



Podravka Group Business Sustainability Strategy for the period 2023 - 2030

Koprivnica, 4 May 2023



External environment



CLIMATE CHANGE

Global warming with significant consequences for society and economic activity.

Extreme temperatures and droughts affect the production and availability of raw materials and food.



CONSUMERS REQUIREMENTS

Consumers choose products from companies that pay attention to sustainability, use recycled materials in production, carefully use resources and do not use fossil fuels.



LABOUR FORCE

Employees choose jobs that are in line with their value systems.

The company's impact on the environment and the community - important when making a decision about hiring or staying with the company.



FINANCIAL MARKETS

Sustainability is increasingly important in attracting investors who believe that the company's operations based on the principles of sustainability guarantee the company's stability.

Regulatory requirements

UN Program for Sustainable Development until 2030

Paris Agreement on climate change

European Green plan

„From farm to fork” strategy

New action plan for circular economy

Non Financial Reporting Directive

Corporate Sustainability Reporting Directive



Main Strategy pillars

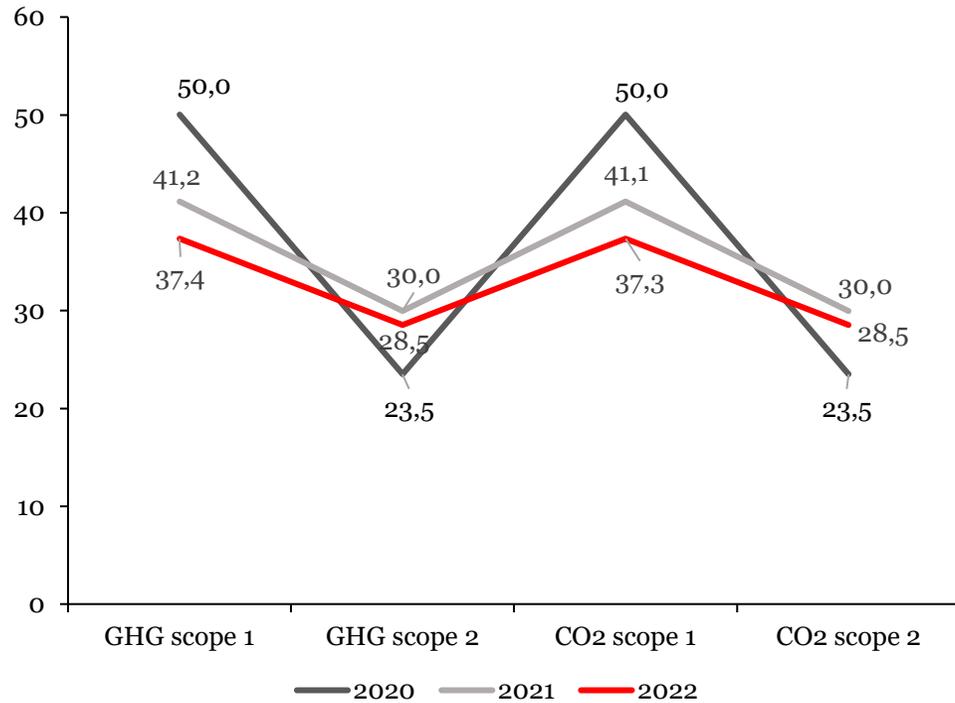
- 1 Clean environment**
- 2 Healthy nutrition**
- 3 Care about employees and the community**
- 4 Good corporate governance**

Environment



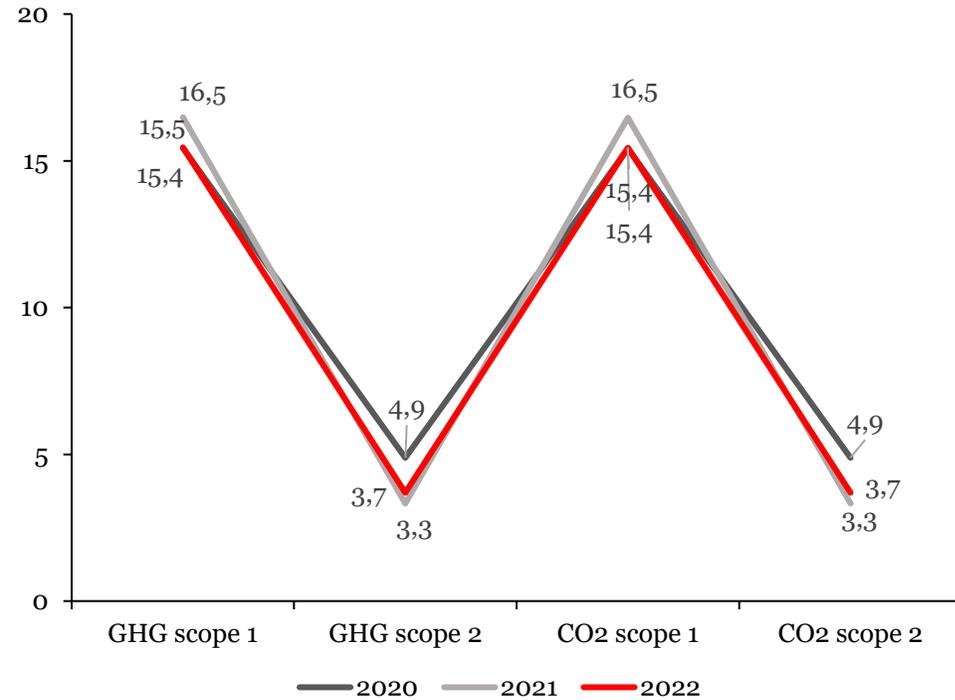
CO₂ emissions from energy sources

Podravka Group



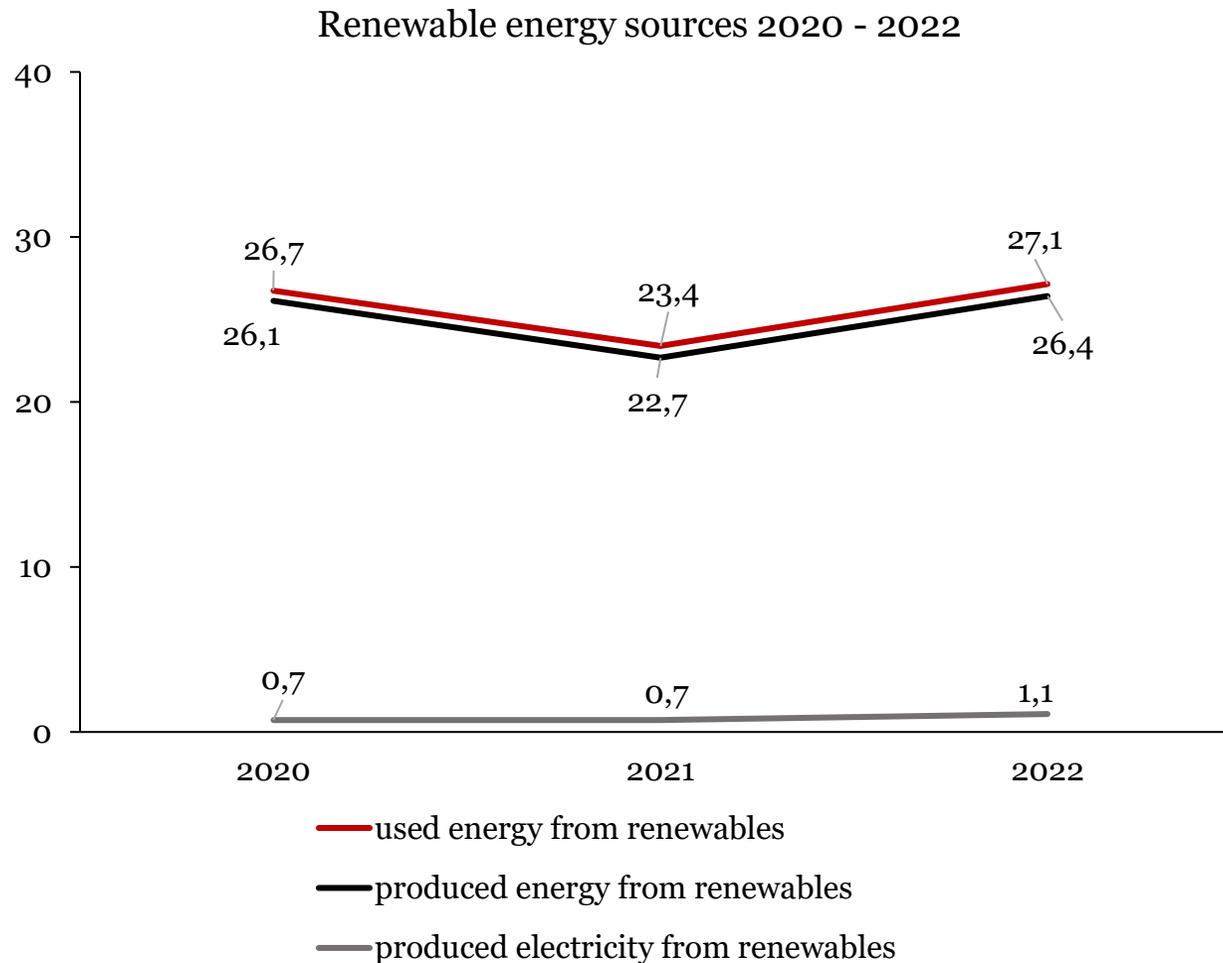
37,339.1 tons CO₂ in 2022
(9.2% less compared to 2021)

Podravka Inc.



15,449.6 tons CO₂ in 2022
(6.2% less compared to 2021)

Renewable energy sources



Solar power plant project in the Danica Industrial Zone in Koprivnica - annual production of **3.266.470 kWh of electricity**

Total installed capacity of the solar power plant is **3.059 kW** (9.272 FV panels)

The largest solar power plant on roofs in Croatia

Waste and packaging

		Podravka Group		Podravka Inc.	
Year	Unit	2021	2022	2021	2022
Municipal waste	000 t	1.4	1.4	0.4	0.4
Non-hazardous waste	000 t	11.6	12.0	3.7	5.1
Hazardous waste	000 t	0.1	0.1	0.1	0.0
Total waste	000 t	13.2*	13.5	4.2	5.6*
Recycled waste	000 t	7.5	5.7	1.5	1.2

* Deviations in the sum due to rounding to a decimal

Agreement with the Ministry of Agriculture on **prevention and reduction of food waste** "Together against food waste".

Recyclable packaging materials in the total amount of procurement in 2022

Podravka Inc. = 87.8%

Žito Inc. = 94.0%

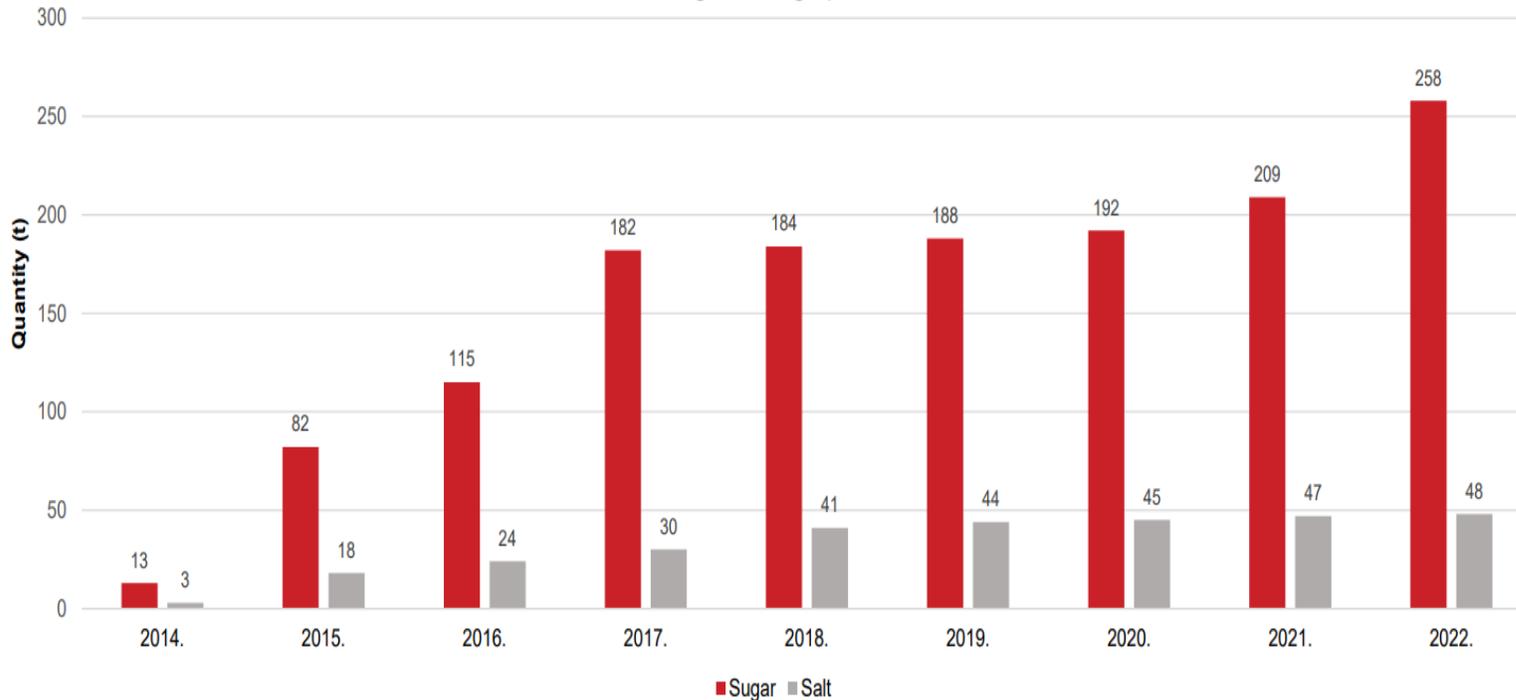
Belupo Inc. = 58.0%



Healthy nutrition

Nutritional strategy goals achieved

Reduction of salt and sugar through product reformulation



As a result of product reformulation - a reduction of a total of **300 tons of salt and 1423 tons of sugar** in 2022

Salt reduction in Culinary and Meat products categories

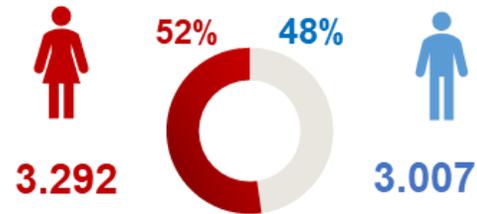
Sugar reduction in Baby food, Breakfast cereals and Fruit categories

Care about employees and the community

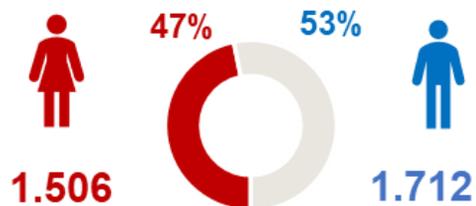


Gender equity and employees

Grupa Podravka 2022.



Podravka d.d. 2022.



Management Bord of Podravka Inc. – 40% women (higher than the average of almost 90% OECD and G20 members)

Podravka Group **Gender pay gap** – 1.9%

Improvement of working conditions and material rights for more than 3.200 employees in 2022 on 3 occasions in the last 2 years

In 2022. workers **wages increased** by an average of 14%, while the total income increased by tax-free receipts increased by an average of 18%

Prestigious **Employer Partner certificate** due to results in attracting talent and developing. motivating and rewarding employees

Examples of cooperation with the community

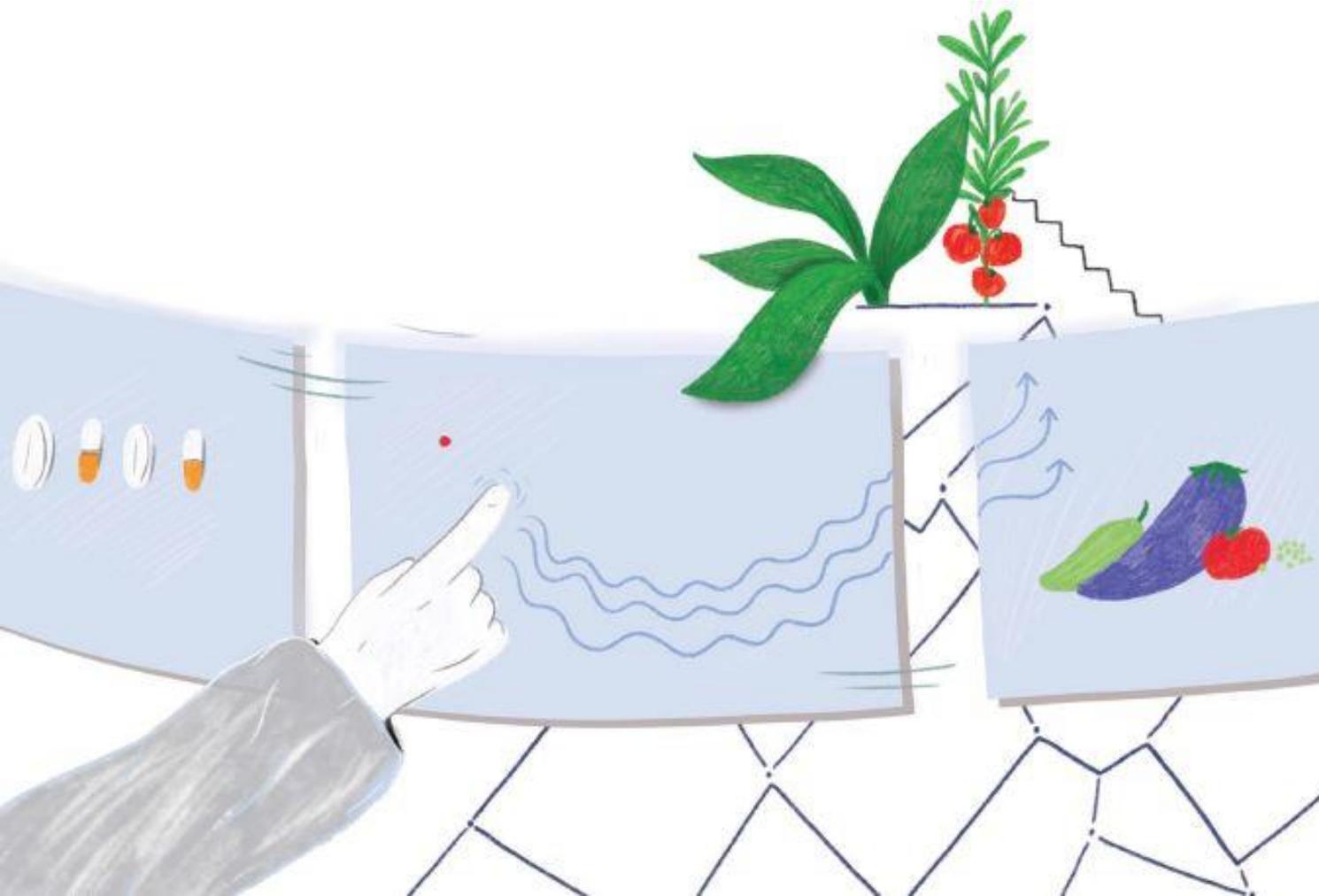
3.12 mil € in 2022 for sponsorships and donations at Podravka Group level, out of which > 2.35 mil € directed to sport

Cooperation with Caritas, Red Cross in Croatia and Slovenia, UNICEF Croatia, Slovenian philanthropy aiming to provide financial assistance to victims, refugees and child victims of war in Ukraine

Humanitarian associations projects support, kindergartens and parishes (Europa Donna, Latica Association, Ana Rukavina Foundation,...)

"Smart meal for smart children" - cooperation with the Koprivničko-Križevačka County on the development of 280 standards for school meals in 18 elementary schools

Corporate governance



Responsible and transparent governance

Code of Business

Ethics

Conflict of interests management policy



The most important **initiatives** to which Podravka Group **committed**:

- HANFA and ZSE Code of Corporate Governance that incorporates OECD guidelines on corporate governance
- Code of Ethics in Business of the Croatian Chamber of Commerce
- Charter on Diversity Croatia

The most important **initiatives** that Podravka Group **support**:

- *UN Global Compact agreement*
- Global initiative on food safety
- GMO free food

10 main strategic goals

- 1 100% electricity generated from renewable sources in the European Union
- 2 50% heat energy generated from renewable sources in the European Union
- 3 60% less CO₂ emissions at the Podravka Inc. level
- 4 40% less CO₂ emissions at the Podravka Group level
- 5 100% of packaging is recyclable, returnable or compostable for all food products
- 6 5% less food waste per tonne of produced product
- 7 20% less salt and sugar in 75% of new and innovated products
- 8 Advancing the corporate culture and climate in all organizational units
- 9 Ongoing improvements of the material rights of workers
- 10 Accession to the UN Global Compact agreement