the initial (reference) year. The reference year for Jamnica d.d. was 2014 when an energy inspection was performed for the purpose of collecting all data and information relevant to our consumption and use of energy, preparing status analysis, and undertaking measures to improve energy properties and energy efficiency.

Energy intensity is presented as fuel consumption per product unit (1000 liters) for Jamnica's production sites.

Energy intensity is presented as electricity consumption per product unit (1000 liters) for Jamnica's production sites.

Energy intensity (GJ / 1000L)	2014	2015
Fuel	0.315	0.296
Electricity	0.209	0.215

Energy intensity, presented as electricity and fuel consumption per product unit for our production sites, showed little variations, which depend on the type of product, type of packaging and volume.

EN6: Reduction of energy consumption

Jamnica recognized energy, energy consumption and use and achieving savings by reducing the energy consumption costs as crucial elements of business success.

The certification of ISO 50001:2011 provided a framework for pursuing our energy policy including specific targets aimed to improve our energy efficiency. This standard requires efficiency to be achieved by using a systematic approach to energy management based on ongoing progress.

We defined general and specific energy consumption indicators, reviewed our critical areas and checked for places where improvements can be made to save energy, and rationalized our use of energy and energy consumption management. We set a foundation for effective planning in the context of investments and planned expenses.

The main guidelines for energy management are:

-
- Raise our employees' awareness of the need for proper and rational energy management;
- Consider energy consumption when making decisions regarding the design and procurement of equipment, materials or services;
- Achieve measurable results in connection with energy efficiency, use and consumption; and
- Develop energy using plans allowing for more efficient planning of operational tasks and investments and finding new improvements in energy management.

CATEGORY: ENVIRONMENTAL

Business Group Food

Jamnica

Water

EN8: Total water withdrawal by source (m³)

Year	From wells for bottling purposes	From wells for process purposes	Public water supply system	Total volume of water withdrawn
2014	360,691	134,461	129,216	624,368
2015	314,500	204,892	120,332	639,724
Total	675,191	339,353	249,548	1,264,092

Jamnica uses an integrated approach to water management. The water used includes water from our own sources, process water and water from the public water supply system. As an essential resource, water is managed rationally. Water is subjected to continuous quality audits and we monitor how much water is used and how.

The total amount of water used in the 2012/2013 period was 1,393,906 m³, of which 1,070,787 m³ was water withdrawn (own sources for production and process purposes) and 323,119 m³ was water from the public supply system.

In this reporting period, we used 1,264,092 m³ of water, of which 1,014,544 m³ was water withdrawn (own sources for production and process purposes) and 249,548 m³ was water from the public supply system. During this reporting period, Jamnica withdrew 9.31% less water compared to the preceding reporting period.

Water consumption in the production plants depends on the volume and range of products. In the Jana Plant, variations in water consumption may result from greater or smaller volumes of juice bottling on aseptic lines.

EN9: Water sources significantly affected by withdrawal of water

As one of the largest producers of mineral water and soft drinks, Jamnica withdraws water from the water supply system for its operations.

The Government of the Republic of Croatia (Ministry of Regional Development, Forestry and Water Management) granted Jamnica a concession for withdrawing mineral water to be marketed and used to make other beverages at the Jamnička Kiselica site and a concession for withdrawing thermal water to be marketed and used to make other beverages at the Svetojanske Toplice site.

To prevent excessive withdrawal or potential contamination of sources, Jamnica identifies, describes and assesses its environmental impacts and determines the possible direct

and indirect impacts of projects on water, soil, air, flora and fauna, geological heritage, landscape, noise, traffic and people, considering their interrelations.

We use a defined environmental monitoring program to continuously monitor all our impacts associated with our water withdrawal. We introduced a telemetric module to monitor our water storage facility and collect information about the level of water therein. We use water meters to register all amounts of water withdrawn and we continuously monitor, collect, check and measure the required physical values to fully protect our water sources against excessive withdrawal.

Emissions, Effluents and Waste

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

Jamnica's direct greenhouse gas emissions generated by its production plants include emissions from stationary sources. To calculate our greenhouse gas emissions from stationary sources (heating plants), we engaged a licensed firm to make direct measurements of our emissions for 2014.

Our total direct CO₂ emissions by weight relate to our production and transport of materials and products and were calculated on the basis of an estimate of our CO₂ combustion emissions as defined in Appendix A (Air Emissions) to the Environmental Pollution Registry Maintenance Manual. Measurements of total direct CO₂ emissions are performed

once in two years for our production plants and for the Zagreb site by a licensed organization and these values are not calculated in the year of measurement.

Direct greenhouse gas emissions (t CDE)	2014	2015
Production plants	8,862	8,190
Fuel for transport	3,746	3,992
LPG	341	368
Total	12,949	12,550

CATEGORY: ENVIRONMENTAL

Business Group Food

Jamnica

As a sum of direct and indirect emissions expressed in tons of CDE, our total greenhouse gas emissions for the 2014/2015 period were 25,499 t, compared to 24,888 t in the preceding reporting period. Our total greenhouse gas emis-

sions increased by around 2% in this reporting period, although our LPG-related greenhouse gas emissions decreased significantly as a result of changing our CO₂ emissions calculation method.

EN18: Greenhouse gas (GHG) emissions intensity

The intensity of greenhouse gas emissions in Jamnica represents total emissions in tons per product unit of 1000 liters for each production plant.

Year	CO ₂ emissions (t/1000 L)
2014	0.0246
2015	0.0231

EN19: Reduction of greenhouse gas emissions

In 2014, Jamnica purchased a new burner and control board for the heating plant in its production plant. Because it was worn out and frequently malfunctioned, the old burner caused incomplete fuel combustion and soot generation in the boiler. After replacing the burner in 2015, we achieved a higher degree of fuel combustion, which also helped reduce out greenhouse gas emissions.

As a result of converting to a new bottle design with lower preform weight and short-neck design, we reduced the

impact of our production activities on the environment as a result of greenhouse gas emissions expressed in carbon dioxide units. The completion of this project represents a huge step forward in complying with the European trends in making "Carbonneutral" products, demonstrating an initiative to minimize the carbon footprint throughout a product's lifecycle.

EN20: Emissions of ozone-depleting substances (ODS)

In May of 2015, we installed a new chiller on Line L6 manufactured by CTA for R134A refrigerant, which replaced the former R22-using blower cooler (12 + 12 kg).

Pursuant to the relevant EU regulations concerning ozone-depleting substances and fluorinated greenhouse gases, a device must be put out of use in case it is necessary to

replenish R22 in an existing device in accordance with the applicable waste regulations.

By replacing R22 by environmentally acceptable R134A, Jamnica complied with the Ozone-Depleting Substances and Fluorinated Greenhouse Gases Regulations (Official Gazette 90/14).

EN21: NO_x, SO_x and other significant air emissions

For the purpose of calculating our emissions, in May of 2014 we had our NO₂, SO₂ and CO emissions measured by a licensed organization and the emission concentrations for 2015 were determined based on calculations.

Total greenhouse gas emissions (t)

Year	SO ₂	NO ₂	CO
2014	27.82	14.46	1.26
2015	26.05	13.56	1.18
Total	2.55	5.3	0.44

Our greenhouse gas emissions were stable during the 2014/2015 reporting period. Considering the heating power and type of fuel, Jamnica uses boilers classified as small and medium-sized heating equipment (Regulation on the Limits of Pollutant Emissions from Stationary Sources – the EL Regulation).

Our greenhouse gas emissions recorded during this reporting period remained stable compared to the preceding reporting period.

CATEGORY: ENVIRONMENTAL

Business Group Food

Jamnica

EN22: Total water discharge by quality and destination

The total amount of water withdrawn is determined by using flow meters or on the basis of estimates. Wastewater in the Jamnica and Jana Plants is treated by a membrane bioreactor (MBR).

Year	Total water discharge (m³)
2014	248,109
2015	263,145
Total	511,254

The total amount of water discharge by volume in the 2014/2015 reporting period was 511,254 m³ for Jamnica, compared to 651,354 m³ in 2012/2013, the destination being either a Class 2 water recipient or a public sewerage system, depending on the location. The total amount of wastewater discharged during the reporting period was reduced as a result of savings achieved in the CIP washing process, plant disinfection, savings achieved in the bottle rinsing, reusable bottle washing and plant washing processes.

EN23: Total weight of waste by type and disposal method

Jamnica endeavors to manage waste in an environmentally acceptable and economical manner. Considering the legislative developments in 2014 and 2015, Jamnica defined a system to define measures for preventing or reducing adverse impacts of waste on human health and the environment, defined the methods and requirements for collecting and storing waste pending its transport and the method of disposing of waste generated at all Jamnica's storage and production sites, as well as the responsibilities of employees with respect to waste management.

Jamnica has been registered in waste management registries – the Registry of Waste Carriers and the Registry of Certain Persons Storing Their Own Production Waste. Waste is sorted at its source, separately collected and temporarily stored in an area designated for temporary storage of different types of waste. Our waste management and employee training activities resulted in improved waste sorting and an increase in the respective waste codes by type of waste during the relevant period.

Type of waste	Treatment	Waste disposal contractors	2014 (t)	2015 (t)
Nonhazardous waste	R	EFP, L91, UM, DI, HR, M, CeZaR, TK, e-Kolektor	4,358.00	2,820.00
Hazardous waste	D	Ciak, SM, Flora, e-Kolektor	57.92	13.95
Total			4,415.90	2,833.95

During the preceding reporting period, Jamnica disposed of 5,420 t of nonhazardous waste and 163 t of hazardous waste, compared to 7178 t of nonhazardous waste and 71 tons of hazardous waste in 2014/2015.

In 2014 we generated more nonhazardous waste than in 2015 as a result of more recovered products and more nonconforming products disposed of. In 2015 we recorded a significant decrease in hazardous waste, which mostly re-

sulted from the car workshop which is no longer owned by Jamnica d.d.

In mid-2015, we signed a contract with e-Kolektor to whom we outsourced our waste collection activities at our production sites and certain sales centers and which will become responsible for waste collection at all Jamnica's sites in 2016.

Compliance

EN29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

No fines or non-monetary sanctions were imposed on Jamnica during the 2014/2015 reporting period for noncompliance with any environmental laws or regulations.

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

Jamnica's environmental impacts result from transporting its products.

Primary transport includes transporting goods from factories and LDCs to sales centers and key customers. Our primary transport fleet comprises 23 freight vehicles including 19 trailer trucks, 3 tractors and 1 truck. Secondary transport includes transporting products from our sales centers to our customers using small trucks and vans. In 2015, we used a total of 119 vehicles.

Year	Fuel for transport (GJ)
2014	51,290
2015	54,647
Total	105,937

For its warehousing operations, Jamnica uses electric forklift trucks and LPG-powered forklift trucks. Our consumption of energy for transport and warehousing operations depends on our logistic processes and the rate of handling finished products and production materials.

Jamnica's environmental impact of transporting products, workforce members and other goods and materials during the 2012/2013 reporting period was 146,569.33 GJ, while our fuel consumption for transport recorded during this reporting period was 105,937 GJ.

The fuel consumption levels remained stable and the presented decrease in fuel consumption in the 2014/2015 period is a result of a different calculation method. Product transport now includes primary and secondary transport and our fuel consumption for cars and LPG consumption for warehouse operations are excluded.

Environmental Protection Investments

EN31: Total environmental protection expenditures and investments by type

Jamnica is committed to achieving its further economic development in compliance with the environmental protection principles. During this reporting period, our environmental protection expenditures and investments included our costs of waste disposal, emission treatment and remediation (including measurements of and charges paid for air emissions, water charges and waste management costs includ-

ing EE waste and packaging waste costs), and environment prevention and management (environmental certifications, trainings, projects and investments), amounting to HRK 74,618,250. Our total environmental protection expenditures and investments in the preceding reporting period were HRK 78,941,022. Our environmental protection costs remained stable.

Year	Waste disposal, emission treatment, and remediation costs (HRK)	Prevention and environmental management costs (HRK)
2014	35,180,053	3,341,797
2015	35,766,446	329,954
Total	70,946,499	3,671,751

Environmental protection targets and programs for the next reporting period

- Certify our environmental management system according to ISO 14001:2015;
- Take part in the LIFE Clim'Foot project;
- Train our internal auditors under ISO 50001:2011 according to the training schedule; and
- Raise awareness of energy consumption, use and intensity.

Mladina

Mladina d.d. is a Jastrebarsko-based winegrowing and winemaking company established in 1736 and operating in the following locations: the Administration Building and Juicy Bottling Plant at Ulica bana J. Jelačića 85, 10 450 Jastrebarsko, the Krašić Wine Cellar, Krašić 131, 10454 Krašić, and the Mladina Wine Cellar, Lokoštin Dol 76, 10450 Jastrebarsko, including its vineyards.

The Mladina Wine Cellar operates as part of Agrokor and receives marketing and distribution support from Jamnica d.d., its majority shareholder.

The product range of Mladina d.d. includes premium, quality, sparkling, carbonated, predicate and archival wines and brandies.

Mladina's central wine cellar is in Krašić and is intended for primary processing, ageing, bottling and storage of finished products.

In late 2013, a new line was installed in the production plant in Jastrebarsko. The line includes equipment for making sparkling wine using the Charmat procedure, equipment for making carbonated wine, a wine filtering system, a line for making specific types of wine, and a bottle labeling plant.

The Juicy juice bottling plant was sold in 2014 and this facility is now located in premises leased from Stanić Beverages d.o.o.

Aiming to improve quality and protect the environment, in 2013 Mladina implemented a food safety management system and an environmental management system.

By appointing and training a person responsible for product safety and environmental protection and performing all associated activities and by setting our targets for the next reporting period, we took a further step toward responsible care for the environment, monitoring all environmental aspects and eliminating and minimizing all adverse environmental impacts.

The targets set for 2014 and 2015 were partially accomplished.

According to the targets set, Mladina redesigned its crop protection agent storage facility, redesigned its existing premises at the Jastrebarsko Feeding Site intended for storing fuel for working machinery (tractors), purchased new diesel fuel tanks including the relevant certificates, volume meters and a flow meter dispenser with a fuel nozzle, built a facility for its fuel tanks, and trained its employees and responsible persons handling dangerous substances.

Our employees handling crop protection agents (pesticides) while working in vineyards during the season are regularly trained to prevent any noncompliance for the purpose of protecting their health, providing good working conditions and establishing good agricultural practices, thus protecting the environment.

In early 2015, Hrvatske vode issued a water management license for the Krašić Wine Cellar site and we started to conduct regular wastewater analyses at the site.

Considering the change in shareholding and control of electricity and water consumption at the Juicy plant in Jastrebarsko, which premises are now leased by Mladina, we installed additional electricity and water meters in 2015.

Pursuant to Article 13 of the Ordinance Establishing the Action Framework for Achieving Sustainable Use of Pesticides, which came into force on 26 November 2015, two of our employees passed the basic training examination for professional users.

In 2015 we purchased a new pesticide applying container to replace the former worn out container. This made pesticide application more effective, optimized our expenditures and prevented any unnecessary leaks.

In 2014 we hired a sales employee to ensure that our new POY and Selected line products assume good market positions, be recognized by consumers and in the HoReCa and Retail channels, and to maintain the positions of our products acquired from Istravino – Bakarska vodica and Napoleon. This resulted in increased production volumes.

Materials

EN1: Materials used by weight or volume

Our total consumption of materials includes raw materials, associated process materials and materials for packaging purposes. All these materials were supplied by external suppliers.

The amount of raw material produced (grapes) decreased significantly compared to the 2012/2013 reporting period. One of the reasons for this is the poor 2014 season and reduced yield of old plantations.

Type of material used (kg)	2014	2015
Raw materials	380,180	226,900
Materials for packaging purposes	291,138	269,216
Associated process materials	150	140
Total	671,468	496,256

CATEGORY: ENVIRONMENTAL

Business Group Food

Mladina

Natural disasters, hail in 2014 at the Kolovrat – Pribić site and at the Borička, Mladina and Petrovina sites in 2015, and frost in 2015 in all our vineyards at altitudes below 260 meters also reduced our yield.

At the Kolovrat site, hail irreversibly destroyed our plantations and the amounts of grapes produced at this site were insignificant.

Abandoning 8 hectares of old vineyards in 2015 largely affected the quantity of raw material produced.

The reason for the increase in the use of packaging materials and associated process materials by over 100% compared to the preceding reporting period is increased production of sparkling and carbonated wines, which increased our use of "Šampania Classic" bottles of greater weight and enlargement of Mladina's product range.

Energy

EN3: Energy consumption within the organization

Our total energy consumption within the organization includes electricity consumption at the Krašić Wine Cellar site, the Juicy plant in Jastrebarsko, a retail unit, office areas, employee areas, and consumption of wood for heating.

Total energy consumption (GJ)	2014	2015
Electricity	612	594
Heating wood	66	66
Total	678	660

In the new billing period, the calculation of total electricity consumption compared to the preceding reporting period includes electricity consumption in the new carbonated and

sparkling wine bottling plant within the Juicy site. A separate meter for Mladina was installed at this site in 2015, which is why our consumption in 2014 was calculated based on data recorded in 2015 as the amounts of finished products made were similar.

An analysis of our consumption in 2015 found errors in calculations by the lessor for certain months, so the total consumption was adjusted based on consumption for the erroneously calculated months for the purpose of obtaining more accurate electricity consumption data.

Compared to the preceding reporting period, our consumption increased by 107%, which is consistent with the increase in the production of finished products and inclusion of heating wood in the consumption calculation.

EN5: Energy intensity

Energy intensity is presented as electricity and heating wood consumption per one thousand liters of finished product for Mladina's entire production.

Year	Energy intensity GJ/liter
2014	1.51
2015	1.63

We found the 7.96% increase in energy intensity in 2015 compared to 2014 to be a result of a warmer year and increased load on cooling equipment, as well as a new method of accounting for our consumption at the Juicy site.

The total amount of finished products made during the reporting period was 521,032 liters and our total energy

consumption was 645 GJ. Based on these figures, our energy intensity is 1.29 GJ/ 1000 liters.

Period	Energy intensity GJ/liter
2012-2013	1.29
2014-2015	1.56

The total amount of finished products made in the new reporting period is 855,000 liters and our total energy consumption is 1338 GJ. Based on these figures, our energy intensity is 1.56 GJ/1000 liters.

The increase in energy intensity recorded in the new reporting period is 20.93 %.

EN6: Reduction of energy consumption

No reduction in electricity consumption was achieved in the new reporting period. Therefore, Mladina plans to enhance its electricity consumption controls in the next period, en-

deavor to change employee conduct, and achieve a reduction in electricity consumption by changing particular production processes.

CATEGORY: ENVIRONMENTAL

Business Group Food

Mladina

Water

EN8: Total water withdrawal by source

The figures provided in the invoices based on water meters readings show that our total water withdrawal from the public water supply network for the new reporting period is:

Year	Total volume of water withdrawn from the public water supply system
2014	3,885
2015	5,073
Total	8,958

The total amount includes water for the crop protection agent, sanitary water, process water for cleaning and maintaining equipment, dishes and the production area in the

Krašić Wine Cellar and, as of 2014, water withdrawn at the Juice site in Jastrebarsko which contains a new line for the production and bottling of sparkling, carbonated and still wines. After we installed a water meter at the Juicy site in 2015, we have been able to determine how much water Mladina's plant in the leased premises uses.

A decrease in the production of still wines and an increase in the production of sparkling and carbonated wines compared to the preceding reporting period resulted in increased water withdrawal. More water is used in the production of sparkling and carbonated wines due to wine preparation procedures and for maintaining and washing equipment and dishes.

EN9: Water sources significantly affected by withdrawal of water

Not applicable to Mladina d.d.

Emissions, Effluents and Waste

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

Mladina's direct greenhouse gas emissions include emissions resulting from fuel combustion in vehicles owned by the company (trucks, vans, tractors and company cars), which are used to transport primary raw materials, production materials and products, pesticide application, for transporting our employees, and for business trips.

20 m³ (total amount for 2014/2015) of heating wood was used for heating offices and employee areas in Mladina at a total of seven heating sites – heating wood is ener-

gy-neutral because the amount of CO₂ it uses for growing equals the amount of CO₂ it emits, so it was not included in the calculation.

	Fuel (diesel)	Total CO ₂ emissions
2104,	758	54
2015	583	42
Total	1,341	96

EN18: Greenhouse gas (GHG) emissions intensity

Year	Intenzitet emisije CO ₂ (t / 1000 liter)
2014	0.12
2015	0.10

Greenhouse gas emissions intensity is presented as the

amount of CO₂ emission per 100 liters of finished product for Mladina's entire production.

A comparison between the old and the new reporting period periods shows that our total greenhouse gas emissions in the 2012/2013 period were 0.22 CO₂(t)/1000 liters and 0.11 CO₂(t)/1000 liters in the 2014/2015 period, which means we reduced our emissions by 50%.

EN19: Reduction of greenhouse gas emissions

The decrease in greenhouse gas emissions is consistent with the decrease in diesel consumptions resulting from decreased rates of raw material transport, less production areas with

less tractor operations, a new method of delivering certain types of production materials, and improved organization of transport routes.

CATEGORY: ENVIRONMENTAL
Business Group Food
Mladina

EN20: Emissions of ozone-depleting substances (ODS)

For our production purposes we use 0.26 t of R 404a refrigerant. The new refrigeration system installed together with the new production line for sparkling and carbonated wines

uses 0.0153 t of R 410A refrigerant. These refrigerants are not ozone-depleting.

EN21: NO_x, SO_x and other significant air emissions

Mladina does not use any heating devices (boilers) and is not required to measure its greenhouse gas emissions from stationary sources according to the applicable legislation.

The Juicy Plant occasionally uses steam from the lessor's heating plant and the lessor measures NO_x, SO_x, CO, CO₂ emissions every two years. The last measurement was performed in 2014 and the emissions were found to be within

the statutory limits.

According to Mladina's estimate, Mladina uses up to 1% of the steam generated at the site for its internal purposes.

The combustion of wood does not emit any sulfuric or nitrogen compounds and does not have a significant impact on air quality.

EN22: Total water discharge by quality and destination

Total water discharge is determined by an estimate. Wastewater is discharged into the public sewerage system. Wastewater analysis is performed at the Juicy site at request of Stanić Beverages d.o.o. In 2014 we began to monitor wastewater quality for the purpose of obtaining a water management license for the Krašić Wine Cellar site. That year, the wastewater analysis was performed by the Process and Wastewater Laboratory of the Faculty of Food Technology and Biotechnology, while Croatia kontrola performed the analysis in 2015.

Year	Total water discharge (m³)
2014	3,885
2015	5,073
Total	8,958

A water management license was issued for the Krašić site in early 2015, which expires on 31 December 2017.

The total amount of wastewater is consistent with the total amount of water withdrawn from the public water supply system and depends on the quantities and rate of supply of input material, produced quantities of finished products, handling processes in wine production, and the type of finished product (depending on the sugar content in wine).

In the preceding reporting period, the total amount of wastewater was 3183 m³, which only includes the Krašić site. In the new reporting period, the amount of wastewater increased significantly, by 181.34%, as a result of putting the new plant into service, increased production volumes, and introduction of new items requiring a higher intensity of cleaning and maintenance of the entire plant for sparkling and carbonated wines at the Juicy site.

EN23: Total weight of waste by type and disposal method

Presented below are the amounts of waste generated at Mladina d.d.:

Type of waste	Treatment	Waste disposal contractors	2014 (t)	2015 (t)
Nonhazardous waste	R	EFP, MC Čišćenje, E-kolektor	29.33	3.66
Hazardous waste	D	Ciak, EE otpad	1.49	0.21
Total			30.82	3.87

Mladina continues to improve its systematic waste management. Waste is sorted at its source, separately collected and temporarily stored in designated containers or places. The Waste Management Plan and employee training resulted in improved waste sorting, more waste codes and optimized waste amounts in 2014.

For the purpose of obtaining a water management license for the Krašić site, in 2014 we disposed of a new type of nonhazardous waste – sludge from the septic tanks, which is disposed of by MC Čišćenje.

The significant increase in the amount of hazardous

waste disposed of in that year is a result of disposing of asbestos sheets at certain sites.

In 2015, Mladina began to cooperate with e-Kolektor d.o.o., which is part of Agrokor Group. That year the amount of nonhazardous waste at the Krašić site decreased as a result of reduced production activities. Nonhazardous waste (glass, film, paper) generated at the Juicy site, where most of our production processes were transferred, was disposed of using containers shared with Stanić Beverages. In late 2015, an agreement was made with e-Kolektor to supply new containers for the purpose of disposing of nonhazardous waste at the Juicy site.

Compliance

EN29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

No cases of noncompliance with any laws or regulations were recorded in Mladina in 2014 and 2015 and no fines were paid.

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

The environmental impact of Mladina's transport activities includes using energy (diesel fuel) and greenhouse gas emissions.

We believe the 30% decrease in fuel consumption compared to the 2012/2013 reporting period is a result of a lower yield of the core material, improved organization of transport routes, and a new method of delivering particular types of production materials.

Year	Fuel for transport (GJ)	Total CO ₂ emissions (t CDE)
2014	758	54
2015	583	42
Total	1,341	96

Environmental Protection Investments

EN31: Total environmental protection expenditures and investments by type

Our environmental protection expenditures and investments include the waste (hazardous, nonhazardous and municipal) management costs, the water protection and improvement charge, wastewater analysis costs, the municipal charge, the packaging waste management charge, the investment in a new diesel fuel tank and construction of fuel tank enclosures, the costs of purchasing a new pesticide container, and the cost of

training our employees in sustainable use of pesticides. Our total environmental protection expenditures and investments in this reporting period amounted to HRK 545,571, which is 4.55% more compared to the preceding reporting period, when our total expenditures amounted to HRK 521,829. This increase is a result of including several types of costs in the total costs and increased production levels.

Year	Waste disposal, emission treatment, and remediation costs (HRK)	Prevention and environmental management costs (HRK)
2014	346,004	8,000
2015	172,962	18,605
Total	518,966	26,605

As a result of reduced volumes of finished products produced in 2015 and the enactment of a new Packaging and Waste

Packaging Ordinance, which abolished the refunds, our costs decreased by 50% compared to the preceding year.

Main targets for the next reporting period:

- Organize more effective control of using and accounting for electricity and water at the Juicy site for the purpose of achieving 3% savings in the next reporting period;
- Remediate our vineyard sites where pesticides are mixed (graveling, construction of tank enclosures);
- Organize a handling yard at the Feeding Site (transport of bulky waste and retired machines and tools, construction of a tank enclosure for waste oil and oiled waste).

Sarajevski kiseljak

Sarajevski kiseljak is the largest producer of mineral water and soft drinks in Bosnia and Herzegovina, with a bottling tradition of over 125 years. Thanks to its distinctive product quality, its business policy that successfully handles all market challenges and customer demands, and ongoing investments in the modernization and improvement of all its business processes, Sarajevski kiseljak has been a leader on the local market and an increasingly important player on regional markets for many years.

After joining Agrokor Group in 2000, a new era began for Sarajevski kiseljak, marked primarily by substantial investments in development, new technologies and marketing. Our systematically managed investment program incorporates our care for protecting nature and the environment and Sarajevski kiseljak thus became a shining example of a socially and environmentally responsible enterprise that follows the latest global trends both in its operations and its environmental protection activities.

The company is headquartered in Kiseljak where its production facilities are also located, while its sales and distribution activities are undertaken through five regional distribution centers and one sales center.

For the purpose of ensuring that its products are safe and its environment is managed in a diligent manner, Sarajevski kiseljak has certified and implemented the ISO 22000:2005 and ISO 14001:2004 standards. These certificates confirm our ongoing care for the quality of our products and production process and customer satisfaction, while complying with high environment standards and sustainable development principles.

The past period was marked by substantial investments in business improvement:

- We redesigned our PET packaging;
- We upgraded our PET line with new machines (steam tunnel and sleeve labeling machine);
- We made investments in improving the plant area; and
- We redesigned and replaced our glass packaging

These investments were followed by significant environmental protection investments.

We successfully accomplished 80% of the targets set for this reporting period:

- We built and put into service an alkali regeneration plant, which significantly reduced our consumption of alkali and phosphoric acid;
- We finalized our activities concerning the packaging redesign and conversion to a new bottle design and short-neck format on Line L2 at the Sarajevski kiseljak production plant;

- We repaired the roof of the transport facility which was covered with asbestos sheets. In addition to repairing the roof of the facility, we also reconstructed its façade and replaced the exterior joinery. We removed the asbestos sheets and had them disposed of by Grioss d.o.o., our hazardous waste disposal contractor;
- By entering into new and revising our existing contracts with collectors of hazardous and nonhazardous waste, we significantly reduced our waste disposal costs;
- We provided a location and infrastructure for crushing and packing old glass packaging and transferring it to Vetropack Straža;
- We installed a waste baling press in the Eco-Corner and appointed a responsible employee, which doubled the waste quantities and the revenue obtained from selling waste due to the fact that we now fully control the collected amounts of waste and obtain higher purchase prices for baled waste;
- The purchase and installation of equipment for measuring heating energy was postponed for the next period and will be dealt with under the plan for the construction of a new heating plant and purchase of the relevant equipment;
- We abandoned our Sudden Pollution Emergency Operating Plan due to the fact that we are not legally required to prepare one in Bosnia and Herzegovina, while other documents of similar scope and purpose, which are required under our regulations (Activity Plan with Measures and Time Limits for Gradual Reduction of Emissions and Alignment with the Best Available Techniques, Sarajevski kiseljak Mineral water Source Protection Study, and the Monitoring Plan), were prepared and accepted by the competent public authorities.

According to the training schedule, we trained our employees in environmental protection according to ISO 14001:2004 (lab technicians, machine operators, employees of our regional distribution centers, and new employees of the Production & Logistic Division). To improve our waste management system, we trained all our employees of the Bottling Plant Department, the Syrup Plant, the Technical Department and the Process Automatics Maintenance Department in selective collection of waste.

Sarajevski kiseljak systematically develops, incorporates and adheres to sustainable development principles in all its business structures by using a sustainable development philosophy. Our primary objectives are meeting our customers' demands and expectations and protecting the environment as part of sustainable development.

CATEGORY: ENVIRONMENTAL

Business Group Food

Sarajevski kiseljak

Materials

EN1: Materials used by weight or volume

Materials used include raw materials, associated process materials and materials for packaging purposes. All materials were supplied by external suppliers.

Type of material used (kg)	2014	2015
Raw materials	9,570,398	10,626,001
Associated process materials	401,921	533,239
Materials for packaging purposes	4,464,353	8,462,468
Total	14,436,672	19,621,708

The calculation of our use of reusable packaging materials includes only reusable packaging that was first put into circulation during the relevant reporting period. As the weight of reusable packaging (glass bottles, plastic crates, pallets) represent the most important item among the packaging materials used, their significant increase in 2015 also increased the total amount of materials used in 2015 compared to 2014. The total amount of materials used increased by 17.66% compared to the preceding reporting period. This increase is a result of redesigning and replacing all glass packaging present

in the market in 2015, a significant increase in production volumes, and product range enlargement.

The increase in the levels of other materials used is a result of increased production volumes, packaging redesign and upgrading of the existing production line with new machines.

The redesign of Sensation products implied converting to a sleeve label that covers the entire surface of the bottle. This resulted in increased use of plastic as a packaging material, heating oil and steam due to the sleeving technology that requires using a steam tunnel which consumes significant amounts of steam. In this reporting period, the amount of materials used per liter remained stable compared to the preceding reporting period.

Regarding nonrenewable materials, Sarajevski kiseljak uses heating oil and liquefied petroleum gas (LPG).

Type of material used	2014	2015
Renewable materials	14,043,444	19,101,440
Nonrenewable materials	393,228	520,268
Total	14,436,672	19,621,708

Energy

EN3: Energy consumption within the organization

Our total consumption of energy from nonrenewable sources includes heating oil and LPG used at the production site. Our fuel consumption depends on the type of product, type of packaging, volume, and product category.

Total consumption of energy from nonrenewable sources (GJ)	2014	2015
Fuel	3,832	18,292
LPG	3,300	4,381
Total	17,132	22,673

Our direct energy consumption by primary source was 17,132 GJ in 2014, compared to 22,673 GJ in 2015. Our consumption increased by 27.89% compared to the preceding reporting period.

Our fuel consumption for production plant's purposes has constantly increased over the years and this increase was also recorded during the relevant reporting period. The increase in heating oil consumption is a result of a continuous increase in total production volumes and upgrading of the PET line with a steam tunnel in 2015, which device uses significant amounts of steam.

The equipment presently installed does not allow for separate recording of heating oil and steam amounts used for heating and as fuel. No significant variations in heating oil

consumption per liter of product were recorded. Although our production volumes increased significantly, we invest in new production lines and optimize our plant operation to reduce or maintain the level of fuel consumption per product unit.

In its warehousing operations, Sarajevski kiseljak uses forklift trucks powered by liquefied petroleum gas (LPG) and environmentally acceptable electric forklift trucks for its indoor activities. Our LPG consumption depends on our logistic processes and the rates of handling finished products and input.

During the reporting period, namely in 2015, our total consumption of gas (LPG) used for our forklift trucks increased significantly due a substantial level of using forklift trucks to handle old glass packaging.

The redesign and replacement of the old glass packaging required its proper disposal. For that purpose we formed an old packaging receiving center at a nearby location owned by the company where broken glass is crushed and packed in *jumbo* (large) bags. As this was a very time-consuming activity that required intensive logistic support, it resulted in a significant increase in LPG consumption for forklift trucks.

All electricity is supplied externally. Our electricity consumption depends on the type of product, packaging, volume, and product category.

Electricity consumption (GJ)	2014	2015
Electricity	19,203	21,051

CATEGORY: ENVIRONMENTAL
Business Group Food
Sarajevski kiseljak

Our electricity consumption in 2014 was 19,203 GJ, compared to 21,051 GJ in 2015, which is a YOY increase by 9.6% and

an increase by 24.71% compared to the preceding reporting period.

EN5: Energy intensity

Energy intensity is presented as electricity consumption per one thousand liters of product.

Energy intensity (GJ/1000 liters of product)	2014	2015
Electricity	0.15	0.15

Energy intensity is presented as fuel consumption per one thousand liters of product.

Energy intensity (GJ/1000 liters of product)	2014	2015
Fuel	0.11	0.13

Energy intensity is presented as LPG consumption per one thousand liters of product.

Energy intensity (GJ/1000 L proizvoda)	2014	2015
LPG	0.03	0.03

The energy intensity levels presented for the above three energy sources remained mostly at the same level as in the preceding reporting period. As an exception, our consumption of heating oil per one thousand liters of product has been on a slight rise, which is attributed to the installation of a steam tunnel which uses significant amounts of steam and this results in greater consumption of fuel.

EN6: Reduction of energy consumption

For the purpose of boosting its competitiveness and maintaining its leading market position, in 2014 Sarajevski kiseljak finalized the PET bottle redesign for Line L2 (for bottling mineral water and Sensation juices in 1.5 and 0.5 L packaging), which bottles now feature reduced weight and a short-neck design.

By managing our production process on a daily basis, we aim to control the operation of our machines in order to save energy and reduce our final costs. We systematically monitor our energy consumption and reach conclusions on how successful our measures were on the basis of such

information. By undertaking the above activities and good housekeeping measures on a daily basis, we expect to reduce our consumption of plastic materials and energy, thus also reducing our pollution.

By switching to a new bottle design with lower preform weight, Sarajevski kiseljak indirectly reduces the amounts of energy used by our preform suppliers. Such suppliers will use 8%-10% less energy to make the same amount of preforms of lower weight (5 to 7 grams less per preform) and will thus save substantial amounts of electricity used to heat such preforms.

Water

EN8: Total water withdrawal by source

Sarajevski kiseljak uses an integrated approach to water management. Water used by it includes water from own sources, process water, and water from a public water supply

system. As an important resource, water is managed rationally. Water is subjected to constant quality audits and we monitor how much water is used and how.

Total water withdrawal by source (m³)

Year	From wells	For process purposes	From the public water supply system	Total volume of water withdrawn
2014	43,143	195,265	1,767	240,175
2015	50,047	194,807	1,629	246,483
Total	93,190	390,072	3,396	486,658

Our water consumption depends on the type of product, packaging, volume, and product category. The total water consumption increased by 37.29% in this period compared to the preceding reporting period as a result of a significant

increase in production volumes and product range enlargement. The larger product range requires more process water to be used for washing equipment when switching from one product type to another.

CATEGORY: ENVIRONMENTAL

Business Group Food

Sarajevski kiseljak

EN9: Water sources significantly affected by withdrawal of water

As one of the largest producers of natural mineral water and soft drinks, Sarajevski kiseljak withdraws its water from the water supply system. To prevent excessive withdrawal or potential pollution, Sarajevski kiseljak has prepared a "Sarajevski kiseljak Mineral Water Source Protection Study". The defined environmental status monitoring program provides

for ongoing monitoring of all impacts associated with water withdrawal. A special mechanism is used to collect information about water levels in the water tank. We use water meters to register the amounts of water withdrawn and monitor, collect, control and measure the necessary physical values to fully protect our sources against excessive withdrawal.

Emissions, Effluents and Waste

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

Total direct greenhouse gas emissions in Sarajevski kiseljak include emissions from stationary sources and emissions resulting from transporting materials and products by using our own vehicles (including transport and LPG). Our greenhouse gas emissions from stationary sources (heating plant) were directly measured by a licensed organization.

Our total direct CO₂ emissions by weight relate to our production and transporting of materials and products and were calculated on the basis of an estimate of CO₂ emissions resulting from combustion as defined in Appendix A (Air Emissions) to the Environmental Pollution Registry Maintenance Manual. As the sum of direct emissions expressed in tons of CO₂ equivalent, our total greenhouse gas emissions

increased compared to the preceding reporting period as a result of increased use of heating oil and LPG in the 2014/2015 period, which was in turn a result of installing new production line equipment, an increase in production volumes, and an increase in the scope of logistic processes.

Direct greenhouse gas emissions (t CDE)	2014	2015
Production plant	1,078	1,426
Fuel for transport	1,330	1,255
LPG	144	192
Total	2,552	2,873

EN18: Greenhouse gas (GHG) emissions intensity

Greenhouse gas emissions intensity	2014	2015
CO ₂ emissions (t) /product unit	0.0000201	0.0000211

Greenhouse gas emissions intensity in Sarajevski kiseljak is presented as a ratio between total emissions in tons of CO₂ and the product unit quantity in liters.

EN19: Reduction of greenhouse gas emissions

Complying with high environmental standards, Sarajevski kiseljak uses extra light heating oil (ELHO) with lower sulfur content (up to 0.5% m/m sulfur) for its heating plant. Having finalized our conversion to a new bottle design with light-

er preform and the short-neck design, we reduced the environmental impact of our production activities in the form of greenhouse gas emissions expressed as units of carbon dioxide.

CATEGORY: ENVIRONMENTAL

Business Group Food

Sarajevski kiseljak

EN20: Emissions of ozone-depleting substances (ODS)

Vrsta radne tvari	Amount of refrigerant (t)	Ozone-Depleting Potential (ODP)
HCFC-22	0.006	0.055

The raw material and input warehouse within the bottling plant uses a refrigerator for storing fruit bases for preparing carbonated soft drinks, which uses 6 kg of ozone-depleting

R22 refrigerant (hydrochlorofluorocarbon), while all other refrigeration equipment has zero ODP.

Sarajevski kiseljak has no present plans for replacing R-22 because, according to the Resolution on the Requirements for and the Method of Implementing the Montreal Protocol and Phasing Out of Ozone Depleting Substances in Bosnia and Herzegovina (Official Journal of Bosnia and Herzegovina no. 67/15), using HCFC-22 will not be prohibited until 1 January 2021.

EN21: NO_x, SO_x and other significant air emissions

Total greenhouse gas emissions (t)			
Year	SO ₂	NO ₂	CO
2014	13.77	1.47	0.15
2015	18.21	1.94	0.19
Total	31.98	3.41	0.34

The calculation of our NO_x, SO₂ and CO emissions was based

on their measurement by a licensed organization and we are required by law to measure them on an annual basis.

According to our measurements of air emissions of pollutants from the heating plant, it is clear that our air emissions increased compared to the preceding reporting period as a result of an increase in total production and new equipment installed on the production line. The emission levels are within the legally defined limits.

EN22: Total water discharge by quality and destination

Water discharge is calculated according to a form defined by the Federal Bureau of Statistics:

Total amount of all waters withdrawn (mineral water + water from own wells used for process purposes + water from the public water supply system) – bound water, i.e. water that ends up in finished products.

Year	Total water discharge (m ³)
2014	121,900
2015	119,300
Total	241,200

Our total wastewater discharge was 149,700 m³ in the preceding reporting period, compared to 241,200 m³ in the 2014/2015 period as a result of a significant increase in production volumes and product range enlargement, but no significant variations in the amount of water discharge per liter of product were recorded.

Before being discharged into a type 2 water recipient, wastewater is neutralized in a three-degree deposit tank. The treatment of wastewater in Sarajevski kiseljak will be taken care of after the Town of Kiseljak builds its wastewater treatment plant, after which all wastewater will flow into such town wastewater treatment plant instead of a type 2 deposit tank. In 2014, Sarajevski kiseljak d.d. obtained a water management license for discharging process wastewater. For that

purpose and to comply with the statutory requirements, we engaged the licensed organization Zagrebinspekt to prepare a Sarajevski kiseljak Mineral Water Source Protection Study and the Water Supply Sewerage System Completion Status Report. All activities preceding the issuance of such water management license were successfully completed and the water management license for discharging process wastewater was issued on 29 May 2014.

According to the Regulation on the Conditions of Discharging Wastewater into Natural Recipients and Public Sewerage Systems (Official Journal of the Federation of Bosnia and Herzegovina no. 04/12), the certified organization Dvokut pro of Sarajevo conducted a two-month analysis of wastewater quality in 2014 and 2015. The burden of wastewater pollution is expressed as population equivalent (PE), while the unit of pollution of is inhabitant equivalent (IE). Sarajevski kiseljak, whose total annual amount of pollution by population equivalent (PE) exceeds 500 IE, conducts wastewater sample testing once in two years, i.e. tests its waste and harmful substances before being discharged into surface waters for the purpose of accounting for and paying a special water protection charge.

The values of wastewater pollution burden depend on the production process (the number of production lines in use, type of product, CIP washing...). At the time of sampling and in October of 2015, the pollution burden was 1061 PE compared to 971 PE in December of 2013.

CATEGORY: ENVIRONMENTAL

Business Group Food

Sarajevski kiseljak

EN23: Total weight of waste by type and disposal method

Presented below are the amounts of waste for Sarajevski kiseljak d.d.:

Type of waste	Treatment	Waste disposal contractors	2014 (t)	2015 (t)
Nonhazardous waste	R	Zizi, , ES, ET, Graming, DD, KJKPVIK, AC	572.53	4,354.99
Hazardous waste	D	Grioss, AC, DP	10.5	7.76
Total			583.03	4,362.75

Waste is sorted at its source, separately collected and temporarily stored in an area designated for temporary storage of different types of waste. By installing a waste baling press and appointing an employee to operate the press, we significantly improved our waste management system. This allowed us to take full control of the amounts of waste collected and achieve higher purchase prices, which increased the amounts of useful waste and the associated revenue. In addition, a significant increase in the amount of nonhazardous waste was

recorded in 2015 as a result of replacing and disposing of old glass packaging at Vetropack Straža directly or through collecting organizations.

Having entered into and revised our contracts with licensed collecting organizations and purchased containers for systematic sorting of all types of waste at source and having installed them in precisely defined places within the factory area and our distribution centers, we obtained economic benefits arising from selling recyclable types of waste (paper packaging, glass packaging, PET packaging and film). Better waste sorting increases the amount of nonhazardous waste, which is sold to licensed collecting organizations as secondary raw material.

Type of waste	2014	2015
Broken glass from ordinary business processes	119.74	77.45
Old glass packaging	0	3,271.44
Total	119.74	3,348.90

Compliance

EN29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

Sarajevski kiseljak implements, maintains and updates all statutory requirements and stakeholder demands in the Aligning Environmental Aspects with Statutory and Other Requirements Form and in accordance with all applicable environmental regulations. In 2014, 19 audits of our integrated business management system were conducted, of which 17 were internal audits and 2 were external audits conducted by Bureau Veritas Croatia (BVC). On 3 and 4 December of 2014, the first recertification audit of our EMS (Environmental Management System) was conducted according to the ISO 14001:2004 international standard and on 19 March 2014 the first surveillance audit of our FSMS (Food Safety Management System) was conducted according to ISO 22000:2005. The official audits conducted in 2014 at Sarajevski kiseljak included a process wastewater discharge audit, an environmental protection audit, and an audit of our vessels under pressure.

As planned, 15 integrated business management system audits were conducted in 2015, of which 13 were inter-

nal audits and 2 were external audits conducted by the Bureau Veritas Croatia certifying organization. On 1 December 2015, the first surveillance audit of our EMS (Environmental Management System) was conducted according to the ISO 14001:2004 international standard by BVC and on 16 and 17 April 2015 the second surveillance audit was conducted according to the ISO 22000:2005 international standard by BVC. The official audits conducted in 2015 at Sarajevski kiseljak included an audit of the amount of water used, an environmental protection audit, an audit and sampling of foodstuffs and general use items were conducted, swabs from working surfaces and employees' hands were taken for microbiological analysis, and our water management documents and vessels under pressure were inspected.

No cases of noncompliance were found during these official audits and, consequently, no fines or non-monetary sanctions were imposed.

CATEGORY: ENVIRONMENTAL

Business Group Food

Sarajevski kiseljak

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

The environmental impact of Sarajevski kiseljak includes transporting products and other goods and materials used for the organization's operations by using our own vehicles (LPG).

These parameters are presented according to the following criteria:

- energy used in GJ, and
- greenhouse gas emissions in tons of CO₂ equivalent.

Year	Fuel for transport	LPG	Total CO ₂ emission	
	GJ	GJ	Tons of CDE for fuel	Tons of CDE for LPG
2014	18,592	3,300	1,330	144
2015	17,546	4,381	1,255	192
Total	36,138	7,681	2,585	336

Environmental Protection Investments

EN31: Total environmental protection expenditures and investments by type

Sarajevski kiseljak d.d. has incorporated its care for the environment in all its business processes.

During this reporting period, our environmental protection expenditures and investments included our costs of waste disposal, measuring air emissions, analyzing wastewater quality including the pertinent charges, our waste management costs, packaging and EE waste charges, and costs of environmental prevention and management (environmental

certifications, trainings, projects and investments), amounting to EUR 270,857.

Year	Environmental protection costs (EUR)
2014	146,950
2015	123,907
Total	270,857

Environmental protection targets for 2016 and 2017

- Replace the existing heating oil tank when building a new heating plant;
- Purchase a low-pressure compressor for the Technological Preparation Department and thus save electricity;
- Further improve our waste management system; and
- Train our employees in environmental protection.

Fonyódi

The Fonyódi natural mineral water bottling plant of Hungary has operated as part of Agrokor Group since 2004. Since that time, we have invested substantial funds in technology and production processes. The bottling plant contains two production lines. Its primary products are Fonyódi natural mineral water and noncarbonated water.

Natural spring water Fonyódi is a popular brand on the Hungarian market, and its well-balanced mineral content, exclusive of nitrates and nitrites, provides it with a drinkable and distinctive quality. The overall product range comprises natural carbonated spring water, natural noncarbonated spring water and flavored spring water. As of 2010, Fonyódi has produced Akvia natural spring water for the Croatian market.

Fonyódi is particularly committed to developing a business management system, has implemented a food safety system, and had its quality management system certified. To demonstrate its systematic care and control of the production process and products, the Fonyódi bottling plant had its qual-

ity management system certified according to ISO 9001:2000 and is registered and audited by the certifying institution NQA.

This company's business is based on its focus on preserving the environment and reducing any adverse environmental impacts of our business operations by innovating the production process, reducing and systematically disposing of all types of waste, and by raising nature protection awareness.

The activities planned for this reporting period were completed. Fonyódi undertook the following activities for the purpose of improving its environmental protection:

- We provided additional employee training in connection with the changes in the environmental protection charge calculation system;
- We reduced the weight of secondary packaging material (reduced label thickness, reduced wrapping film, reduced weight of cardboard trays, reduced use of labeling glue);
- We reduced our energy consumption; and
- We reconstructed the CIP unit.

Materials

EN1: Materials used by weight or volume

The materials used during the reporting period included raw materials and natural resources used to make products, associated process materials (oil and lubricants for production machines), and packaging. Direct materials (materials present in the final product) and indirect materials (resources not renewable over a short period of time) are expressed in kg.

The total weight of materials used in the preceding reporting period was 50,950,156 kg, compared to 50,601,867 kg in this reporting period. The total amount of materials used remained stable.

Type of material used (kg)	2014	2015
Raw materials	25,266,663	24,795,876
Associated process materials	25,071	21,603
Materials for packaging purposes	290,744	201,910
Total	25,582,478	25,019,389



Energy

EN3: Energy consumption within the organization

Total energy consumption (GJ)	2014	2015
Natural gas	550	634
LPG	474	385
Electricity	1,341	853
Total	2,365	1,872

Our total energy consumption includes natural gas, LPG and electricity. Our energy consumption depends on the type of product, type of packaging, and production volumes. Natural

gas is used at the site for heating and its consumption depends on the weather conditions. Furthermore, natural gas is used to heat process water for washing glass packaging and the total consumption of natural gas depends on how many products in glass packaging are made. Our electricity consumption depends on the type of product (juice, water) and the waste used for such products. All electricity is supplied externally.

Indirect energy is energy produced by a single primary source or other primary sources and supplied externally.

Direct energy supplied and used from nonrenewable energy sources is closely related to our total production.

EN5: Energy intensity

Energy intensity is presented as electricity consumption per liter of product.

Energy intensity remained stable for the production site and depends on the type of product, type of packaging and production volumes.

Energy intensity (GJ /1 L product)	2014	2015
Electricity	0.00013	0.00013

EN6: Reduction of energy consumption

During the reporting period, we switched to new bottles with lower perform weight and reduced the weight of wrapping and thermo-shrink film, so this project helped us save PET materials and electricity. We reconstructed the CIP unit within the bottling plant because its heaters were worn out and used more energy for heating CIP washing solutions, so the recon-

struction reduced our losses of energy used to heat solutions.

In addition to all this and the fact that energy consumption is closely related to total production, which was 21% lower in the reporting period, we used less electricity - 2194 GJ in the 2014/2015 reporting period compared to 3569 GJ in the 2012/2013 reporting period.

Water

EN8: Total water withdrawal by source (m³)

Year	From wells	For process purposes	From the public water supply system	Total volume of water withdrawn
2014	24,420	752	859	26,031
2015	24,035	720	600	25,355
Total	48,455	1,472	1,459	51,386

As an important resource, water is managed rationally. Water is subjected to constant quality, consumption and use audits.

The water we use includes water withdrawn from our own sources, process water and water from the public water supply system. The total amount of water for the 2012/2013 reporting period was 53,611 m³, of which 50,470 m³ was water withdrawn (from own sources and wells) and 3141 m³ was water from the public water supply system. The total

volume of all waters withdrawn during the current reporting period was 51,386 m³, of which 49,927 m³ was water from our own sources and wells and 1459 m³ was water from the public water supply system. The difference in total water withdrawal recorded during the current reporting period compared to the preceding reporting period is a result of a decrease in production compared to the preceding reporting period, primarily for flavored water.

EN9: Water sources significantly affected by withdrawal of water

To prevent excessive use or potential contamination of sources, Fonyódi controls, determines, describes, assesses and defines all potential direct and indirect environmental impacts. All impacts associated with water withdrawal are constantly

measured, monitored and supervised in accordance with the water management license issued by the relevant Natural Disaster Defense Administration of Baranya County in Hungary.

Emissions, Effluents and Waste

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

The greenhouse gas emissions generated by the heating plant are determined on the basis of our fuel consumption and the number of heating plant's hours of operation. Our total direct and indirect CO₂ emissions resulting from transport were determined by estimating our CO₂ emissions resulting from combustion as defined in the Guide for the Preparation of the Plant Greenhouse Gas Emissions Monitoring Plan issued by the relevant regulatory authority.

Our total greenhouse gas emissions include emissions generated by the heating plant, transport and LPG and are expressed in tons of CDE. During this reporting period, they amounted to 271 tons of CDE, which means our emissions recorded in this reporting period were lower by 13.3%

compared to the preceding reporting period. Emissions were reduced in 2015 compared to 2014 as a result of reducing the production of our flavored product range (we discontinued our private label production for Tesco) and the consequent smaller extent of using the heating plant and transport.

Direct greenhouse gas emissions (t CDE)	2014	2015
Production plants	7	2
Fuel for transport	109	83
LPG	18	16
Total	134	101

EN18: Greenhouse gas (GHG) emissions intensity

The intensity of greenhouse gas emissions at the Fonyódi Kft. plant represents total emissions in tons of CO₂ per product unit of 1000 liters for each production plant.

	2014	2015
CO ₂ emissions (t) / 1000 L of product	0.013	0.015

The difference in the amount per liter of product is primarily a result of a change in the ratio between small and large product packaging. After we discontinued our private label production for Tesco, the share of low-volume packaging (0.75 L and 0.50 L) increased, so the quantity in liters produced in 2015 decreased by 36% compared to 2014 and the number of units by only 28.5%, so our CO₂ (t) emissions in 2014 per 1000 units were 0.0178, compared to 0.0187 in 2015.

EN19: Reduction of greenhouse gas emissions

By reducing the weight of wrapping film (in mid-2014 we switched to 17-micron film for all product packaging, whereby the total weight was reduced from 340 g/pal. to 200 g/pal.) and thermo-shrink film per product unit (changed in mid-2014 from 45 microns to 40 microns for all product pack-

aging; film width was also reduced by 50 mm for all packaging), we reduce the environmental impact of our production activities resulting from greenhouse gas emissions expressed in carbon dioxide units.

EN20: Emissions of ozone-depleting substances (ODS)

Fonyódi uses R-427A refrigerant for the blower cooler, which is not ozone-depleting.

EN21: NO_x, SO_x and other significant air emissions

A licensed organization measured our NO₂ and CO emissions.

As regards our total other air emissions by weight and type, they amounted to 0.0047 tons of NO₂ and 0.00219 tons of CO in the 2012/2013 reporting period. In the 2014/2015 reporting period, our air emissions were 0.00257 tons of NO and 0.00058 tons of CO. Our total air emissions by type and weight decreased as a result of lower gas consumption.

Total greenhouse gas emissions (kg)

Year	NO ₂	CO
2014	1.76	0.81
2015	0.18	0.40
Total	1.94	1.21

EN22: Total water discharge by quality and destination

Year	Total water discharge (m ³)
2014	2,117
2015	1,980
Total	4,097

Presented below is our total water discharge in m³ for 2014 and 2015 according to the total amount of wastewater.

Wastewater is discharged into the public sewerage system. We measure our water discharge by using water flow meters.

During this reporting period, our total water discharge by volume was 4097 m³, compared to 4616 m³ in the preceding reporting period. Lower flavored water production volumes resulted in decreased consumption of water used to wash the production lines, which in turn resulted in a decreased volume of wastewater discharge.

EN23: Total weight of waste by type and disposal method

Presented below are Fonyódi's waste management data, including the amounts of waste (in tons), types of waste, disposal methods, and collecting organizations. Nonhazardous waste includes paper, plastic, wood, glass, aluminum, iron,

stainless steel, etc., while hazardous waste includes waste oil, hazardous packaging materials, waste laboratory chemicals and oil filters.

Type of waste	Treatment	Waste disposal contractors	2014 (t)	2015 (t)
Nonhazardous waste	R	Bányai Béla EV, Mindenker Ltd., Mórplast Invest Ltd, Polgár & Polgár Ltd	36.28	3.00
Hazardous waste	K	DESIGN Ltd.	0.08	2.14
Total			36.36	5.14

Waste is sorted at its source, separately collected and temporarily stored in an area designated for temporary storage of waste. During the 2012/2013 reporting period, we collected 95.3 tons of waste, compared to 41.5 tons in the 2014/2015 reporting period, of which 36 tons of waste was collected in

2014 and five tons in 2015. The large amounts of nonhazardous waste collected in 2014 were a result of disposing of old bottles, crates and other materials found inside the storage area, while the large amount of hazardous waste collected in 2015 is a result of disposing of retired refrigerators.

Compliance

EN29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

No cases of noncompliance with any laws or regulations were found and no fines and non-monetary sanctions were imposed.

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

Our environmental impact includes transporting products using our own vehicles (fuel consumption for total transport) and other goods and materials used for the organization's operations (LPG).

These parameters are presented according to the following criteria:

- energy used in GJ, and
- greenhouse gas emissions in tons of CO₂ equivalent.

Year	Fuel for transport	LPG	Total CO ₂ emissions	
	GJ	GJ	Tons of CDE for fuel	Tons of CDE for LPG
2014	1,455	474	109	18
2015	1,163	385	83	16
Total	2,618	859	192	34

Environmental Protection Investments

EN31: Total environmental protection expenditures and investments by type

Fonyódi's commitment to managing and systematically sorting hazardous and nonhazardous waste is incorporated in the foundations of its business.

Environmental protection investments

Year	Waste management (EUR)
2014	166,904
2015	181,033
Total	347,937

2014.: 1 EUR = 306 HUF

2015.: 1 EUR = 310 HUF

These figures represent environmental charges, including charges paid for Fonyódi and Jamnica products including PET packaging, closures, labels, film, paper handles, wooden pallets and bottle caps imported for Fonyódi. In addition, Fonyódi paid environmental charges for its raw materials in the amount of HUF 23,962,165 in 2014 and these costs are incorporated in Fonyódi's standard product cost.

Due to legislative amendments in 2014, in 2015 this cost was no longer accounted for as part of the preform purchase price, however, this increased our waste management costs. Total charges paid in 2015 were less than in 2014 as a result of decreased volumes of production and reduced preform weight.

Activities planned for the next 2-year period:

- Switch to a single preform for each volume for all products (to reduce inventory handling and thus indirectly reduce gas emissions);
- Reduce the number of remote warehouses and thus additionally reduce our inventory handling levels;
- Reduce our energy consumption by 2%; and
- Switch to a new 0.5 L bottle design (preform weight reduced from 21 g to 18.4 g).

Nova Sloga

Nova Sloga d.o.o. was established in 1956. It was acquired by Frikom AD of Belgrade in 2009 and has been part of Agrokor Group since 31 December 2012. Nova Sloga's core activities are production of mineral water and purchasing and processing of fruits and vegetables.

Nova Sloga presently operates two plants: the Mg Mivela natural mineral water bottling plant located in the village of Veluč and the Refrigeration Plant intended for purchasing, processing and storing fruits and vegetables, located in Trstenik.

The targets accomplished in this reporting period:

We optimized the technological process and enlarged our production capacities in the Mg Mivela plant. In October of 2014, Nova Sloga launched a new Mg Mivela facility covering 2700 m². The plant includes the relevant transport infrastructure, energy extensions and a state-of-the-art bottling plant. The investment was completed in less than a year and was preceded by reconstruction and enlargement of the natural source. The technological process optimizations resulted in 13% savings in electricity per liter of finished product in this reporting period.

In 2015, we certified our ISO 14001 system in both Nova Sloga plants. Nova Sloga thus became the 21st company

within Agrokor Group to hold an ISO 14001 certificate. The old containers were adjusted to the requirements and types of waste (according to ISO 14001). We conducted ongoing training of our employees for waste management and environmental protection.

The targets set in the preceding reporting period, but not accomplished were as follows:

Enter into contract with a suitable provider for disposing of and recycling a small amount of machine oil, which is one of the targets for the next 2016/2017 reporting period; the reason why we did not accomplish this target in the preceding reporting period is the small amount of machine oil (around 50 kg), which is insufficient to justify the arrival of an operator licensed by the competent authority for transporting, storing and treating hazardous waste;

Build an artesian well within the Refrigeration Plant for the purpose of reducing our water costs is also among the targets for the next reporting period; during the preceding reporting period, a test was conducted on Nova Sloga's property and supplies of water sufficient for production at the Refrigeration Plant were not found. The next step is to obtain consent to dig a well from the owner of the adjacent plot where such tests found supplies of water.

Materials

EN1: Materials used by weight or volume

Type of material used (kg)	2014	2015
Raw materials	189,030	288,920
Associated process materials	3,956	3,984
Materials for packaging purposes	1,082,544	1,513,700
Total	1,275,691	1,806,604

The materials used in product were purchased from external suppliers. The figures concerning packaging materials were calculated using an estimate based on the weights of the ma-

terials used for packaging. The figures concerning processing materials are a result of measurements.

The total amount of materials used increased by 29.39% in 2015 compared to 2014. The increase in the weight of total materials used in the 2014/2015 reporting period by 61.56% compared to the preceding reporting period is a result of an increase in the production of Mg Mivela mineral water. In 2013, we produced 19,334,220 liters of Mg Mivela. In 2015, our production of Mg Mivela was 40,001,976 liters.

Energy

EN3: Energy consumption within the organization

Total energy consumption (GJ)	2014	2015
Fuel	182	193
LPG	350	455
Electricity	13,943	17,438
Total	14,475	18,086

In 2015 we recorded an increase in LPG consumption by

17% as a result of a higher rate of finished product and input handling compared to the preceding reporting period. More rational use of company vehicles resulted in an 11% decrease in fuel consumption compared to the preceding reporting period. The decrease in electricity consumption by 13% or 0.44 GJ per one thousand finished product units compared to the preceding reporting period is a result of technological process optimization.

EN5: Energy intensity

Energy intensity is presented as diesel, LPG and electricity consumption per one thousand finished product units for the entire production at Nova Sloga. Total production at Nova Sloga expressed in thousands of finished product units was used as the denominator. This ratio includes energy used within Nova Sloga.

The 17% decrease in fuel consumption energy intensity per product unit recorded in 2015 compared to 2014 is a result of more rational use of company vehicles. The 8% decrease in LPG consumption energy intensity per product unit

recorded in 2015 compared to 2014 is a result of improved finished product and input handling. The technological process optimization in both plants resulted in a 10% decrease in electricity consumption intensity per product unit.

Energy intensity per unit produced (GJ/1000 FP)	2014	2015
Fuel	0.006	0.005
LPG	0.012	0.011
Electricity	0.462	0.416

EN6: Reduction of energy consumption

Our electricity consumption in this period decreased by 0.17 GJ per one thousand finished product units compared to 2013, which we chose as the base year. In 2013, our electricity consumption was 0.61 GJ per one thousand finished product units. The decrease is a result of intensified control of electricity consumption, changes in employee behavior, and changes in particular production processes owing to production optimization achieved by installing a new line with a greater capacity in August of 2014. The savings were determined by direct monthly measurements of electricity consumption and production monitoring.

The total amount of finished products in 2013 was 20,610,768 units and our total electricity consumption was 12,528 GJ. The total amount of finished products in 2015 was 41,939,681 units and our total energy consumption was 17,438 GJ.

Year	Energy intensity (GJ per unit produced)
2013,	0.61
2014	0.46
2015	0.42

CATEGORY: ENVIRONMENTAL

Business Group Food

Nova Sloga

Water

EN8: Total water withdrawal by source (m³)

Year	Ground water bound to the product	Water from own wells	Water from the public water supply system	Total volume of water withdrawn
2014	29,037	4,139	935	34,111
2015	40,002	3,315	3,450	46,767
Total	69,039	7,454	4,385	80,878

At Nova Sloga, water is used for bottling mineral water, for production purposes, as process and cooling water, for washing facilities and plants, for drinking, and for sanitary purposes.

These figures are a result of direct measurements (water meter readings and invoices from the public water supply organization).

The following changes occurred in this reporting period compared to the preceding reporting period:

A 64% increase in the withdrawal of groundwater bound to the product was recorded as a result of an increased scope of production. This water is used for bottling Mg Mivele products.

Our use of water from our own well for process and sanitary purposes increased by 19%, which is also a result of an increased scope of production at the Mg Mivele plant.

Our water withdrawal from the public water supply system decreased by 70% because raw material processing did not require additional water consumption.

EN9: Water sources significantly affected by withdrawal of water

Nova Sloga has three wells from which it withdraws water.

The land owned by Nova Sloga is not in or adjacent to any protected areas or areas of high biodiversity value. The natural source of Mg Mivele water is located in the Cadas-tral Municipality of Veluće and water is withdrawn at a depth of 86 meters from a source located on the edge of a forest in intact nature away from any inhabited areas. No factories or any other potential polluters are located in its immediate or

greater surroundings. This is why our products and services have no significant environmental or biodiversity impacts.

Nova Sloga does not have a concession agreement in place, so it exploits mineral water pursuant to an authorization issued by the Ministry of Mining and Energy of the Republic of Serbia which authorizes it to withdraw 4.5 L of mineral water/s and 2.5 L of process water/s. In 2015, Nova Sloga withdrew 28% mineral water and 4% process water.

EN10: Percentage and total volume of water recycled and reused

Water used at Nova Sloga is presently not recycled and not used as recycled water.

Emissions, Effluents and Waste

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

Nova Sloga presently does not use a heating plant. It retains the services of other companies for transporting its raw materials, production materials and members of the workforce. The other production processes at Nova Sloga do not result in any emissions of carbon dioxide (CO₂), methane (CH₄), nitrogen dioxide (N₂O) or steam (H₂O) and thus create no greenhouse gases. Nova Sloga uses CO₂ as input for producing Mg Mivele carbonated mineral water. Liquid CO₂ is stored in a tank, i.e. a closed system.

CATEGORY: ENVIRONMENTAL

Business Group Food

Nova Sloga

EN18: Greenhouse gas (GHG) emissions intensity

Nova Sloga's scope of business does not require measurement of greenhouse gases. The regulation defining this area is the

Air Quality Monitoring Conditions and Requirements Regulation (Official Journal of RS, no. 11/10, 75/10 and 63/13).

EN19: Reduction of greenhouse gas emissions

The nature of Nova Sloga's production processes ensures that they result in no emissions of carbon dioxide (CO₂), methane

(CH₄), nitrogen dioxide (N₂O) or steam (H₂O) and thus create no greenhouse gases.

EN20: Emissions of ozone-depleting substances (ODS)

The refrigeration system of the Mg Mivela plant uses anti-freeze based on nutritive monopropylene glycol, which circulates within the system and does not evaporate and thus end up in the atmosphere. In 2015, the system was replenished with 200 kg of refrigerating fluid. The Refrigeration Plant uses ammonia as refrigerant in its primary refrigeration system, which is closed. The tanks and pipelines contain 16 t of ammonia. During the reporting period, the system was

replenished with 2.49 t in 2014 and 1.5 t in 2015. The amount of refrigeration system replenishment increased in 2014 by 40% compared to the preceding reporting period as a result of losses incurred at the time of releasing (replacing) oil from a screw compressor. The amount of system replenishment in 2015 is consistent with the amount recorded in the preceding reporting period.

EN21: NO_x, SO_x and other significant air emissions

Nova Sloga's production plant does not use any heating equipment for the time being, so it produces no NO_x or SO_x emissions.

EN22: Total water discharge by quality and destination

Year	Total water discharge (m³)				Total
	Mivela Plant		Refrigeration Plant		
	2014	2015	2014	2015	
Sanitary water	630	200	15	923	1,768
Process water	3,489	2,795	685	2,250	9,219
Total	4,119	2,995	700	3,173	10,987

During this reporting period, wastewater at the Mg Mivela product plant continued to be directed to a deposit tank along with surplus mineral water from bottling operations and rainwater. This way, the process water in the deposit tank is diluted and neutralized and then discharged into the local watercourse. Water discharged from the deposit tank meets all quality standards, as confirmed by analyses conducted by the Institute of Public Health four times per year.

Sanitary water is discharged into a septic tank evacuated by the Public Utility Company of the Municipality of Trstenik. The Refrigeration Plant discharges its water into the municipal sewerage system and such water is then treated at the town utility company.

The Kraljevo Institute of Public Health measures the quantities of wastewater discharge and issues a certified document confirming the quantities measures, based on which

a quarterly report is submitted to the Public Water Management Company, the Ministry of Environmental Protection and the Environmental Protection Agency about the quantities of wastewater discharge.

In this reporting period, our total water discharge decreased by 47% compared to the preceding reporting period. These decrease in water discharge recorded in this reporting period is a result of optimizing our production plant washing and maintenance processes. During the preceding reporting period, we purchased a new device for floor cleaning and washing at the Mg Mivela production plant, which substantially helped us reduce our water consumption. Increased inflow of fruits and vegetables to be processed, which requires no additional water consumption, also helps reduce our wastewater discharge.

CATEGORY: ENVIRONMENTAL

Business Group Food

Nova Sloga

EN23: Total weight of waste by type and disposal method

Type of waste	Treatment	2014 (t)	2015 (t)
Nonhazardous waste	R	16.00	24.90
Hazardous waste	D	0.50	0.50
Total		16.50	25.40

In this reporting period, we disposed of 50% more nonhazardous waste than in the preceding one. This is a result of improved collection and selection of each type of waste, which is sold as secondary raw material.

Nova Sloga presently stores around 500 kg of waste compressor oil resulting from the discharge and replacement

of oil from a screw compressor. Nova Sloga was particularly alert to hazardous waste in the process of establishing its environmental management system. For proper management purposes, hazardous waste is sorted at its source. A person responsible for managing hazardous waste was appointed and a waste catalog is maintained. We defined the types and the number of assets needed for disposal of hazardous waste, the handling method and all relevant supporting documents: from the type and category certificate to the waste collection document completed at the time of providing hazardous waste to a licensed organization for its ultimate disposal.

Compliance

EN29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

During this reporting period, no fines were imposed on Nova Sloga for noncompliance with any laws or regulations.

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

Nova Sloga uses external providers for transporting its products, production materials and employees, which means it

has not direct environmental impacts of transporting its products, employees or any other materials.

Environmental Protection Investments

EN31: Total environmental protection expenditures and investments by type

Year	Waste disposal, emission treatment, and remediation costs (EUR)	Prevention and environmental management costs (EUR)
2014	235,080	16,734
2015	454,572	13,018
Total	689,652	29,752

Our total environmental protection expenditures and investments in 2014/2015 compared to 2013/2012 increased by 77% as a result of:

- increased water exploitation charge; the water exploitation charge is calculated on the basis of the water sales volume;
- increased costs of certification; during the preceding reporting period, we certified ISO 14001 in addition to HACCP.

Activities and targets planned for the 2016-2017 period

- Complete the construction of the new production hall and install and put into service a new mineral water bottling line at the Mivela Plant. By putting the new production line into service, we aim to minimize the use of packaging materials in the production of mineral water, which implies reducing the amount of packaging material by 6% per 1.5 L bottle;
- Switch from the 39 gram preform to a short neck 37 gram preform (PCO 1881) for producing the 1.5 L format;
- Switch from the 2.65 gram closure for bottle 3557 to a 2.16 gram short neck closure 5560 for producing the 1.5 L format;
- Provide regular training to our employees for waste management and environmental protection once a year according to the annual schedule: 10 employees of the Refrigeration Plant, 7 employees of the Maintenance Division, 10 employees in the Mg Mivela Plant, and seasonal workers in both plants, as necessary;
- In 2016, we plan to prepare the necessary documents for and implement the ISO 9001:2015 system and have it certified;
- We intend to enter into contact with an eligible provider for disposing of and recycling a small amount of used-up toner, which is disposed of in a container intended for used-up toner until such time we find a suitable operator;
- Complete the gas bottle storage facility at the Mg Mivela Plant by 11 April 2016. This is one of the general targets that we began to accomplish in 2015 by preparing a study for the purpose of obtaining consent to the location of our LPG warehouse. This target relates to the reduction of our adverse environmental impacts according to the environmental management system indicators, regulatory compliance and transport of products and services;
- We plan to launch a project for converting to LED lighting in both Nova Sloga's plants, which would result in reduction of electricity consumption; and
- We also plan to dig an artesian well for fruit & vegetable processing plant's purposes, which would reduce the amount of process water purchased from the Public Utility Company for Refrigeration Plant's purposes.

PIK Vrbovec

PIK Vrbovec – mesna industrija d.d. is a joint-stock corporation engaging in the production and marketing of meat and meat products, headquartered in Vrbovec. At the end of 2015, the company employed 1996 people, of whom 1009 worked in Production, 515 in Logistics, 94 in Maintenance, and 378 in other departments. The greatest increase in the number of employees compared to the preceding reporting period was recorded in Logistics – by as much as 63% as a result of enlarging our facilities.

In April of 2014, we discontinued our production of cans. Our Piketa and Classic brands were sold to Danica, which had manufactured them for PIK on a private label basis. The increasing production trend continued in this reporting period – in 2015 our production increased by 9.7% at our central site in Vrbovec compared to 2013.

The most important accomplishments with respect to environmental management during the reporting period include wastewater, waste and ozone layer protection as follows:

In early 2014, PIK received its Integrated Environmental Requirements for its existing PIK Vrbovec – Mi.I. d.d. plant at the Vrbovec site, a so-called Environmental Permit. Considering the fact that the most important requirement under the Environmental Permit was not met by the end of 2014 (build our own wastewater treatment plant) because of our intentions to attempt obtaining co-funding for its construction from the European Union in early 2015, PIK notified the planned change in the plant's operation and extension of the time limit for WTP construction to the Ministry of Environmental and Nature Protection (MENP) through an authorized organization (Croatian Cleaner Production Center). A decree amending the Environmental Permit was issued and published on MENP's website on 5 October 2015, whereby the time limit for WTP was extended to 31 October 2015. The works on wastewater treatment plant construction and reconstruction of a part of the internal sewerage system began in April of 2015 and were completed in October of 2015. The former two inspection shafts (KMO1 i KMO2) in the south part of the site, where process wastewater is only mechanically treated by grease traps and discharged into the public sewerage system, was replaced by a single new inspection shaft located next to the southeast fence of the site, where wastewater runs through a physical-chemical-biological treatment plant and is discharged into a natural recipient – the Luka watercourse.

During this and the preceding reporting period, we endeavored to increase the efficiency of separate collection of reusable waste (paper/cardboard, plastic, wood, glass) by intensifying our monitoring activities, providing trainings and conducting internal audits to minimize our amounts of land-filled municipal waste. In March of 2015, PIK's Environmental Protection Department took over two employees of a licensed waste collecting organization (EKO-FLOR PLUS d.o.o.), who prepare nonhazardous waste to be carried away from our non-hazardous waste storage facility. In April of 2015, we termi-

nated our business cooperation with all our former nonhazardous waste collecting organizations for the purpose of simplifying our management of all types of waste through a new company within Agrokor (e-Kolektor) acting in the capacity of a carrier or collector or only for waste management intermediation and improvement, transport optimization and stronger connection of companies within the Group. In the same month, we changed our method of disposing of slaughterhouse waste, i.e. animal byproducts (Class 3 materials), so that such waste is now fired from a pneumatic gun into Agroproteinka's container instead of dumping it from a dumping cart using a dumping crane into the relevant container for Class 3 (EMS target for 2015).

In 2015, we obtained a Certificate of Registration in the Registry of Persons Storing Their Own Production Waste from MENP for our Hazardous Waste Storage Facility at the Vrbovec site (Class: 351-01/15-01/367; Ref.: 517-06-3-1-2-15-2, Waste Producer Storage Facility Number: SPO-300).

In 2014, we replaced the ozone-depleting R22 in four refrigerating devices (1 containing 7 kg and 3 containing 4 kg each) by R404A which is not ozone-depleting, so PIK no longer uses any devices containing more than 3 kg of ozone-depleting refrigerant. That same year showed a continued upward trend in production and a downward trend in natural gas consumption, including the greenhouse gas emissions resulting from the Heating Plant and in the amount of packaging used. We successfully reduced our electricity and water consumption despite increased production and use of dangerous cleaning products and disinfectants. We particularly reduced our use of chlorine-based disinfectants and replaced them by products less adverse for the environment.

In April of 2015, a scheduled official audit was conducted, during which nonconformities were found in relation to the relevant Authorizations in the area of wastewater and veterinary requirements, these nonconformities were rectified in 2015, and the following report was published on MENP's website: http://www.mzoip.evolare.host25.com/doc/provedba_planiranih_koordiniranih_nadzora_u_i_tromjesecju_2015_godine.pdf.

In April of 2015, surveillance audits of ISO 9001 i 14001 were conducted at the Vrbovec site and in PC Rijeka. An ISO 50001 pre-audit was conducted in late October of 2015 and a certification audit was successfully completed in December of 2015. In late 2015, PIK implemented its energy management system (ISO 50001).

The following targets were accomplished during the reporting period: in 2014 we improved our waste management system by reducing the amount of municipal waste per ton of product by 2.27%, we reduced our water consumption for the process packaging washing machine by 2% as set by installing injectors for the stainless steel version which ensure constant water consumption and by installing thermodynamic probes which maintain the temperature of water in the tank at



CATEGORY: ENVIRONMENTAL

Business Group Food

PIK Vrbovec

a constant level, we repaired our air duct installations where they leaked, we reconstructed the low and medium voltage transformer stations for the purpose of ensuring more effective supply of the plant with electricity, and installed meters to improve or electricity consumption monitoring and save electricity in the future. That same year, we removed R22 from the remaining refrigeration devices and replaced it by R

404 which is not ozone-depleting and trained our drivers for eco-driving to achieve potential fuel savings in the future period. In 2015, we installed water meters at the slaughterhouse, the processing plant and the heating station for the purpose of monitoring our actual water consumption.

Materials

EN1: Materials used by weight or volume

PIK Vrbovec does not directly use any natural resources (nonrenewable materials) to make its products, but only for secondary processes not associated with the final product: for machine maintenance (lubricants).

Type of material used (kg)	2014	2015
Raw materials	84,389,619	91,565,382
Associated process materials	772,593	939,106
Materials for packaging purposes	2,526,866	2,491,053
Total	87,689,078	94,995,541

Raw material = livestock + imported raw material (fresh, frozen) + additives and condiments

Associated process materials = liquefied gases for product packaging and maintenance + machine lubricants + cleaning products and chemicals used in production and maintenance

The information used was received from the Planning and Analysis, Production and Maintenance Departments of Luxor (responsible for washing our plants).

In 2015 we used 11% more material than in 2013, i.e. 1.4% more per ton of product. Although the amounts of raw materials and associated process materials increased (as a result of increased production), the amount of packaging materials decreased by 10% in 2015 compared to 2013 (we introduced lighter packaging for fresh meat – foamy multilayer plastic materials filled with air).

Energy

EN3: Energy consumption within the organization

PIK does not use any fuel from renewable sources. Our consumption of fuel from nonrenewable sources includes: diesel fuel used for internal purposes at the Vrbovec site, for transporting goods within and outside the Vrbovec site and for our company cars and propane-butane (fuel powering our forklift trucks and pig singeing furnaces in the slaughterhouse – in absence of natural gas supply) at the Vrbovec site. As of 2015, our gas consumption has been recorded for the new Zagreb Region warehouse at Zvijezda. After we operationalized the new warehouse, our consumption of propane-butane for forklift trucks increased from 1.57 t in 2014 to 7.77 t in 2015, which means that 88% of the gas was used as a result of the logistic capacity enlargement. The table below presents our propane-butane consumption by purpose.

99.8% of gas was used at the Vrbovec site (92-95% of gas used to produce heat at the heating plant (steam and hot water)), while 5-8% was used to prepare food for our employees in kitchen ovens and 0.2% was used at the LSC Osijek for heating. ELHO (alternative fuel in absence of natural gas supply) was used to produce heat for the Vrbovec facility. Compared to 2013, in 2014 we continued to reduce our gas consumption at the central site in Vrbovec (by 5.15%) as a result of the investment made in the preceding reporting period (we

purchased an ultrasonic condensate discharge checker – Dr. Trap PM 301), while in 2015 we recorded a slight increase in our gas consumption, by 0.5%, as a result of increased production.

Propane-butane consumption by purpose

Purpose	2014		2015	
	t	m ³	t	m ³
Forklift trucks in Vrbovec	1.570	2,907.407	0.690	1,277.778
Slaughterhouse, furnaces in Vrbovec	0.250	462.963	0.270	500.000
Total	1.820	3,370.370	0.960	1,777.778
Forklift trucks at Zvijezda			7.080	13,111.111
UKUPNO			8.040	14,888.889

Our consumption of extra light heating oil in 2014 decreased by 48% compared to 2013 and none was recorded in 2015 as a result of steady supply of natural gas by our supplier.

After our consumption of propane-butane decreased by 18% in 2014 compared to 2013, it increased by 342% in 2015

CATEGORY: ENVIRONMENTAL

Business Group Food

PIK Vrbovec

as a result of extending our logistic operations to the warehouse at Zvijezda where gas is used to power forklift trucks. Our diesel consumption increased in 2014 and was at the end of 2015 34% greater than in 2013 (or 22% per ton of product), mostly as a result of taking over all Zvijezda's distribution operations, which also resulted in an increase in the number of commercial vehicles from 100 to 160.

Energy consumption

Consumption site	2014		2015	
	kWh	GJ	kWh	GJ
Vrbovec	35,449,827.00	127,619.38	38,382,051	138,175.38
Osijek	590,089.00	2,124.32	533,816	1,921.74
Rijeka	230,263.00	828.95	253,641	913.11
Total	36,270,179.00	130,572.64	39,169,508	141,010.23

As of 2014, we have also recorded our electricity at the Osijek and Rijeka LSCs, whose consumption accounts for 2% of the total recorded energy consumption. After reducing our electricity consumption by 0.54% in 2014 compared to 2013 at the Vrbovec site, it increased by 8% in 2015 compared to 2014 as a result of increased production. Our total energy consumption equals the sum of energy from the fuel used and electricity. In

2015, our total energy consumption increased by 9% compared to 2013 as a result of increased production.

Energy consumption (GJ)

ENERGY TYPES	2014	2015
Natural gas (Vrbovec)	158,141.98	167,555.48
Natural gas (PC Osijek)	368.25	394.90
Natural gas (total)	158,510.23	167,950.38
Extra light heating oil	131.63	0.00
Diesel fuel	71,143.43	77,226.06
Propane-butane	80.81	356.98
Total (energy from fuel)	229,866.10	245,533.41
Electricity (Vrbovec)	127,619.38	138,175.38
Electricity (Osijek)	2,124.32	1,921.74
Electricity (Rijeka)	828.95	913.11
Electricity (total)	130,572.64	141,010.23
TOTAL ENERGY	360,438.74	386,543.64

Compared to the base year 2013, in 2015 we used 0.17% less energy per product unit. This is a result of an 8% decrease in gas consumption and a 1.8% decrease in electricity consumption.

EN5: Energy intensity

Product intensity (GJ / t of product)

Energy types	2014	2015
Natural gas	1.808	1.768
Energy from fuel (ELHO, diesel fuel, propane-butane)	2.621	2.585
Electricity	1.489	1.485
Total energy	4.11	4.07

Energy intensity includes energy used per product unit at the Vrbovec site and at the Osijek and Rijeka LSCs. As this is a new indicator, we have no information available about product intensity for the base year 2013 and we are unable to compare figures for 2014 and 2015 against the preceding reporting period.

EN6: Reduction of energy consumption

Compared to 2013, in 2015 we reduced our gas and electricity consumption per product unit at the Vrbovec site.

We reduced our electricity consumption after we raised the glycol temperature in the refrigeration system from -10 to -7 °C. We thereby automatically reduced the number of chillers (from 5 or 6 in operation to 3 or 4), which are also the greatest electricity users. The decrease in gas consumption is a result of improved utilization of heat which was recorded in 2013 and the process continued in 2014 as result of more accurate measurement of condensate efficiency using the PM 301 – Dr. Trap ultrasonic instrument purchased in 2013. The condensate drains are condensing pots where condensate accumulates and returns back into the system. This reduces our steam losses, hot

water remains in use, and we need less energy for additional heating. It was established after inspecting the drains using the new device that their replacement could improve the efficiency of steam so heated, which resulted in significant savings of gas and water withdrawn from the Bajer Reservoir (the total savings of water from Bajer were 10% in 2014). We identified all drains and maintain records thereof and defined a plan and priorities with respect to the condensate drain replacement.

The decrease in gas consumption due to improved heat utilization is also a result of installing equipment with automated desalting and desludging of boilers in June of 2014, which also reduced the amount of wastewater from the heating plant.

CATEGORY: ENVIRONMENTAL

Business Group Food

PIK Vrbovec

Water

EN8: Total water withdrawal by source

Year	From the public water supply system	For process purposes	Total volume of water withdrawn
2014	594,094	103,541	697,635
2015	651,950	127,224	779,174
Total	1,246,044	230,765	1,476,809

The quantity pertains to the Vrbovec, Osijek and Rijeka sites.

At its central site in Vrbovec, PIK uses water withdrawn from surface waters (water from the nearby mini-reservoir Bajer) and the public water supply system. The public water supply system partially uses groundwater from its own well and surface water (from Sava River) through the main

pipeline – the Petruševac source. As of 2014, we have monitored our water consumption at our logistic & sales centers in Osijek and Rijeka, which use water from the public water supply system. They accounted for only 0.16% of the water used from the public water supply system in 2014 and 0.137% in 2015, so almost all water consumption specified in this section pertains to the central site in Vrbovec. After our water consumption decreased in 2014 by 3.6% compared to 2013, it increased in 2015 as a result of increased production and construction and testing of a wastewater treatment plant. In 2015, our water consumption increased by 7.6% and decreased by 1.8% per ton of product compared to 2013.

Emissions, Effluents and Waste

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

Our direct greenhouse gas emissions expressed in tons of CDE are emissions from sources owned and controlled by PIK, resulting from fuel combustion (natural gas propane-butane, extra light heating oil (ELHO) and diesel fuel)) under EN3 and leakage of refrigerant from refrigeration equipment.

Compared to 2013, our direct greenhouse gas emissions increased by 12% in 2015 (2% per ton of product) as a result of increased production and enlarged logistic capacities.

1. The data about emissions resulting from fuel combustion were calculated based on an estimate:

$$\text{CO}_2 \text{ (combustion emissions) (t)} = \text{fuel consumption (m}^3\text{)} \times \text{combustion magnitude (TJ/m}^3\text{)} \times \text{emission factor (t CO}_2\text{ /TJ)} \times \text{oxidation factor}$$

2. Emissions resulting from system leaks: fluorinated greenhouse gases (HFC (R 134 A) or mixtures of substitute refrigerants (R 404 A, R 407 C, R 410 A)

Direct greenhouse gas emissions (t CDE)	2014	2015
Natural gas	7,884.87	8,354.46
ELHO	10.79	0.00
Diesel	5,243.24	5,691.53
Fluorinated greenhouse gases	330.76	348.35
Propane-butane	5.42	23.96
Total	13,475.09	14,418.30

$$\text{t CO}_2 \text{ e} = \text{t gas} \times \text{GWP (100 years)}. \text{GWP CO}_2 = 1$$

Greenhouse gas emissions from refrigeration equipment

Type of equipment	Type of gas	GWP	2014		2015	
			t/year	t CDE	t/year	t CDE
Refrigeration devices in vehicles (refrigerator trucks)	R404 a	3,700	0.039	144.12	0.043	158.36
	R404 a	3,700	0.048	179.01	0.048	178.97
Stationary refrigeration equipment (chambers, refrigerators)	R407 c	1,600	0.004	6.08	0.001	2.08
	R134 a	1,300	0.001	1.56	0.001	0.78
	R410 a	1,700		0	0.005	8.16
TOTAL			0.092	330.77	0.098	348.35

CATEGORY: ENVIRONMENTAL

Business Group Food

PIK Vrbovec

These greenhouse gas leaks are a result of malfunctions and also occurred during the maintenance of refrigeration devices in refrigeration trucks and stationary equipment (chambers, air conditioners), mainly at the Vrbovec site.

The devices in PIK's refrigerator trucks are maintained and serviced by PIK Vrbovec itself (it holds a license from MENP, reg. no.: 1075), while our stationary equipment is serviced by the authorized servicer "Uslužni obrt pokretni servis FRI-GO-ELEKTRO", as defined by contract.

EN16: Energy indirect greenhouse gas (GHG) emissions (Scope 2)

Indirect greenhouse gas emissions derive from emissions resulting from the generation of electricity used for PIK's purposes (annual electricity consumption under EN3) in HEP.

indirect CO₂ emissions

	2014	2015
Electricity consumption (kWh)	36,270,179	28,423.03
CO ₂ emissions from electricity production (t)	39,169,508	30,695.08

The figures relating to the CO₂ air emissions from HEP's power plants resulting from electricity generation were taken from HEP's 2011 Sustainable Development Report because more recent Reports fail to provide such information:

HEP emitted 1 t of CO₂ into the air to generate 1276.08 kWh of electricity.

Compared to 2013, our indirect emissions increased by 9.9% in 2015 as a result of increased production and the data have included electricity consumption for our sales centers as of 2014. This means that our indirect emissions increased by 7.7% at the Vrbovec site compared to the preceding reporting period.

EN18: Greenhouse gas (GHG) emissions intensity

Greenhouse gas emissions intensity represents greenhouse gas emissions under EN15 and EN16 per ton of product:

Our total greenhouse gas emissions intensity decreased by 0.6% in 2015 compared to 2013 as a result of decreased gas and electricity consumption per product unit.

Year	Greenhouse gas emissions intensity (t of CDE / t of product)		
	Direct emissions	Indirect emissions	Total
2014	0.2069	0.4363	0.6432
2015	0.2049	0.4361	0.6410

EN19: Reduction of greenhouse gas emissions

Compared to 2013, in 2015 we reduced our greenhouse gas emissions per product unit as a result of decreased energy consumption per product unit.

EN20: Emissions of ozone-depleting substances (ODS)

All newly purchased devices containing refrigerant are accompanied by a statement that the product does not contain any ozone-depleting substances (Ozone-Depleting Substances Regulation, Official Gazette 90/14).

PIK no longer owns any devices containing more than 3 kg of ozone-depleting refrigerant, i.e. R22.

CATEGORY: ENVIRONMENTAL

Business Group Food

PIK Vrbovec

EN21: NO_x, SO_x and other significant air emissions

The presented values of pollutant air emissions are derived from the Stationary Source Pollutant Air Emission Measurements and Analysis Reports (the Heating Plant at the Vrbovec site). Our air emissions from the PIK Vrbovec factory are measured and analyzed by an organization licensed to record air emissions by the Ministry of Environmental Protection. Our total NO₂ emissions decreased in 2015 compared to 2013

by 11% as a result of reduced gas consumption in the Heating Plant.

Year	Air emissions (t)		
	NO ₂	CO	Total
2014	4.63	0.01	4.64
2015	6.31	0.01	6.32

EN22: Total water discharge by quality and destination

Annual amounts of wastewater discharge by discharge point

Year	KMO 1	KMO 2	Natural recipient	Total
2014	310,695	229,137	-	539,832
2015	262,932	205,803	95,330	564,065

The quality of our wastewater is tested at the inspection shafts by a licensed laboratory (Križevci Veterinary Institute) and wastewater amounts are constantly measured using limnigraphs. A licensed organization performs monthly readings and data processing.

Quality of wastewater discharge

Annual average of all analyses in 2014 and up to 31 October 2015

Pollution indicator	MDK	2014 average		2015 average	
		KMO-1	KMO-2	KMO-1	KMO-2
Temperature (°C)	40	16.94	8.94	15.93	14.25
pH	6.5-9.5	7.48	5.06	7.30	7.91
BOD ₅ (mg O ₂ /l)	250	332.00	252.83	199.07	120.58
COD (dichromate) (mg O ₂ /l)	700	656.17	555.00	491.93	328.75
Settleable substances (mg/l)	20	2.97	2.51	2.15	1.84
Anionic detergent – MBAS (mg/l)	10	1.13	0.74	0.86	0.35
Non-ionic detergent (mg/l)	10	1.13	0.89	1.06	1.09
Non-evaporating lipophilic substances (total oil and grease) (mg/l)	150	72.18	42.96	51.60	52.42
Adsorbent organic halogens (AOX) (mg Cl/l)	0.5	0.19	0.08	0.07	0.04
Total chlorine (mg Cl ₂ /l)	0.4	0.07	0.05	0.04	0.03

MDK = maximum allowed parameters in wastewater according to the Authorization

Our wastewater quality occasionally deviated from the required parameters in 2014, mostly due to excessive organic pollution (COD and BOD), which is why we endeavored to clean the pipes of the main collectors of organic contamination

using a biological preparation (BIOSOCK) in 2015 – by 31 October 2015, all pollution parameters were within the required limits for discharge into the public sewerage system.

CATEGORY: ENVIRONMENTAL
Business Group Food
PIK Vrbovec

Wastewater analyses after 31 October 2015 (after we started to use the WTPs)

		MDK	Reduced burden	WTP entry	WTP exit	Reduced WTP burden (%)	Inspection & measurement shaft (KMO) (natural recipient)
Temperature	(°C)	30		16-19	16-17		16-17
pH		6.5-9.0		7.1	7.7		7.8
COD (dichromate)	(mg O ₂ /l)	125	min 75 %	1,107	69	94	81
BOD ₅	(mg O ₂ /l)	25	min 70-90 %	552	18	97	16
Suspended substances	(mg/l)	35	min 90 %	208	14	93	16
Settleable substances	(mg/l)	0.3		12.00	0.10	99	0.10
Anionic detergent – MBAS	(mg/l)	1		2.01	0.25	88	0.26
Non-ionic detergent	(mg/l)	1		11.40	0.34	97	0.15
Non-evaporating lipophilic substances (total oil and grease)	(mg/l)	20		240.00	2.40	99	3.60
Ammonia	(mg/l)	10		9.56	0.25	97	0.25
Adsorbent organic halogens (AOX)	(mg Cl ₂ /l)	0.1		0.05	0.05	0	0.10
Total chlorine	(mg Cl ₂ /l)	0.4		0.02	0.16		0.09
Total nitrogen	(mg/l)	10	min 70-80 %	78.90	7.60	90	5.20
Total phosphorus	(mg/l)	2	min 80 %	8.24	7.48	9	7.52

MDK = maximum allowed parameters in wastewater according to the Authorization. Reduction of WTP burden as required by the Authorization

The table presenting the analyzed wastewater pollution indicators after using the WTPs shows that outgoing wastewater is compliant for all pollution indicators for discharge into a natural recipient, except for phosphorus, and that the WTPs

adequately reduce the wastewater burden. As the WTP is still being commissioned, phosphorus in wastewater must be reduced to the allowed limits in 2016.

Annual amount of discharge and transfer (t)

	2014 (t/year)		2015 (t/year) up to 31.10.2015		2015 (t/year) 31.10.-31.12.2015
	KMO-1	KMO-2	KMO-1	KMO-2	KMO (prirodni recipient)
BOD ₅	103.15	57.93	52.34	24.82	1.53
COD (dichromate)	203.87	127.17	129.35	67.66	7.72
Settleable substances	0.92	0.57	0.56	0.38	0.01
Non-evaporating lipophilic substances	22.43	9.84	13.57	10.79	0.34
Adsorbent organic halogens (AOX)	0.06	0.02	0.02	0.01	0.01
Total chlorine	0.023	0.010	0.011	0.005	0.009
Total discharge	330.446	195.550	195.846	103.653	9.617
TOTAL DISCHARGE		525.995			309.116

In 2015, our annual discharge in outgoing wastewater was reduced by 41% compared to 2014 and by 10% compared to

2013 – such decrease is a result of commissioning our wastewater treatment plant at PIK's site in Vrbovec.

EN23: Total weight of waste by type and disposal method

Like we did in the preceding period to present waste generation, all reusable materials were given or sold to interested employees (nonhazardous substance packaging, wood and

wood packaging, etc.). We thus reduced the amount of generated waste by 75 t in 2015, which is 27% less than in 2013.

Total weight of waste by type and source (t)

Year	Vrbovec site			PC	Total nonhazardous	Total waste
	Hazardous waste	Nonhazardous waste	Municipal waste	Nonhazardous waste		
2014	17.322	1,028.79	420.6	19.87	1,048.66	1,486.582
2015	11.805	1,150.065	442.940	18.652	1,168.717	1,623.462

In 2015, we generated 25% more waste than in 2013. By type of waste: we generated 16% less hazardous waste, separated 35% more nonhazardous waste at the Vrbovec site and separately collected 104% more nonhazardous waste at our sales centers, and 5% more municipal waste. The amounts of municipal waste for the LSC Osijek and LSC Rijeka are not included in the data because they do not apply to the sites concerned.

HAZARDOUS WASTE: The decrease in hazardous waste in 2015 is mainly related to the absence of construction works (demolition) resulting in construction waste which caused the increase in hazardous waste generation in 2013.

NONHAZARDOUS WASTE: The increase in separately collected nonhazardous waste in 2015 is a result of increased production and improved waste management quality, sepa-

rate collection of waste footwear (we collected 500 kg of footwear from October to December of 2015) and commissioning of the wastewater treatment plant at the central site in Vrbovec, which resulted in more sludge from physical-chemical-biological treatment of wastewater compared to 2013 when sludge only resulted from the physical pretreatment of wastewater.

MUNICIPAL WASTE: The amount of municipal waste increased in 2015 as a result of increased production and the amount of waste generated per ton of product decreased by 5% compared to 2013. The amounts of municipal waste have been constantly decreasing since 2013: by 660 kg/ton of product in 2013, 650 kg/ton of product in 2014, and 630 kg/ton of product in 2015.

Total weight of waste by type and disposal method (kg)

Type of waste	Treatment	Waste disposal contractors	2012,	2013,
Neopasni komunalni otpad	R	EKO FLOR-PLUS d.o.o., E-KOLEKTOR d.o.o., METALPRODUKT d.o.o., CE-ZA-R d.o.o., Trgo -sirovina d.o.o., Stražaplastika d.d., Gumiimpex-GRP d.o.o.; AGROPROTEINKA d.d., POS – PLAST d.o.o., PROTING HORVAT d.o.o., KEMIS Termoclean d.o.o., MULL TRANS d.o.o., DRAVA INTERNATIONAL d.o.o. METIS d.d.,	1,029.89	1,167.74
	D	EKO FLOR PLUS d.o.o., E-KOLEKTOR d.o.o., KEMIS Termoclean d.o.o.	439.37	443.91
Hazardous waste	R	INA MAZIVA d.o.o., FLORA VTC d.o.o., M SAN EKO d.o.o., KEMOKOP d.o.o., CE-ZA-R d.o.o.	9.29	7.74
	D	KEMOKOP d.o.o., REMONDIS MEDISON d.o.o., KEMIS-TERMOCLEAN d.o.o.	8.03	4.06
Total			1,486.58	1,623.46

R = recovery methods (recycling, recovery, use as fuel), D = disposal methods (disposal, ground incineration)

By disposal method, 72% of waste was recovered in 2015, which is 5.2% more than in 2013, mainly as a result of increased production of sludge resulting from wastewater treatment, which is recovered at the Energija Gradec biogas plant (R waste treatment).

Animal byproducts are transported from the site by Agroproteinka d.o.o. (Class 1, Class 2 and part of Class 3), which disposes of them at its rendering plant. Class 2 material (bovine digestive tract content) and part of Class 3 material (slaughterhouse waste) are processed at the Energija Gradec biogas plant.

CATEGORY: ENVIRONMENTAL
Business Group Food
PIK Vrbovec

Animal byproducts (t)

Type	Treated by	2014	2015
CLASS 1 (production)		1,399	1,483.75
CLASS 1 (grease from Collector A grease trap)		164	194.47
Total CLASS 1	Agroproteinka d.d.	1,563	1,678.22
CLASS 3		6,706	7,121.62
CLASS 3	Energija Gradec d.o.o.	5,844	5,227.78
Pork & baby beef mix for hungary		522	422.68
Skins (infant, adolescent and adult bovines)	Velemart, Reko, Midako, Derma	268	310.82
Returns (fresh and processes meats) – Class 3	Agroproteinka d.d.	110	41.86
Total CLASS 3		13,450	13,124.76
Total CLASS 2	Energija Gradec d.o.o.	1,602	1,844.78
TOTAL ABP		16,615.60	16,647.76

As of July of 2014, returns (fresh and processed meats) have been collected at a collection point at the Vrbovec site and disposed of at Agroproteinka pursuant to a Conditional Collection Point Authorization issued by the Veterinary and Food Safety Administration of the Ministry of Agriculture dated 11 June 2014. After an official audit by the expert committee conducted on 20 November 2014 and full alignment with the relevant requirements, PIK was issued its Returns

Collection Point Authorization number HR01-047NP dated 2 December 2014.

In 2015, our production of ABP decreased by 0.05% compared to 2013. The main reason for such decrease is reduced production of Class 1 materials and the absence of grease from the grease traps which were discontinued as of 25 October 2015. Treatment plant sludge is not classified as APB and is considered to be waste.

Compliance

EN29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

No sanctions were imposed in 2014 for noncompliance with any environmental laws or regulations. As part of a regular coordinated audit in 2015, the Water Management Inspectorate conducted an audit. After the audit, the inspector immediately initiated two administrative proceedings in accordance with the Waters Act and other secondary legislation in the area of water management. Charges were filed against the responsible person in the legal entity for failure to perform their duties in the area of water management in accordance with the valid Environmental Permit. Pursuant to the Protocol, the water management inspector was to be provided with a schedule of measures specifying the time limits for rectifying the failures. Such schedule of measures was provided to the Water Management Administration within eight days as required. Accordingly, a notice of completion

was provided in 2015 for each of the measures after its time limit expired.

As regards the charges filed at the Misdemeanor Court in Velika Gorica, a hearing was held in September of 2015 and the court was presented with a written defense. The company was sanctioned for failure to build a wastewater treatment plant and to reconstruct its sewerage system, as well as for frequent deviations from the limits set for the wastewater parameters. The Misdemeanor Court ruled that PIK was to pay a fine of HRK 8000 for violating the Waters Act. Such reduced fine was imposed because we had started to build the wastewater treatment plant in April of 2015 and aligned our wastewater quality parameters with the defined values throughout 2015.

CATEGORY: ENVIRONMENTAL

Business Group Food

PIK Vrbovec

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

Purpose	Tons of CDE	
	2014	2015
Transport of goods		
For internal purposes	74.13	79.52
Freight vehicles (refrigerator trucks)	4,598.49	5,044.53
Forklift trucks	4.68	23.15
Transport of workforce members		
Company cars	570.62	567.47
Buses	131.91	142.45
Total	5,380	5,857

Density (diesel) = 0,84 t/m³, lower heating value (diesel) = 0.043TJ/t,
Emission factor (diesel) = 74 t CO₂/TJ and emission factor (biodiesel) = 0 t CO₂/TJ.

The 8.8% increase in greenhouse gas emissions resulting from transport in 2015 compared to 2013 is mostly associated with increased production and the resulting increased needs for transport of goods and intensified logistic operations at the Zvijezda warehouse.

Diesel consumption (m³)

	2014	2015
Bus transport		
Čazmatrans	9.35	9.30
Dubrava bus	40.00	44.00
Total	49.35	53.30

Figures received from the carriers

Environmental Protection Investments

EN31: Total environmental protection expenditures and investments by type

Year	Waste disposal, emission treatment and remediation costs (HRK)	Prevention and environmental management costs (HRK)
2014	1,651,727.58	2,318,694.90
2015	1,642,781.21	16,510,808.72
Total	3,294,508.79	18,829,503.62

In 2015, we spent 778% more on environmental prevention, investments and management than in 2013 as a result of building our treatment plant.

Planned activities and primary targets for the 2016/2017 period

- Improve the waste management system
 - Separately collect waste plastic cups;
 - Reduce municipal waste generation per product unit by 1% compared to 2015;
 - Procure an enclosure for dangerous chemicals tanks at PC Osijek;
 - Align municipal waste transport and payment at PC Rijeka according to Article 33 of the Sustainable Waste Management Act;
 - Implement a plastic bottle cap collection project for a humanitarian campaign.
- Reduce our water consumption, use of sources and energy in 2016 compared to 2015 (reduction of energy consumption in m³ or kWh/kg of processed product)
 - Reduce our consumption of cold and hot water by 1% per product unit compared to 2015;
 - Purchase and install internal water meters at key consumption points, a mechanical meter (transport, bovine and pig pens);
 - Build an air compressor station; and
 - Purchase vehicles for internal transport of containers.
- Maintain and improve wastewater quality and reduce the likelihood of wastewater leakage
 - Revise the Drainage Facility and Wastewater Treatment Plant Operation and Maintenance Plan;
 - Reconstruct the internal sewerage system and connect our sewerage to the internal rainwater drainage system;
 - Replace chlorine-containing disinfectants by products containing peracetic acid;
 - Align the wastewater quality parameters with the Environmental Permit.
- Reduce the likelihood of environmental incidents and pollutions and improve our response in case of an emergency
 - Repair the roof above Chambers 29, 30 and 31;
 - Obtain consent to the Major Accident Prevention Policy from the Ministry of Environmental and Nature Protection; and
 - Obtain an authorization to use ammonia in the refrigeration system for Mechanical Plant 1 from the Ministry of Health.

Ledo

Ledo is the largest domestic producer of industrial ice cream and frozen food distributor. On the competitive global market, Ledo successfully assumed a leading position in the Adria Region countries. We constantly and intensively invest in developing new products and present numerous novelties on the market every year.

The superb quality of our products has been widely recognized, as demonstrated by the international awards presented to Ledo by the International Ice Cream Consortium for five consecutive years – in 2014 Ledo won an award for the most innovative ice cream in the world (Ice Snack with Cereal) and for the best technical solution – King Prestige.

Ledo's products are present in almost every household and their superb quality and safety are confirmed and integrated by a certified integrated management system based on quality, food safety and environmental management principles under the international standards ISO 9001, HACCP/Codex Alimentarius, ISO 14001, IFS, BRC and Kosher.

Ledo systematically and continuously monitors and improves all environmental protection aspects, as additionally confirmed in 2009 when we successfully certified our environmental management system. Our ongoing improvements are confirmed by accomplishing our annual environmental targets, constant improvements in the technological process, and annual external independent audits of our environmental management system. The environmental aspects and the measures defined to reduce our adverse environmental impacts relate to waste management, wastewater management, air emissions management, energy efficiency monitoring, and all other identified environmental aspects. As part of this system, we plan and conduct annual external and internal audits which helps make overall ongoing improvements to the system. Thanks to such high standards, ongoing training and

constant improvement of the established systems, Ledo won an SRB Index award in the category of responsible environmental management policies and practices for 2013 at the Fifth National Socially Responsible Business Conference held on 25 March 2014.

After being certified, each integrated system is audited by accredited certifying authorities every year. In 2014, we successfully certified IFS and BRC and a regular surveillance audit of the HACCP system was conducted, as well as surveillance audits for ISO 9001:2008 and ISO 14001:2004. In 2015, we successfully certified IFS and BRC, a regular surveillance audit of the HACCP system was conducted, as well as surveillance and recertification audits according to the requirements of ISO 9001:2008 and ISO 14001:2004.

In 2014, our target to reduce our electricity consumption per ton of product by 3% compared to 2013 was only partially accomplished (41% of the envisaged reduction was accomplished) as a result of frequent changes to the production schedule due to bad weather at the peak of the season and making smaller product batches. Consequently, the reduction of steam consumption per ton of product by 3% compared to 2013 was not achieved due to frequent washing of production lines and plants and frequent changes to the product range. We have the same situation regarding the target to reduce our water consumption per ton of product by 3% compared to the preceding reporting period as a result of bad weather, frequent line and plant washing due to more transitions from one item to another, and shorter production batches. Thanks to our technological discipline and production process optimization, in 2015 we used less energy (water, electricity, steam) per ton of product than in 2014 – 2.03% less water, 9.76% less electricity and 4.47% less steam, and also repaired our internal sewerage system.

Čuva najbolje!



Svježe smrznuto

www.ledo.hr

Materials

EN1: Materials used by weight or volume

Type of material used (kg)	2014	2015
Raw materials	22,217,587	21,674,769
Materials for packaging purposes	1,028,500	1,294,526
Associated process materials	1,972.30	3,221.30
Total	23,248,059.3	22,972,516.3

We used a total of 46,220,575.60 kg of raw materials and packaging and process materials in the 2014/2015 period compared to 43,287,725.12 kg in the 2012/2013 period. We used 6.78% more material in this reporting period compared

to the preceding reporting period as a result of increased production.

In 2015, the amount of process materials used (oil and lubricants for the refrigeration system and process line maintenance) increased by 63.33% compared to 2014 as a result of a complete overhaul of two ammonia compressors.

Our use of process materials in this reporting period decreased by 22.09% compared to the preceding reporting period, which depends on the need to repair or maintain particular machines or compressors (general repairs and servicing should be performed after every 5000 or 10,000 hours of operation).

Energy

EN3: Energy consumption within the organization

As regards primary energy sources used for its own consumption, Ledo uses natural gas in the production process, for heating and for hot water, and diesel and gasoline as energy for transport.

Year	Natural gas (GJ)
2014	2,518,485.60
2015	2,430,244.98
Total	4,948,730.58

Our total natural gas consumption in the current reporting period was 4,948,730.58 GJ, which is 11.29% less compared to the preceding reporting period when it amounted to 5,578,234.95 GJ. The decrease in the amount of products made at the plant using this energy form resulted in a decrease in total natural gas consumption.

Year	Diesel fuel (GJ)	Gasoline (GJ)
2014	60,554.33	267.39
2015	59,769.40	136.24
Total	120,323.73	403.63

During this reporting period, our total fuel consumption was 120,727.36 GJ, which is 6.73% more compared to the preceding reporting period when it amounted to 113,114.72 GJ. This increase in the consumption of fuel for transport (distribution) of products is associated with the increase in sales during said period. Variations in the quantities of fuel used per ton of (delivered) product depend on the trends in supplying large stores and central warehouses using large freight

vehicles for transporting goods (in excess of 15 t), and on outsourcing transport services.

Supplied by HEP, electricity is used to power machines and the necessary lighting.

Year	Electricity (GJ)
2014	38,603.20
2015	42,023.39
Total	80,626.59

Our total electricity consumption decreased by 6.15 %. In the 2014/2015 period, it was 80,626.59 GJ, compared to 85,907.72 GJ in the preceding reporting period. The reduction in electricity consumption is a result of production process optimization.

Industrial steam, supplied to Ledo from the District Heating Plant, is used to heat water using heat exchangers, for process purposes, and to heat all indoor areas.

Year	Steam (GJ)
2014	528,316,167.97
2015	610,692,474.58
Total	1,139,008,642.55

Our steam consumption in this reporting period decreased by 1.82% compared to the preceding reporting period. Using technological discipline in production and defining optimal heating temperatures help reduce our steam consumption.

Liquid nitrogen is used in the product process for indirect ice cream freezing.

CATEGORY: ENVIRONMENTAL
Business Group Food
Ledo

Year	Liquid nitrogen (GJ)
2014	51,395,316.11
2015	81,203,431.08
Total	132,598,747.19

Our total consumption of liquid nitrogen increased by 57.69% in this reporting period compared to the preceding reporting period – from 84,090,232.77 GJ to 132,598,747.19 GJ. This

significant increase occurred in 2015 due to increased production on the line using liquid nitrogen as refrigerant.

Ammonia is used as refrigerant in a closed primary refrigeration system. The system is designed to be operated from a central control system (compressor station control board) or manually. The tanks and pipelines within this system contain approximately 12 t of ammonia. The system was not replenished in 2014 or 2015.

EN5: Energy intensity

Year	Energy intensity (GJ/t)	
	2014	2015
Natural gas	9,595.330	9,540.470
Diesel	1.221	1.060
Gasoline	0.005	0.002
Electricity	2.244	2.025
Steam	31,191.930	29,797.460
Total	40,790.730	39,341.017

Energy intensity is expressed as energy used per product unit, where the unit is a ton of product made. Presented be-

low are the values of energy intensity for each energy form used in Ledo in relation to a unit of product made or sold on an annual basis.

This indicator is new in our sustainability reporting, so the values specified for 2014 will represent the base value for future energy intensity levels.

Compared to 2014, in 2015 we reduced our energy intensity for all energy forms. A significant variation, i.e. reduction of total energy intensity was recorded for gasoline. It was 0.005 GJ/t in 2014 and 0.002 GJ/t in 2015, which is 82.50% less. This significant decrease is a result of reduced use of gasoline-powered vehicles, which depends on the availability of rentals and replacement vehicles at workshops.

EN6: Reduction of energy consumption

As of this reporting period, our reporting will include this requirement and it will be used as the base period to which all other reporting periods will refer. Reduction in energy consumption will be expressed as the amount of energy used per product unit and will be compared against the preceding year calculated in the same manner.

Compared to 2014, in 2015 we reduced the consumption of all energy forms expressed per unit of product made or sold on an annual basis.

For the purpose of minimizing and controlling our energy consumption, we conduct annual inspections of the transformer station and maintain our consumption of reactive energy within the required limits ($\cos\Phi = 0.95$). In addition, we installed an air dryer that extracts moisture from compressed air in pipelines and tanks.

We conduct periodic employee trainings to raise their awareness of the importance of saving energy because their actions may affect the amount of energy used.

Water

EN8: Total water withdrawal by source (m³)

Year	Process water	Cooling water	Sanitary water	Total consumption
2014	61,436	16,836	3,093	84,609
2015	77,980	19,335	2,684	99,999
Total	139,416	36,171	5,777	184,608

Ledo uses water for drinking, as raw material for production, as process, cooling and sanitary water, and some of the water evaporates in the evaporation condensers.

Our total water consumption in the reporting period was 184,608 m³, compared to 177,644 m³ in the preceding

reporting period, which is 3.92% more. The increase in water consumption is a result of increased production – water is used in production and for washing process lines and production areas.

EN10: Percentage and total volume of water recycled and reused

In 2014 and 2015 the amount of reused water remained at a level of 20,000 m³/year. Some of the water was used for the process of cooling the evaporation condensers. To optimize

and rationalize our water consumption, we plan to increase our reuse of water by installing reverse osmosis.

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

Direct greenhouse gas emissions (t CDE)	2014	2015
Production plants	120.14	115.93
Fuel for transport	3,703.77	3,662.71
Total	3,823.91	3,778.64

Emissions from a stationary source:

The stationary source of air emissions in Ledo is a chimney located in the cone product plant. As the heating device is low-power, we are legally required to have these emissions measured by a licensed laboratory at least once in two years. For the purpose of reporting our air emissions, the amount of CO₂ air emissions is calculated every year on the basis of total gas consumption for that year and the emission factor.

During this reporting period, our total emissions were 236.07 t of CDE, which is 11.29% less compared to the preceding reporting period when they were 266.10 t of CDE.

Emissions resulting from transport:

For transport purposes, we use passenger vehicles, light commercial vehicles and heavy freight vehicles. The number of vehicles used in 2014 and 2015 slightly increased (311) compared to the preceding reporting period – in 2013 we used 310 vehicles and 391 in 2012. The presented levels of CO₂ emissions resulting from transport were estimated. They were calculated using the CORINAIR manual (EMEP/EEA Emission Inventory Guidebook 2009).

Our total emissions during the reporting period were 7366.48 t of CDE, which is 6.71% more compared to the preceding reporting period when they amounted to 6903.39 t of CDE. The increase in emissions is a result of increased fuel consumption.

Our total direct emissions during the reporting period increased by 6.04% compared to the preceding reporting period. Emissions from the stationary sources are constantly decreasing as a result of decreased gas consumption, while our emissions resulting from transport increased during the reporting period as a result of increased fuel consumption.

EN16: Energy indirect greenhouse gas (GHG) emissions (Scope 2)

Indirect emissions (t CDE)	2014	2015
Electricity	2,517.89	2,740.98
Total	2,517.89	2,740.98

Our greenhouse gas emissions decreased by 6.15% during the reporting period, from 5,603.33 t of CDE in the 2012/2013 period to 5258.87 t of CDE in the 2014/2015 period.

CATEGORY: ENVIRONMENTAL
Business Group Food
Ledo

EN18: Greenhouse gas (GHG) emissions intensity

Year	Greenhouse gas emissions intensity (t/t of product)
2014	0.679
2015	0.652
Total	1.331

Presented below are the total values of GHG emissions intensity for all sources of CO₂ emissions in Ledo. Before this reporting period, we did not report under this requirement and the values presented will be used for comparing future GHG emissions intensity levels.

EN19: Reduction of greenhouse gas emissions

One of the ways to reduce emissions is to optimize production. In addition, we conduct periodic employee trainings about the importance of reducing our emissions so that they could act accordingly.

After receiving a subsidy from the Environmental Protection and Energy Efficiency Fund, in 2014 we trained 40 drivers in eco-driving styles and reduction of fuel con-

sumption, which includes reduction of air emissions, and this resulted in reduced consumption of this energy form and reduced greenhouse gas emissions in 2015 after route optimization and order consolidation.

This is the first reporting period in which we report our reduction of greenhouse gas emissions and it will be used as the base for future comparisons.

EN20: Emissions of ozone-depleting substances (ODS)

Ledo uses refrigerants in its refrigeration equipment. When planning and purchasing new air conditioners and refrigeration equipment, we ensure that the equipment is loaded with an environmentally acceptable gas. To reduce our adverse

impacts on the ozone and climate, in 2016 we plan to replace R-22, which is only present in one refrigeration chamber, by a more environmentally acceptable refrigerant.

EN21: NO_x, SO_x and other significant air emissions

Year	Air emissions (t)	
	CO	NO ₂
2014	0.0220	0.2150
2015	0.0445	0.0426
Total	0.0665	0.2576

According to the Regulation on the Limits of Pollutant Emissions from Stationary Sources (Official Gazette 117/12, 90/14), we conduct measurements of our NO_x and CO emissions (and assign fume numbers) resulting from natural gas combustion in the ice cream cone furnace and compare such values against the required limits for small heating equip-

ment (Article 100 of said Regulation). Our emissions are determined by periodic measurements conducted at least once in two years (Article 112 of said Regulation). The calculation data were obtained using the formula defined by the Environmental Protection Agency.

Our total emissions during this reporting period were 0.3241 t, which is 3.89% more compared to the preceding reporting period, when they amounted to 0.312 t. The data about emissions were obtained using the formulas defined by the Environmental Protection Agency by calculating the total amount of natural gas used, the measured values and the waste gas emission factor. Differences in these values arise from different emission calculation methods in years when we do or do not measure them.

EN22: Total water discharge by quality and destination

Year	Effluents (m ³)
2014	41,149
2015	90,400
Total	131,549

Wastewater is discharged from the Ledo site via two connections to the public sewerage system of the City of Zagreb as mixed (Inspection & Measurement Shaft 1) and sanitary (refrigeration equipment maintenance) wastewater. Wastewater is channeled from the public system into the city treatment plant before being discharged into the recipient (a natural watercourse).

CATEGORY: ENVIRONMENTAL

Business Group Food

Ledo

Our total wastewater discharge in the reporting period was 131,549 m³, which is 11.51% less than recorded in the preceding reporting period when it amounted to 148,655 m³. Total wastewater quantity varies from year to year depending on the technology used at the site for each process and the amount of precipitation. In 2014, the amount of waste-

water was determined using a limnigraph, while in 2015 we were unable to make accurate measurements of wastewater amounts using a limnigraph, so we calculated them on the basis of the amount of water supplied less the fixed process loss.

EN23: Total weight of waste by type and disposal method

Type of waste	2014	2015
Nonhazardous waste (t)	379.48	334.81
Hazardous waste (t)	30.69	22.01
Total	410.17	356.82

Waste is sorted at its source and temporarily stored in a designated area pending the arrival of a licensed disposing organization.

In this reporting period, the total amount of all types of waste decreased by 4.07% compared to the preceding reporting period, from 799.55 t to 766.99 t. We recorded a significant decrease in the amount of hazardous waste in this reporting period compared to the preceding reporting period,

by 35.93%, as a result of changing the hazardous waste status to the nonhazardous waste status for a particular type of waste generated in large amounts (mixture of grease and oil from the separator).

The amount of nonhazardous waste generated during this reporting period decreased by 0.42% compared to the preceding reporting period. Amounts of nonhazardous waste vary during a year, so this 0.42% figure is also considered to be a standard variation. Significant reductions were recorded in this reporting period compared to the preceding reporting period with respect to nonhazardous waste, namely paper and cardboard packaging (8.95 %) and materials unsuitable for consumption or processing (12.91 %).

Compliance

EN29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

No fines or non-monetary sanctions were imposed in 2014 or 2015.

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

Year	Fuel for transport (GJ)	Total CO ₂ emissions (t CDE)
2014	60,821.72	3,703.17
2015	59,905.64	3,662.71
Total	120,727.36	7,365.88

The reduction in fuel consumption resulted in reduced total CO₂ emissions.

As we did in earlier years, when ordering new vehicles we ensured that each vehicle complies with the relevant European standards for the purpose of constantly reducing

our adverse environmental impacts resulting from driving. In this reporting period, there was no need for any major replacements in or additions to our fleet, except for one vehicle approved to be ordered and received at the company, which complies with the EURO V standard and uses a start-stop system. Our vehicles are powered by sulfur-free fuel compliant with DIN EN 590.

Our vehicles are serviced in such time and mile-age-based intervals as defined by the manufacturer (sometimes even more frequently than required). We also regularly conduct eco-tests and constantly optimize and improve our routes using an optimization IT system.

Environmental Protection Investments

EN31: Total environmental protection expenditures and investments by type

Our total environmental protection expenditures and investments including the costs of waste disposal, emission treatment, remediation and environmental prevention and management amounted to HRK 4,804,055.02 in this reporting period, which is 30.53% more compared to the preceding

reporting period when our overall expenditures were HRK 3,680,371.28. This increase is mainly a result of our investments in sewerage system reconstruction and steam pipeline insulation.

Year	Waste disposal, emission treatment and remediation costs (HRK)	Prevention and environmental management costs (HRK)
2014	2,028,242.43	117,789.00
2015	2,198,534.54	459,489.05
Total	4,226,776.97	577,278.05

Planned activities and primary targets for the 2016/2017 period

In addition to enhanced waste sorting control and training, our primary target for the next period is to improve our waste management system. Considering that we have achieved remarkable results and savings in the area of energy management, the targets are intended to maintain our energy consumption rates per product unit on the level recorded in the preceding reporting period. As we chose to constantly upgrade our environmental management system, the environmental management system will be transitioned to a new revision of ISO 14001. Our integrated management system, including the EMS, will be upgraded according to the requirements of ISO 50001 which will help us manage our energy efficiency more effectively and systematically.

Ledo was selected by the Hrvoje Požar Energy Institute (EIHP) to participate in the implementation of a LIFE Clim'Foot project titled "Climate governance: Implementing public policies to calculate and reduce organizations carbon footprint" which is to be launched in late 2016 and aims to develop national policies and appropriate tools to allow calculation and reduction of carbon footprint. This project will be an integral part of our EMS and one of the elements to be used to improve system monitoring.

We defined a schedule of internal trainings including all segments associated with significant environmental aspects, from waste management to emergency action plans. As regards room for improvements, we identified the possibility of enlarging our internal auditor team for ISO 14001 and thus ensure systematic management of nonconformities and significant environmental aspects.

By exercising socially responsible business, we will focus on efficient resource management by conducting systematic trainings for all our employees and by encouraging them to take part in different campaigns that will result in reduced adverse environmental impacts and resource use.

Frikom

Frikom developed from an experimental frozen food plant and frozen dough and ice cream plant in 1976. As of 2003, Frikom has operated as part of Agrokor Group and in 2013 became a limited liability company owned by Ledo d.d.

The company has its production plants at Zrenjaninski put b.b., Belgrade, including an ice cream production plant, a frozen vegetable processing and packing plant and a frozen dough product plant. Frikom operates a widespread distribution network comprising four distribution centers, 140 delivery vehicles and over 52,000 refrigeration devices.

The company has its production plants at Zrenjaninski put b.b., Belgrade, including an ice cream production plant, a frozen vegetable processing and packing plant and a frozen dough product plant. Frikom operates a widespread distribution network comprising four distribution centers, 140 delivery vehicles and over 52,000 refrigeration devices.

In 2014, we replaced the certifying organization that had certified our existing ISO 9001, ISO 14001, OHSAS 18001 and HACCP standards, so the surveillance audit was conducted by Bureau Veritas. We also decided to implement and certify IFS Food V6 – an international food product quality control and safety standard, which will be certified by SGS.

Frikom holds:

- a quality management system certificate according to the requirements of ISO 9001:2008; certification body: Bureau Veritas; first certification date: 16 December 2008; surveillance audit date: 28 April 2015; certificate number: GR14, 1595Q; certificate expiration date: 3 July 2017;
- a HACCP certificate; certification body: Bureau Veritas; first certification date: 12 June 2007; surveillance audit date: 28 April 2015; certificate number: 2014BEO010; certificate expiration date: 3 July 2017;
- a Global GAP (global partnership for safe and sustainable agriculture) certificate; certification body: ISACert; first certification date: 12-13 October 2010; last certification date: 6-7 October 2015; certificate expiration date: 7 November 2016; certificate number: 168381;
- an environmental management system certificate according to the requirements of ISO 14001:2004; certification body: Bureau Veritas; first certification date: 6-7 June 2011; surveillance audit date: 28 April 2015; certificate number: GR14.1595E; certificate expiration date: 3 July 2017;
- an occupational health and safety management system certificate according to the requirements of BS OHSAS 18001:2007; certification body: Bureau Veritas; first certification date: 6-7 June 2011; surveillance audit date: 28 April

2015; certificate number: CZE-140041; certificate expiration date: 3 July 2017; and

- an IFS Food V6 certificate for food product quality control and safety issued by SGS; certification date: 7-10 April 2015; certificate number: DE 14/818842444; certificate expiration date: 10 July 2016.

As part of our environmental management system, we regularly monitor and measure our energy and water consumption, wastewater and air quality, and manage our waste in a systematic and planned manner with a special emphasis on the hazardous waste stream and special waste stream. We continuously monitor all applicable regulations and align our business with their requirements.

We constantly monitor the applicable legislation and align our business with its requirements. For that purpose, we undertook numerous measures to minimize our losses and improve our monitoring of natural resource use and thus provided for better control of all processes within the factory.

We accomplished the following targets set for this reporting period:

- In 2014, our entire plant waste was collected by a single organization, which used it for its biological waste treatment operations. In addition, in 2015 our entire plant waste was collected by organizations with which Frikom has contracts in place, so no plant waste was landfilled.
- In 2015, we cleaned our wastewater separators in the atmospheric sewerage system and cleaned the grease and oil traps at Frikom and at the Distribution Refrigeration Plant at Autoput br. 11.
- In 2015 we also reduced total ammonia used to replenish the pipelines and refrigeration system due to losses recorded within the system.
- We repaired the heating line in a part of the factory and thus reduced our heat and water losses.

The targets relating to the reconstruction of the wastewater system, automation of the public water withdrawal station and replacement of the old hydrochloric acid tank were not accomplished because the wastewater parameters were found not to deviate in the total amount after discharging collective water from the PKB collector. We did, however, partially repair the hydrochloric acid tank and thus improved its safety.

Although the automation of the public water withdrawal station would save us substantial amounts of electricity and reduce our pump maintenance costs, we monitored the relevant trends in this reporting period. After we found the costs did not significantly increase compared to the preceding reporting period, the investment was postponed for the next period.



Materials

EN1: Materials used by weight or volume

The materials we use in the production process include raw materials, packaging, natural gas used to produce heat for production processes, oil and lubricants, spare parts and fuel used for primary production purposes. As a result of divesting our farmland, we no longer use mineral fertilizer or plant protection agents.

Type of material used (m³)	2014	2015
Foil	1,487,826	1,076,107
Paper	186	157
Total	1,488,012	1,076,264

The amount of materials used in 2015 increased by 20.3% compared to 2013 as a result of an increase in our use of packaging by 22.6% and in our use of raw materials by 30.5%

due to increased production. We also recorded a noticeable reduction in the amount of associated process materials used compared to 2013, by 30.66%, due to the fact that we need less spare parts to repair our production lines and equipment.

Type of material used (kg)	2014	2015
Raw materials	23,047,696	28,301,968
Associated process materials	366,717	310,330
Materials for packaging purposes	3,153,883	3,448,057
Total	26,568,296	32,060,355

In 2015 our natural gas consumption decreased by 40% compared to 2013 as a result of reduced losses after we replaced the condensate separator during an overhaul.

Energy

EN3: Energy consumption within the organization

The nonrenewable energy sources used by Frikom are natural gas used to generate steam in our internal heating plant (for our production processes and to heat the factory in winter months) and fuel – ED, BMB and LPG used to transport products and, to a minor extent, to transport our workforce members.

Direct energy consumption by primary source (nonrenewable energy sources)

Year	Fuel (l)	Natural gas (m³)	LPG (l)
2014	1,336,552	2,286,738	435,858
2015	1,351,721	2,337,547	453,268
Total	2,688,273	4,623,685	889,126

Direct energy consumption by primary source (nonrenewable energy sources)

Total energy consumption (GJ)	2014	2015
Fuel	40,403.62	40,841.57
Natural gas	89,206.00	91,187.00
LPG	17.00	17.00
Total	129,626.62	132,045.57

Compared to 2013, our total direct energy consumption increased by 1% in 2015.

Our fuel consumption in 2015 increased by 9.8% as a result of an increased scope of production and intensified product transport and distribution activities, and our natural gas consumption in 2015 decreased by 2.47%.

Indirect energy consumption is the amount of purchased and used electricity obtained from nonrenewable sources, which is used for all production and secondary processes in the factory.

Indirect energy consumption by primary source (indirect energy obtained and used from nonrenewable energy sources)

Year	Electricity (kWh)	Electricity (GJ)
2014	20,630,365	74,269
2015	22,257,445	80,126
Total	42,887,810	148,823

Our electricity consumption in 2015 increased by 6% compared to 2013. The increase is a result of an increased scope of production in 2015.

EN5: Energy intensity

Energy consumption per product unit	2014	2015
Natural gas (m ³ /t)	49.74	44.07
Fuel (l/t)	38.56	34.03
Electricity (kWh/t)	448.78	419.64

Our natural gas consumption per product unit decreased by 20.9% in 2015 compared to 2013. In 2015, our production scope increased by 23.3% compared to 2013. We saved natural gas by reducing our losses as a result of replacing and repairing equipment components (condensate separa-

tors). Our fuel consumption per product unit decreased by 12.36% in 2015 compared to 2013, which is closely related to the increased scope of product sales and distribution in 2015 compared to 2013 (our performance under the product sales and distribution plan in April, May, July and August of 2015 exceeded the sales performance recorded in 2013).

Our electricity consumption per product unit decreased by 12.8% in 2015 compared to our electricity consumption per product unit recorded in 2013. This reduction in electricity consumption per product unit was achieved by constant efforts and production of larger batches, i.e. by minimizing interruptions and increasing efficiency.

EN6: Reduction of energy consumption

Our energy consumption in 2015 decreased compared to the figures recorded in 2013.

In 2015, our natural gas consumption per product unit was 44.74 m³/t, which is 20.9% less compared to 2013 and 11.4% less compared to 2014. The savings were achieved by regularly repairing and replacing equipment components.

In 2015, our electricity consumption was 419.64 kWh/t, which is 12.8% less compared to 2013 and 6.5% less compared to 2014. Our electricity consumption per ton of product was reduced as a result of improvements in our production

processes, as demonstrated by higher productivity levels, execution of the production plan (larger batches) and less interruptions. These savings are also a result of more employee trainings, as demonstrated by fewer wasted working hours or work interruptions due to workplace injuries.

Our fuel consumption per product unit was 34.03 L/t, which is 12.36% less compared to 2013 and 11.7% less compared to 2014 as a direct result of enhanced sales and distribution performance and primary transport reorganization.

EN8: Total water withdrawal by source

All water used for factory purposes is obtained from our own source, by withdrawing groundwater using six wells within the factory area.

Year	Total water withdrawal from Frikom's sources (m ³)	Water consumption per unit produced
2014	700,450	15.24
2015	747,618	14.09
Total	1,448,068	

The quantities of raw water withdrawn and the quantities of water used and discharged are constantly monitored using flow meters. Infrastructure and equipment are constantly and regularly maintained and repaired to minimize the likelihood of any disaster, leakage or losses of water during its transport.

Our total water consumption in 2015 was 26% higher than our total water consumption in 2013 as a result of an increased scope of production.

EN10: Percentage and total volume of water recycled and reused

Water is recycled within the respective production lines and equipment as part of technological processing. Process water generated in the factory is treated mechanically, which

means that only rough impurities are removed and the share of organic burden in wastewater is reduced, and such water is then discharged into the PKB collector.

Emissions, Effluents and Waste

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

Direct greenhouse gas emissions (t CDE)	2014	2015
Natural gas	1,555	1,589
Fuel for transport	987	1,006
LPG	174	181
Total	2,716	2,776

Our direct greenhouse gas emissions result from the combustion of natural gas used in the heating plant (steam plant) as fuel for producing steam and combustion of fuel used for transport.

Our direct greenhouse gas emissions resulting from our consumption of natural gas and fuel used for transport decreased by 13.4% in 2015 compared to 2013. This decrease in emissions is a result of reduced energy consumption compared to 2013.

EN16: Energy indirect greenhouse gas (GHG) emissions (Scope 2)

Energy indirect greenhouse gas emissions result from electricity consumption.

Indirect greenhouse gas emissions (t CO ₂)	2014	2015
Electricity	4,456	4,807
Total	4,456	4,807

In this reporting period, our energy indirect greenhouse gas emissions increased by 7% compared to 2013. This increase in indirect greenhouse gas emissions is a direct result of increased electricity consumption in 2015 compared to 2013 and an increased scope of production (our scope of production increased by 23.3% in 2015).

EN18: Greenhouse gas (GHG) emissions intensity

Greenhouse gas emissions intensity (t CDE / t of product)	2014	2015
Natural gas	0.0338	0.0299
Fuel for transport	0.0215	0.0190
LPG	0.0038	0.0034
Electricity	0.0969	0.0906
Total	0.1560	0.1429

In 2015, our total direct and indirect greenhouse gas emissions intensity decreased by 18.4% compared to 2013 as a result of decreased direct greenhouse gas emissions resulting from natural gas consumption.

EN19: Reduction of greenhouse gas emissions

Reduction of greenhouse gas emissions is closely related to energy consumption. By reducing our natural gas consumption due to equipment replacement and modification during a general repair, we reduced our direct greenhouse gas emissions (the greenhouse gas emissions resulting from natural gas decreased by 19.54% in 2015 compared to 2013). The

increase in indirect greenhouse gas emissions is correlated to the increased scope of production and electricity consumption as required by our equipment and processes. In 2015, our direct greenhouse gas emissions increased by 7% compared to 2013 as a result of an increase in the scope of production by 23.3%.

CATEGORY: ENVIRONMENTAL

Business Group Food

Frikom

EN20: Emissions of ozone-depleting substances (ODS)

Our refrigeration equipment (cold display cases, refrigerator trucks, chambers, air conditioners) uses refrigerant. In 2015 we used a total of 1.9 t of refrigerant for replenishing our refrigeration equipment, of which 0.0205 t were R-12 and R-22. In 2013, we used a total of 1.61 t of refrigerant, 0.035 t of which were R-11, R-12 and R-22.

The amount of R-11, R-12 and R-22 used in 2015 decreased by 41.4% compared to the amount used in 2013. Our total use of refrigerants for replenishment of refrigeration

equipment, refrigerator trucks, chambers and climatic chambers increased as a result of the fact that a certain number of new devices supplied were not loaded with refrigerant. Our use of R-11, R-12 and R-22 was reduced due to the fact that the losses on valves occurring in 2013 were eliminated during a regular inspection and replenishment of chambers by Frikom's contractor. In addition, no R-11 was used for chamber replenishment in 2015.

EN21: NO_x, SO_x and other significant air emissions

Frikom's greenhouse gas emissions are NO_x and CO emissions resulting from the combustion of natural gas used in the heating plant. The quality of these gases is determined by regular measurements of air emissions conducted by a licensed organization in accordance with the applicable regulations. These measurements are conducted once a year, which is consistent with the sizes and capacities of our boilers. The measurements of air emissions include concentrations of CO, NO_x and SO₂ and O₂ and CO₂ percentages.

Total greenhouse gas emissions (t)

Year	NO _x	CO	CO ₂	SO ₂
2014	7.27	0.490	0	0
2015	5.60	0.642	0	0
Total	12.87	1.132	0	0

No measuring or controlling equipment was replaced during the reporting period. It is regularly tested and checked, which leads to the conclusion that the deviation may have been a result of differences in the quality of natural gas and fuel combustion efficiency. Emissions are measured by an accredited institution in accordance with the Air Protection Act, Official Journal of the Republic of Serbia no. 36/09.

In 2015 our NO_x emissions remained at the same level as in 2013.

Our CO emissions decreased by 24.5% in 2015 compared to 2013 and our CO emissions in 2014 decreased by 42.35% compared to 2013. In 2015, our CO emissions increased by 31.02% compared to our emissions in 2014, obviously due to differences in the quality of natural gas supplied.

EN22: Total water discharge by quality and destination

Year	Total water discharge (m ³)		
	Collection shaft	Lisičji jarak	Total effluents
2014	738,534	18,964	757,498
2015	720,837	35,446	756,283
Total	1,459,371	54,410	1,513,781

Wastewater generated at the factory includes process, sanitary and atmospheric wastewater. We use two wastewater discharge points – the collection shaft where treated process and sanitary water is discharged into the PKB collector and further into the Danube and the atmospheric sewerage discharge point where atmospheric wastewater is discharged into Lisičji jarak. The quality of wastewater at the exit from the biodisc is consistent with the maximum allowed values for Class 2 water. Because of the possibility of deviation in atmospheric wastewater parameters due to impurities entering such wastewater as a result of rinsing handling areas outside the production plants, atmospheric wastewater is transferred to

the collection shaft using a bypass during the vegetable processing campaign.

The total amount of wastewater generated and discharged in 2015 was 756,283 m³. 720,837 m³ was discharged into the PKB collector and 35,446 m³ into Lisičji jarak.

The total amount of water generated and discharged in 2015 decreased by 35% compared to the total amount of water generated and discharged in 2013. The increase is a result of an increased scope of production and weather conditions.

In 2015, the amount of wastewater discharged into the PKB collector increased by 32.4% compared to 2013 and by 2.3% compared to 2014.

The amount of wastewater discharged into Lisičji jarak increased in 2015 by 86.9% compared to 2014 and significantly compared to 2013 as a result of more precipitation and the weather conditions during the reporting period and a one-time equipment malfunction within the atmospheric wastewater system in 2015.

The amount of wastewater discharge per product unit in 2015 was 14.24 m³/t, which is 13.59% less than in 2014.

CATEGORY: ENVIRONMENTAL

Business Group Food

Frikom

EN23: Total weight of waste by type and disposal method

Type of waste	Treatment	Waste disposal contractors	2014 (t)	2015 (t)
Nonhazardous waste	Treatment for recycling, disposal	Papir servis FHB, IvLajn, Beotok, Maks union metali, JKP Gradska čistoća, Perihard inženjering..	7,918.77	7,437.36
Hazardous waste	Treatment, temporary storage pending treatment	Kemis, BiS Reciklažni centar. Jugo-Impex, Farmakom MB, Beotok..	148.18	260.36
Total			8,066.95	7,697.72

The total amount of waste generated in 2015 decreased by 5.4% compared to 2013.

The amount of nonhazardous waste generated and disposed of in 2015 decreased by 8% compared to 2013. During this reporting period (2014/2015), we reduced the amount of landfilled plant waste compared to 2013. This waste was

collected by two companies with which Frikom has contracts in place and which used it for their production purposes. The amount of hazardous waste disposed of in 2015 increased by 75.7% compared to 2014 and significantly compared to 2013. In 2015, we retired and disposed of a large amount of old and damaged refrigeration devices (refrigerators).

Compliance

EN29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

In 2015 and throughout the reporting period, Frikom did not pay any court fines or any other fines for failure to comply

with any environmental laws or regulations and received no other non-monetary sanctions.

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

Year	Fuel for transport	Total CO ₂ emissions
	GJ	Tons of CDE for fuel
2014	55,691	5.7
2015	59,511	6.5
Total	115,202	12.2

In 2015, our total environmental impact of transporting goods, materials and members of the workforce expressed as the total amount of such CDE emissions increased by 8.5% compared to 2013.

Our environmental impact of transporting goods, materials and members of the workforce also depends on the scope of production, sales and distribution of products according to customer demands for supply and on the needs of our production processes in the context of hiring seasonal workers.

The greatest environmental impact is generated by CO₂ emissions resulting from transporting goods, emissions from cars owned by our employees, and emissions from our company cars. The 8.5% increase is a result of hiring more seasonal workers and increased product sales/distribution.

EN31: Total environmental protection expenditures and investments by type

Year	Waste disposal, emission treatment and remediation costs (EUR)	Prevention and environmental management costs (EUR)
2014	634,521	53,599
2015	609,108	65,429
Total	1,243,629	119,028

The following activities are planned for the next reporting period:

- Remove the asbestos sheets from workshop roofs;
- Develop an action plan to attain the wastewater emissions limits;
- Implement and align with the changes to ISO 14001:2015 including reduction of documentation and risk and opportunity analysis;
- Maintain and improve our waste management system by constantly training our employees and spreading corporate knowledge;
- Install energy-efficient lighting in the handling hallways to save energy;
- Repair the worn out and purchase new waste sorting containers;
- Enforce the accepted accident prevention policy and constantly update it according to the applicable legislation and changes in the system, as well as conduct regular trainings and drills for the purpose of simulating accidents and appropriate responses thereto.

Irida

Irida d.o.o. began to operate in 1978 as a freshwater fish processing factory.

Irida's business is presently based on processing fishery products, meat processing, and repacking and storage of frozen animal-origin food.

In 2015, the saltwater fish and mollusk processing activities completely eliminated freshwater fish from production. Irida's daily target is to raise awareness and indicate the important role of optimizing the use of natural and production resources and to ensure environmental conservation. In mid-2015, Ledo's fish packing plant in Dugopolje closed and their production was transferred to Irida. The increase in production resulted in a significant increase in the amounts of particular types of waste (waste paper and film).

During the 2014/2015 reporting period, we implemented the following environmental management programs:

- Employee training programs – internal training (all permanent and new employees – evacuation drill, rational use of resources, waste management) and external training (training employees for handling dangerous chemicals);
- Ordinary measures – gauging of safety valves and pressure meters on compressors, preventive maintenance of our refrigeration system (ammonia replenishment), monitoring of the quality of our wastewater and sludge, and measurement of our exhaust fume emissions from the heating plant;
- Internal and external audits of our integrated process management system (recertification audits and a surveillance audit for ISO 9001 and ISO 14001) conducted by Bureau Ver-

itas staff and a surveillance audit for HACCP conducted by SGS staff;

- In 2014, our new FSSC 22000 system was successfully certified by SGS staff and the first surveillance audit was conducted in 2015;
- Sorting waste by type and source and its disposal using licensed collecting organization. Pursuant to the new legislation, we began to use new documentation for all types of waste (registries and data sheets); and
- In 2014, we developed our Protection and Rescue Operating Plan and Assessment of Endangerment of the Population, Tangible and Cultural Goods, and the Environment by Disasters and Major Accidents.

No significant environmental protection investments were made during this reporting period, however, our employees' awareness of the need to optimize our use of natural resources, make constant improvements and prevent and minimize all adverse impacts on the environment, water, air and soil on both the local and global levels remains on a high level. According to the cleaner production methodology, we undertake measures to reduce our use of water and our emissions of pollutants in wastewater.

Irida d.o.o. complies with and implements the provisions of all laws and regulations of the Republic of Croatia and the EU regulating environmental issues and endeavors to improve its treatment of the environment to the extent possible. Environmental management includes proper waste sorting by type and source, ongoing monitoring of energy consumption, and ongoing employee training on rational use.

Materials

EN1: Materials used by weight or volume

The raw materials processed (cleaning, freezing, confectioning, breeding, packing) in Irida are classified as:

- saltwater fish (white and oily),
- other marine organisms (mollusks, crustaceans, crabs and octopuses); and
- meat (chicken, pork and baby beef).

Saltwater fish, other marine organisms and meat are delivered to Irida at a temperature of no more than -18 °C. Freshwater fish is delivered as fresh raw material and is frozen to -18 °C after undergoing the cleaning process in Irida. Unlike the preceding reporting period, we did not process any freshwater fish during this period. This is mainly due to a decrease in the production of freshwater products as a re-

sult of reduced demand, i.e. customers tend not to choose this product.

Type of material used (kg)	2014	2015
Raw materials	3,202,457	3,692,099
Associated process materials	0,315	0,306
Materials for packaging purposes	215,311	261,273
Total	3,418,083	3,953,678

The total amount of raw materials used increased by 14% compared to the preceding reporting period, which is consistent with the increase in total finished product produc-

CATEGORY: ENVIRONMENTAL

Business Group Food

Irida

tion. During the 2014/2015 reporting period, Irida d.o.o. used lubricants for its refrigeration system and vacuuming machines as associated process materials. They are non-chlorinated lubricants for engines and gears based on mineral oil. We also used them in the earlier years. Their use increased by 1% compared to the preceding reporting period. This is a result of increased use of associated process materials and

total finished product production. We also continued to use cardboard and polymeric packaging materials. Compared to the preceding reporting period, the amount of packaging used decreased by 30%. This is mainly due to the fact that we use thermo-film, which is lighter than cardboard boxes we previously used for that purpose.

Energy

EN3: Energy consumption within the organization

Direct energy consumption represents total energy consumption from primary sources (fuel, natural gas and liquefied petroleum gas - LPG).

Irida only uses natural gas. Natural gas is used for heating sanitary water and all indoor areas and is supplied by Darkom d.o.o.

Direct energy consumption by primary source (nonrenewable energy sources)

Year	Fuel (GJ)	Natural gas (GJ)	LPG (GJ)
2014	0	3,502	0
2015	0	4,044	0
Total	0	7,546	0

The total consumption and price of gas include all gas meters at the site (large, small (kitchen) and the gas meter in the drying kiln)). The highest levels of gas consumption are recorded in the winter period (October-March) because gas is needed to heat our indoor areas. Compared to the preceding reporting period, our natural gas consumption decreased by 11%. This is a result of more rational consumption and of dividing a single gas network into two, which allowed us to heat our production plant irrespective of heating in the administration building.

Indirect energy is energy produced outside Irida. In Irida, such energy includes electricity, ammonia, refrigerant and liquid nitrogen.

Electricity is used to power equipment, lighting and machines. HEP Elektra Križ and HEP Opskrba continue to be our suppliers of electricity and we monitor our consumption by using the invoices issued to us.

Indirect energy consumption by primary source (indirect energy obtained and used from nonrenewable energy sources)

Year	Electricity (GJ)
2014	6,886
2015	7,082
Total	13,968

Our electricity consumption has been under 24/7 surveillance since 2012. In this reporting period, our electricity consumption increased by 7% compared to the preceding reporting period as a result of increased production.

Our electricity consumption is consistent with the production of cleaning products because this process uses electricity to power the freezing tunnels (temperatures between -26 °C and -35 °C). Depending on the quantity of products, the tunnel is able to operate up to 15-20 hours a day.

Ammonia is used as refrigerant in the primary refrigeration system. Our refrigeration system is closed. The tanks and pipelines of the closed refrigeration system contain around 300 kg of ammonia. The system is replenished with new quantities of ammonia every year because ammonia is lost when oil is discharged from the compressor. In 2015, Irida's Maintenance Department found it unnecessary to replenish the system. This is why our consumption of ammonia decreased by 31% compared to the preceding reporting period.

Indirect energy consumption by primary source (indirect energy obtained and used from nonrenewable energy sources)

Year	Ammonia (kg)	Liquid nitrogen (t)
2014	1,700	200,170
2015	0	246,760
Total	1,700	446,930

Refrigerant is used as working fluid in the primary refrigeration system. Our refrigeration system is closed. The tanks and pipelines of the closed refrigeration system contain 134.5 kg of the legally permitted substance R404A.

Liquid nitrogen is used for direct freezing of breaded products in the process of making breaded products and our consumption thereof decreased by 10% compared to the preceding reporting period.

This reduced consumption of nitrogen is a result of more rational use after we installed a new breeding line (in mid-2013) and improved our production planning (multiday breeding). The total amount of breaded products made increased by 3% compared to the preceding reporting period.

EN5: Energy intensity

Year	Natural gas		Electricity	
	Consumption (GJ)	Energy intensity (GJ/t)	Consumption (GJ)	Energy intensity (GJ/t)
2014	3,502	1.29	6,886	2.54
2015	4,044	1.24	7,082	2.17
Total	7,546	2.53	13,968	4.71

Energy intensity is expressed as energy used per product unit, such product unit being one ton. This item is new in our 2014/2015 sustainability reporting. We first calculated

it in 2014 and that year will be used as the initial year based on which we will make comparisons with our future calculations of energy intensity (EI).

EN6: Reduction of energy consumption

The 2014/2015 period is the reference period for this indicator. Reduction of reporting period consumption is expressed as an estimate indicating energy consumption per product unit and is compared to the preceding year in which it was calculated in the same manner. A comparison between 2014 and 2015 shows that our energy consumption per product unit decreased by 4% for natural gas and by 15% for electricity compared to 2014.

The initiatives that helped reduce our energy use and increase our energy efficiency were as follows:

- Operational changes (large batches, continuous processes), and
- Changes in employee behavior (awareness, responsibility, training).

To constantly raise awareness of the importance of saving energy, we conduct periodic trainings for our employees and thus remind them of the responsibility for and importance of actions of each individual.

Water

EN8: Total water withdrawal by source

Total water withdrawal by source (m³)

Year	From wells	For process purposes	From the public water supply system	Total volume of water withdrawn
2014	0	0	21,495	21,495
2015	0	0	20,650	20,650
Total	0	0	42,145	42,145

Irida uses water for drinking, as input for production purposes, as process and cooling water, for sanitary purposes, and for washing plants and facilities. We use water from the public water supply system supplied by Darkom d.o.o. of Daruvar for all purposes. Our water consumption is monitored on the basis of the invoices received and also on monthly water meter readings for the purpose of rationalizing our water consumption, and we train our employees in rational use of water. We measure our water consumption internally even when

the plant is not in use (on weekends or holidays) to check the waterproofness of our internal water supply system.

Our water consumption for production purposes remained mostly on the same level. In this reporting period, our water consumption increased by 7% compared to the preceding reporting period. This increase in water consumption is a result of an increase in the total amount of cleaning products (by 11%) we use, which means that our water consumption per product unit was reduced.

EN10: Percentage and total volume of water recycled and reused

Irida does not reuse water and uses no recycled water. We used our best efforts to recirculate water in product, which is used for cooling two packing lines. Water was heated during

the cooling process, so it needed to be re-cooled before reusing it. As the costs of cooling and water were almost equal, we discontinued further recirculation.

Emissions, Effluents and Waste

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

Total direct and indirect greenhouse gas emissions in Irida include emissions from stationary sources.

CO₂ emissions result from the natural gas combustion process (outlet – heating plant smoke exhaust) for the purpose of obtaining heat to heat sanitary water and to heat all indoor areas. CO₂ emissions are calculated on the basis of total gas consumption. In 2015, our natural gas consumption increased by 15% which resulted in an increase in CO₂ emissions by 15%. Compared to the preceding reporting period,

our CO₂ emissions decreased by 12% as a result of reduced gas consumption.

Direct greenhouse gas emissions (t CDE)	2014	2015
Production plants	167.04	192.9
Fuel for transport	0	0
LPG	0	0
Total	167.04	192.9

EN16: Energy indirect greenhouse gas (GHG) emissions (Scope 2)

Indirect greenhouse gas emissions (t CDE)	2014	2015
Electricity	449.16	461.95
Total	449.16	461.95

Our greenhouse gas emissions recorded in this reporting period increased by 7% compared to the preceding reporting period (911.11 t CDE) as a result of increased electricity consumption (increased production).

EN18: Greenhouse gas (GHG) emissions intensity

Greenhouse gas emissions intensity is presented as the amount of emissions of CO₂ or its equivalent (for fuel) in relation to the amount of products produced in 2014 and 2015. The GHG emissions intensity levels are presented for each source of CO₂ air emissions from Irida. Up to this reporting period, we did not report for this requirement, which is why the year 2014 was set as the reference year to be used for comparisons with future GHG emissions intensity levels.

Stationary source – plant chimney

Year	CO ₂ (t)	GHG emissions intensity (t/t)
2014	0,167	0.06 x 10 ⁻³
2015	0.193	0.06 x 10 ⁻³

EN19: Reduction of greenhouse gas emissions

Irida is mostly focused on reducing its greenhouse gas emissions in the winter period when our natural gas consumption and CO₂ emissions are on the highest levels (heating indoor areas).

Saving methods:

- Optimal gas consumption;

- Training for all employees (awareness, responsibility); and
- Collective annual leave (23 December – 7 January).

We did not prepare this indicator in the preceding reporting period. If we compare the amounts of CO₂ and products made in this and the preceding reporting periods, it is clear that our emissions decreased by 20%.

EN20: Emissions of ozone-depleting substances (ODS)

Refrigerant is used as working fluid in the primary refrigeration system. All tanks and pipelines of the closed refrigeration system contain 134.5 kg of the legally permitted R404A.

CATEGORY: ENVIRONMENTAL

Business Group Food

Irida

EN21: NO_x, SO_x and other significant air emissions

According to Article 112 of the Emission Limits Regulations (Official Gazette 117/12, 90/14), we determine the amounts of pollutants in our waste fumes from small heating equipment by periodic measurements conducted at least once in two years. Our NO₂ and CO emissions are a result of natural gas combustion (for heating water and premises). IRI SISAK d.o.o. za istraživanje, razvoj i ispitivanje conducts measurements of pollutant emissions from stationary sources at Irida's site once in two years. The most recent measurement was conducted on 30 October 2014. The concentrations of NO₂ and CO emissions and the fume code were within the required

emission limits. Our NO₂ and CO emissions decreased compared to the preceding reporting period as a result of decreased natural gas consumption.

Year	Air emissions (t)		
	SO ₂	NO ₂	CO
2014	0	0.09	0
2015	0	0.17	0.03
Total	0	0.26	0.03

EN22: Total water discharge by quality and destination

Total wastewater discharge is determined using flow meters. Process wastewater is treated onsite at the wastewater treatment plant (mechanical and physical-chemical procedures) and in the deposit tank facility (mechanical procedure).

Irida has used its own wastewater treatment plant since December of 2013. Waste sludge (code 02 02 04) collected by the flotation device is placed in barrels, stored and disposed of every 2-4 months. Waste sludge collected in the deposit tank is classified as nonhazardous waste (code 19 08 13* → 19 08 14). During this reporting period, we cleaned the deposit tank twice and provided the sludge to a licensed collecting organization.

All treated water was discharged into the city collector through the inspection shaft.

According to its valid water management license, Irida d.o.o. is allowed to discharge water with BOD₅=1500 mgO₂/L and COD=2000 mgO₂/l. In this reporting period, our wastewater was sampled four times and the analysis results were compliant with the requirements of the water management license.

Year	Total water discharge (m ³)
2014	21,495
2015	20,650
Total	42,145

EN23: Total weight of waste by type and disposal method

Irida d.o.o. sorts its waste at its source, collects it separately by type, and temporarily stores it in a designated area. Hazardous and nonhazardous waste is temporarily collected at

the factory site and then provided to an organization licensed to collect, transport, intermediate, treat, use and dispose of waste.

Type of waste	Treatment	Waste disposal contractors	2014 (t)	2015 (t)
Nonhazardous waste	R or D	Agroproteinka, KT, Sekundarne sirovine, Vitrex, KT,	817.72	787.62
Hazardous waste	R	e-Kolektor	16.61	0.44
Total		Zagrebpetrol, KT	834.33	788.06

In 2015, waste sludge from the deposit tank (former code 19 08 13*) was disposed of as nonhazardous waste under code 19 08 14 for the first time. The total amount of nonhazardous waste increased by 21% compared to the previous reporting years. This increase in the amount of nonhazardous waste is a result of increased total production of finished products.

The total amount of hazardous waste recorded in this reporting period increased by 23% compared to the preceding reporting period.

In 2015, the amount of hazardous waste decreased significantly compared to 2014 as a result of the new classification of waste sludge from the deposit tank (19 08 13* → 19 08 14).

Compliance

EN29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

Irida d.o.o. did not receive any sanctions whatsoever during this reporting period for noncompliance with any environmental laws or regulations.

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

Irida d.o.o. does not have its own transport, so all products and other goods and materials owned by Ledo d.d. are transported using their vehicles. Irida does not have organized transport for its workforce members.

Environmental Protection Investments

EN31: Total environmental protection expenditures and investments by type

Year	Waste disposal, emission treatment and remediation costs (HRK)	Prevention and environmental management costs (HRK)
2014	32,456	3,548
2015	36,490	3,054
Total	68,946	6,602

In 2015, our costs of waste disposal, emission treatment, remediation and pollution increased by 12%, mostly as a result of increased prices of disposing of plastic packaging (contaminated film from raw material). Compared to the preceding reporting period, our total costs of disposal, emission treatment and remediation decreased by 37%. This is mainly a result of decreased prices of animal byproduct disposal. That same year, our costs of environmental prevention and management decreased by 14%, mostly as a result of omitting to measure our emissions (we are required to measure them in 2016) and analyze our sludge (we are not required to analyze it because it is no longer classified as hazardous waste). Compared to the preceding reporting period, our total costs of en-

vironmental prevention and management decreased by 34%. The main reasons for this are lower certification prices (HAC-CP is certified at a lower price by SGS), lower analysis prices, and implementation of an electricity consumption screening system in 2012.

In 2015, our total environmental protection expenditures increased by 10%, mostly as a result of higher prices of plastic waste (contaminated). Compared to the preceding reporting period, our total environmental protection expenditures and investments decreased by 37%. This is mainly due to a significant decrease in the price of disposing of animal byproducts.

Activities planned and primary targets for the environmental management system in 2016 and 2017:

- Conduct a second surveillance audit of the quality and environmental management system in 2016 and recertify our quality and environmental management system in 2017;
- Align our integrated quality, food safety and environmental management system with the requirements of ISO 9001:2015 and ISO 14001:2015.;
- Install and put into service a Yamato-Multivac weighing and packing line in 2016;
- In 2016 and 2017, gauge our safety valves and vacuum pressure meters, organize evacuation and rescue drills, and analyze our sludge and wastewater;
- In 2016, measure our air emissions of pollutants and provide the data to the Environmental Protection Agency;
- Maintain the wastewater values (BOD₅ and COD) in compliance with the requirements of the water management license;
- Maintain the present levels of electricity and natural gas consumption (GJ/t of finished product);
- Maintain the present levels of water consumption (m³/t of cleaning product – squid);
- Comply with statutory and other environmental requirements; and
- Conduct internal and external environmental trainings according to the training schedule for the purpose of raising our employees' awareness and improving their competences on all levels of the EMS.

Ledo Čitluk

Ledo d.o.o. Čitluk is a leading producer and distributor of ice cream and other frozen food in Bosnia and Herzegovina, holding the largest market share in all product categories. Its product range includes popsicles and butter and fish packed for retail, while its distribution assortment is supplemented by products provided by its parent company Ledo d.d. Zagreb – ice cream, vegetables, fruits, dough, fish, and readymade meals. As of 2015, its distribution assortment has been enhanced by products supplied under the popular Jami brand of Bosnia and Herzegovina, a leader in the production of traditional frozen dough products. Its overall distribution assortment comprises approximately 600 products distributed at approximately 13.500 stores.

The year 2014 was particularly difficult for business in Bosnia and Herzegovina. Natural disasters that affected a large part of the country caused substantial damage and deepened the economic crisis. The unfavorable market conditions also reflected on our business, so our production decreased compared to the earlier years, and adversely affected our indicators within the environmental management system. Substantial efforts were used to improve our business performance. Compared to 2013, the number of our customers and active supply points decreased by 13%, which is an additional indicator of the difficult economic situation.

Our business results in 2015 were better than those in 2014, however, the total quantity of products made is still below the figures recorded in the earlier years as a result of more finished product inventories. The reduced scope of production in both years also resulted in negative trends with respect to consumption intensity and emissions per ton of finished product as we use energy for other processes within the company as well.

By enlarging our distribution assortment, we increased the total amount of distributed products compared to the preceding reporting period. Good planning of transport routes and distribution optimization resulted in good indicators of fuel consumption intensity and emissions per ton of distributed product.

In late 2015, new guidelines for calculating emissions from stationary sources were adopted in line with the EU guidelines. As our former calculation of emissions was performed according to a slightly different principle due to our use of heating oil, we performed new calculations for both reporting periods to be able to logically compare and address any variations.

The activities planned for this reporting period were based on our plans to reorganize the production plants across Ledo Group. By changing our business decision and retaining the existing product range, we were forced to revise our plans in the area of environmental protection as well.

The following results were achieved during the preceding reporting period:

- We invested funds in improvement of our waste storage facilities, which was a condition precedent to obtaining a license to export fish to the EU;
- We began to fit out our municipal waste area and solve the problem of the pallets accumulated in 2014;
- We obtained a new water management license for a period of five years;
- We introduced a system for satellite monitoring of chamber

temperatures in Tešanj and Tuzla;

- After analyzing the situation and planning our activities, we made a positive shift in the management of refrigerant consumption – its total consumption was reduced by 26.5% in 2015 compared to 2014. We did, however, record an increase in consumption by 26.2% compared to the preceding reporting period as a result of obsolete equipment;
- We reduced our fuel consumption per turnover by 17.7% compared to the preceding reporting period;
- We reduced our consumption of water used to make ice cream and pack butter by 13.2% compared to the preceding reporting period;
- We installed new paper dispensers to save paper used to dry hands. We installed 19 new dispensers (Warehouse, Production, Maintenance) which should significantly reduce our wasting of paper;
- We transferred the hydrophore pump to the heating plant area to protect it against frost and to prevent pipes from breaking in wintertime;
- We conducted the planned trainings, all measurements required by law, and internal audits;
- We partially revised our documentation and thus simplified the monitoring of all planned activities in all parts of the system;
- No nonconformities were found during the recertification audit of the system, only minor errors that were rectified very soon. We also successfully completed our first surveillance audit in 2015.

The time limits for additional investments in the municipal waste area and alignment of documentation with the changes to ISO 14000:2015 were extended.

Management systems of Ledo d.o.o. Čitluk:

QUALITY MANAGEMENT SYSTEM

Our quality management system developed under the guidelines of ISO 9001:2000 was first certified in 2003 (DNV). The fourth recertification and the first surveillance audit were successfully completed in 2014 and 2015 by the Bureau Veritas international certifying organization.

HACCP SYSTEM

The management system developed under the guidelines of Codex Alimentarius was first certified in 2005. The fourth recertification and the first surveillance audit were successfully completed in 2014 and 2015.

ENVIRONMENTAL MANAGEMENT SYSTEM

Our environmental management system developed under the guidelines of ISO 14001: 2004 was first certified in 2009 (BV). The second recertification and the first surveillance audit were successfully completed in 2014 and 2015 by the Bureau Veritas international certifying organization.

HALAL SYSTEM

Aiming to meet the market demands, we implemented a Halal system in 2011 and 2012 in cooperation with consultants. The Halal system was implemented according to BAS 1049:2010 and certified by the Halal Quality Certification Agency. The Halal system has been successfully recertified on an annual basis.

Materials

EN1: Materials used by weight or volume

As regards our production of ice cream, the year 2014 was extremely difficult, which also affected our overall performance in the current reporting period, although our production in 2015 increased by 9.8% compared to 2014 and our consumption of materials used by 7.2%. Ice cream sales increased significantly in 2015, but we recorded lower production levels compared to the preceding reporting period as a result of inventories left over after 2014. This also resulted in reduced consumption of raw materials, oil and lubricant, and packaging materials, by 5.9% compared to the preceding reporting period. All raw materials and some packaging

materials used originate from renewable natural sources and the oil, lubricant and plastic packaging materials are derived from nonrenewable sources.

Type of material used (kg)	2014	2015
Raw materials	1,540,772	1,632,319
Oil and lubricant	90	430
Materials for packaging purposes	134,094	161,999
Total	1,674,956	1,794,748

Energy

EN3: Energy consumption within the organization

Our total energy consumption slightly decreased in 2015 compared to 2013, by 0.6%. We recorded a noticeable increase in electricity consumption by 2.4% and a decrease in fuel consumption by 1.3% and heating oil by 4.9%. The increase in energy consumption even while the production levels are lower is a result of an increased scope of distribution in 2015.

Fuel and heating oil are obtained from nonrenewable natural sources.

We presently use 5.5 tons of ammonia in our closed system for production purposes. After its introduction in

1998, the system was replenished in 2015 for the first time with 1.5 t.

Total energy consumption (GJ)	2014	2015
Fuel (GJ)	25,556	27,283
Heating oil (GJ)	1,728	1,846
Electricity (GJ)	8,304	9,155
Total	35,588	38,284

EN5: Energy intensity

We monitor our energy intensity on the basis of our consumption of energy per ton of product made or distributed. The figures concerning our electricity consumption relates to all processes within the company. If presented in relation to the reduced scope of production, we have an increase by 11.4% per finished product unit. Our consumption of heating oil in relation to production increased by 3.6%.

Our fuel consumption is decreasing despite the increased amount of distributed products, which indicates good transport organization. Our fuel consumption per turnover

decreased by 17.7% compared to the preceding reporting period.

Energy intensity (GJ/t products sold)	2014	2015
Fuel	2.121	1.869
Heating oil	0.958	0.931
Electricity	4.600	4.617

CATEGORY: ENVIRONMENTAL

Business Group Food

Ledo Čitluk

Water

EN8: Total water withdrawal by source

Year	Public water supply system	Total volume of water withdrawn
2014	12,314	12,314
2015	12,557	12,557
Total	24,871	24,871

Ledo d.o.o. Čitluk is only supplied with water from the public water supply system of the Municipality of Čitluk for its in-

ternal purposes and does not have a water recycling system in place. Our water consumption decreased by 4.9% compared to the preceding reporting period, which is partly a result of a reduced scope of production and partly a result of consumption rationalization. An analysis of the figures recorded on our internal meters led to the conclusion that our water consumption for ice cream production and butter packing (L/kg of finished product) purposes decreased by 13.2% compared to the preceding reporting period.

Emissions, Effluents and Waste

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

Direct greenhouse gas emissions (t CO ₂ e)	2014	2015
Fuel for transport	1,565	1,671
Heating oil	127	135
Total	1,692	1,806

EN16: Energy indirect greenhouse gas (GHG) emissions (Scope 2)

Indirect greenhouse gas emissions (t CO ₂ e)	2014	2015
Electricity*	1,675	1,847
Total	1,675	1,847

*The emission coefficient values were used according to the EMEP/EEA Air Pollutant Emission Inventory Guidebook (for all sectors), 2009 (<http://www.eea.europa.eu/publications/emep-eea-emission-inventory-guidebook-2009>).

Direct greenhouse gas emissions depend on energy consumption, i.e. on the levels of production and turnover, so they also decreased by 1.5% compared to the preceding reporting period, while indirect greenhouse gas emissions associated with our electricity consumption increased slightly, by 2.4%, as a result of increased electricity consumption due to an increase scope of distribution.

EN18: Greenhouse gas (GHG) emissions intensity

Greenhouse gas emissions intensity (t CO ₂ e / t prodanih proizvoda)	2014	2015
Fuel	0.130	0.114
Heating oil	0.070	0.068
el, energija	0.928	0.932

Like energy intensity, greenhouse gas emissions intensity associated with the production process increased compared to the preceding reporting period, while the intensity of emissions associated with sales decreased by 17.7%.

EN20: Emissions of ozone-depleting substances (ODS)

Of all refrigerants used in our refrigeration systems, only R-22 has ODP in excess of 0. It is used to operate two stationary refrigeration devices. Its consumption decreased significantly compared to the preceding reporting period.

Amount of refrigerant (kg)	2014	2015
R22 (ODP 0.05)	182	30

CATEGORY: ENVIRONMENTAL

Business Group Food

Ledo Čitluk

EN21: NO_x, SO_x and other significant air emissions

Year	Air emissions (t)	
	SO ₂	NO ₂
2014	0.412	0.222
2015	0.439	0.237

Our emissions of nitrogen and sulfur oxides decreased by 5% as a result of a reduced scope of production.

EN22: Total water discharge by quality and destination

Year	Total water discharge (m ³)
2014	6,023
2015	7,854
Total	13,877

Reduced water consumption resulted in a decrease in wastewater levels by 2.7% compared to the preceding reporting period. Wastewater is collected in collection tanks which are evacuated and treated by the public wastewater treatment plant.

EN23: Total weight of waste by type and disposal method

Type of waste	Treatment	Waste disposal contractors	2014 (t)	2015 (t)
Nonhazardous waste	R3, R4, R5	JKP BROČANAC, CIBOS, DUGA, ZEOS	178.51	166.29
Hazardous waste	D10, D15, R1,R4	KEMIS, ZEOS, TRITON	1.23	0.57
Total			179.74	166.86

The total amount of waste disposed of decreased by 11.2% compared to the preceding reporting period, primarily as a result of reduced amounts of nonhazardous waste, which is to a certain extent a result of a reduced scope of production,

but also of improved waste management in 2015. In 2014, we disposed of some of the hazardous waste generated in 2013. Hazardous waste amounts are directly related to oil and spare part replacements, which are not performed every year.

Compliance

EN29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

No fines or non-monetary sanctions were imposed for noncompliance with any environmental laws or regulations in 2014 and 2015.

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

Year	Fuel for transport (GJ)	Total CO ₂ emissions (t CDE)
2014	25,556	1,565
2015	27,283	1,671
Total	52,839	3,236

Ledo uses a total of 176 vehicles for its purposes, 87 of which are freight vehicles which have the highest fuel consumption. The fuel we use is diesel. We systematically monitor our fuel consumption levels and plan our distribution routes. After we optimized our transport costs, our fuel consumption decreased by 1.2% despite the increased scope of distribution. Our CO₂ emissions are consistent with our fuel consumption.

Environmental Protection Investments

EN31: Total environmental protection expenditures and investments by type

Year	Waste disposal, emission treatment and remediation costs (EUR)	Prevention and environmental management costs (EUR)
2014	36,268	2,382
2015	34,862	2,585
Total	71,130	4,967

Our total environmental protection expenditures and investments in 2014 amounted to EUR 38,649, compared to EUR 37,447 in 2015, which is less than in 2013 because of the substantial investments we made in our product plant at the time.

Certain expenditures for measurements and analyses were somewhat higher compared to the preceding reporting period, amounting to EUR 7336 EUR in 2014 and EUR 7449 in 2015. The difference in these amounts is a result of differences in the frequency of conducting certain mandatory measurements – some measurements are conducted every two years and some every three years.

Our waste management costs were somewhat higher because in 2014 we disposed of hazardous waste generated in 2013. Our waste disposal cost in 2014 was EUR 6299, compared to EUR 6221 in 2015.

Our expenditures for government charges increased significantly compared to the preceding reporting period after new regulations on charges payable by the relevant entities were issued. Our total expenditures for such charges amounted to EUR 22,723 in 2014, compared to EUR 22,287 in 2015, which is approximately 50% more.

Our expenditures for periodic system checks remained at nearly the same level – EUR 758 in 2014 and EUR 779 in 2015.

Targets and plans for the next reporting period:

Our company's fundamental goal is to meet our customers' demands, produce safe food and utilize natural resources in an efficient and environmentally acceptable manner. For that purpose, we set annual targets every year, define programs, responsible persons and time limits for their accomplishment, and always supervise their implementation. Any discrepancies are addressed, plans are revised as appropriate, and new targets and tasks are set.

In the next reporting period, we plan to accomplish the following targets:

- Complete the waste management improvement activities started and align the system with the provisions of the new edition of ISO14001:2015;
- Integrate our implemented systems more deeply and reduce our documentation to ensure better management efficiency and improve our communication;
- Optimize our ice cream production activities by installing an addition freezer of a larger capacity;
- Improve our energy efficiency by installing an exhaust outlet above the chamber to obtain natural ventilation and reduce the impact of outside temperature;
- Purchase additional protective equipment for handling ammonia;
- Repair the electrical system at the site to increase the level of workplace safety and ensure uninterrupted electricity supply; and
- Analyze our electricity consumption within the air conditioning system in the administration building and use the results to plan appropriate activities to reduce our electricity consumption.

Belje

Belje d.d. was established 319 years ago. Since it became a member of the Agrokor Group in 2005, Belje has been building its future within the system of the largest food producer in this part of Europe. Not only does Belje apply some of the cutting-edge global technologies, the company also follows the healthy food production trend and the environmental standards. Moreover, it is completely market-oriented. All production processes performed by Belje have been modernized, while some have been discontinued. Most of the funds have been invested in the renewal of the company's primary business activities – crop and livestock farming. After being financially strengthened and having further improved its position in the market, Belje gained the support and the momentum needed for further growth and development.

The company's food, crop and livestock production business is divided in profit centers (PC):

- production of dry-cured meat products (Baranjka PC);
- production of mill products (Mill PC, 2014), drying and storing of grains and oil plants (Križevci Mill PC, 2014 and 2015; Fodder Factory PC, Beli Manastir silos, 2015);
- viticulture, wine production (Wine Cellar PC);
- fodder production, drying and storing of grains and oil plants (Fodder Factory PC, Agropregrada Ivanić Grad Business Unit (BU), Popovača silos);
- dairy production (Dairy Factory PC);
- field and vegetable crop farming, seed enhancement (Crop Farming PC: Brestovac-Karanac BU, Mirkovac BU, Širine-Knežev BU, Poljanski lug BU, Sjemenaštvo BU, Mitrovac Greenhouse BU);
- pig farming and fattening (Pig Farming PC; farms: Kozarac, Darda 1, Sokolovac, Brod Pustara 1, Brod Pustara 2, Malo Knežev, Gradec 1, Gradec 2, Haljevo, Gaj and Podlugovi);
- calf farming and young cattle fattening (Young Cattle Fattening PC; farms: Eblin, Hatvan, Mala Karašica, Sudaraž and Poljanski lug);
- dairy farming and milk production (Dairy Farming PC; farms: Topolik, Čeminac, Popovac, Zeleno polje, Prosine, Karanac and Mitrovac);
- servicing, maintenance and sale of agricultural machinery and equipment (Service and Repair PC);
- veterinary supervision services associated with livestock farming, collection of animal waste (Belje Agro-Vet d.o.o., a daughter company).

Recertification of the company's ISO 9001 and ISO 14001 systems is performed every three years, while surveillance audits are conducted in the meantime. Certification in accordance with the GlobalGap, IFS Food, Kosher and Halal Standards is performed every year. The HACCP certificate is issued for a period of three years, while surveillance audits are conducted in the meantime.

The ISCC certification audit was conducted by Bureau Veritas and it confirmed Belje's compliance with the requirements of the ISCC Standard. ISCC is the leading certification

system that covers the entire supply chain and all types of bio raw materials and renewable energy sources. Independent third-party certification also ensures compliance with high environmental and social requirements regarding sustainability, reduction of greenhouse gas emissions and traceability in the supply chain.

- DUNAV SOJA - The Dunav soja (DS) certification audit was also conducted by Bureau Veritas and it confirmed Belje's compliance with the requirements of the DS Standard. Dunav Soja is an international non-profit organization established in Vienna in 2012. The organization's goal is to promote sustainable cultivation of GMO-free soybeans in Europe. The Dunav Soja Standard was established as the basis for further efforts to achieve that goal.
- The GlobalGap livestock certificate was issued for the following periods: November 30, 2011 - February 10, 2015 and February 10, 2015 - November 29, 2015. The GlobalGap crops certificate was issued for the following periods: December 21, 2013 to December 20, 2014 and December 21, 2014 to December 20, 2015.
- The HACCP certificate was issued for the period from 2012 to 2015, and the surveillance audit was conducted in the period from October 1-3, 2014. The IFS Food certification audit (Dairy Factory PC) was conducted from October 20 - 22, 2015, and the certificate was issued for the period ending on December 16, 2015.
- The Kosher certificate (Dairy Factory PC) was issued for the period from November 1, 2013 to November 1, 2014 and from November 1, 2014 to November 1, 2015, whereas the Kosher certificate issued for the Križevci Mill PC was issued for the period from May 17, 2014 to May 17, 2015.
- The Halal certificate for the Dairy Factory PC was issued for the following periods: December 10, 2013 - December 10, 2014 and December 10, 2014 - December 10, 2015.

As far as the plans set for this reporting period are concerned, it can be asserted that the Mitrovac business complex, which includes one of the biggest dairy farms in Croatia, a greenhouse and a biogas plant owned by Agrokor – Energija d.o.o., is in full operation (as has been since October 2013). By building a biogas plant, the company solved the problem concerning the disposal of the slurry from the farm and other industrial by-products, which are now disposed of in an ecologically acceptable and environmentally friendly manner. The company still strives to maintain the volume of water consumed per unit produced at the existing level, but the main goal is to reduce the consumption of natural resources and energy sources, which is expected to result in a reduction of costs and emissions as well. In 2014, the Baranjka PC converted from extra light heating oil to natural gas, while the biogas plant owned by Agrokor Energija d.o.o., located in the immediate vicinity of the Popovac farm, was commissioned in 2015. Furthermore, LPG was replaced by natural gas, mainly at the Pig Farming PC.



Materials

EN1: Materials used by weight or volume

Type of material used (kg)	2014	2015
Raw materials	244,011,101	243,756,920
Associated process materials	28,350,275	29,959,259
Materials for packaging purposes	1,392,583	1,476,015
Total	273,753,959	275,192,194

If this reporting period is compared to the previous one (2012 and 2013) in terms of the total values referred to in Section EN1, it is evident that the amount of materials used by weight or volume increased in 2014 and 2015 by 4.49%. If the two years covered by this report are considered separately, it is evident that, compared to 2014, the amount of mate-

rials used by weight or volume increased by 0.53% in 2015. Changes in the structure of the company's production program resulted in an increased use of associated process materials by 5.68% and materials used for packaging purposes by 5.99% in 2015. Belje ensures a complete „from the field to the table“ production cycle (unprocessed milk, a dairy farm product, is used as a raw material in milk production, just as the crops are used as raw materials in the fodder factory, etc.). The primary production output is delivered to the factories in bulk, while finished products are launched packed in different quantities (grams/volume). Therefore, the smaller amount of raw materials used in 2015 was packed in a large number of small packages, which is why consumption of packaging material and associated process materials grew.

Energy

EN3: Energy consumption within the organization

Year	Fuel (GJ)	Natural gas (GJ)	LPG (GJ)
2014	158,844	117,095	20,143
2015	126,540	122,014	18,943
Total	285,384	239,109	39,086

Year	Electricity (GJ)
2014	98,471
2015	101,216
Total	199,687

Compared to the preceding reporting period, fossil fuel consumption decreased by 43.64%, natural gas consumption increased, consumption of LPG consequently decreased by 45.16%, while electricity consumption decreased by 0.75%. If the two years covered by this report (2014 and 2015) are considered separately and compared, a further decrease in fossil fuel consumption (by 20.34%) and an increase in natural gas consumption are evident. This was expected because the Baranjka PC converted from extra light heating oil to natural gas. The Malo Kneževno and Podlugovi pig farms also switched to natural gas. As a result, LPG consumption automatically decreased. The consumption of electricity increased by 2.79% compared to 2014 since the Mitrovac Greenhouse BU (Field Crop Farming PC) was put into operation.

EN5: Energy intensity

Year	Energy intensity GJ/t
2014	0.533
2015	0.539

Only the two years covered by this report were compared since the relevant indicator was not presented in the report for 2012 and 2013. Energy intensity for 2015 was calculated by dividing total energy consumption within the organization (numerator), as shown in Section EN3, by total production (denominator) recorded in 2015. The result is as follows:

$$\text{Energy intensity (GJ/t)} = \Sigma \text{EN32015} / \text{total production 2015} \\ = 368.713 \text{ GJ} / 684.087 \text{ t} = 0.539 \text{ GJ/t}$$

Energy intensity for 2014 was calculated by dividing total energy consumption within the organization (numerator) by total production (denominator) recorded in 2014. The result is as follows:

$$\text{Energy intensity (GJ/t)} = \Sigma \text{EN32014} / \text{total production 2014} \\ = 394.553 \text{ GJ} / 739.603 \text{ t} = 0.533 \text{ GJ/t}$$

If the two reporting years are compared, it can be noticed that, compared to 2014, energy intensity increased by 1.03% in 2015. The conditions in 2014 and 2015 were not the same. In the course of 2015, agrotechnical measures were performed on the same parcels of land as in 2014, but the yields were smaller, which had an effect on energy intensity (smaller yield compared to energy consumed - fuel).

CATEGORY: ENVIRONMENTAL

Business Group Food

Belje

EN6: Reduction of energy consumption

The Baranjka PC converted from heating oil to more ecologically acceptable and environmentally friendly natural gas. The Dairy Factory switched from mazut to natural gas, thus resolving a huge environmental issue. The new and reconstructed farms use natural gas for heating purposes. The company cars are new and have smaller engines, which results in a reduced diesel fuel consumption. Moreover, Belje uses satellite navigation to control the consumption of fuel and movements of company vehicles. Significant amounts of wastewater produced as a result of washing the milk pipes on dairy farms are transported to the two biogas plants owned

by Agrokor Energija d.o.o. on the territory of Baranja. In this manner, the company achieves cost savings since there is no need to use the services of a licensed waste disposal contractor. Some of the slurry from pig farms is also transported to be used for electricity production purposes. The energy generated during electricity production is used to heat the Mitrovac Greenhouse BU where tomatoes are grown. Furthermore, the company has installed wastewater treatment plants in some of its production plants. Such facilities are used to treat wastewater before it is released in the environment (Wine Cellar PC, Dairy Farming PC).

Water

EN8: Total water withdrawal by source (m³)

Year	From wells	For process purposes	From the public water supply system	Total volume of water withdrawn
2014	671,697	0	188,654	860,351
2015	874,182	0	203,116	1,077,298
Total	1,545,879	0	391,770	1,937,649

Water is used for drinking, personal hygiene and sanitary purposes, livestock watering, for production purposes as well as for washing plants and other facilities. If total consumption recorded in this reporting period is compared to total consumption recorded in the preceding reporting period, it is evident that to-

tal water withdrawal by source increased by 15.95%. If the two reporting years covered by this report are considered separately and compared, it is evident that water consumption increased by 25.22% in 2015 (monitoring perimeter: Mitrovac farm (Dairy Farming PC) and Mitrovac Greenhouse BU (Crop Farming PC)).

Biodiversity

EN11: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

The total surface area of sites leased in protected areas of the Kopački rit Nature Park is 1274 ha. In addition to crop farming, the company also performs cattle production activities in this area. Cattle production is performed in accordance with nature, i.e. the company applies the so-called „cow-calf production system“. The relevant herd mainly consists of Hereford cows. This project is also special because it includes eight Slavonian-Srijem Podolian cows, which is an authentic breed. The company boasts some of the rare examples at the national level. The Eblin farm (Young Cattle Fattening PC) is located in the immediate vicinity. Belje's production activities in this protected area are performed in accordance with the Cultivation Plan approved by the competent Min-

istry. The mentioned Plan is prepared and approved for each business year and includes the proposed mandatory measures to be conducted during the production process. The company owns a restaurant on the outer edge of the Kopački rit Nature Park (Kormoran Restaurant). In 2014, the restaurant implemented the ISO 14001:2004 Standard, thus raising its value and confirming that its activities are performed in accordance with the relevant ecological and environmental requirements. The restaurant fully blends with the surrounding environment. The purpose of the above mentioned efforts and initiatives is to contribute to the preservation of natural resources, reduction of soil, water and air pollution, and maintenance of biodiversity.

EN12: Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas

The Environmental Impact Studies, which refer to the construction of new production facilities, confirm that the activities performed by Belje do not have a significant impact on biodiversity. The Pig Farming PC, subject to the IPPC Directive, complies

with all the relevant requirements, while all pig farms have obtained the Environmental Permit. The company has also applied for the Environmental Permit for its Fodder Factory PC in Darda. The application process is currently in its final stages.

Emissions, Effluents and Waste

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

Direct greenhouse gas emissions (t CDE)	2014	2015
Production plants	5,828	6,531
Fuel for transport	10,176	9,081
LPG	1,512	1,132
Total	17,516	16,744

Compared to the preceding reporting period, the amount of direct greenhouse gas emissions (expressed in t CO₂ e) decreased by 6.73% in this reporting period. If the two years covered by this report are considered separately and compared, it is evident that total air emissions decreased by 4.41% in 2015 as a result of conversion from LPG to natural gas.

EN16: Energy indirect greenhouse gas (GHG) emissions (Scope 2)

Energy indirect greenhouse gas emissions (t CO ₂)	
2014,	6,429
2015	6,601
Total	13,030

Since energy indirect emissions also refer to the electricity that Belje purchases from HEP (Croatian national electricity distribution company) and uses in its production processes, the amount of energy indirect emissions in (t) CO₂ is presented as the amount of the mentioned energy consumed. In 2015 and 2014, the company consumed 28,115.606 MWh and 27,380.17 MWh respectively.

The result for 2014 was calculated as follows:

$$27.380,17 \text{ MWh} \times 234,81 \text{ kg CO}_2/\text{MWh} = 6.429.137,71 \text{ kg CO}_2 \text{ or } 6.429,13 \text{ t CO}_2$$

The result for 2015 was calculated as follows:

$$28.115,61 \text{ MWh} \times 234,81 \text{ kg CO}_2/\text{MWh} = 6.601.826,38 \text{ kg CO}_2 \text{ or } 6.601,83 \text{ t CO}_2$$

Compared to 2014, the company recorded a 2.69% increase in total energy indirect emissions of CO₂ in 2015. The recorded increase in energy indirect greenhouse gas emissions in 2015 was, among other reasons, also caused by the commissioning of the Mitrovac Greenhouse BU (Crop Farming PC) that same year.

EN18: Greenhouse gas (GHG) emissions intensity

Year	Emissions of CO ₂ (t / unit produced)
2014	0.03238
2015	0.03413
Total	0.06651

Only the two years covered by this report were compared since the relevant indicator was not presented in the previous report. *Total emissions of CO₂ = direct emissions of CO₂ + indirect emissions of CO₂*

$$\text{Greenhouse gas emissions intensity} = \text{total emissions of CO}_2 \text{ in 2015} / \text{total production in 2015}$$

$$\text{Greenhouse gas emissions intensity in 2015} = 23,346.48 \text{ t} / 684,087 \text{ t} = 0.03413$$

$$\begin{aligned} \text{Greenhouse gas emissions intensity} &= \text{total emissions of CO}_2 \text{ in 2014} / \text{total production in 2014} \\ \text{Greenhouse gas emissions intensity in 2014} &= 23,945.73 \text{ t} / 739,603 \text{ t} = 0.03238 \end{aligned}$$

If the two reporting years are compared, it is evident that total emissions of CO₂ recorded in 2015 increased compared to total emissions of CO₂ recorded in 2014.

In spite of the reduction in the volume of production and fuel consumption recorded in 2015, the intensity of greenhouse gas emissions slightly increased due to an increase in natural gas (direct emissions) and electricity (indirect emissions) consumption.

EN19: Reduction of greenhouse gas emissions

If 2014 and 2015 are compared taking into consideration indicators EN15 (Direct greenhouse gas (GHG) emissions – t CO₂ e) and EN3 (Energy consumption within the organization), it is evident that total direct air emissions increased by

4.41% in 2015 as a result of the conversion from LPG to natural gas.

Total air emissions from LPG expressed in t CO₂ e decreased by 25.13%, which was expected since the company almost fully converted from LPG to natural gas.

EN20: Emissions of ozone-depleting substances (ODS)

The ecologically acceptable and environmentally friendly freon R404A and ammonia, used as refrigerants in the cooling systems of the Baranjka PC, Dairy Factory PC and Wine Cellar PC (only the freon), produce no harmful or adverse environmental impacts. The closed cooling system of the Dairy

Factory PC uses 435 kg of freon and 2000 kg of ammonia, while the cooling system of the Baranjka PC uses 60 kg of freon and 1500 kg of NH₃. The amount of the relevant freon used for cooling purposes at the Wine Cellar PC is 435 kg. In 2014 and 2015, the systems were not replenished.

EN21: NO_x, SO_x and other significant air emissions

The values for 2014 were taken from the Environmental Pollution Register database and include the verified values for sites required, in accordance with the law and the prescribed thresholds, to report data on air emissions. In 2015, due to changes in legal regulations, all sites that generate air emissions, regardless of whether the recorded values were above or below the statutorily prescribed threshold, were taken into consideration. In 2014, the sites that recorded air emissions below the prescribed threshold were not taken into account. Consequently, the amount of total direct and indirect greenhouse gas emissions by weight recorded in 2014 was smaller compared to 2015.

Year	Air emissions (t)		
	SO ₂	NO ₂	CO
2014	0.700	2.537	0.223
2015	0.752	3.930	0.852
Total	1.452	6.467	1.075

EN22: Total water discharge by quality and destination

Compared to the preceding reporting period, total water discharge increased by 5.95% in this reporting period. If the two years covered by this report (2014 and 2015) are considered separately and compared, it is evident that total water discharge increased by 22% in 2015 as a result of the inclusion of the Mitrovac farm (Dairy Farming PC) in the measuring and monitoring perimeter and an increase in the volume of production recorded in 2015 at the Dairy Farming PC.

Year	Total water discharge (m ³)
2014	432,948
2015	528,181
Total	961,129

As far as quality and destination are concerned, wastewater is divided into sanitary and process wastewater.

Sanitary wastewater is collected in watertight collection pits which are emptied by a waste disposal contractor and transported to the wastewater collection facility in Beli Manastir or Osijek.

Process wastewater is discharged into municipal sewage: Baranjka PC, Dairy Factory PC, Križevci Mill PC, Service and Repair PC, and Agropromerada BU.

Process and sanitary wastewater produced at the Wine Cellar PC is directed to the biological wastewater treatment plant, from where it is released into the melioration channel. Wastewater produced in handling areas and the heating plant of the Fodder Factory PC are directed through an oil separator and a multi-componential sedimentation tank into the melioration channel, while sanitary wastewater is collected in watertight collection pits emptied, as required, by a waste disposal contractor and transported to the wastewater collection facility in Beli Manastir or Osijek. Process water produced as a result of washing filters at sites with wastewater treatment plants are released to the closest melioration channels through a multi-componential sedimentation tank. Wastewater treatment plants have been installed on farms within the system of the Pig Farming PC (Darda 1, Kozarac, Gaj, Haljevo, Sokolovac, Brod Pustara 1, Gradec 1), Dairy Farming PC (Topolik, Mitrovac, Čeminac) and Young Cattle Fattening PC (Potok). Process wastewater produced as a re-

CATEGORY: ENVIRONMENTAL

Business Group Food

Belje

sult of washing milk pipes is collected in watertight collection pits emptied by a waste disposal contractor and transported to the wastewater collection facility in Beli Manastir or Osijek. Watertight collection pits have also been installed on farms operating as part of the Dairy Farming PC: Topolik, Čeminac and Zeleno Polje. Process wastewater produced as a result of washing the milk pipes on the Mitrovac and Popovac farms are, on the other hand, collected and transported to the biogas plant owned by Agrokor energija to be used as raw materials in electricity production.

Wastewater produced after washing the stables and the slurry produced at the Pig Farming and Dairy Farming PCs (Topolik and Mitrovac farms) are collected in large tanks. After fermentation, they are applied to agricultural areas.

In accordance with the water discharge license, Belje is required to test the quality of wastewater discharged. The results of the analysis conducted were in compliance with maximum amounts allowed.

EN23: Total weight of waste by type and disposal method

Type of waste	Treatment	Waste disposal contractors	2014 (t)	2015 (t)
Nonhazardous waste	R 3,4, 5,13	UP-OS, HR, EFP, DI, BČ-BM, KB, BV,VITREX, CeZaR, BE-AV	2,968.00	2,649.00
Hazardous waste	D 9,10,15	CIAK, Flora VTC (M-Z RJ VU)	43.28	50.08
Total			3,011.28	2,699.08

Compared to the preceding reporting period, the total amount of non-hazardous waste generated by the company decreased by 33.1%, while the total amount of hazardous waste decreased by 25.6%. The company produced a total of 2,649 t of non-hazardous waste in 2015 and 2,968 t in 2014, which represents a

total decrease of 10.75%. The total amount of hazardous waste produced in 2015 was 50.08 t and 43.28 t in 2014. In total, the amount of hazardous waste produced by the company (waste motor oil) in 2015 increased by 15.71% as a result of regular maintenance of agricultural machinery.

Compliance

EN29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

No incidents of non-compliance were identified by the environmental inspectors for any of the sites visited. The inspectors were provided access and insight into all the requested documents. The Environmental Protection Department, which operates as part of the Governance Division, follows the news about environmental protection laws and regulations daily by checking the website of the Official Gazette of the Republic of Croatia. It also keeps a record of the activi-

ties performed in that regard. The company ensures that an assessment of compliance with the statutory requirements and requirements prescribed under Section 4.3.2. of the ISO 14001:2004 Standard is performed. The company also makes efforts to ensure further employee education at all levels, with the aim of achieving continuous progress and development. Prevention, which is considered extremely important, is achieved through education and systematic monitoring.

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

Year	Fuel for transport - company vehicles (GJ)	Total CO ₂ emissions (t CDE)
2014	140,727	10,176
2015	125,588	9,081
Total	266,315	19,257

The analysis focused on the emissions of CO₂ as the primary emissions from fuel combustion. If the reporting periods are compared, it can be noticed that total emissions of CO₂ decreased by 55%. This is due to the fact that the analysis made for the preceding reporting period also included the emissions produced by the company's own transportation system (Beljetrans PC). If 2014 and 2015, the two years covered by this report, are considered separately and compared, it can be noticed that total emissions of CO₂ decreased by 10.76%. The recorded decrease is a result of the sale of the company's transportation business, i.e. Beljetrans Profit Center.

Environmental Protection Investments

EN31: Total environmental protection expenditures and investments by type

Year	Waste disposal, emission treatment and remediation costs (HRK)	Prevention and environmental management costs (HRK)
2014	3,401,632	1,701,379
2015	2,185,618	5,394,113
Total	5,587,250	7,095,492

If the values recorded in 2015 and 2014 are compared, it can be noticed that waste disposal, emissions treatment and remediation costs decreased by 35.75%, while the prevention and environmental management costs grew by 217.04%. The recorded increase in prevention and environmental management costs is a result of significant investments in the Pig Farming PC (replacement of the ventilation system at the

Gradec 1 farm), Dairy Farming PC (procurement of scrapers for solid slurry at the Topolik farm), and Baranjka PC (energy source conversion). Compared to the preceding reporting period, waste disposal, emissions treatment and remediation costs decreased by 19.9% and prevention and environmental management costs decreased by 11.4% in this reporting period.

Plans for 2016 and 2017

- Implementation of the ISO 50001:2011 Standard;
- Pig farm capacity increase: Gaj, Haljevo and Darda 1;
- Young cattle fattening farm capacity increase: Hatvan, Sudaraž, Potok and Poljanski lug;
- Capacity increase and construction of a new compression station at the Baranjka PC.

Significant attention will continue to be devoted to sustainable development and optimization of technological processes. Implementation of the ISO 50001:2011 Standard, currently being in the initial phase, will contribute immensely to these efforts.

Agrolaguna

Agrolaguna d.d., a member of the Agrokor Group, is the largest Istrian wine producer, and the company also produces extra virgin olive oil and cheese.

Most of the production takes place between the Lim Channel in the south and the Mirna River in the north. In this area, the company has vineyards, olive orchards, vegetable plantations and fields where crops used for purposes of the company's own sheep farm are grown. The benefits of the Istrian soil and climate, in combination with the expertise and know-how of Agrolaguna's management, result in raw materials of recognizable quality. This quality is also inherent in our products - wine, oil and milk processed into cheese. This is why protection of authenticity of the Istrian table is one of the important elements of our business. In addition to the wine, whose geographic origin is traditionally protected, the company also produces oil whose authenticity is currently protected only at the national level, while approval of the authentic product label at the EU level is still pending. Agrolaguna is a member of a group of producers that make efforts to protect the authenticity of Istrian cheese with one of the recognizable value-adding labels. We hope that customers throughout the EU will recognize the quality and the specific character of Istrian products and that Agrolaguna's products will no longer be used on local tables only, but more and more on European and international tables as well. In any case, Agrolaguna's products are equal members of the European family of protected food products.

Agrolaguna's processing plants are located at several different sites. The winery and the oil factory are located in Poreč. Grape and olive processing is performed seasonally, at the end of the calendar summer and during the fall months. The aging and further development of the products take place throughout the entire year. As far as wine is concerned, it is important to ensure controlled and properly managed fermentation, and aging in barrique barrels. The process ends by bottling the product and shipping it to be sold in the market.

Cheese production takes place at sites in the surroundings of Tar. The area includes pastures, a sheep farm and a cheese factory. In addition to sheep milk produced by the company itself, Agrolaguna also purchases certain amounts of sheep and cow milk from contractors from all over Istria. In this manner, Agrolaguna encourages production on family farms, which provides a source of livelihood to a portion of the local population.

Most of the products are marketed through domestic department store chains, while export is becoming more and more important as well.

Agrolaguna d.d. is committed to continuous improvement of its products. The quality of input raw materials depends considerably on seasonal conditions, which is yet another distinctive feature of Agrolaguna's production business. The company

therefore has a twofold development goal: one is to emphasize the specific qualities and variations among different harvests, and the other is to ensure a stable and recognizable product quality. In order to meet customer demands and expectations, raise the quality of our services and products, while respecting the principles of environmental protection and sustainable development, Agrolaguna implements a unique integrated management system, which includes a quality management system, a food safety management system and an environmental protection management system.

The company has received the ISO 9001:2008, ISO 14001:2004 and HACCP certificates. The cheese and olive oil products have also been Kosher certified.

Agrolaguna managed to find a solution to the problem caused by wastewater produced on the Špin farm, which was one of the goals set for this reporting period. Wastewater from the milking area and the milk storage on the Špin dairy farm were redirected to the wastewater treatment plant that operates within the cheese factory. In this manner, the company ensured that this type of wastewater is also treated until it reaches the level of quality that is considered suitable for discharge to the environment. The funds invested in the mentioned activities amounted to HRK 151,607.01. The Water Management License issued for the Špin rural estate will be revised to include the adjustments made with respect to the changed conditions and changes in legal regulations.

Installation of new collection facilities and wastewater treatment plants at the site where the company's winery, oil plant and administration building are located will be co-financed by the EU. The works are currently in progress. By the end of 2015, most of the construction works were completed, and the assembly of equipment also commenced. Until the fall of 2016, the Use and Occupancy Certificate and the revised Water Management License should be obtained.

In this reporting period, the company participated in a project implemented by the Faculty of Food Technology and Biotechnology of the University of Zagreb as a project partner. The aim of the project was to investigate whether bioactive compositions, which could be used in food and cosmetics industry, could be separated from the waste generated during wine production.

In this reporting period, a new company called e-Kolektor became part of the Agrokor system. Agrolaguna established cooperation with the said company in the field of waste disposal, thanks to which it obtained plastic foil and paper/cardboard press containers. Furthermore, the company expects to generate two new types of waste after the new wastewater pretreatment plant, built at the site where the winery and oil factory are located, is commissioned.

Sir Špin, istarski fin.



Priča o Špinu

U prekrasnoj Istri, u blizini Jadranskog mora, pa sve kroz krošnje šuma dolazimo do zelenih pašnjaka.

Kroz grane maslina nazire se kuća od starog istarskog kamena, stancija Špin.

U stanciji imamo sve što je potrebno kako bi nastali najfiniji sirevi tradicionalne proizvodnje u čijim se okusima osjete sve ljepote Istre.

Stvorila priroda, odnjegovala tradicija, začinila Istra.



www.sirspin.hr

Materials

EN1: Materials used by weight or volume

Total material consumption includes raw materials, associated process materials and materials for packaging purposes. All materials were supplied from external suppliers.

Type of material used (kg)	2014	2015
Raw materials	12,099,049	14,697,144
Materials for packaging purposes	2,312,951	2,379,611
Total	14,412,000	17,076,757

Compared to 2013, the average amount of materials used in this reporting period (2014 and 2015) is somewhat smaller (15,744,379 kg). However, if the two years covered by this report are considered separately and compared, it is evident that the amount of total materials used decreased in 2014 and increased in 2015. The main cause of variability in the amount of materials used is the climatic conditions which also cause variations in yields and types of products.

The non-renewable materials used by Agrolaguna include liquid petroleum derivatives (heating oil, diesel fuels, gasoline) and LPG.

Type of material used (kg)	2014	2015
Renewable materials	12,099,049	14,697,144
Non-renewable materials	410,853	463,455
Total	12,509,902	15,160,599

As far as non-renewable materials are concerned, the company recorded an increase in fuel consumption, even in 2014 when the volume of production was slightly smaller. Fossil fuels are used for transportation purposes and, regardless of the amount of products being transported, fuel consumption will be similar if the route is the same. The recorded increase in fuel consumption is a result of transporting goods to more distant destinations and a slightly increased number of business trips. Moreover, fuel consumption also partly depends on the intensity of using agricultural machinery and duration of the heating season.

Energy

EN3: Energy consumption within the organization

Total energy consumption includes consumption of fuel, automobile gas (for forklifts), LPG and electricity. Energy consumption depends on the type of product, type of packaging and volume.

Total energy consumption (GJ)	2014	2015
Fuel	14,710	17,718
Automobile gas	167	180
LPG	3,616	6,884
Electricity	6,650	8,193
Total	25,143	32,975

In 2013, total fuel consumption from non-renewable sources (fuel, automobile gas, LPG) amounted to 15,383 GJ. Fuel consumption increased in this reporting period, which corresponds with the data on the consumption of non-renewable materials.

Variations in fuel consumption at production plants depend on the dynamics of product bottling and amount of processed raw materials. Considering the seasonal character and the climatic impacts, the amount of raw materials varies

from year to year and between different parts of the year. Different technological processes, with different energy requirements, are conducted during different parts of the year. As far as the two reporting years are concerned, 2014 was a rather wet year, which caused more intensive use of machinery in the effort to protect the plantations. The volume of cheese production grew in both reporting years, which caused an increase in the consumption of steam used in milk processing and the consumption of LPG used to produce such steam.

In its warehousing and storage activities, Agrolaguna uses LPG forklifts and the ecologically acceptable and environmentally friendly electric forklifts. LPG consumption depends on logistic processes and the rate of handling finished goods and processed and unprocessed input materials. As an alternative type of fuel, LPG has a less significant impact on greenhouse gas emissions compared to other fossil fuels. Combustion of LPG is clean, and it is a high-octane and ecologically acceptable fuel. It is supplied in returnable 10 kg gas cylinders. By using electric forklifts, the company reduces fuel consumption and noise pollution, as well as improves the quality of air in its storage facilities.

EN5: Energy intensity

Energy intensity (GJ/kom)	2014	2015
Electricity	0.00402	0.00841
Fuel	0.00144	0.00209

Energy intensity expresses the energy consumed per unit produced.

Energy intensity is expressed as electricity consumed per product unit. Variations in energy intensity result from different energy requirements of different types of packaging (0.5 l, 0.75 l, 1.0 l, 5.0 l, etc.) and different processes associated with production. Considering the fact that the machines do not have separate energy consumption meters, only the average energy consumption for all types of products can be presented.

EN6: Reduction of energy consumption

Compared to 2013, energy intensity grew in this reporting period (average: 0.006215). If the two reporting years are compared to 2013 separately, it is evident that the amount of energy consumed per product unit was smaller in both 2014

and 2015, albeit the reduction was slightly more significant in 2015. Such variations are caused by different energy requirements of different products. A more detailed analysis requires additional data.

Water

EN8: Total water withdrawal by source

Most of the water used by Agrolaguna comes from the public water supply system. The Kampaladnja site is the only company site where water needed for irrigation purposes has been withdrawn from ground sources since 2014.

A water treatment and management project is currently being implemented in the Poreč area. The project envisages

construction of accumulation lakes with treated water from the municipal water treatment plant. According to the plan prepared by the local authorities, the mentioned water will be used for irrigation purposes. After the completion of the project, some of the water withdrawn from the public water supply system could therefore be replaced by recycled water.

Total water withdrawal by source (m³)

Year	From wells	From the public water supply system	Total volume of water withdrawn
2014	9,104	38,026	47,130
2015	6,504	62,277	68,781

Variations in water consumption depend on two factors:

- climatic conditions (wet or dry year) in terms of the volume of water required for irrigation purposes,
- amount of processed raw materials in terms of the yield and characteristics of different raw materials.

Since the water withdrawal concession agreement was signed in 2014, ground water was not consumed in the previous period. Furthermore, withdrawn water is used to irrigate vegetable plantations. Therefore, the volume of water consumed is in proportion with the total surface area of vegetable plantations and the shares of individual crops since each crop has different irrigation requirements.

The amount of water withdrawn from the public water supply system depends on two factors:

- olive orchards and vineyards are irrigated using the water from the municipal water supply system; in the critical period of 2014, the amount of precipitation water was overwhelming and the cost of water consumed for irrigation purposes was consequently significantly lower;
- since the company used a smaller amount of input raw materials in 2014, the volume of water used to wash the plants also decreased.

Water consumption in 2015 was at the similar level as in 2013.

CATEGORY: ENVIRONMENTAL

Business Group Food

Agrolaguna

EN9: Water sources significantly affected by withdrawal of water

Most of the water used by Agrolaguna comes from the municipal water supply system. Since the volume of water withdrawn from the public water supply system by Agrolaguna is relatively small compared to the overall water consumption from the municipal water supply network, Agrolaguna's di-

rect impact on water sources is negligible. In addition, several water springs in Istria and the Butoniga accumulation lake have been integrated into a separate water supply network, so that, in case any of the sources is compromised, the required volumes can be withdrawn from other sources.

Emissions, Effluents and Waste

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

Direct greenhouse gas emissions generated by Agrolaguna's production plants include emissions from stationary sources. The amounts of greenhouse gas emissions from stationary sources (heating plants) were calculated using the values for 2014 obtained through direct measurement conducted by a licensed company.

CO₂ equivalent is a unit of measurement used to compare emissions of various greenhouse gases depending on their global warming potential (GWP), which is set to 1 for the period of the next 100 years.

Total direct emissions of CO₂ by weight refer to production and transport of materials and products and were calculated on the basis of CO₂ emissions from combustion defined

in Appendix A (air emissions) of the Manual for Keeping an Environmental Pollution Register.

Total direct emissions of CO₂ produced by heating plants are measured once every two years.

Direct greenhouse gas emissions (t CDE)	2014	2015
Production plants	597.85	689.52
Fuel for transport	449.00	447.00
Total	1,046.85	1,136.52

Total greenhouse gas emissions, as a sum of direct emissions, are expressed in tons of CO₂ equivalent.

EN18: Greenhouse gas (GHG) emissions intensity

Agrolaguna's greenhouse gas emissions intensity is presented as the ratio between total emissions expressed in tons of CO₂ and units produced in pieces.

Greenhouse gas emissions intensity (t/unit produced)	2014	2015
CO ₂ emissions	0.0002276	0.0002901

The stated amounts of CO₂ emissions result directly from fuel combustion in heating plants and vehicles. The associated explanations are provided in Section EN3 Energy consumption. Electricity consumption also increased, which consequently contributed to the increase in greenhouse gas emissions intensity.

EN19: Reduction of greenhouse gas emissions

Pursuant to the provisions of the Regulation on the Quality of Liquid Petroleum Fuels (OG 33/2011) dated January 1, 2013, Agrolaguna uses medium heating oil I with a reduced sulfur content in the heating plant of its winery. According to the basic specifications, total sulfur content in medium heating oil is 2.8 % m/m, whereas medium heating oil I contains no more than 1.0 % m/m sulfur.

The company optimized the routes of employee transportation buses, freight vehicles and company cars, as well as the amount of goods and the number of employees transported in one round. In this way, the company managed to reduce its consumption of liquid fuels by 1.8% in 2014, and by another 0.5% in 2015 (total reduction: 2.3%). The mentioned reduction in liquid fuel consumption resulted in a reduction of emissions by the same percentage.

CATEGORY: ENVIRONMENTAL

Business Group Food

Agrolaguna

EN20: Emissions of ozone-depleting substances (ODS)

No cooling gases were released in the previous years. Also, the Freon-type gases were replaced by ozone-friendly refrigerants. Freon-type gases are, however, used in the cooling systems of all company sites, i.e. in the vegetable refrigerator,

in the A/C systems installed at the ripening facilities, in the cooling system of the cheese and curd storage, as well as in the system used to cool the pressed grapes and young wine during fermentation and wine in the winery.

EN21: NO_x, SO_x and other significant air emissions

Year	Air emissions (t)		
	SO ₂	NO ₂	CO
2014	1.93	1.07	0.07
2015	1.36	1.12	0.14
Total	3.29	2.19	0.21

It is evident from the table below that the increase in emissions recorded in this reporting period, compared to the previous one, is a result of an increase in fuel consumption. At the same time, a decrease in emissions of SO₂ recorded

in 2015 reflects the smaller sulfur content in the fuel. If fuel combustion efficiency was increased, emissions of SO₂ and CO would be reduced. In order to achieve that, the company would have to invest in heating plants.

According to the measurement of air emissions from heating devices at all production sites, it is evident that air emissions are within the allowed limits.

As far as the heat capacity and type of fuel are concerned, Agrolaguna uses boilers that belong to the category of small and medium-sized heating devices (Regulation on the Limit Values for Emissions of Air Pollutants from Stationary Sources – Regulation on ELVs).

EN22: Total water discharge by quality and destination

The amount of wastewater discharged from the processing facilities is equal to the volume of water supplied from the municipal water supply system. The total volume of water discharged is in proportion with the production volume.

Year	Total water discharge (m ³)
2014	39,096
2015	39,921
Total	79,017

After having prepared the project documents, obtained the relevant licenses and applied for co-financing, Agrolaguna expects that the project aimed at improving wastewater treatment processes at the Poreč site could be implemented already in the next reporting period. The construction of the envisaged wastewater treatment plant started already in 2015, and is expected to be completed in 2016. The construction works should be completed by the beginning of May 2016, while the equipment is planned to be installed by the beginning of July. Until the grape harvest, the company plans to obtain the Use and Occupancy Permit and the revised Water Management License. During the harvest, the company will test use the new facility under maximum load and optimize the related parameters according to the test results. At the beginning of 2017, the company plans to reach the final agreement with Odvodnja Poreč concerning the biological processing of pretreated process wastewater produced by Agrolaguna using the named company's biological processing facility, as well as concerning the treatment of waste sludge using the named company's sludge composting facility. Both facilities are currently under construction, with the Town of Poreč as investor. The project is co-financed by the EU.

The Public Health Institute of the Istrian County is responsible for monitoring the quality of treated wastewater. The frequency of such monitoring is prescribed by law. The Institute is also responsible for preparing an analytical report on the quality of the treated wastewater. Pursuant to the Ordinance on Limit Values of Hazardous and other Substances in Wastewater, wastewater sample analyses are made and compliance of the results obtained is assessed. The results of the analysis of the sample of wastewater produced by the cheese factory and the dairy farm, after it has been physically, chemically and biologically treated, were in compliance with the requirements for releasing water in the environment. As far as the winery and oil factory are concerned, all parameters except for the chemical oxygen demand and biochemical oxygen demand after 5 days will comply with the prescribed values after the new wastewater pretreatment plant is built. The melted organic matter, which causes high levels of COD and BOD₅, can be eliminated only if wastewater is biologically treated. This is why Agrolaguna must sign a contract with a utility company concerning the collection and processing of such type of wastewater pursuant to which the relevant utility company's biological wastewater treatment plant, which is currently under construction, would be used for the said purposes. If the biological treatment plant is not finished by the defined deadline, the company will be forced to make additional investments in the amount of approx. HRK 5,000,000.00 for biological treatment of wastewater. Considering the volume of wastewater produced in the grape processing period, a bioreactor with a capacity of no less than 700 m³, equipped with an aerator and a tank for storing surplus active sludge generated during the biological treatment process, would be required in that case. This demonstrates how important it is for economic operators that the municipal utility infrastructure in their environment offers sufficient qualitative capacity.

CATEGORY: ENVIRONMENTAL

Business Group Food

Agrolaguna

EN23: Total weight of waste by type and disposal method

The table below shows the amounts of waste produced by Agrolaguna d.d. in tons:

Type of waste (t)	Treatment	Waste disposal contractors	2014 (t)	2015 (t)
Nonhazardous waste	R	Metis, Ecooperativa, Usluga Poreč	775.98	495.55
Hazardous waste	D	Ciak, Ecooperativa	4.10	3.46
Total			780.08	499.01

The waste is separated at the point of origin. It is separately collected and temporarily stored in the facility for temporary storage of different types of waste. The waste management plan and employee education have resulted in a better waste separation process and an increase in key waste figures by type of waste in the relevant period. Agrolaguna achieved an income from the sale of waste in the amount of HRK 11,340.50, while the cost of waste disposal amounted to HRK 124,849.89.

The wastewater treatment plant within the cheese factory produces sludge and floatants that are used as renew-

able energy sources at the Gradec biogas plant (for electricity and thermal energy generation). Thanks to Energija Gradec, Agrolaguna incurs no expenditures concerning the collection and disposal of the mentioned sludge and the whey produced as a by-product in the cheese production process. The cost of waste transportation is covered by Agrokor energija d.o.o. despite the fact that the cost of transportation is greater than the associated income, as the plant is quite far away. The only permanent sustainable solution would be the construction of a biogas plant in the Istrian County.

Compliance

EN29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

The company received no monetary fines in the previous period.

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

Agrolaguna causes environmental impacts by using its own means of transportation, by transporting members of the workforce (fuel consumption for total transport), and other goods and materials used for the organization's operations.

The mentioned parameters are expressed according to the following criteria:

- energy consumption in GJ,
- greenhouse gas emissions in tons of CO₂ equivalent.

Year	Fuel for transport	LPG	Total CO ₂ emissions	
	GJ	GJ	t CDE for Fuel	t CDE for LPG
2014	10,090	167	706	12.10
2015	10,037	180	702	13.04
Total	20,127	347	1,408	25.14

As evident from the table above, Agrolaguna recorded a reduction in transport fuel consumption compared to the preceding reporting period. Such results were achieved through optimization of routes and the amount of goods and the number of employees being transported. By converting to gas forklifts, the company recorded an increase in gas consumption compared to the preceding reporting period, while the

consumption of liquid fuel consequently decreased. The decision to convert to gas forklifts also resulted in a reduction of greenhouse gas emissions from combustion of petroleum derivatives and an increase in emissions caused by consumption of LPG. Total emissions from both sources indicate a decreasing trend.

Environmental Protection Investments

EN31: Total environmental protection expenditures and investments by type

As a responsible company, Agrolaguna d.d. is committed to achieving further economic development respecting the principles of environmental protection. In this reporting period, environmental protection expenditures and investments included the cost of waste disposal and investments in wastewater treatment plants.

In 2014, the company invested HRK 190,000 on activities related to the preparation of the wastewater treatment plant construction project, and another HRK 12,000 in 2015. The project is expected to be completed in 2016, when most of the investments will be booked. The waste management expenditures amounted to HRK 162,232 in 2014, and HRK 129,449 in 2015.

Year	Waste disposal, emission treatment and remediation costs (HRK)	Prevention and environmental management costs (HRK)
2014	153,512.52	190,000.00
2015	124,849.89	163,607.01
Total	278,362.41	353,607.01

The economic waste management balance shows that the waste management costs remained at similar levels. For example, waste disposal costs amounted to HRK 151,285.58 in 2013, which is fairly similar to the costs recorded in 2014. A somewhat smaller amount recorded in 2015 can be ascribed

to regular variations in collection and transportation dates. For example, the olive oil sediment was collected and transported for disposal at the beginning of 2016 instead of in December 2015.

Plans for the next reporting period

- In the next reporting period, the company plans to complete the construction of the process wastewater pretreatment plant which will be used by the winery and oil factory, as well as to obtain the Use and Occupancy Permit and the revised Water Management License for the site concerned. The company also plans to adjust the Water Management License issued for the cheese factory and the Špin farm to the new conditions and changed legal regulations.
- In the next reporting period, the company further plans to make investments in agricultural machinery and thus achieve further reductions in fuel consumption, air and soil emissions, cost of maintenance and its environmental impacts, as well as increase operational efficiency. The company also plans to restore the pesticide storage in order to ensure that the method of storing pesticides and the storage capacity are in line with the needs. Furthermore, pursuant to the Regulation on the Content of the Action Program for the Protection of Waters against Pollution Caused by Nitrates from Agricultural Sources (OG 7/13), the company is required to ensure sufficient slurry storage capacities by July 2017.

PIK Vinkovci

PIK Vinkovci d.d. was established in 1962. In 1994, the company became a member of the Agrokor Group as the first company engaged in primary agricultural production. Its activities include primary field and vegetable crop production, processing and storing of fruit and vegetables (Sopot and Lipovac sites), storing of grains and oil plants, storing and sale of production materials, seed enhancement (Vinkovci site) and livestock production, including pig farming (Andrijaševci 1, Andrijaševci 2 and Čeretinci farms) and young cattle fattening (Zvirinac farm). PIK Vinkovci also includes two fruit and vegetable purchase centers, one in Polača near Zadar and one in Kaštele.

PIK Vinkovci bases its operations on organized management systems designed in accordance with the principle of sustainable development.

The environmental management system designed in accordance with the requirements of the ISO 14001 Standard was implemented in 2010 into the already existing integrated quality management system designed according to the requirements of the ISO 9001, HACCP and GlobalGap Standards. In 2014, the company introduced the OHSAS, the occupational health and safety management system specification. The organization has recognized the risks associated with each workplace, allowed insight into those risks to all employees, adopted appropriate risk mitigation measures and defined (on the basis of the measures adopted) goals (whose achievement is monitored) in order to raise the awareness of its employees of the dangers associated with their workplaces and reduce the number of occupational injuries to the minimum. In June 2015, two new systems were certified, namely ISCC (International Sustainability and Carbon Certification System) and Dunav soja. The purpose of ISCC certification was to allow the company to trade in ISCC goods and achieve better sale prices. The ISCC demonstrates the company's responsibilities and compliance in the following areas:

- reduction of greenhouse gas emissions,
- sustainable land use,
- protection of natural biospheres,
- increase in social responsibility.

In addition to regular annual and external audits, the organization makes systematic and continuous efforts to improve the safety of all employees, raise the quality of its products, achieve sustainable agricultural production, as well as ensure rational raw material and energy consumption and sustainable waste management.

In order to create the preconditions for achieving sustainable development, the company defines concrete goals for each year. By achieving these goals, the organization contributes immensely to reducing the impacts on all environmental components, and by achieving the goals defined particularly for the field of environmental protection, it ensures realization of further improvements that lead to the reduction of adverse environmental impacts.

The most important goals achieved in this reporting period:

- Roofing of the diesel fuel tank at the Polača site – The project was completed in the spring of 2014 with the aim of reducing environmental pollution caused by precipitation (oily water drainage). The quality of wastewater produced at the Sopot and Lipovac sites and the Andrijaševci 1, Andrijaševci 2 and Čeretinci farms is maintained by ensuring regular desludging of the separators and regular system maintenance. All wastewater quality parameters comply with the maximum amounts allowed defined under the relevant Water Management Licenses.
- Replacement of old equipment – In transformation stations at the Matija Gubec site in Vinkovci, old compensation batteries containing PCB were replaced and new ones were installed.
- Obtaining a water withdrawal license for the Čeretinci farm – On the basis of a concession agreement, the company was permitted to withdraw water from its own well on the Čeretinci pig farm up to the maximum volume of 50,000 m³. The agreement was signed in February 2015.
- Employee education in sustainable pesticide use – According to the Regulation on Establishing a Framework for Action to Achieve Sustainable Pesticide Use (OG 142/12), the company conducted training for professional pesticide users, distributors and advisers. A total of 175 workers participated in the training sessions held in February and November 2015.
- Measuring of air emissions from stationary sources – With the aim of monitoring air pollutants emitted from heating devices, the company carried out measurements in accordance with the Regulation on the Limit Values for Emissions of Air Pollutants from Stationary Sources (OG 117/12; 90/14) at the following sites: Matija Gubec in Vinkovci, Sopot, Andrijaševci 1, Andrijaševci 2 and Čeretinci.
- Procurement of new containers – The waste management system implemented at the Polača site was improved by paper and cardboard containers installed by a licensed paper and cardboard waste disposal contractor.
- Procurement of a new oil and grease separator for the Sopot site – The separator was installed with the aim of achieving and maintaining the quality of wastewater produced as a result of washing agricultural machinery. The separator was installed at the end of May 2014.
- Increase in energy efficiency at the Sopot site – Project documents for replacing the primary energy source used in the heating plant (heating oil) and improving the energy efficiency of the commercial building were prepared in May 2014. The project was co-financed by the Environmental Protection and Energy Efficiency Fund. A new boiler powered by pellets was installed as part of the project. It ensures higher levels of heat utilization and lower levels of CO₂ emissions. Furthermore, insulation of external walls of

CATEGORY: ENVIRONMENTAL

Business Group Food

PIK Vinkovci

the commercial building was performed and wood joinery was replaced by PVC joinery.

- Replacement of asbestos plates – This goal has not been achieved. It refers to large production facilities with approx. 8,800 asbestos plates. Since substantial investments would be required to repair all the facilities at once, the company

plans to replace the concerned roof plates successively in accordance with the identified roof repair needs, as determined by the Maintenance Department. It has thus been determined that roof repair is necessary in the case of one of the production facilities at the company's site in Vinkovci and is scheduled to be performed in the next period.

Materials

EN1: Materials used by weight or volume

Type of material used (kg)	2014	2015
Raw materials	29,362,570	20,364,842
Associated process materials	24,659,613	25,184,063
Materials for packaging purposes	524,967	423,430
Total	54,547,150	45,972,335

Type of material used for production purposes (kg)	2014	2015
seeds	6,953,091.00	7,155,038.89
plant protection products	51,119.06	41,199.71
mineral manure	2,744,380.50	2,950,336.00
slurry	7,046,360.00	7,362,300.00
lubricants	27,908.78	27,993.10
natural seeds	6,732,399.00	6,633,970.00
wheat	8,939,384.00	0
corn	0	0
sows	215,180.00	262,878.00
piglets	3,283,950.00	2,969,539.00
calves	443,066.00	351,880.00
feed	15,492,031.00	15,261,810.00
straw	2,093,313.00	2,531,960.00

The smaller amount of raw materials used in this compared to the preceding reporting period is a result of the sale of the milling business in 2015, which also caused a reduction in the use of paper packaging previously used to pack flour. On the other hand, the use of plastic bags increased as a result of the need to pack the fruit and vegetables at PIK Vinkovci purchase centers.

Packaging material placed on the market (kg)	2014	2015
Paper/cardboard	377,377.01	186,585.72
Wood	40,965.00	46,871.00
Textile	3,408.00	1,735.00
Plastic bags	0	15,798.00
Other polymer materials	103,216.74	172,440.35
TOTAL	524,966.75	423,430.07
Fee / HRK (according to the OONZ)	225,584.88	230,287.81

OONZ – Disposal Fee Calculation Records (by the type and amount of packaging placed on the market) – Regulation on Packaging and Packaging Waste (OG 97/05; 115/05; 81/08; 31/09; 38/10; 10/11; 81/11; 126/11; 38/13; 86/13). Quarterly reports are submitted and the relevant fee paid to the Environmental Protection Fund.

Energy

EN3: Energy consumption within the organization

Total energy consumption (GJ)	2014	2015
Fuel	53,195	55,479
Natural gas	21,370	19,236
LPG	4,877	4,501
Electricity	20,130	16,822
Total	99,572	96,038

Compared to 2014, consumption of heating oil decreased in 2015 as the heating plant at the Sopot site converted to renewable energy sources. Consumption of Euro diesel fuel also decreased as a result of the reduced use of the said fuel to power working machines. On the other hand, consumption of Blue diesel grew due to an increased use of that energy source in irrigation systems, which were used more intensively in 2015.

CATEGORY: ENVIRONMENTAL

Business Group Food

PIK Vinkovci

The amount of natural gas used is closely associated with the drying of goods in silos. In 2014, the average humidity of goods entering the silos was 25%. The average humidity of goods entering the silos recorded in 2015, i.e. 21%, contributed to a decrease in natural gas consumption. Compared to 2015, the total amount of goods dried in silos was greater in 2014.

The decrease in LPG consumption recorded in 2015 is a result of the reduced consumption of that energy source for heating purposes at the Čeretinci farm compared to 2014.

Compared to 2014, electricity consumption also decreased in 2015 as a result of the sale of the milling business, a large contributor to electricity consumption. Furthermore,

the Belica Purchase Center separated from the PIK Vinkovci system as an independent company in 2015.

Compared to the preceding reporting period, energy consumption decreased due to the above mentioned reasons, the sale of the milling business and separation of the Belica Purchase Center.

The following table presents the summarized data from the above table in more detail, i.e. it presents fuel consumption from non-renewable and renewable sources by type of fuel expressed in the relevant units of measurement and GJ, consumption of natural gas and LPG, and consumption of electricity.

Fuel consumption	Conversion factor	2014		2015	
		GJ	amount in 000	GJ	amount in 000
Fuel (non-renewable sources)					
Heating oil, mazut (l)	40.99 GJ/t	9,386.71	229	6,558.40	160
Eurosuper (l)	44.80 GJ/t	44.80	1	44.80	1
Euro diesel (l)	43.33 GJ/t	4,289.67	99	4,029.69	93
Blue diesel (l)	43.33 GJ/t	39,473.63	911	44,846.55	1,035
Total Fuel (non-renewable sources)		53,194.81		55,479.44	
Fuel (renewable sources)					
Pellets - biomass (kg)	18.00 GJ/t	414.00	23	216.00	12
Natural gas (m³)	33.338 GJ/1000m³	21,369.66	641	19,236.03	577
LPG (kg)	46.89 GJ/t	4876.56	104	4501.44	96
Electricity (kWh)	0.0036 GJ/kWh	20129.64	5,591,567	16821.96	4,672,768

EN5: Energy intensity

Energy intensity (GJ/t)	2014	2015
Total energy consumption (GJ)	99,984.67	96,254.87
Total production (t)	205,493.00	152,034.00
Energy intensity (GJ/t)	0.4865	0.6331

Total production includes field and vegetable crop production, seed enhancement, frozen vegetable program, and cattle and slurry production. The unit of measurement is a tone of goods produced at PIK Vinkovci production centers. Energy intensity

is calculated by dividing absolute energy consumption with total production in tons for each year separately.

Energy intensity was calculated taking into consideration the types of energy consumed by individual PIK Vinkovci production units.

2014 is taken as the base year. Compared to the base year, energy intensity grew in 2015 due to a decrease in production resulting from the sale of the milling business and separation of the Belica Purchase Center, as well as the more intensive irrigation activities during 2015.

EN6: Reduction of energy consumption

The old heating oil boiler with a heat capacity of Q=1 MW was too big and its capacity was inefficiently utilized, which eventually resulted in an increase in fuel consumption. The

new low-temperature pellet boiler has a heat capacity of Q=200 kW and ensures a high capacity utilization level.

CATEGORY: ENVIRONMENTAL

Business Group Food

PIK Vinkovci

The table below presents heating oil and pellet consumption in 2014 and 2015 after the completion of the improvement project:

Potrošnja consumption	2014		2015	
	Ammount	GJ	Ammount	GJ
Heating oil	6,900 l	283	0	0
Pellets	23,000 kg	414	12,280 kg	221

In 2015, pellet consumption in the new heating plant decreased compared to the year before as the commercial facilities at the Sopot site recorded smaller heating needs.

Compared to the previous period, the improvements made to the commercial building and the installation of a new low-temperature pellet boiler resulted in a reduction of total energy consumption for heating purposes by 56%.

Water

EN8: Total water withdrawal by source

Water withdrawal by source (m ³)	2014	2015
From wells	142,230	184,505
For process purposes	472,000	873,978
From the public water supply system	7,894	11,175
Total volume of water withdrawn	622,124	1,069,658

The data on water withdrawal were obtained on the basis of measurements conducted and readings of installed water meters.

Groundwater withdrawn from own wells is used as process water for production purposes at the company's pig farms - Andrijaševci 1, Andrijaševci 2 and Čeretinci, and the Zvirinac cattle fattening farm. The water used at pig farms is processed, while the water used at the cattle fattening farm is raw, unprocessed.

To irrigate the agricultural areas at the Čeretinci site, the company withdraws surface water from the Bosut and Spačva Rivers and ground water from own wells.

The increase in water consumption from the public water supply system in 2015 is a result of the testing of the fire hydrant network and improvement of the fire protection tank at the site in Matija Gubec Street in Vinkovci, and the loss of water due to breakdowns and broken pipes.

The volume of water withdrawn from wells increased compared to the previous period. In February and March 2015, water stored in the water tower on the Andrijaševci 2 farm spilled into the nearby channel due to water tower probe failure, which caused an increase in water consumption.

In 2015, the volume of water withdrawn for irrigation purposes from surface waters and wells increased compared to 2014 as a result of low precipitation levels and irregular occurrence of precipitation during the vegetative season. In the period of intensive irrigation, from May to July 2015, 60% less precipitation was recorded compared to 2014.

Compared to the preceding reporting period, total water consumption decreased due to a smaller need for irrigation water in 2014 since precipitation regularly occurred during the vegetative season.

EN9: Water sources significantly affected by withdrawal of water

PIK Vinkovci withdraws and uses water for industrial and irrigation purposes pursuant to concession agreements.

Water withdrawal from the Bosut and Spačva Rivers is subject to concession conditions defining the water level that ensures an ecologically acceptable flow. When the water falls below the prescribed level, it may no longer be withdrawn in order to maintain the biological minimum. When withdrawing water, PIK Vinkovci acts in accordance with the prescribed conditions and therefore does not disturb the normal functioning of eco systems in the Bosut and Spačva Rivers.

The following PIK Vinkovci sites are connected to the municipal water supply network: Matija Gubec - Vinkovci, Sopot, Lipovac, Polača and Kašte. The Vinkovci and Sopot sites procure drinking water from the East Slavonian regional water supply system that withdraws water primarily from the wells in Sikirevci and, in the case of additional needs, from the wells in Vinkovci (Kanovci). The Lipovac site is supplied from a well located in Lipovac. The Polača site is supplied from the Kakma spring, while the Kašte site procures water from the regional water supply system that withdraws water from the Jadro River.

Emissions, Effluents and Waste

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

Direct greenhouse gas emissions (t CDE)	2014	2015
Production plants (mazut, heating oil, natural gas)	1,107	949
production plants - LPG	301	351
Fuel for transport	413	405
Total	1,821	1,705

The company has mazut boilers of TYPE 300 and TYPE 500 in the heating plant at its Vinkovci site. The boilers located in heating plants on the Andrijaševci 1 and Andrijaševci 2 pig farms are powered by natural gas, while LPG is used to power the boilers on the Čeretinci farm. The energy source used at the Sopot site is pellets.

The recorded decrease in CO₂ emissions from production plants is a result of replacing the old mazut boiler in the heating plant at the Sopot site with a new boiler powered by the more ecologically acceptable and environmentally friendly pellets. The amount of emissions of CO₂ from stationary sources

was obtained on the basis of direct measurements, which are, pursuant to the Regulation on the Limit Values for Emissions of Air Pollutants from Stationary Sources (OG 117/12; 90/14), carried out every two years. The last emissions measurement was carried out in November 2015.

The company's fleet (primary transport) includes 42 vehicles (cars, vans and trucks). All vehicles are powered by Euro diesel fuel. The respective amounts are shown in the table below.

Compared to the preceding reporting period, the amount of emissions of CO₂ from production plants decreased due to a reduction in fossil fuel consumption in heating plants, while the amount of emissions of CO₂ from transport increased because the company has more distant production plants in the County of Zadar (Polača and Kaštele) and makes direct contacts with the buyers of frozen products from the EU and even wider.

The table below presents the amounts of CO₂ emissions from transport by type of fuel used in production plants.

In the following table, mazut boilers are marked white, LPG boilers are marked red and gas boilers are marked blue.

Point of emission	Emissions of CO ₂ (kg/year)	
	2014	2015
Boiler TYPE 300 – heating plant - Vinkovci	525,409	275,342
Boiler TYPE 500 – heating plant - Vinkovci	83,673	115,801
Setting gas drying facility - Vinkovci	-	-
Law gas drying facility - Vinkovci	-	-
Air heater - maintenance -Vinkovci	-	9,343
Neo Vulkan boiler - Sopot	30,141	-
Viessmann Vitoplex 100 PV1 boiler, farm A1	114,073	131,737
Viessmann Vitoplex 100 boiler, farm A1	114,073	131,737
Viessmann Vitocrossal 300CT3 boiler, farm A2	120,214	142,288
Viessmann Vitoplex 300 TX3 boiler, farm A2	120,214	142,288
Viessman Vitoplex 100 PV1 boiler 1, farm Č	150,362	175,400
Viessman Vitoplex 100 PV1 boiler 2, farm Č	150,362	175,400
Total	1,408,521	1,299,336

Conversion of gas emissions from fuel to kg

Energy source	2014			2015		
	(kg)	coefficient	CO ₂ /kg	(kg)	coefficient	CO ₂ /kg
Heating oil (Lipovac) (l)	27,750	3.133	86,940	32,009	3.133	100,284
Euro diesel (l)	98,701	3.133	309,230	93,081	3.133	291,622
Blue diesel (l)	911,047	3.133	2,854,310	1,035,070	3.133	3,242,874
Fuel – company vehicles (l)	131,944	3.133	413,380	129,465	3.133	405,613

Metode: ISO 12039:2003

CATEGORY: ENVIRONMENTAL
Business Group Food
PIK Vinkovci

EN16: Energy indirect greenhouse gas (GHG) emissions (Scope 2)

Total CO ₂ emissions (t CDE)	2014	2015
Electricity	1,313.06	1,097.21

Compared to the previous period, indirect greenhouse gas emissions decreased due to a decrease in electricity consumption as a result of the sale of the milling business in 2014.

EN18: Greenhouse gas (GHG) emissions intensity

	2014	2015
CO ₂ emissions (t / unit produced)	0.02	0.02

The intensity of greenhouse gas emissions was calculated by dividing the emissions of CO₂ expressed in tons (EN15, EN16), i.e. direct emissions produced by production plants

and transport and indirect greenhouse gas emissions from electricity consumption, with total production in tons. Total production includes field and vegetable crop farming, seed enhancement, frozen food program, and livestock and slurry production. In the previous period, it also included the milling business. The intensity of greenhouse gas emissions did not change compared to the previous period.

EN19: Reduction of greenhouse gas emissions

PIK Vinkovci achieved a decrease in greenhouse gas emissions by switching from heating oil, previously used as the primary energy source in the heating plant at the company's

Sopot site, to pellets. Annual emissions produced by the old heating oil boiler amounted to 50 t CO₂/year. Pellets belong to renewable energy sources and are considered CO₂ neutral.

EN20: Emissions of ozone-depleting substances (ODS)

The fruit and vegetable storages at the Lipovac and Polača sites include cooling chambers that contain active substances R404A and R410A. The mentioned substances are considered environmentally and ozone-friendly.

In 2014, total amounts of active substances R410A and R404A used to replenish the cooling systems amounted to 46 kg and 104 kg respectively. The new cooling system at

the Lipovac site was fully filled, while the amounts of active substances in the cooling system at the Polača site were replenished as needed due to identified leaks. In 2015, total amounts of active substances R410A and R404A used to replenish the cooling systems due to identified leaks amounted to 65 kg and 138 kg respectively.

EN21: NO_x, SO_x and other significant air emissions

Year	Air emissions (t)		
	SO ₂	NO ₂	CO
2014	3.8	1.82	0.74
2015	2.46	1.31	0.37
Total	6.26	3.13	1.11

The values for emissions of NO₂ and CO from stationary sources were obtained through direct measurements that are con-

ducted in accordance with the Regulation on the Limit Values for Emissions of Air Pollutants from Stationary Sources (OG 117/12; 90/14) every two years. The emissions of SO₂ are not measured but are calculated according to the consumption of fuel in heating plants and by the air heater. The last emissions measurement was conducted in November 2015. Compared to the preceding reporting period, the amount of emissions of SO₂, NO₂ and CO decreased thanks to a reduction in fossil fuel consumption.

CATEGORY: ENVIRONMENTAL

Business Group Food

PIK Vinkovci

EN22: Total water discharge by quality and destination

Year	Total water discharge (m³)
2014	38,715
2015	9,331
Total	48,046

Wastewater parameter values are monitored according to the plan. At the Sopot site, monitoring is conducted four times a year, whereas at all other sites monitoring takes place twice a year. In 2014 and 2015, all parameters subject to monitoring complied with the maximum amounts allowed prescribed under the relevant Water Management Licenses. The volume of wastewater produced as a result of washing filters on the farms is monitored by reading the meters. In 2013, the Matija Gubec site in Vinkovci was connected to the municipal sanitary wastewater sewage system by means of a collection facility. Furthermore, an oil separator was installed at the same site for the purpose of treating precipitation wastewater before discharging it into the precipitation drainage channel.

Process water produced as a result of washing the machinery and handling surfaces is discharged into the channel through an oil separator. The commercial yard in Otok has produced no wastewater since 2012 because agricultural machinery is no longer washed at the site. The wastewater from the Lipovac site produced as a result of washing vegetables is discharged into the channel through a sedimentation tank.

We have valid Water Management Licenses for the following sites: Sopot – valid until August 20, 2017; Otok – valid until April 10, 2022; and Lipovac – valid until May 3, 2021.

The reduction in the volume of wastewater recorded in 2015 is a result of the revocation of the Water Management License for the site located at M. Gubec 130 in Vinkovci since it produces no process wastewater, while precipitation wastewater is discharged into the channel through an oil separator. According to the new Decision of Hrvatske vode, precipitation wastewater does not fall within the scope of minor requirements.

EN23: Total weight of waste by type and disposal method

Waste weight (t)	2014	2015
Non-hazardous	185	180
Hazardous	17	23

PIK Vinkovci has installed production waste disposal containers at all its sites. Hazardous waste is stored in closed and secured storage areas. In 2015, the company recorded an increase in the volume of generated hazardous waste as a result of replacing the PCB batteries from transformation stations at the Matija Gubec site in Vinkovci with new compensation batteries. The increase in hazardous waste generation is also a result of an increase in the generation of pes-

ticide packaging waste, oily waste and waste oils. All types of waste are transported for disposal purposes by licensed collecting organizations. The relevant waste disposal certificates are issued and records kept. The decrease in non-hazardous waste generation is a result of a decrease in the generation of paper packaging and PVC foil waste due to the sale of the milling business. The increase in the amount of hazardous waste was also caused by an increase in the amount of waste oil produced as a result of changing the motor oil in agricultural machinery and replacing the PCB batteries with new compensation batteries in transformation stations. Compared to the preceding reporting period, the amount of both hazardous and non-hazardous waste decreased.

Compliance

EN29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

In this reporting period, as in the previous one, no fines or non-monetary sanctions were imposed on PIK

Vinkovci for non-compliance with environmental laws and regulations.

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

Year	Fuel for transport	LPG	Total CO ₂ emissions	
	GJ	GJ	t CDE for transport fue	t CDE for LPG
2014	5,719	23	413	4
2015	5,609	0	406	0
Total	11,328	23	819	4

PIK Vinkovci does not transport goods. The goods are transported by the buyer or on the basis of agreements signed with external companies. Agricultural machinery, such as tractors with trailers, trucks and forklifts, are used for internal goods transport. In 2013, the company had 47 official

company cars, in 2014 it had 40, and in 2015 42. A decrease in LPG consumption recorded in 2014 was a result of a reduction in the number of gas powered field vehicles. In 2015, PIK Vinkovci did not use any LPG powered vehicles.

Environmental Protection Investments

EN31: Total environmental protection expenditures and investments by type

Year	Waste disposal, emission treatment and remediation costs (HRK)	Prevention and environmental management costs (HRK)
2014	508,791.92	11,736.64
2015	538,498.69	47,152.00
Total	1,047,290.61	58,888.64

Waste disposal expenditures increased compared to the preceding reporting period due to an increase in hazardous waste disposal costs recorded in 2015 (PCB batteries), and an increase in the cost of disposal of sludge from septic pits and animal waste recorded in 2014.

The investments in waste management did not entail any monetary fee payments since the necessary waste disposal containers were provided by licensed collecting organizations subject to the obligation of return.

In 2015, two new systems were certified: ISCC (International Sustainability and Carbon Certification System) and Dunav soja, which resulted in an increase in investment costs in this reporting period.

Pursuant to its education program, the company conducted internal training in the preparation of an environmental impact study without incurring monetary expenditures.

Environmental protection goals for the next period

Waste management system improvement (pollution prevention)

- Reduction of municipal waste through separation of bio-waste at the Polača site by 5%
- Installation of paper and cardboard disposal containers at the Lipovac site
- Construction of an eco-island at the Sopot site

Reduction of air emissions

- Achieving compliance with the limit values for emissions of NO₂ and CO in mazut heating plants by applying the best selected solution

Reduction of soil emissions

- Repairing and closing the floor-level storage for mineral manure with the aim of preventing dispersion
- Installation of a fuel tank at the Lipovac site and obtaining the required documents
- Improvement and repair of underground fuel tanks at the Sopot site
- Connecting the production section of the Polača Purchase Center to HEP's network

Reduction of water emissions

- Maintenance of the quality of wastewater in compliance with the related Water Management Licenses. Wastewater quality control will be ensured through regular analyses and monitoring of sewage systems. The parameter values obtained will be compared against the maximum amounts allowed.

Improvement of emergency preparedness

- Procurement of a mobile petroleum pump (1000 l) for the Zvirinac farm
- Conducting environmental protection exercises in accordance with the operational plans for performing intervention measures in the event of extraordinary water pollution, and preparation of a report on the exercises conducted

Collecting plastic bottle caps

- At an annual level, about 40 kg of plastic bottle caps are collected and donated to the Croatian Leukemia and Lymphoma Association. The aim is to continue collecting bottle caps with the tendency of increasing the amount.

Improvement of the existing condition through energy efficiency

- Energy management system implementation and certification (ISO 50001)

Compliance with legal requirements

- Obtaining a license for withdrawing water from wells at the Zvirinac and Andrijaševci 2 farms to be used For process purposes
- Obtaining Water Withdrawal Licenses for the Vinkovci, Sopot and Otok sites as well as for new wells that will be used for primary field and vegetable crop farming purposes
-

Replacement of asbestos roof plates

- Roof plates will be replaced successively, according to the need for roof repairs, as determined by the Maintenance Department. In the next period, the company plans to change the roofing on one of the production facilities at its Vinkovci site.

Vupik

Vukovarski poljoprivredno-industrijski kombinat – Vupik d.d. is an organization with a tradition dating from 1945 when Savezno poljoprivredno dobro Vukovar was established. In 1994, Vupik became a stock company and the Croatian Privatization Fund became the company's majority owner. After the peaceful reintegration in 1998, Vupik continued production and in 2010 became a member of the Agrokor Group.

Agricultural production at Vupik is divided in the following profit centers (PC):

- Vegetable Crop Farming PC, organized in three business units: Ovčara, Bobota and Grabovo,
- Viticulture and Wine Production PC, organized in two business units: Winery and Viticulture,
- Pig Farming PC, organized in four business units, i.e. farms: Ovčara 1, Ovčara 2, Bobota and Pačetin,
- Cattle Farming PC, organized in business units, i.e. farms: Jakobovac, Klisa and Dubrava (dairy farms), Bobota (cattle fattening farm) and Lovas (heifer breeding farm),
- Transfer Port PC, organized in three business units – Maintenance, Dunav Silo and Bobota Silo. The Transfer Port PC cooperates with four business units located in Vukovar, Bobota, Čakovci and Trpinja, and the Tourism and Hospitality BU, which includes the Goldschmidt Vineyard House.

The organization confirmed its commitment to environmental protection by adopting the Environmental Management Policy. Due to the scope and complexity of its operations, the company established a Management System Department, as the central department for integrated systems, already at the end of 2013. By the end of 2015, the company implemented the ISO 14001 and GlobalGap environmental protection stan-

dards and received the associated certificates for the following profit centers: Pig Farming and Field and Vegetable Crop Farming. The company's compliance with the requirements of the ISCC and DS Standards was assessed by competent certification companies and the associated certificates were issued. Through continuous development and verification of its systems and business processes and thanks to its dedicated management, Vupik confirms its commitment to improving its operations in line with the principle of sustainable development, while respecting the needs of all stakeholders affected by the company's activities.

The company only partly achieved its plans set for 2014 and 2015. The reconstruction of the Transfer Port PC was not completed because the funding was temporarily suspended. The Grabovo farm irrigation system reconstruction and expansion project (to include another 600 ha) is currently in the development phase. The concept design has been prepared and is pending approval by the Town and County authorities because all underground works fall within their scope of authority. Finally, the company opted not to invest in the Opatovac farm.

The process of obtaining Water Management Licenses was fully completed. All Vupik sites now have Water Management Licenses. The company also conducted the testing of water tightness of the sewage system at the Transfer Port PC, Dunav Silo BU. The HACCAP system was implemented in the following business units: Winery, Dunav Silo and Bobota Silo. The systems were verified after inspection audits conducted in 2015. The company is currently in the preparation phase for ISO 9001:2015 certification.

Materials

EN1: Materials used by weight or volume

The percentage of materials used by weight and volume varies if 2014 and 2015 are compared.

Compared to 2014, the amount of raw materials used in production processes increased by 5.3% in 2015 as agricultural production specifics were dictated by crop rotation requirements. In 2015, the amount of associated process materials used increased by 24% compared to 2014, while the amount of materials used for packaging purposes was relatively similar, i.e. it decreased by 0.2%.

Compared to the preceding reporting period, the percentage of materials/raw materials used by weight and volume in 2014 and 2015 grew by 26.8%, in proportion with the increase in total production.

The amount of associated process materials decreased by 25.6% as a result of rationalization of business opera-

tions, modernization of agricultural machinery and improvement of technological processes.

Type of material used (kg)	2014	2015
Raw materials	112,841,744	118,833,128
Associated process materials	941,659	1,168,693
Materials for packaging purposes	14,034,872	14,012,665
Total	127,818,275	134,014,486

If the two reporting periods are compared, it is evident that the amount of materials used for packaging purposes increased significantly in this reporting period, i.e. by 342.7%. Such a significant increase is closely correlated with an increase in the volume of artificial manure and wine packaging activity.

Energy

EN3: Energy consumption within the organization

Total energy consumption (GJ)	2014	2015
Fuel	55,845	47,966
Natural gas	37,658	22,150
Electricity	23,362	22,122
Total	116,865	92,238

If the two reporting years are compared in terms of energy consumption within the organization (GJ), it is evident that fuel consumption decreased by 14.1% as a result of the

renewal of the fleet used by the Field and Vegetable Crop Farming PC. The company also recorded a 41.2% decrease in natural gas consumption thanks to favorable weather conditions that made the drying of the grains and oil plants at the Transfer Port PC (Dunav and Bobota sites) unnecessary, and a decrease in electricity consumption by 5.3%.

If the two reporting periods are compared, it is evident that, due to the above mentioned reasons, total fuel consumption and total natural gas consumption decreased by 9.3% and 2.8% respectively.

EN5: Energy intensity

Energy intensity (GJ/t)	2014	2015
Energy	0.477	0.481

In 2014, energy intensity, i.e. the ratio between total energy consumption (116,865.00 GJ) and total production (244,654 t of units produced), amounted to 0.477 GJ/t. In 2015, total produc-

tion amounted to 191,564 t of units produced and total energy consumption amounted to 92,238.00 GJ. As a result, energy intensity amounted to 0.481 GJ/t, i.e. it increased negligibly by 0.84%. The mentioned decrease in production was caused by the smaller share of sugar beet in crop rotation, which further resulted in a proportionate reduction of energy consumption.

EN6: Reduction of energy consumption

Fuel consumption recorded in the preceding reporting period amounted to 114,491.00 GJ. In the 2014/2015 reporting period, fuel consumption amounted to 103,811.00 GJ. It is evident that fuel consumption decreased by 9.3%. The reduction in fuel consumption was to a large extent contributed by the renewal of the fleet used by the Field and Vegetable Crop

Farming PC. Diesel fuel consumption decreased because the company started applying new production technologies and reduced its soil treatment activities. Natural gas consumption decreased thanks to favorable climatic conditions and the consequent reduction in intensity of operation of the drying facility.

Water

EN8: Total water withdrawal by source

In 2015, the company recorded a negligible increase in the volume of water withdrawn from wells due to an increase in total farm production volume. The volume of water consumed from the municipal supplies decreased thanks to the installation of a remote meter reading device and a return-style pressure regulator, the so-called non-return valves, in case the pressure in the municipal network falls.

Total water withdrawal (m³)	2014	2015
Iz vrela	654,073	1,336,050
From wells	287,264	325,263
From the public water supply system	14,277	14,895
Total volume of water withdrawn	955,614	1,676,208

Compared to 2014, the volume of water withdrawn from the Grabovo accumulation lake increased by 104.3% in 2015

reaching 1,336,050 m³ since the crops planted in the Grabovo fields are more difficult to cultivate and require more water. Furthermore, the surface area of the fields where vegetable crops were planted during the initial planting period increased by 13 ha in 2015 to the detriment of the field crops (vegetable crops require more water than field crops). Because of the same reasons, the volume of water withdrawn from the wells and the municipal supply network increased by 13.2% and 4.3% respectively.

If the two reporting periods are compared, it is evident that the increase in the volume of water withdrawn from the Grabovo lake increased in this reporting period by 11.4%, while the volume of water withdrawn from wells increased by 20%. Such an increase in water withdrawal is justified by the fact that in 2012 and 2013 subsequent planting was performed on 176 ha, compared to 278 ha planted in 2014 and 2015. The 20% increase in water withdrawal from wells is a result of an increase in production on the farms.

Emissions, Effluents and Waste

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

Direct greenhouse gas emissions (t CDE)	2014	2015
Production plants	1,786	1,173
Fuel for transport	384	252
Total	2,170	1,425

Direct greenhouse gas emissions produced as a result of fuel combustion in 2014 amounted to 2,170 t of CO₂. In 2015, fuel consumption significantly decreased thanks

to favorable climatic conditions during the harvest. CO₂ air emissions decreased by 34.4 % as a result of the smaller intensity of operation of the grain and oil plant drying facility.

If the two reporting periods are compared, it is evident that direct greenhouse gas emissions generated by production plants and combustion of fuel used for transportation purposes decreased by 19.6% because the company outsourced the transportation activities to an external transportation services provider, Ricardo d.o.o.

EN16: Energy indirect greenhouse gas (GHG) emissions (Scope 2)

Since energy indirect greenhouse gas air emissions also refer to the electricity supplied for production purposes, indirect emissions are expressed as the ratio between t CO₂ e recorded in 2014 and 2015, indicating an increase of 5.22%.

Indirect greenhouse gas emissions (t CDE)	2014	2015
Electricity	5,841	6,145.20

If the two reporting periods are compared, it is evident that indirect greenhouse gas emissions increased by 151% as a result of an increase in the amount of electricity used in production processes, including electricity used to withdraw water from the Grabovo lake to water the field crops, electricity used to pack manure and bottle wine, electricity used to build the new biogas plant and electricity used to power the new slurry mixers and thus facilitate its application onto arable land through a system of depositing devices.

EN18: Greenhouse gas (GHG) emissions intensity

In 2014, the intensity of greenhouse gas emissions at the level of Vupik amounted to 0.008 (CO₂ kg/production kg). Concrete data can be obtained by calculating the ratio between the amount of greenhouse gas emissions (CO₂) generated by a particular profit center and the total production of that same profit center. As a result of gas and liquid fuel consumption, Vupik emitted 2,170 t of CO₂ into the atmosphere in 2014.

In 2015, the intensity of greenhouse gas emissions amounted to 0.007 (CO₂ kg/production kg). Energy consumption within the organization (GJ) amounted to 1,425 t CO₂. Compared to 2014, the intensity of greenhouse gas emissions, i.e. CO₂ emissions (t)/product unit, decreased in 2015

by 21.1% thanks to favorable climatic conditions and the consequent smaller intensity of operation of the drying facility.

The energy used in production processes is expressed in GJ and multiplied by 0.84532 t CO₂/GJ in order to obtain the amount of released CO₂ (t)/product unit in tons.

Greenhouse gas emissions intensity	2014	2015
CO ₂ emissions /unit produced	98.8	77.97

Compared to the preceding reporting period, the intensity of CO₂ emissions per product unit decreased by 25% in this reporting period as a result of activities aimed at rationalization of technological processes.

EN21: NO_x, SO_x and other significant air emissions

The values for 2014 were taken from the Environmental Pollution Register. Only the values referring to the scope of application of the reporting requirements were confirmed. In 2015, however, all sites were taken into consideration regardless of whether they are required to report data to the Environmental Pollution Register or not. In order to address the non-compliances identified, which proved to be significant, the company plans to prepare a maintenance and monitoring plan for the next period in order to get more concrete data.

As evident from the table below, emissions of NO₂ and CO decreased in 2015 by 15.1% and 48% respectively.

Compared to the preceding reporting period, air emissions of NO₂ and CO increased by 1.9% and 8.6% respectively.

Air emissions (t)	2014	2015
NO ₂	0.614	0.521
CO ₂	0.125	0.065

CATEGORY: ENVIRONMENTAL

Business Group Food

Vupik

EN22: Total water discharge by quality and destination

In 2014 and 2015, the results of all wastewater analyses were in compliance with the maximum amounts allowed. Total water discharge amounted to 50,766 m³ in 2014 and 48,907 m³ in 2015.

Year	Total water discharge (m ³)
2014	50,766
2015	48,907
Total	99,673

The company recorded a decrease of 3.66% in total wastewater discharge. The volumes of wastewater were taken from the set of data reported to Hrvatske vode pursuant to Water Management Licenses for all sites that discharge

wastewater into the soil. Water discharge costs, i.e. fees could be significantly reduced by investing in wastewater flow meters.

If total water discharge values recorded in 2014 and 2015 are compared to the preceding reporting period from the aspect of quality, it is evident that the volume of water discharged increased by 118.58 %. This increase occurred after the company obtained Water Management Licenses for all its sites. More precisely, pursuant to new legal regulations, the volume of water discharged at sites that do not have wastewater flow meters installed is set to 40% of total water sources affected by withdrawal. Using the mentioned 40% as the basis for calculation, water discharge fees were determined for such sites as well, which was not the case in the preceding reporting period.

EN23: Total weight of waste by type and disposal method

In 2014, the total amount of non-hazardous waste collected by collecting organizations from temporary waste disposal areas at Vupik sites decreased by 17% compared to 2013. In the structure of non-hazardous waste, the amount of the collected plastic and paper packaging increased, and the amount of iron decreased. The amount of hazardous waste decreased by 25% compared to the preceding reporting period. The company takes care of the health of its animals and makes efforts to reduce the amount of drugs used, which resulted in a decrease in infectious and pharmaceutical waste in this reporting period. On the basis of the related certificate received, the company committed itself to adhere to the principle of sustainable development. The company's goals, i.e. reduction of waste and waste disposal costs, can be achieved through education and efforts aimed at raising the awareness of the need to separate waste.

In 2015, Vupik produced 175,695 t of non-hazardous waste, i.e. 9.3% more than in 2014, due to an increase in the amount of raw materials used in production. The same year, the company produced 14,054 t of hazardous waste, i.e. only 0.8% more than in 2014 (13,949 t), thanks to efficient

management and implementation of the ISO 14001:2004 Standard.

Hazardous waste generated at Vupik includes: waste motor oil (machines), packaging containing traces of hazardous substances (chemical substances – pesticides), infectious waste (pig and cattle farms), oil absorbents (workshops), oil filters (workshops, machines) and led batteries (engine batteries). All hazardous waste is separated in designated containers.

In this biannual reporting period, total weight of non-hazardous and hazardous waste decreased by 10.4% and 21% respectively. Larger amounts of non-hazardous waste recorded in 2012 and 2013 were caused by an increase in amounts of iron and steel waste produced during the reconstruction of facilities performed in that period, which were collected and transported for disposal purposes. The fleet renewal executed in the preceding reporting period resulted in a reduction of motor oil waste generation.

Weight of waste (t)	2014	2015
Non-hazardous	160,70	175,70
Hazardous	13,95	14,05

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

All company transportation systems cause environmental impacts. Vupik is no exception. Transport activities produce air emissions (the focus is placed primarily on emissions of CO₂ as primary emissions generated from fuel consumption).

Utjecaj prijevoza na okoliš	2014	2015
Fuel for transport (GJ)	54,445	47,966
Total CO ₂ emissions (t CO ₂ e) for fuel	384	338

CATEGORY: ENVIRONMENTAL
Business Group Food
Vupik

In 2014, Vupik had 27 company cars. Vupik employees come to work by personal cars or using public transportation. Freight is transported by Ricardo d.o.o. Darda, an external transportation services provider.

The benefits achieved by reducing the number of vehicles and replacing the old vehicles with new ones were even more prominent in 2015. The same year, CO₂ emissions from transport fuel (GJ) decreased by 11.9%, while total CO₂ emissions from fuel decreased by 12%.

Environmental Protection Investments

EN31: Total environmental protection expenditures and investments by type

Troškovi	2014	2015
Waste disposal, emissions treatment, and remediation costs	154,537.20	121,360.63
Prevention and environmental management costs	46,511.61	51,009.00
Total	201,048.81	172,369.63

Waste disposal and emissions treatment costs decreased by 21.47% in 2015 as a result of waste separation efforts and the

successful educational program on the topic of waste separation. Prevention and environmental management costs increased by 9.67% due to education expenditures incurred.

Compared to the preceding reporting period, waste disposal, emissions treatment and remediation costs decreased by 10.01% because, at that time, Vupik was transporting the waste and clearing the sites after the reconstruction of facilities or commercial yards. Prevention and environmental management costs increased by 4.8 as a result of investments made in construction of eco islands, certification and education.

The plans set for 2016 and 2017 include:

- construction of a 2 ha greenhouse for vegetable crop cultivation;
- reconstruction and extension of the irrigation system at the Grabovo BU by another 600 ha and the automation of the existing irrigation system;
- a public private partnership project – construction of the pipeline of the transfer pump station on the Danube River for the purpose of maintaining the biological minimum in the Grabovo lake;
- reconstruction of the Jakobovac farm;
- construction of an automated floor storage at the Transfer Port PC and reconstruction of a two-row silo;
- construction of the central storage for protective gear used by all profit centers;
- certification in accordance with the requirements of the ISO 9001:2015 Standard (all PCs and departments);
- recertification in accordance with the requirements of the ISO 14001:2004 Standard;
- laying a new epoxide layer at the Winery BU (applying for a grant from the National wine sector assistance program 2014 – 2018).

Kikindski mlin

According to the historical data, the steam mill of Velika Kikinda called Damfil was founded in 1862. The first company that invested capital in the steam mill in Kikinda was formed in 1869. Since 2005, the majority owners of Kikindski mlin are Dijamant A.D. – Zrenjanin and Frikom A.D. – Belgrade.

The primary activities of Kikindski mlin include raw materials storage and warehousing, wheat processing and laboratory testing services provided at the accredited laboratory in Kikinda.

The capacity of the mill in Kikinda is 135 t/day and it is powered by electricity. Thanks to the quality of equipment and production capacity, the Kikinda mill belongs among the leading milling plants in the country. At Kikindski mlin, raw materials are stored in silos. Finished goods are stored in warehouses with a total capacity of 5000 t and the flour is stored in a concrete silo with a capacity of 1,100 t. The milling plant also includes a pasta production unit. The pasta product mix includes short-cut pasta and pasta coiled into nests. The capacity of the production line for pasta coiled into nests is 200 kg/h, while the capacity of the production line for short-cut pasta is 300 kg/h. The primary energy source used is electricity, whereas natural gas is used to heat the water used in the pasta drying process.

During the reporting period, the company approved and adopted the following:

- a QMS in accordance with the requirements of the SRPS ISO 9001:2008 Standard,
- the principles contained in the CODEX ALIMENTARIUS CAC / RCP 1-1969; revision 4 (2003) and an HACCP system,
- a QM laboratory in compliance with the requirements of the SRPS ISO/IEC 17025: 2006 Standard for the reported accreditation scope,
- an environmental management system (EMS) in accordance with the requirements of the SRPS ISO 14001:2005 Standard whose scope of application extends to all company sites in Kikinda and all organizational parts involved in the production and sale of grain products and flour.

Activities carried out in the course of this reporting period, which contributed significantly to the reduction of adverse environmental impacts:

- the old grain drying facility was disassembled (by August 31, 2015), which contributed significantly to the reduction of air pollution and natural gas consumption;
- the existing equipment was disassembled and new reactive energy compensation batteries were installed in transformation stations of plant I, silo A and silo B, which resulted in a reduction of active energy consumption and helped achieve a significant reduction in consumption of non-renewable natural resources through a decrease in natural gas consumption;

- the company's fleet was sold (3 personal cars, 2 trucks with trailers and 2 tow trucks), which resulted in a significant reduction of fuel consumption and exhaust gas emissions.

In 2014, the company successfully implemented the SRPS ISO 14001:2005 Standard and received the relevant certificate. In 2015, it also started implementing the EN ISO 22000:2005 Standard.

The goals defined for this reporting period included:

- Contribution to the reduction of air pollution – In 2014, air quality improvements were achieved through development and installation of bolts on entry arms of fans used for ventilating the machine compartment of silo B. In addition, the old drying facility installed within the concrete silo was disassembled and removed by August 31, 2015;
- Contribution to the reduction of noise pollution – In 2014, compliance of noise indicator values with legal requirements for outdoor sites was achieved through installation of a noise reduction device on pneumatic fans in the mill and ventilation fans in the machinery compartment of silo B. In 2015, the company also developed and installed a noise reduction device on the ventilation fan of the grit machine.
- Contribution to the reduction of consumption of non-renewable natural resources – In 2014, the company achieved a reduction in energy consumption (electricity, natural gas and petroleum derivatives) by keeping a record of the use of natural resources and energy sources that allows data filtering, by introducing a system for comparing the use of non-renewable natural resources in 2014 and 2013, and by implementing the Instructions for Prevention or Reduction of Adverse Environmental Impacts. In 2015, a compensation energy regulator was installed in the transformation stations of the mill, silo A and silo B, and thermostatic valves were installed on radiators in the basement of the administration building and in the mill. Rational use of non-renewable natural resources was achieved through rational use of electricity and by making sure that all employees set their thermostats at optimal temperature;
- Improvement of the waste management process – In 2014, waste recyclability increased through selection of and signing agreements with licensed industrial waste collecting organizations and separation of waste at the point of origin. The hazardous waste storage facility was renovated and the amount of waste recycled by separating waste paper, cardboard and plastics from the mixed municipal waste increased. Among other things, a system for timely waste collection and transport for disposal purposes and a system for monitoring and prevention of waste dispersion outside the designated containers were implemented in 2014 as well. In 2015, waste material was collected and transported for disposal purposes by licensed collecting organizations. A reduction in waste generation recorded in 2015 was achieved

CATEGORY: ENVIRONMENTAL

Business Group Food

Kikinski mlin

through involvement of all employees in separation and collection of waste as well as electronic distribution of documents;

- Improvement of the system for informing interested parties – Environmental protection information was provided to all interested parties by posting the Quality, Food Safety and Environmental Protection Policy on the company's website. In addition, the website was also used to provide regular information about the EMS and to ensure that wheat suppliers are familiar with the implemented EMS and the company's Code of Conduct;

- Education and raising the environmental awareness of employees – In 2014, the environmental awareness of employees was achieved by ensuring that all employees are familiar with the implementation of EMS requirements, amendments to the EMS related job descriptions and activities, as well as by conducting all the planned educational activities on the topic of environmental protection intended for employees. In 2015, employees were trained in EMS requirements implementation and all employees were informed about the manner in which adverse environmental impacts can be reduced.

Materials

EN1: Materials used by weight or volume

Type of material used (kg)	2014	2015
Raw materials	33,439,840	38,198,360
Associated process materials	752	330
Materials for packaging purposes	274,395	261,423
Total	33,714,987	38,460,113

Compared to 2014, the amount of raw materials used increased by 14.23% in 2015 as a result of an increase in the

volume of production and sales of products. The amount of raw materials used in this reporting period thus increased by 30.73% compared to the preceding reporting period. The amount of associated process materials used in 2015 decreased by 56.12% compared to 2014 as a result of changes in the structure of production, continuing the trend recorded in the preceding reporting period. Compared to 2014, the amount of materials used for packaging purposes decreased by 4.73% in 2015 as a result of a reduction in delivery of dispersed products or products in bulk.

Energy

EN3: Energy consumption within the organization

Year	Diesel (GJ)	Natural gas (GJ)	LPG (GJ)
2014	3,449	8,619	89
2015	553	5,291	97
Total	4,002	13,910	191

Natural gas is primarily used for pasta production and heating of facilities. A decrease in natural gas consumption recorded in 2015 is a result of the disassembly of the drying facility. More precisely, raw materials were not dried. The recorded decrease is the continuation of the trend that began in the preceding reporting period. Total reduction of natural gas consumption thus amounted to 38.61 %.

At Kikinski mlin, diesel fuel is used for transportation purposes. In 2015, diesel fuel consumption decreased by 590.05% compared to the previous period as a result of the divestment of the company's fleet previously used to transport finished products and outsourcing the transportation services to an external company.

Indirect energy consumption by primary source (indirect energy obtained and used from nonrenewable energy sources)

Year	Electricity (GJ)
2014	12,639
2015	13,749
Total	26,388

Kikinski mlin uses LPG forklifts to load, unload and move finished products. In proportion with the increase in the volume of production and sales, LPG consumption increased in this reporting period by 8.99%.

Kikinski mlin uses electricity to power the machines and for lighting purposes. Electricity consumption follows the trend of increase in the volume of production and sales. More precisely, it grew by 16.32% in this reporting period.

CATEGORY: ENVIRONMENTAL

Business Group Food

Kikindski mlin

EN5: Energy intensity

Year	Ukupna energija po jedinici proizvoda (GJ/t)
2014	0.719
2015	0.498
Prosječna vrijednost	0.6085

Compared to 2014, total energy consumption per ton of units produced decreased by 30.73% in 2015. In the course of 2015, production and sales volumes grew. Production units operated continuously in four shifts seven days a week. Compared to the preceding reporting period, energy consumption de-

creased by 32.52% as a result of an increase in the volume of production and sales. Continuous machine operation, as a method of production, was introduced in the preceding reporting period. Active energy consumption decreased as a result of installing new reactive energy compensation batteries in transformation stations of plant I, silo A and silo B. Continuous operation in four shifts ensures a lower electric motor stoppage frequency rate. More precisely, a huge amount of energy is required to start electric motors, so that any stoppage leads to an increase in active energy consumption. Thanks to continuous operation, the amount of finished products increased, while energy consumption decreased.

Water

EN8: Total water withdrawal by source (m³)

Kikindski mlin withdraws water from its own well and the municipal supplies. Water is used to prepare wheat for grounding in milling plants, pasta production and laboratory testing processes. Water is also used for fire protection purposes, as well as employee and workspace hygiene maintenance. In this reporting period, the volume of water withdrawn from own wells increased by 20.82% in proportion with the trend of increase in production and sales volumes,

while the volume of water withdrawn from the municipal supplies decreased, albeit negligibly.

Year	From own wells	From the public water supply system	Total volume of water withdrawn
2014	1,957	466	2,423
2015	2,216	465	2,681
Total	4,173	931	5,104

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

At Kikindski mlin, direct greenhouse gas emissions are produced as a result of combustion of natural gas, diesel fuel and, to a lesser degree, LPG. Compared to 2014, the amount of greenhouse gas emitted decreased by 54.29% in 2015, which is ascribed to a milder winter and higher average daily temperatures. The disposal of the company's fleet resulted in a proportional decrease in the amount of fuel used and thus also in the total amount of direct greenhouse gas emissions. The same trend was recorded in the preceding reporting period, and total direct greenhouse gas air emissions decreased by 48.12%. In this reporting period, LPG emissions were the same. Compared to the preceding reporting period, however,

they increased by 20%, as a result of increased use of internal transport vehicles due to an increase in production and sales.

Direct greenhouse gas emissions (t CDE)	2014	2015
Production plants	484	297
Fuel for transport	267	43
LPG	6	6
Total	757	346

EN16: Energy indirect greenhouse gas (GHG) emissions (Scope 2)

Energy indirect greenhouse gas emissions result from electricity consumption. Kikindski mlin uses electricity to power its machines and lighting system. Electricity consumption follows the trend of increase in production and sales. Compared to 2014, electricity consumption increased by 8.86% in 2015 and, compared to the preceding period, it increased by 16.49%.

Indirect greenhouse gas emissions (t CDE)	2014	2015
Electricity	824	897
Total	824	897

CATEGORY: ENVIRONMENTAL
Business Group Food
Kikindski mlin

EN18: Greenhouse gas (GHG) emissions intensity

As a result of the divestment of the fleet and signing an agreement with an external transport services provider in this reporting period, the company recorded a decrease in greenhouse gas emissions intensity per ton of units produced of 13,56% compared to the preceding reporting period.

Greenhouse gas emissions intensit	2014	2015
CO ₂ e / t of units produced	1,581	1,243

EN21: NO_x, SO_x and other significant air emissions

Year	Air emissions (t)	
	NO ₂	CO
2014	0.86	0.09
2015	0.53	0.05
Total	1.39	0.14

The amount of air emissions generated by Kikindski mlin are negligible, as the company, in its industrial production process, does not use any fuels that emit large amounts of NO_x or SO_x, such as coal, mazut, heating oil or firewood, but exclusively natural gas. The decrease in greenhouse gas emissions recorded in this reporting period is also a result of the divestment of the company's external transport vehicles. Compared to the previous period, the amount of NO₂ emissions decreased by 27.40% and the amount of CO emissions by 28.57%.

EN22: Total water discharge by quality and destination

Year	Total water discharge (m ³)
2014	951
2015	978
Total	1,929

In this reporting period, Kikindski mlin used the same technology as in the previous one. More precisely, in its industri-

al production process, the company does not discharge process wastewater, but only sanitary and atmospheric wastewater. When discharged, water is mechanically treated in a longitudinal sedimentation tank, and wastewater measurement and analysis are not performed. This indicator also reflects the trend of increase in production and sales volumes. Compared to the preceding reporting period, total water discharge increased by 2.26%.

EN23: Total weight of waste by type and disposal method

Type of waste	Treatment	Waste disposal contractors	2014 (t)	2015 (t)
Nonhazardous waste	R	Ecology Action d.o.o. Kikinda	90.64	151.14
Hazardous waste	D	Miteco - Kneževac d.o.o.	0	1.66
Total		Beograd	90.64	152.80

Considering the total amount of waste disposed of during the reporting years, it is evident that the company recorded a significant increase in the total amount of both hazardous and non-hazardous waste in 2015. The mentioned increase was caused by the disassembly of the old drying facility and disposal of the resulting waste, primarily scrap metal that belongs to the category of non-hazardous waste. In 2015,

reactive power compensation equipment was written off and the hazardous waste in the form of condenser batteries was disposed of. Compared to the preceding reporting period, the total amount of non-hazardous waste increased by 1,321.15% as a result of the disassembly of the old drying facility. No hazardous waste was recorded in the preceding reporting period.

CATEGORY: ENVIRONMENTAL

Business Group Food

Kikindski mlin

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

Year	Fuel for transport	LPG	Total CO ₂ emissions	
	GJ	GJ	t CO ₂ equivalent for Fuel	t CO ₂ equivalent for LPG
2014	3,449	94	267	6
2015	553	97	43	6
Total	4,002	191	310	12

No significant environmental impacts were caused by transporting raw materials, other input materials, finished goods or members of the workforce. Compared to the preceding reporting period, the amount of fuel used for transportation purposes decreased by 590.05%. The reason for such a decrease in consumption is the divestment of vehicles previously used to

transport finished goods and signing an agreement with an external transportation services provider. Consequently, emissions decreased as well. Compared to the preceding reporting period, the amount of LPG consumed increased by 15.46% as a result of an increase in the volume of production and more frequent use of internal transport vehicles.

Goals and plans for 2016 and 2017

In the course of 2016, the company plans to assemble a new grain drying facility that will be more energy efficient and cause less environmental impacts in terms of emissions of powdery substances.

In May 2016, the company plans to have its QMS and EMS recertified and its food safety management system certified in accordance with the requirements of the EN ISO 22000:2005 Standard.

The following goals have been defined for the next reporting period:

- Assembly of a new grain drying facility that will be more energy efficient and cause less environmental impacts in terms of emissions of powdery substances;
- Recertification of the company's QMS and EMS and certification of its food safety management system in accordance with the requirements of the EN ISO 22000:2005 Standard are scheduled for May 16, 2016 and May 17, 2016;
- Contribution to the reduction of air pollution – the company plans to reduce the air emissions of powdery substances by replacing the filter bags used in pneumatic filters in the mill during machine and equipment repair, and developing and installing a dust collection system in machinery compartments of silo A and silo B;
- Contribution to the reduction of noise pollution – the company plans to reduce noise pollution caused by machine operation by developing and installing a noise mitigating device on dust collector fans in silo A and silo B;
- Raising the environmental awareness of the members of the workforce – the company plans to continue its efforts aimed at raising the awareness of the members of the workforce concerning environmental protection through employee training in waste management and reduction, as well as concerning the need to contribute to the reduction of consumption of non-renewable natural resources. The company also plans to check whether the designed EMS complies with the EMS requirements.

Solana Pag

Solana Pag d.d. is the largest sea salt producer in Croatia. The company uses a kind of production technology that takes maximum advantage of the natural qualities of the area where it is located (clean environment, large number of sunny days, pleasant wind). The first written records about salt pans on Pag date from the 9th century, which confirms the fact that the conditions this region offers are truly favorable for salt production. The several hundred years old tradition of salt production commits us to maintain customer loyalty by creating quality products.

In 1995, Solana Pag d.d. became a member of the Agrokor Group and started expanding its product mix. Besides fine and coarse sea salt, the company today also produces salt flower, dishwasher salt, bathing salt and seasoned salt.

Solana Pag is a combined solar thermal salt pan. This means that 90% of production takes place in outdoor ponds, and 10% in the industrial plant under controlled conditions. In this manner, the share of impure substances from the salt is reduced to the minimum and the quality of salt is enhanced. The process of producing salt from the sea starts by releasing seawater with particular initial concentration of salt into the shallow pond system where it is exposed to the sun and the wind. It is where 90% of the water evaporates naturally. The condensed seawater (brine) is then transferred into the vacuum evaporation station where the salt crystalizes. The so-obtained salt is iodized, dried, sieved and packed or it is stored non-iodized for further use. From the beginning of the production process until the finished product, salt is tested in the company's laboratory and, as far as food safety and quality control aspects are concerned, it is also continuously controlled by accredited state laboratories, as well as sanitary and veterinary inspections.

Having put in place and implemented the Quality, Environmental Protection and Food Safety Policy, Solana Pag has ensured safety and quality of its operations, as well as compliance of the entire production process, from seawater withdrawal to the finished product, and the resulting environmental impacts with requirements of the Codex Alimentarius and the ISO 14001:2004 Standard. In 2006, our HACCP system was certified according to the requirements of the Codex Alimentarius. In 2009, Solana Pag's products were Kosher certified. In 2011, Solana Pag started implementing an environmental management system certified in accordance with the requirements of the ISO 14001:2004 Standard.

In 2014, the company started implementing the Coarse Salt Washing Plant project. The implementation continued throughout 2015. The company installed a new drying facility and a new mill, thus making additional positive steps in the environmental protection segment in terms of reduction of consumption and replacement of the previously used energy source with a new, more environmentally friendly one (the company switched from medium heating oil to extra light heating oil). In doing so, it also improved the quality of exhaust gases. The results of these improvements will be largely noticed in the next reporting period.

The company is currently in the process of receiving the national Protected Designation of Origin label for Pag salt and Pag salt flower.

The initial surveillance audits of the HACCP and ISO 14001:2004 systems were performed. The auditors established that the non-compliances identified during last year's recertification audit were have been eliminated, and that the goals set for the preceding reporting period have been achieved.

Materials

EN1: Materials used by weight or volume

Type of material used (kg)	2014	2015
Raw materials	62,830,000	94,245,000
Associated process materials	6,871,175	10,289,898
Materials for packaging purposes	850,286	876,851
Total	70,551,461	105,411,749

In 2015, the company recorded an increase in consumption of raw materials (brine) and associated process materials thanks to favorable weather conditions during the most suitable period of the year for brine production, which

is why brine production output was significantly greater than in 2014. Compared to 2015, the production period in the preceding reporting period was shorter. Hence, the amount of raw materials used was smaller than in 2015. The annual salt production output recorded in 2015 (18,000 t) was significantly greater than in 2014 (10,800 t). Consequently, the amount of the energy source used (wood biomass) was also greater than in 2014, i.e. 10,000 tons compared to 6,600 t. Since the period of production was shorter in the preceding reporting period, the annual production output was smaller, and so was the amount of the energy source used.

Energy

EN3: Energy consumption within the organization

Year	Fuel (GJ)	Natural gas (GJ)	LPG (GJ)
2014	10,515	/	215
2015	11,580	/	250
Total	22,095	/	465

Total fuel consumption from renewable sources

Year	Wood – biomass (GJ)
2014	99,000
2015	150,000
Total	249,000

In 2015, fuel consumption (non-renewable energy sources) increased compared to 2014.

Medium heating oil consumption decreased because the small boiler powered by this type of fuel operated for only three months. Afterwards, medium heating oil formerly used for salt drying purposes was replaced by extra light heating oil (new drying facility), which was used for the rest of the year. The increased consumption therefore refers to the use of extra light heating oil.

Compared to 2014, LPG consumption slightly increased in 2015 as a result of an increased goods loading frequency rate, and the use of forklifts in the process of replacing the old drying facility.

The amount of wood used for thermal energy production in 2015 (10,000 t) increased compared to 2014 (6,699 t) due to an extended production period and the larger salt production output. Compared to the preceding reporting period, consumption of all types of fuel increased due to an extended period of production.

Total electricity consumption

Year	Electricity (GJ)
2014	7,749
2015	8,265
Total	16,014

Compared to 2014, electricity consumption increased in 2015 as a result of an extended period of production and an increased salt production output. The amount of electricity used in the preceding reporting period was greater than in 2015 even though the production period was shorter and the production volume smaller, thanks to the installation of a new drying facility and its mode of operation that resulted in a reduction of energy consumption. More precisely, the new drying facility operates independently from the rest of the production process and the biomass heating plant. Consequently, less electricity is used, particularly when the production plant is inactive, i.e. when all that is left to be done is to dry the salt.

EN5: Energy intensity

Year	Energy intensity (GJ/t)
2014	10.87
2015	9.40

Energy intensity is the ratio of total energy consumption to total production volume. Energy intensity calculations for 2014 and 2015 look as follows:

- $\text{Energy intensity (GJ/t)} = \Sigma \text{EN3 2015} / \text{total production 2015} = 170095 \text{ GJ} / 18000 \text{ t} = 9.4 \text{ GJ} / \text{t}$
- $\text{Energy intensity (GJ/t)} = \Sigma \text{EN3 2014} / \text{total production 2014} = 117479 \text{ GJ} / 10.800 \text{ t} = 10.87 \text{ GJ/t}$

It is evident that, compared to 2014, energy intensity de-

creased in 2015. The amount of energy consumed depends on the input raw material, i.e. the concentration of salt in the input raw material. To produce salt from the brine, the remaining water must be evaporated before salt can start to crystallize in the vacuum evaporation station. 2015 was an excellent year for brine production. Thanks to favorable weather conditions, i.e. extremely dry and sunny days, the average concentration of salt in the brine was 23,6 °Bé, compared to 2014 when it was below 21 °Bé.

As a result, a smaller volume of water had to be evaporated from the brine to achieve the same salt production output. Consequently, a smaller amount of energy was needed in 2015 as well.

EN6: Reduction of energy consumption

In the course of 2015, the amount of thermal energy required per unit of salt produced was smaller due to already mentioned reasons (favorable weather conditions during summer months). Hence, a smaller volume of water had to be evaporated from the condensed seawater to achieve the same pro-

duction volume, and consequently less thermal energy was needed to complete the evaporation process.

The required amount of electricity per unit of salt produced also decreased in 2015 (127.6 kWh/t salt) compared to 2014 (199.3 kWh/t salt). What contributed to the mentioned

CATEGORY: ENVIRONMENTAL
Business Group Food
Solana Pag

reduction in energy consumption were the improved quality of the input raw material and production system modifications.

In 2015, the company installed a new drying facility that operates independently from the rest of the production process

and the biomass heating plant. The commissioning of the new drying facility resulted in a reduction of electricity consumption, particularly at times when the production plant is inactive.

Water

EN8: Total water withdrawal by source (m³)

Year	Brine	Cooling seawater	Public water supply system	Total volume of water withdrawn
2014	61,000	1,046,400	21,179	1,128,579
2015	91,500	1,593,600	25,260	1,710,360
Total	152,500	2,640,000	46,439	2,838,939

Compared to the year before, a larger amount of brine was processed in 2015. The volume of the cooling seawater was in line with the previous reports.

In 2015, the company also recorded an increase in consumption of municipal water supplies due to an extended production period.

It is important to note that, compared to 2014, consumption of municipal water supplies per unit of salt pro-

duced (1.403 m³/t) decreased in 2015 (1.961 m³/t). The mentioned decrease is a result of the replacement of the old drying facility with a new one that operates independently from the biomass heating plant, particularly at times when the production plant is inactive. In the preceding reporting period, the total number of water sources affected by withdrawal was smaller as the production period was shorter.

Emissions, Effluents and Waste

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

Direct greenhouse gas emissions (t CDE)	2014	2015
Production plants	5,574	8,813
Fuel for transport	81	79.48
LPG	10	11.7
Total	5,665	8,904

In 2015, the company recorded an increase in CO₂ emissions as a result of an increased fuel consumption compared to 2014. Since fuel consumption and the related CO₂ emissions

generation are closely correlated with the duration and volume of production, the increased amount of CO₂ emissions is a result of the larger salt production output. The amount of fuel used for transportation purposes (loading trucks, other trucks) is similar to the amount recorded in 2014.

Compared to the preceding reporting period, the values increased in proportion with the production volume. CO₂ emissions per unit of salt produced amounted to 0.49 t/t of salt in 2015, while CO₂ emissions per unit of salt produced recorded in the preceding reporting period amounted to 0.42 t/t of salt.

EN16: Energy indirect greenhouse gas (GHG) emissions (Scope 2)

Indirect greenhouse gas emissions (t CO ₂)	2014	2015
Electricity	508.79	542.79

The increase in indirect CO₂ emissions recorded in 2015, in comparison with 2014, is a result of an increase in electricity

consumption required to chop wood into wood fuel (biomass) to meet the increased production fuel demand. Compared to the preceding reporting period, total emissions decreased by 6% since electricity consumption dropped after the new drying facility was commissioned.

EN18: Greenhouse gas (GHG) emissions intensity

In order to calculate the intensity of direct greenhouse gas emissions in 2015, the company used the ratio of emissions in tons of CO₂ equivalent for the amount of wood biomass used in 2015 (7926.7 t) and the salt production volume recorded that same year (18,000 t). Hence, CO₂ emissions per ton of salt produced amounted to 0.44 t in 2015. In 2014, CO₂ emissions per ton of salt produced amounted to 0.48 t.

In order to calculate the intensity of indirect greenhouse gas emissions in 2015, the company used the ratio of emissions in tons of CO₂ equivalent for the amount of electricity used in 2015 (1,994,355 kWh) and the salt production volume recorded that same year (18,000 t). Hence, CO₂ emissions per ton of salt produced amounted to 0.026 t in 2015. In 2014, CO₂ emissions per ton of salt produced amounted to 0.037 t.

EN19: Reduction of greenhouse gas emissions

Instead of using non-renewable energy sources, the company uses a CO₂ neutral thermal energy production technology (wood biomass). In addition, a new drying facility was commis-

sioned in 2015. The company also switched from medium heating oil to extra light heating oil, thus improving the quality of exhaust gases.

EN20: Emissions of ozone-depleting substances (ODS)

In its production process, Solana Pag does not use ozone-depleting substances.

EN21: NO_x, SO_x and other significant air emissions

Year	Air emissions (t)		
	SO ₂	NO ₂	CO
2014	1.57	8.25	0.08
2015	1.7	14	1.18
Total	3.27	22.25	1.26

Compared to 2014, emissions of air pollutants from stationary sources increased in 2015 as a result of an increase in the

amount of combusted material. The amount of CO emissions increased also due to higher carbon monoxide emission values obtained during air emission measurement carried out in 2015 (large boiler, wood biomass).

Compared to the preceding reporting period, the company recorded a decrease in air emissions of NO₂. A decreasing trend has been recorded ever since the new drying facility was commissioned and the small mazut boiler was decommissioned.

EN22: Total water discharge by quality and destination

Year	Total water discharge (m ³)
2014	1,125,112
2015	1,703,742
Total	2,828,854

The wastewater discharged into the municipal sewage system includes process, cooling, sanitary and precipitation water. The amount of wastewater in 2015 was in proportion with the amount of water withdrawn from the sea and other sources. From the total content of brine, the salt crystalizes, the evapo-

rated part condenses and as such is released into the sea, while the rest is the base alkali which is also discharged into the sea. Before being discharged, sanitary wastewater is treated in an aerobic wastewater treatment plant through biological processes, while process wastewater is treated in a sedimentation tank through physical processes.

Pursuant to the Water Management License issued by Hrvatske vode, a water management company, on July 8, 2014 (valid until January 1, 2017), CLASS: UP/I°-325-04/14-05/87, REG. NO.: 374-24-3-14-5/LP, discharging of the following wastewater into the sea is allowed: sanitary (treated in a

CATEGORY: ENVIRONMENTAL

Business Group Food

Solana Pag

biological wastewater treatment plant), process and cooling wastewater. The License also prescribes the sampling frequency. Wastewater sampling and quality analysis are performed by the Zadar Public Health Institute.

The values of measured parameters obtained from all wastewater analyses comply with the requirements prescribed under the Water Management License allowing the

discharge of wastewater into the municipal sewage system, except for process wastewater. More precisely, during the production campaign, the values obtained on three out of six measurement occasions (parameter – suspended particles) did not comply with the prescribed values. It is therefore necessary to perform reconstruction of the deposit tank in 2016.

EN23: Total weight of waste by type and disposal method

Type of waste	Waste disposal contractors	2014 (t)	2015 (t)
Nonhazardous waste	Unijapapir, CeZaR, Arburoža,e-kolektor	64.99	92.2
Hazardous waste	Ciak, IND EKO	0.74	30.84
Total		65.73	123.04

The increase in non-hazardous waste is in proportion with the increase in production and packaging volumes. However, the main contributor to the total increase in non-hazardous waste recorded in 2015 was the replacement of the old drying facility with a new one, which resulted in an increased amount of metal waste (17 04 05).

Hazardous waste (080317*, 150110*, 150202*, 160506*, 160601*, 200121*, 200133*, 130507*, 160213*, 160708*, 160209*, 130502*) is produced during regular annual maintenance, machinery operation and use of certain materials for office and laboratory purposes. Compared to 2014, the

amount of hazardous waste significantly increased in 2015 due to an extraordinary event. More precisely, a disaster occurred during the pouring of diesel fuel from a larger into a smaller container. More than 500 l of diesel fuel spilled. The remediation activities were carried out in accordance with the prescribed procedures, but resulted in large amounts of hazardous waste. Compared to the preceding reporting period, the amount of waste, including both non-hazardous and hazardous waste, increased due to the mentioned remediation activities and the extraordinary event.

Compliance

EN29: Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations

In this reporting period, the company received no fines for non-compliance with environmental laws and regulations.

Transport

EN30: Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

Solana Pag does not own vehicles used to transport products or buses used to transport members of the workforce to and from work. Waste is collected and transported for disposal pur-

poses away from the island in a controlled manner. The company only owns a truck used to transport wood (wood biomass) and a loading truck used for packaging purposes (EN15).

CATEGORY: ENVIRONMENTAL

Business Group Food

Solana Pag

Environmental Protection Investments

EN31: Total environmental protection expenditures and investments by type

Year	Waste disposal, emission treatment and remediation costs (HRK)	Prevention and environmental management costs (HRK)
2014	22,564.00 HRK	16,214.00 HRK
2015	119,758.49 HRK	14,213.86 HRK
Total	142,322.49 HRK	30,427.86 HRK

Compared to the preceding reporting period, the amount increased because of the cleaning costs incurred as a result of the extraordinary event.

Goals for 2016 and 2017:

- Construction of an indoor finished goods storage
In the next reporting period, Solana Pag plans to carry out a number of activities which are expected to result in energy use and waste reduction, such as the construction of an indoor finished goods storage facility. Most of the goods are currently being stored in outdoor areas, which is considered improper and has been identified as such during several HACCP audits already. The need to transport the goods back to the packaging facility in order to replace the dirty stretch foil prior to shipment causes additional costs.
- Factory re-roofing and floor repair
The company plans to re-roof the factory because of identified roof leaks, and repair the worn-out floors.
- Replacement of the salt centrifuge machine
The company plans to invest in new equipment, i.e. replace the salt centrifuge machine, in order to reduce the failure rate, which is currently high because the machine is too old.
- Repair of external asphalt surfaces
The company plans to repair the asphalt surfaces of loading areas, which are currently indented, in order to extend the operational life of the forklifts.
- Process wastewater quality improvement
By the next production campaign, the company plans to clean the process wastewater deposit tank and build additional partitions in order to improve the quality of process wastewater.

Implementation of the United Nations Global Compact in the Republic of Croatia (UN Global Compact - Communication on Progress) and overview of GRI G4 indicators set out in the sustainability report of the Agrokor Group for 2014 and 2015

Agrokor is signatory to the UN Global Compact since 2007. Our orientation towards supporting the core social values promoted by the Global Compact is also demonstrated by reporting on the activities of our business group in the biennial sustainability reports, as well as the

annual report on the implementation of UN Global Compact principles (Communication on Progress) in the alternative years. This biennial report describes in detail our activities in all of the four areas of the Compact and the list of relevant indicators pertaining to the respective areas is stated below.

Introduction

Organizational Profile

Strategy

Report Scope and Boundary

EC9 Proportion of spending on local suppliers at significant locations of operation

Human Rights

Principle 1 - Businesses should support and respect the protection of

internationally proclaimed human rights within the scope of their influence; and

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

HR3 Total number of incidents of discrimination and corrective actions taken

Labour Standards

Principle 3 - Businesses should support and respect the protection of

Principle 4 - the elimination of all forms of forced and compulsory labour;

Principle 5 - the effective abolition of child labour; and

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

HR4 Operations and suppliers identified in which the right to exercise freedom of association and

collective bargaining may be violated or at significant risk, and measures taken to support these rights

HR12 Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms

LA1 Total number and rates of new employee hires and employee turnover by age group, gender, and region

LA3 Return to work and retention rates after parental leave, by gender

LA4 Minimum notice periods regarding operational changes, including whether these are specified in collective agreements

LA6 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism,

and total number of work-related fatalities, by region and by gender

LA9 Average hours of training per year per employee by gender, and by employee category

LA11 Percentage of employees receiving regular performance and career development reviews, by gender and by employee category

LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity

LA13 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation

LA16 Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms

Environment

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

Principle 8 - undertake initiatives to promote greater environmental responsibility; and

Principle 9 - encourage the development and diffusion of environmentally friendly technologies.

EN1 Materials used by weight or volume

EN3 Energy consumption within the organization

EN5 Energy intensity

EN6 Reduction of energy consumption

EN8 Total water withdrawal by source

EN9 Water sources significantly affected by withdrawal of water

EN10 Percentage and total volume of water recycled and reused

EN11 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas

EN15 Direct greenhouse gas (GHG) emissions (Scope 1)

EN16 Energy indirect greenhouse gas (GHG) emissions (Scope 2)

EN18 Greenhouse gas (GHG) emissions intensity

EN20 Emissions of ozone-depleting substances (ODS)

EN21 NOX, SOX, and other significant air emissions

EN22 Total water discharge by quality and destination

EN23 Total weight of waste by type and disposal method

EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

EN30 Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce

EN31 Total environmental protection expenditures and investments by type

Anti-Corruption

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

S04 Communication and training on anti-corruption policies and procedures

S06 Total value of political contributions by country and recipient/beneficiary

S07 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes

S08 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations

ANNEX 1

Agrokor Group Ownership Structure

Agrokor - Ownership in Subsidiary Companies

BUSINESS GROUP RETAIL	BUSINESS GROUP FOOD	OTHER BUSINESS
Ambalažni servis d.o.o. HR..... 96.93%	Agrokor - Zagreb d.o.o. 80.34%	Agkor d.o.o. 55.30%
Ambalažni servis d.o.o. BIH..... 100.00%	Agrolaguna d.d. 85.22%	Agrokor AG 100.00%
Ambalažni servis d.o.o. Srbija..... 96.93%	Belje d.d. 94.23%	Agrokor - Energija d.o.o. 100.00%
Angropromet d.o.o. 96.93%	Dijamant a.d. 96.14%	Agrokor kft. 100.00%
Euroviba d.o.o. 91.57%	Frikom d.o.o. 55.30%	Agrokor - trgovina d.o.o. 100.00%
Idea d.o.o. 96.93%	Fonyodi kft. 80.44%	INIT d.d. 67.00%
Frikom Beograd doel..... 55.30%	Irida d.o.o. 55.30%	Kor Broker d.o.o. 100.00%
Jamnica d.o.o. Beograd 80.44%	Jamnica d.d. 80.44%	Kron d.o.o. 100.00%
Jamnica d.o.o. Maribor 80.44%	Kikinski mlin a.d. 82.74%	L.G. Moslavina d.o.o. 100.00%
Konzum d.d. 96.93%	Ledo d.d. 55.30%	M-profil SPV d.o.o. 100.00%
Konzum d.o.o. Sarajevo 100.00%	Ledo d.o.o. Čitluk 55.30%	mStart d.o.o. 100.00%
Krka d.o.o. 79.88%	Ledo kft. 55.30%	Projektgradnja d.o.o. 80.86%
Ledo d.o.o. Kosovo 55.30%	Ledo d.o.o. Podgorica 55.30%	
Ledo d.o.o. Ljubljana..... 55.30%	Mladina d.d. 48.98%	
Multiplus card d.o.o. 72.70%	Nova Sloga d.o.o. 100.00%	
PIK BH d.o.o. Laktaši 96.93%	PIK Vinkovci d.d. 70.87%	
Poslovni sistem Mercator d.d. 59.47%	PIK Vrbovec d.d. 96.93%	
Roto dinamic d.o.o. 80.44%	Sarajevski kiseljak d.d. 80.34%	
Roto ulaganja d.o.o. 100.00%	Sojara d.o.o..... 51.84%	
Super Kartica d.o.o. BiH 100.00%	Solana Pag d.d. 96.93%	
Super Kartica d.o.o. Srbija..... 64.95%	Vupik d.d. 88.34%	
Tisak d.d. 67.35%	Zvijezda d.d. 51.84%	
TPDC Sarajevo d.d. 51.00%		
Velpro-centar d.o.o. 96.93%		
Zvijezda d.o.o. Ljubljana..... 51.84%		
Zvijezda d.o.o. Sarajevo 51.84%		
Žitnjak d.d. 86.68%		

ANNEX 2

List of Certified International Standards

COMPANY	STANDARDS
Agrolaguna d.d.	HACCP; ISO 9001:2008; ISO 14001:2004; Kosher
Agrokor trgovina d.o.o.	GMP+; DS; ISCC
Belje d.d.	HACCP; ISO 9001:2008; ISO 14001:2004; OHSAS 18001:2007; GLOBAL G.A.P. ; IFS; Kosher; Halal; DS; ISCC
Dijamant a.d.	HACCP; ISO 9001:2008; ISO 14001:2004; FSSC 22000; Halal; GMP+
Emba	ISO 9001:2008; IFS; SQMS
Fonyodi kft	ISO 9001:2008
Frikom a.d.	HACCP; ISO 9001:2008; ISO 14001:2004; ISO 22000:2005; OHSAS 18001:2007; GLOBAL G.A.P.; IFS
Irida d.o.o.	HACCP; ISO 9001:2008; ISO 14001:2004; Kosher; FSSC22000
Jamnica d.d.	HACCP; ISO 50001:2011; ISO 9001:2008; ISO 14001:2004; Kosher; NSF; NATO-US Army; Carbonfree Certificate; ESMA; SQMS
Kikindski mlin a.d.	HACCP; ISO 9001:2008; ISO/IEC 17025; ISO14001:2004
Konzum d.d.	HACCP; ISO 14001:2004; OHSAS 18001:2007; ISO 22000:2005; ISO/TEC 27001:2005
Konzum d.o.o. BIH	ISO 14001:2004
Ledo d.o.o. BIH	HACCP; ISO 9001:2008; ISO 14001:2004; Halal
Ledo d.d.	HACCP; ISO 9001:2008; ISO 14001:2004; IFS; BRC; Kosher
Mercator d.d.	ISO 9001:2008; ISO 14001:2004; AEO; Družini prijatno podjetje
Mercator - IP	Eko pridelava; Družini prijatno podjetje
Mercator - S	HACCP; ISO 9001:2008; ISO 14001:2004
Mercator - CG	ISO 9001:2008
Nova Sloga a.d.	HACCP; Kosher; ISO 14001:2004
PIK Vinkovci d.d.	HACCP; ISO 9001:2008; ISO 14001:2004; GLOBAL G.A.P.; Kosher; OHSAS 18001:2007; DS; ISCC
PIK Vrbovec d.d.	ISO 50001:2011; ISO 9001:2008; ISO 14001:2004; OHSAS 18001:2007; IFS; Kosher; Halal
Sarajevski kiseljak d.d.	ISO 14001:2004; ISO 22000:2005;
Sojara d.d.	ISO 9001:2008; ISO 14001:2004; Kosher
Solana d.d.	HACCP; ISO 14001:2004; Kosher
Vupik d.d.	ISO 14001:2004; GLOBAL G.A.P.; DS; ISCC
Zvijezda d.d.	HACCP; ISO 50001:2011; ISO 9001:2008; ISO 14001:2004; ISO/TEC 27001:2005; IFS; Kosher

ANNEX 3

List of Employees Involved in Drawing up the Report

Agrokor d.d.

Bogdanić Marta
Borčić Ivana
Domšić Ivan
Krstulović Ivana
Jukić Lucija
Jukić Suzana
Markovac Zvonimir
Međugorac Popovski Mila
Ođrljin Gordana
Prkačin Kristina
Salihagić Dino
Sturz Vujadinović Rujana
Šimović Anđa
Širić Marin
Troskot Ana

Agrolaguna d.d.

Antolović Damir
Kontić Leana
Kovač Petra
Potočki Jelena
Sakić Evelina
Slade Danko
Slade Irena
Šterpin Franko

Agrokor trgovina d.d.

Todorić Anela

Belje d.d.

Čavrag Patricija
Emert Antun
Emert Snježana
Firanj Sejdić Blanka
Ileković Damir
Lečić Nada
Pinotić Zvonimir
Pletikapić Vlatko
Ružička Igor
Stojković Aleksandar
Štimec Viktorija
Vranić Ivana

Dijamant a.d.

Domazet Vladanka
Ludoški Tatjana
Mazalica Kralj Isidora
Nenin Predrag
Perić Jovo
Radin Ivica
Zvijer Novak

Frikom a.d.

Atlija Jovan
Čajić Dušan
Jevtić Ivana
Miličević Jelena
Puzović Katarina
Vižlina Dalibor
Vlahović Jovičić Radica
Vulović Velimir

Mercator – S d.o.o.

Brajdić Jasmina
Jovanović Miloš
Omaljev Miki
Pančić Maja
Phandler Isidor
Raduka Sanja
Samardžić Draško
Šašo Marina
Uglješić Miroslav

Irida d.d.,

Jakšić Vesna
Lukić Jelena

Jamnica d.d.,

Fonyodi,

MG Mivela d.o.o.

Antunović Ana
Blažević Ines
Fratric Katarina
Gregorić Slavica
Horvath Zsofia
Jakimovski Lidija
Kalogjera Tanja
Krnjević Ivana
Mikačić Jasna
Petričević Ivana
Petrov Damiani Sanja
Pođrug Martina
Savić Slavica
Varga Dejan

Kikindski mlin a.d.

Azap Ivana
Bajić Helena
Kalanj Nikolina
Mijatović Dragana
Savić Vladimir
Sekulić Marija

Konzum d.d.

Deković Marijana
Havaić Katarina
Jelić Maša

Kraljić Mira

Tomić Nera
Validžić Kristina

Konzum BIH

Avdaković Haris
Cico Amela
Džanko Amer
Isanović Muarem
Kujundžić Aldina
Kunić Selma
Mešinović Alem
Mujezinović Emira
Mutapčić Saković Edita
Švarc Beširović Katarina

Ledo d.d., Ledo Kft,

Ledo d.o.o.

Bezjak Muselinović Maja
Čurić Iva
Pajnić Benović Mirjana
Radman Sanja
Tapavički Jogun Jelena
Tomazin Željka
Velin Andrea

Ledo Čitluk

Sudar Ana
Miletić Ljubica
Pehar Ante

Mercator d.d.

Bergant Jegrinec Jernej
Šink Katja

Mladina d.d.

Adam Ana Marija
Boričević Neda

mStart

Ukas Ivana
Mikulić Ana

MultiPlus Card d.o.o.

Tomljanović Biondić Sandra
Šikac Vedrana

Nova Sloga a.d.

Mrmošanin Bogdana
Petković Tamara
Puzović Dragana

PIK Vinkovci d.d.

Kloss Marija
Mihaljević Vesna

Pavković Danijela

Perić Vido

PIK Vrbovec d.d.

Brebek Josip
Findri-Šestanović Višnja
Fundelić Ana
Kajfeš Hrgovan Tamara
Pavić Martina
Pleše Željka

Poliklinika Aviva

Manuela Gabrić

Roto dinamić d.o.o.

Vidović Bljajić Ivana

Sarajevski kiseljak d.d.

Čabrić Marina
Josipović Darko
Katana Milka
Trogrlić Kožul Vesna

Sojara d.d.

Franušić-Bajlo Nikolina
Klapan Meri
Rančić Zoran

Solana Pag d.d.

Buljanović Ivan
Fabijanić Rosana
Maržić Damir
Paro-Vidolin Kolevski Marina
Želehovski Musa Kristina

Tisak d.d.

Bertović Snježana
Gizelov Vanda
Gregurić Iva
Kremer Darijan
Vuković Sanda

Vupik d.d.

Jurić Bruno
Mayer Hrvoje
Posavac Mario
Sabljak Boris
Uremović Katica
Živanović Sonja

Zvijezda d.d.

Sertić Srebrenka
Siuc Martina
Škoro Darko
Tišlerić Nina



AGROKOR

© 2016. Agrokor

Publisher: Agrokor d.d.

Design: Agrokor d.d.

Photography: Archive Agrokor d.d., Shutterstock

Translation: Abis d.o.o., Zagreb

Prepress: Kaligraf d.o.o., Zagreb