



United Nations Global Compact

Communication on progress for 2019

Period covered: December 2018 to December 2019

Format: basic reporting form

Differentiation level: GC active

Self-assessment:

- The report contains a statement by the President of the Management Board expressing continued support for the Ten Principles of the United Nations Global Compact
- Description of activities and current regulations regarding human rights
- Description of activities and current regulations regarding labour
- Description of activities and current regulations regarding environmental protection
- Description of activities and current regulations regarding community
- Description of activities and current regulations regarding anti-corruption measures
- Measured outcomes

Human rights

Assessment, policy and goals

The underlying document used for business system management of the Vindija Group is the business code based on protecting human rights and employee dignity through the active application of all principles of the Declaration of Human Rights as well as other obligations arising from the legal regulations and Constitution of the Republic of Croatia. The long-term focus of the company is aimed at realising various benefits for the Group's employees to ensure their satisfaction and motivation, as well as a comfortable working environment.

Implementation

In accordance with the Universal Declaration of Human Rights and the Labour Act of the Republic of Croatia, the Vindija Group ensures that all employees are protected by law from all forms of discrimination, harassment, forced labour, and invasion of privacy. Improvement of employees' interpersonal networking and the promotion of transparent and active communication is continuously implemented, whilst employees are familiarised with all activities and processes relevant to them in a timely manner.

Measured outcomes

The Vindija Group was not the subject of any investigation, court case or legal measures linked to the violation of human rights in the past year.

Labour principles

Assessment, policy and goals

Thanks to the valuable and dedicated work of its employees, the Vindija Group has established the company's business success and reputation. Numerous employee benefits aim to ensure satisfaction and motivation of all employees of the Vindija Group, who have the opportunity to maximise their full potential in a pleasant working atmosphere.

By respecting the principles of equality and equal criteria for all employees, Vindija ensures equality. Each employee has a contract which prescribes their work conditions and defines clearly the tasks of each post. The Vindija Group conducts business while respecting the positive legal regulations of domestic and international law which prohibit child labour, forced labour, or compulsory labour.

Implementation

Managing human resources at the Vindija Group is based on respecting the dignity of employees through honouring the obligations arising from labour law. The Vindija Group systematically attends to and invests in the development of each employee, which represents one of the key factors in achieving business goals in addition to the fight against discrimination on all accounts. All employees are given equal opportunities for further training, according to the requirements of their job descriptions.

Since employee safety in all business sectors, from acquiring raw materials to production, warehousing and distribution, is a key segment of business organisation, each worker is shown how to operate the various pieces of equipment and machinery relevant to their particular post upon accepting employment. Maximum safety conditions at work are achieved by ensuring that all tools and devices necessary for daily operations are in good working order, and by giving employees ongoing training in the necessary safety measures.

Since poor interpersonal relationships at work can generate stress and dissatisfaction, Vindija is making significant efforts to encourage activities aimed to ensure quality interpersonal relationships as the most important factors in creating a successful, motivating work environment.

Since it has developed on the foundations of a small town dairy and cherishes the values of family tradition, the Vindija Group pays particular attention to employees who are also parents by giving them extra benefits, including gifts for new-born infants, holiday gifts, help with education, etc. At Christmas each year, the Vindija Group acknowledges long years of dedicated service, marking jubilee years celebrated by individual employees by paying them bonuses equivalent to the number of years they have worked for the company.

Measured outcomes

The implementation of the principles of the Declaration of Human Rights is evident at all levels of protecting the rights of employees, and antidiscrimination measures are implemented consistently throughout the entire Vindija Group.

Environmental principles

Assessment, policy and goals

In 2019, the Vindija Group focused on exploring additional environmental protection opportunities within its business system. Reducing carbon dioxide emissions, as well as the environmental impact of plastics, has become an important strategic benchmark for the company, as evidenced by valuable investments in new production lines enabling the introduction of a more environmentally friendly packaging. Last year Vindija became the first company in the Croatian market, and only the third in the world, to replace plastic packaging in a product range with an innovative and eco-friendly cardboard bottle, the so-called Tetra Top® pack. In addition, Vindija became the first company in Europe and the fourth in the world to market the eco-friendly Ultra Edge packaging for the Vindi juices range, and Tetra Brik Aseptic® Edge for milk, made from 71 and 68 percent of renewable materials respectively.

The area around Vindija's plants include green spaces and industrial park architecture, and we respect the balanced relationship between the built-up areas and the surrounding nature.

The Vindija Group uses modern technological solutions in its plants to minimise the negative effects of industry on the ecological equilibrium. All our plants have valid environmental permits and operate in line with laws and regulations governing environmental protection issues. By introducing ecological innovations in our plants, the long-term focus of the Vindija Group's business operations is the complete transition to new packaging with increased content from renewable sources in order to make the production compliant with high environmental standards.

Implementation

Vindija's energy resources are the following (in descending order): electricity, gas, and light heating oil (as an alternative in case of gas shortages).

Our cooling devices do not use gases harmful to the ozone layer, but NH₃ with indirect media, ice water, cold water and ethylene glycol for air conditioning.

All our plants have a special regime for processing secondary raw materials. Paper is collected and taken away daily, while plastic wrappers and other artificial objects are separated and compressed in order to reduce their negative effects on the environment as far as possible. Since the Ordinance on

Packaging Materials came into effect, Vindija has adopted the obligation to the Fund in terms of the disposal of waste packaging.

Emissions caused during the production process have no negative effects on the soil, and we carry out regular, individual measurements of air pollutant emissions in order to prevent environmental pollution.

The Vindija Group works according to an operational plan for intervention in environmental protection, according to the Environmental Protection Act, and all regulations linked to environmental protection are aligned with the legal requirements of the European Union.

Measured outcomes

In all the Vindija Group's business processes, from collaboration with co-operants to distributing finished products in the sales network, no negative effects on the environment have been recorded, so the principles of environmental protection in the Global Compact have been upheld in practice.

The Vindija Group implements the principles of environmental protection at all levels of operation, from technological equipment used in production to the everyday conduct of employees, who are actively encouraged to be exemplary in their responsible, conscientious approach to the environment.

Community

Assessment, policy and goals

In more than six decades of doing business, Vindija has since its beginning gladly taken part in many activities and projects in the area of education, improvement of public health, culture and sports, thereby contributing to the ongoing development of the community in which it works. By actively participating in the life of the local and wider communities, the Vindija Group has made its mark in improving the quality of life for its fellow-citizens.

Implementation

Promoting the importance of milk and dairy products in school meals by inclusion in the EU project 'European Milk in Schools', 2018/9

The Vindija Group continued with implementing activities related to humanitarian work and helping those in need in 2019. As in recent years, special attention has been paid to children and young people, as well as the most vulnerable social groups.

In 2019, the Vindija Group donated its products to the Safe House in Vukovar, which provides support for victims of violence, and helped young children and their carers in children's homes in Zagreb, Rijeka and Slavonski Brod through donations.

Continuing a long tradition, the company also joined in humanitarian efforts this year through Croatian Caritas's campaign *For a thousand joys* and donated its products to enable better holiday fare for the most vulnerable Croatian families. As a mark of its particular sensitivity to the needs of its fellow-citizens, the Vindija Group donated its milk and dairy products to the local branch of Caritas in Varaždin County.

We are also proud to have participated in the *Milk in Schools* programme, which aims to emphasise the importance of consuming dairy products and making healthy ingredients available to children.

Our 'z bregov fresh and UHT milk, which was awarded the title of the best milk in Croatia in 2019, has become an essential part of all elementary children's weekly diets thanks to the aforementioned programme. We continued to educate children about the nutritional values of food and promote healthy nutritional values by participating in the World Day of School Milk and the Milk Day in Vukovar.

Among the most important projects through which Vindija positively affects the development of the local community, and which promote education and the protection of cultural heritage, the sponsorship of the largest street festival in the Varaždin area, Špancirfest, and of a unique musical event in this part of Europe, the Varaždin Baroque Evenings, stands out.

Apart from regularly investing in cultural events and donating to humanitarian organisations, the Vindija Group actively supports sports clubs, associations and individuals throughout the year. Vindija has thus for a number of years supported basketball, wrestling, baseball, handball and gymnastic teams, whose accomplishments are celebrated by the entire local community.

Measured outcomes

In accordance with social circumstances and our business policies, Vindija has been involved with the local community through various donations, and is recognised locally as a socially responsible company. As we continue to participate in various activities, primarily in order to influence quality of life and actively help those most in need, Vindija is making an important contribution to supporting the community according to its members' perceptions.

Anti-corruption principles

Assessment, policy and goals

Anti-corruption principles have been the basis of the company's work since its inception. The Vindija Group actively suppresses corruption in all forms, including extortion and bribery.

Implementation

The Vindija Group fully supports the efforts of state institutions to suppress corruption, and in its operations has adopted the principles of fighting corruption, in order to make a contribution to anti-corruption goals.

Anti-corruption principles have been adopted at all levels of the Vindija Group, and the management regularly educate themselves about various forms of illegal operations in order to prevent them through appropriate action. When participating in public procurement procedures, Vindija ensures it acts in accordance with all the laws of the Republic of Croatia.

Measured outcomes

In the reporting period, Vindija was not involved in any legal cases linked to corruption or bribery.