



# Sustainability Report for the Donat brand

2020—2021



## TRADITION

for more than  
**110 years**



## THE COMPANY

**Atlantic Droga Kolinska d.o.o.,  
Atlantic Grupa**



## EMPLOYEES

as at 31 December 2021  
**79**



## CAPACITY

annual capacity of the water source

**Around  
31 million litres**



## SALES MARKETS

2020–2021

**SVN, HRV, AUT,  
ITA, BIH, MNE, SRB,  
DEU, FRA, MDA,  
UKR, RUS, SWE,  
EST**



## REVENUE

sales in 2021

**€29 million**



## CERTIFICATES

**ISO 9001:2015,  
FOOD SAFETY SYSTEM CERTIFICATION 22000:2018,  
FSSC 22000 V5 – ISO,  
TS 22002-1:2009,  
ISO 14001:2015,  
ISO 50001:2018**

# Donat is an expert in **digestion- related health.**

As a brand with over 110 years of tradition and as part of Atlantic Grupa, Donat has set itself high standards in sustainable development. Our strategic objectives and corporate culture promote economic efficiency, as well as environmental, social and ethical responsibility.

In our first independent sustainability report, we are revealing our sustainability objectives, efforts and results..



# Pillars of sustainable management

In 2021, we adopted long-term commitments in sustainable development, through which we are supporting efforts for the attainment of the United Nations' sustainable development goals set for the period up to 2030.

## UN sustainable development goals up to 2030

### 01 Governance

#### TRANSPARENCY

in business operations and legislative compliance

#### HEALTHY BUSINESS OPERATIONS

by maintaining the water source (and only increasing the added value, not the quantity of water extracted)

#### INFLUENCE

on changing practices and standards in sustainable development



### 02 Products

#### DEVELOPMENT

of products and services that affect the functioning of digestion, which will be based on natural ingredients

#### PACKAGING

Reduction of material consumption, use of only recyclable materials



### 03 People

**100% EQUAL OPPORTUNITIES FOR EMPLOYEES**, personal and professional growth, and respect of human rights

Familiarising **GENERAL PRACTITIONERS AND NURSES** with new scientific findings about the importance of good digestion

Raising the awareness of both **EMPLOYEES AND THE GENERAL PUBLIC** about the importance of good digestion, and learning healthy habits



### 04 Environment

Reducing our **CARBON FOOTPRINT**

Reducing **WATER AND ENERGY PRODUCT** consumption at the bottling plant

#### WATER SOURCE PROTECTION

Cooperation with the **LOCAL COMMUNITY** on projects involving the development of Rogaška Slatina



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# A message from the Executive Director of BU Donat



Dear users, employees, business partners and fans of Donat,

Donat truly is a miracle of nature. Nature created a unique combination of minerals in the area of Rogaška Slatina, one that permeates into water on its 7,000-year journey into the depths through various layers of soil.

At the end of its journey, the water stops at an underground deposit, about 600 m deep. It then surfaces by itself thanks to the natural CO<sub>2</sub>, which creates pressure that pushes it outwards. The pristine natural mineral water, enriched with minerals that contribute to the proper functioning of our digestive system, thus flows into our bottling plant.

It is important to us that we, as custodians of this high-quality and functional natural mineral water, act responsibly. We therefore make sure each and every day not to take more than nature can give us from the underground deposit, as natural source regeneration is essential when it comes to preserving Donat for future generations. Through our actions, we express our gratitude and concern that Donat should be available to our successors.

Donat is distinguished by its unique combination of magnesium, calcium, hydrogen carbonates and sulphates. Each of these minerals performs a specific function in our bodies, but only this unique combination has a holistic impact on the digestive system.

Tradition, expertise and professional content, along with references and recommendations received by Donat from the medical community, attest that Donat truly is an expert in healthy digestion.

To date, numerous functional issues of the digestive system have been identified that Donat has proven to resolve effectively. In 2015, its beneficial effects for the functioning of the digestive system were demonstrated by means of a clinical study. To the general public, we present the preventive effects that Donat can have on the digestive system, and thus on maintaining health and wellbeing. An increasing number of scientific findings show that as many as 80% of the cells that make up our immune system are generated in our digestive system, thus making the role of Donat even more significant when it comes to natural good health.


For years, we have built elements of sustainable development into the Donat brand. This year, we defined new sustainable goals

for the period up to 2030. As a brand with international reach we are actively striving to achieve the UN sustainability goals up to 2030 and to fulfil international commitments on decarbonisation through the circular economy. We are transferring global practices to our local environment. The company is assuming sustainable responsibility for the entire life cycle of its products, and we have therefore produced an LCA (Life Cycle Assessment) for all Donat packaging. We are spreading our efforts to conduct sustainable operations on our suppliers as well, focusing on the handling of waste packaging in particular. Donat is a unique natural product, and the company is aware of its responsibility to nature. We protect the water source with great care and make sure to maintain the natural balance by protecting biodiversity.

By forging connections at the local, medical and professional levels, we act as an important stakeholder in the social environment. We take great pride in and have a highly responsible approach to supporting local endeavours, taking part in charitable projects and initiatives, as we help people on their journeys to healthier living with our health-promoting programmes. We are also active in the development of the profession, especially in the business and marketing communities.

Although we have achieved a great deal already, we have not yet accomplished our targets in all of the areas. Through transparent, honest disclosures and healthy ambition, we are determined to achieve our strategic goals. This is something both the management and entire staff are committed to. For this reason we have compiled the first independent sustainability report for Donat, although we have already been reporting on sustainable development for a number of years as part of Atlantic Grupa.

In this way we are sending a clear message to all those we encounter every day, including at supermarket shelves, that we are taking serious strides ahead, and are continuing on our path to realising our ambitious sustainability commitments. At the same time, all employees affirm their steadfast commitment to our values and mission, raising awareness about the importance of digestive health for every individual and society as a whole, and our concern for the preservation of the natural environment.

  
**Darja Teržan,**  
Executive Director of BU Donat

# About the Donat brand



Donat is a brand that represents the Donat Mg natural mineral water. The latter is distinguished by its **unique combination of minerals** that are **clinically proven to have a beneficial effect on digestion** and wellbeing. The brand has been present on the Slovenian market for over 110 years. Due to its natural origin and unique action, it has no direct competition.

Donat is positioned as **an expert in healthy digestion**, as health and wellbeing stem from the digestive system. It puts preventive care of digestive health and, as a result, of the entire body, to the forefront. As many as 80% of the cells that make up our immune system are generated in our digestive system, thus making the role of Donat even more significant when it comes to natural good health and preventive care. Donat's existing and potential users find taking care of their health increasingly important, along with **strengthening the immune system and maintaining general wellbeing**. The brand therefore focuses on long-term healthy habits and promotes learning them through guided health programmes: Donat Detox, Donat Imuno and the 6 Days to a Better Digestion programme.

Donat's advantage of **solving functional digestive issues** in a natural way remains the supporting part of the brand's mission.

Donat has been clinically proven to alleviate constipation and help eliminate numerous digestion-related issues.

The **expert medical community** is very important for the Donat brand. By means of a whole-year course on a **clinical study**, which is unique amongst fast-moving consumer goods (FMCG), and teaching about the **effects of Donat on general health** as well as various ways of **maintaining a healthy digestive system**, we are spreading knowledge and trust both amongst doctors and end users.

**Sustainability and sustainable development** are also important pillars of the brand. It is important to us that we, as custodians of this high-quality and functional natural mineral water, act responsibly to **the company's owners as well as to individuals, society and, naturally, the environment**. We make active efforts to reduce our carbon footprint, protect the water source, work with the local community, provide equal opportunities for employees, enable knowledge transfer, promote development, introduce sustainable packaging, and ensure transparency, effectiveness and influence.



\* Bothe G., Coh A., Auinger A. Efficacy and safety of a natural mineral water rich in magnesium and sulphate for bowel function: a double-blind, randomized, placebo-controlled study. Eur J Nutr. 2017;56(2):491-499



In 2021 the Donat brand received **several awards**, a tribute to its **superb brand management**.

In the area of digital activations as part of WEBSI awards, the brand was ranked first in the following categories: global digital project (for the Donat brand makeover in international markets) and websites (for the development of the Donat website). The brand was second in the category of content marketing (for the Donat Content Centre project). At the Digital Communications Awards competition, Donat and its website won second place in the *digital communication* category.

In 2021, the Donat brand won first place in the *environmentally friendliest procedure* category for its recycled plastic bottle. The award is bestowed by the *Finance* newspaper and the Eco Fund, Slovenian Environmental Public Fund.

The brand achieved remarkable results at the Effie Slovenia 2020 awards gala: the Donat brand and its *Take care of your digestion, take care of yourself* communication platform was the winner chosen by the student jury in the Crisis Response/ Critical Pivot category.

For this project, the Donat brand also received the Gold Effie Slovenia 2020 Award in the Products – Beverages category. An additional Gold Effie Slovenia 2020 Award was given to Donat for the brand development project in the Brand Experience category. We were also the first company in Slovenia to **receive the Platinum Effie Award** for the most effective communication platform: *Take care of your digestion, take care of yourself*.



## VISION

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**We want to create a healthier world by providing professional support for health that stems from digestion**



## MISSION

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**We empower health-conscious individuals for proactive maintenance of their health, which is based on their digestion.**

**We believe that only an aware and informed individual can take care of their health in a proactive manner.**



## VALUES

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**Taking care of health and wellbeing.**

**Responsibility.**

**Professional competence.**

**Reliability and effectiveness.**





## KEY PRINCIPLES

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

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

### **OPENNESS** TO STRENGTHEN LOYALTY

We seek creative and innovative solutions for continuous improvement of processes.

We promote best practices by forging partnerships with stakeholders.

### **PASSION TO** SATISFY THE NEEDS AND WISHES OF CONSUMERS AND CUSTOMERS

Our ambitious goals are focused on the excellence of our brands and services.

We are building a culture of food safety and a high level of responsibility, which is based on the most exacting global standards.

### **GROWTH WITH** RESPONSIBILITY

Together, we grow and respect the related legislation, standards and customers' requirements.

We manage risks continuously and comprehensively.

### **CARE FOR** CREATING A BETTER ENVIRONMENT

Because we are aware of climate change and the danger to biodiversity, we have integrated our sustainability goals into our development strategies.

Care for a better environment develops a culture of constant improvement.

# Donat as a product and brand

The Donat Mg natural mineral water springs from **a single site in the entire world, in Rogaška Slatina**. Rogaška Slatina is situated in the northern Posotelje region, which spreads across the eastern and central part of Štajerska. The natural mineral water emerges from two boreholes, one 274 m deep in the Slatina Spa Park, and the other in Podplat, a few kilometres away, 606 m below surface. The water springs to the surface naturally, without the aid of pumps.

Donat Mg natural mineral water is rich in minerals and contains its own carbon dioxide from the spring. It contains elevated levels of a unique combination of hydrogen carbonate, sulphate, calcium, magnesium and sodium. Typical ingredients of Donat Mg natural mineral water (mg/l): magnesium ( $Mg^{2+}$ ) 1000, sodium ( $Na^+$ ) 1700, calcium ( $Ca^{2+}$ ) 430, hydrogen carbonate ( $HCO_3^-$ ) 7400, sulphate ( $SO_4^{2-}$ ) 2200, chloride ( $Cl^-$ ) < 100, carbon dioxide ( $CO_2$ ) min. 3500.

The curative effects of water from Rogaška Slatina on the digestive system were enjoyed as many as 400 years ago; the water was highly valued even at the Viennese court. To date, numerous functional issues of the digestive system have been identified that Donat has proven to resolve effectively, helping to maintain all the normal digestive functions. In 2015, its **efficacy on the functioning of the digestive system was demonstrated by means of a clinical study**. We can therefore assert with all responsibility that Donat is clinically proven to support the functioning of the digestion, and thus enables wellbeing.

In 2020, we replaced the volume-based sales strategy with a **strategy that focuses on increasing the brand value**, an effort prompted by the limited capacity of the Donat Mg natural mineral water source, and thus the desire to protect it for future generations. The new strategy is based on premiumisation on account of Donat's uniqueness, relevance for the users' modern lifestyle as well as limited quantities.

## Atlantic Droga Kolinska d.o.o., the Rogaška Slatina facility

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3250 Rogaška Slatina, Slovenija  
Tel. +386 3 818 51 00  
[www.donat.com](http://www.donat.com)

✓  
**CLINICALLY  
PROVEN  
TO REGULATE  
DIGESTION**



# Markets and sales

The annual quantity of water available is limited to around 31 million litres, which means that demand often exceeds availability, leading us to carefully choose the markets on which we are present.



## Donat sales in thousands of litres, 2016–2021

Year	2016	2017	2018	2019	2020	2021
in 000 l	22,748	27,894	29,772	30,211	30,678	30,969

## Sales value in EUR 000, 2016–2021

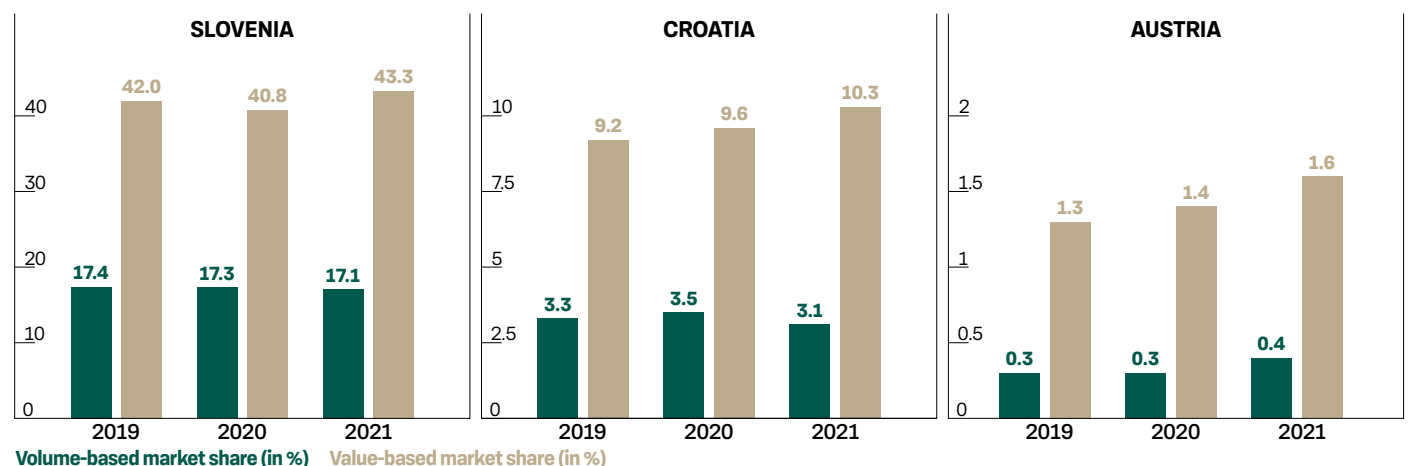
Year	2016	2017	2018	2019	2020	2021
in € 000	21,174	23,319	24,926	25,787	26,059	29,074

We focus on sustainable growth and appropriate profitability in accordance with sustainable development principles.

In all of the stated markets, Donat is present at points of sale handling fast-moving consumer goods (FMCG), as part of the carbonated natural mineral waters category. The category is achieving stable growth, which is also anticipated in the coming years. On key markets Donat's volume-based market share is at the last-year's level, while the value-based market share has increased.

NIELSEN RETAIL DATA	SLOVENIA			CROATIA			AUSTRIA		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Carbonated mineral waters category									
Volume-based market share (in %)	17.4	17.3	17.1	3.3	3.5	3.1	0.3	0.3	0.4
Value-based market share (in %)	42.0	40.8	43.3	9.2	9.6	10.3	1.3	1.4	1.6

Source: Nielsen Retail Panel Nov21, 2019–2021, annual data on sales for the December–November period.



The key functionality of the carbonated natural mineral water category is hydration, whereas Donat's action is quite the opposite, as it dehydrates! As a result, Donat's competitors – potential substitutes for establishing and ensuring normal digestive functioning – are mainly present in other categories, including probiotics and fermented foods, over-the-counter medicinal products to treat various digestive issues (heartburn, constipation, etc.), food supplements and teas.

Since Donat is not comparable with carbonated mineral water products in terms of its functionality, we are thinking about how to establish a new category, one that will provide a clear and independent position to fast-moving consumer products that feature digestion-related functionalities.



# Position of the Donat brand within the organisation of Atlantic Grupa

## Ownership:

### Atlantic Droga Kolinska, Živilska industrija, d.o.o.

(100% owned by Atlantic Grupa d.d., based in Zagreb, Croatia)

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1000 Ljubljana, Slovenia

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[www.atlanticgrupa.com](http://www.atlanticgrupa.com)

**ATLANTIC**  
GRUPA

The business operations of Atlantic Grupa are organised into five strategic business units and one business unit:



BU Donat



SBU Savoury Spreads



SBU Beverages



SBU Coffee



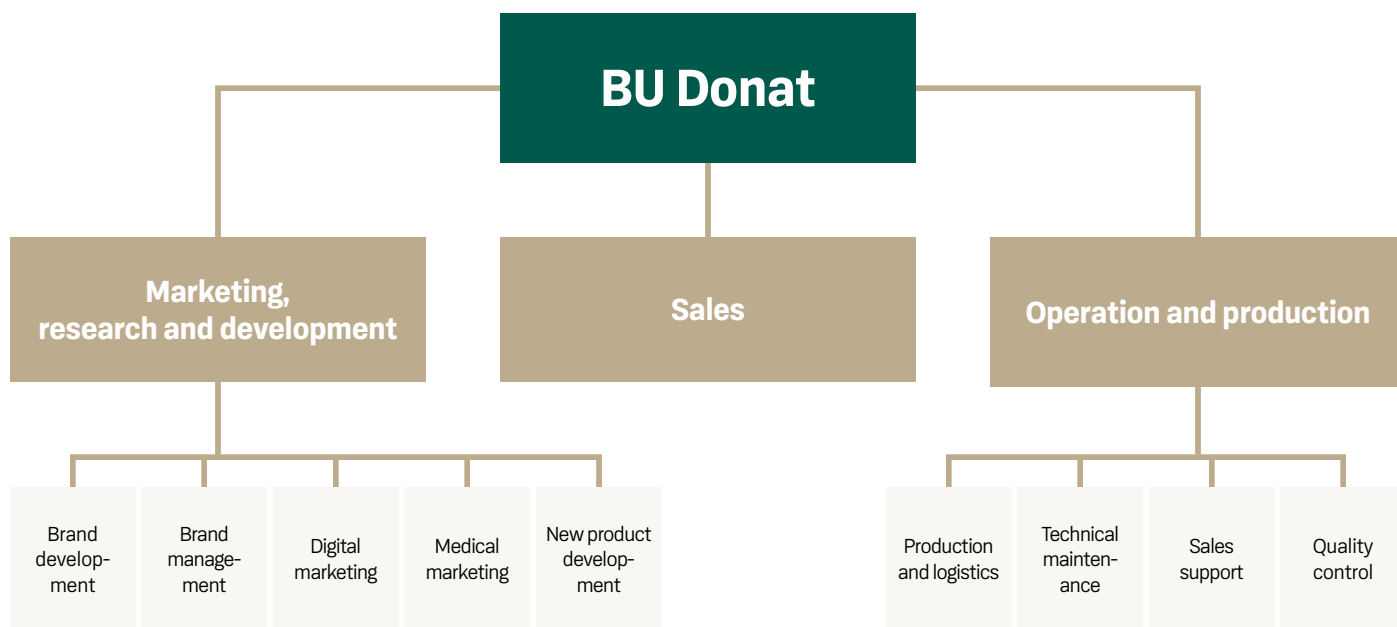
SBU Snacks



SBU Pharma

In the second half of 2019, Atlantic Grupa, the owner of Atlantic Droga Kolinska d.o.o., which owns the Donat brand, overhauled its corporate strategy. Within this strategy, Donat became an independent business unit as of 1 January 2020.

# Organisational structure of BU Donat



## Sustainability team

The sustainability team is multidisciplinary and has members from various departments. Authorised by the Group Vice President for Savoury Spreads, Donat, and International Expansion at Atlantic Grupa, the team is managed by the Director of Research and Development.

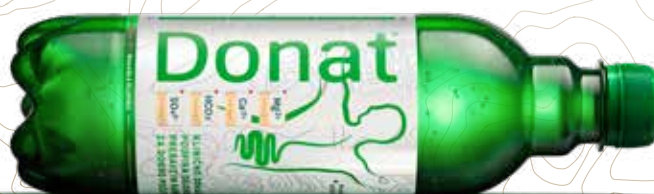
The operational side of sustainability projects is managed by Iva Starc, Digital Communication Specialist.

## Corporate support functions

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

The support functions include:

- corporate activities,
- financing, public contracts and investments,
- corporate strategy and development,
- transformation and information technology.



**ROGAŠKA SLATINA**  
46.2332° N | 15.6379° E



# Sustainable management

The corporate culture of Atlantic Grupa and all of its related undertakings supports and promotes the principles of sustainable development: economic efficiency, environmental, social and ethical responsibility. Atlantic Droga Kolinska d.o.o. and, as part of it, BU Donat, integrate sustainability in their business strategies, decisions and supervision of management. We focus on the long-term sustainable creation of value because we want to manage sustainability-related risks and opportunities in a comprehensive manner.

We are consistent in our respect of the law in all areas of our operations. Our management is based on complete transparency, a code of ethics, policy of non-discrimination, prevention of corruption and support for whistle-blowing, protection of human rights and respect for the protection of personal data. All the related documents are published in the [Atlantic Grupa Sustainability Report](#).



# Identifying strategic stakeholders

The Donat brand has a tradition of building deep and high-quality relations with all of its stakeholders. We have identified the following strategic stakeholder groups with which we are building long-term partnerships. We are constantly supplementing communication channels, through which we identify various interests, challenges and opportunities, and co-create sustainable added value for the brand.

Strategic stakeholders	Objectives	Communication channels
Employees	<ul style="list-style-type: none"> <li>• Loyal, satisfied and motivated colleagues,</li> <li>• proper and open relations,</li> <li>• high security and concern for occupational health,</li> <li>• constant development of employee potential,</li> <li>• successful business operations and consequently long-term job security.</li> </ul>	<ul style="list-style-type: none"> <li>• Intranet,</li> <li>• internal newsletter,</li> <li>• internal communication via a special email address,</li> <li>• bulletin boards,</li> <li>• social network,</li> <li>• website,</li> <li>• meetings with employees.</li> </ul>
Users and retail chains	<ul style="list-style-type: none"> <li>• Encouraging healthy behavioural patterns and preventive care for healthy digestion,</li> <li>• understanding the wishes and demands of users and retail chains,</li> <li>• fulfilling expectations,</li> <li>• a high level of user trust and loyalty,</li> <li>• providing safe and healthy products and services that are of the highest quality,</li> <li>• influencing the growth of the category of products aimed at maintaining digestive health.</li> </ul>	<ul style="list-style-type: none"> <li>• ATL channels (TV, radio, outdoor posters, print materials),</li> <li>• BTL channels (print materials, point of sale communication, etc.),</li> <li>• electronic media (email address, social media, app, websites),</li> <li>• classic media (telephone, mail),</li> <li>• market research,</li> <li>• annual report of Atlantic Grupa.</li> </ul>
Professional, particularly the medical community	<ul style="list-style-type: none"> <li>• New scientific studies that confirm Donat's effects on the body,</li> <li>• education and training for healthcare workers,</li> <li>• obtaining recommendations from medical experts – primarily personal physicians and gastroenterologists, and, secondarily, gynaecologists and paediatricians.</li> </ul>	<ul style="list-style-type: none"> <li>• Electronic media (email address, social media, website),</li> <li>• classic media (telephone, mail),</li> <li>• webinars for the medical community,</li> <li>• congresses.</li> </ul>
Suppliers and other business partners	<ul style="list-style-type: none"> <li>• Increasing added value in the supply chain,</li> <li>• high quality of goods and services,</li> <li>• compliance with all standards and legislation (including in terms of sustainable development),</li> <li>• reliability, competitive supply,</li> <li>• continuous shifts in sustainability (especially in terms of the circular economy and decarbonisation),</li> <li>• consolidation of good business relationships.</li> </ul>	<ul style="list-style-type: none"> <li>• Electronic media (website, email address, social media),</li> <li>• classic media (telephone, mail),</li> <li>• business gatherings,</li> <li>• annual report of Atlantic Grupa,</li> <li>• sustainability report for the Donat brand.</li> </ul>
Owners	<ul style="list-style-type: none"> <li>• Long-term development of the company and Donat brand,</li> <li>• activities for achieving business objectives,</li> <li>• successful risk management.</li> </ul>	<ul style="list-style-type: none"> <li>• Open, direct and transparent communication,</li> <li>• automated communication via internal databases,</li> <li>• informal communication via electronic and personal channels.</li> </ul>
Social environment, local communities, civil initiatives	<ul style="list-style-type: none"> <li>• Establishing and maintaining good relations, a high-quality natural environment and development of the social environment,</li> <li>• encouraging healthy behavioural patterns in all generations.</li> </ul>	<ul style="list-style-type: none"> <li>• Prioritised collaboration with entities in Rogaška Slatina, where the bottling plant is situated.</li> </ul>
Media	<ul style="list-style-type: none"> <li>• Provision of credible information on the activities and operations of the company and Donat brand,</li> <li>• strengthening the reputation of the company and Donat brand and ongoing elimination of any possible communication misunderstandings.</li> </ul>	<ul style="list-style-type: none"> <li>• Personal interviews,</li> <li>• press releases,</li> <li>• press conferences.</li> </ul>

# Challenges and opportunities in sustainable development

In the course of managing the Donat brand, we pay heed to the challenges and opportunities in sustainable development from the economic, social and environmental aspects.

The focus is especially on the six objectives that were also identified by the EU within the European Green Deal, i.e., the green transition taxonomy, namely:

- mitigating climate change;
- adapting to climate change;
- sustainable use and protection of water resources;
- transition to a circular economy, prevention of waste generation and recycling thereof;
- pollution prevention and control;
- protection of healthy ecosystems.

We manage the **water source** from which the Donat Mg natural mineral water emerges in a responsible and sustainable manner, as we want to preserve it for future generations, all the while respecting the provisions of the concession agreement and decree. To this end, **we work together with the local communities** and public authorities. Not only does this collaboration help protect biodiversity and natural habitats, it also contributes to the success of regional, social and economic activities.

Water abstraction requires a permit or concession, which we obtained by meeting the conditions determined by the decree of the Government of the Republic of Slovenia. The amount of natural mineral water we have access to is limited. We are committed to restricted use as set forth by the concession act, based on the **natural annual increase in water**. By doing so, we maintain the quality of the aquifer and the water that springs from this underground source.

It is important to note that the protection of the underground Donat Mg mineral water source is something that nature took care of itself, surrounding it with impermeable geological rock layers, which also provide effective protection against the impacts of anthropogenic pollution. The water source is therefore resistant to the climate change we are witnessing at an increasing rate. Nevertheless, we conduct continuous measuring of groundwater levels to monitor the stability of the water source.

In order to reduce our carbon footprint and the resulting environmental impact, we are reducing the mass of our packaging materials and increasing the share of **recyclates in packaging materials** wherever the technology allows us to do so.

In the investments planned we pay particular attention to building technological processes with state-of-the-art technology that is compliant with sustainable development, and to procuring the highest possible **share of energy from renewable resources**.

Social factors, especially individuals' **health and wellbeing**, are at the very centre of our challenges and opportunities. Demographic changes, along with a fast and stressful pace of life, present great risks to the health and vitality of the population. With the Donat brand product we advocate for a healthy, responsible and vibrant lifestyle, one with a focus on good digestion as part of preventative treatment. We see opportunities in **continuous education** and empowering people with knowledge on the significance of digestive health for their holistic wellbeing. All our assertions are based on verified facts and scientifically proven effects. The relevant group in these efforts are medical and nutrition experts. In order to make society healthier, it is necessary to disseminate knowledge and new scientific facts among healthcare professionals and to form relevant partnerships aiming to promote proactive healthcare.

We are members of the Chamber of Commerce and Industry of Slovenia and of the Beverage Industry Association. The latter is a member of the European association that connects entities active in bottling water across Europe (*Natural Mineral Waters Europe*). We are also active in the European association's working bodies.





# Sustainability reporting

Disclosing our sustainability management is part of our policy of operating transparently towards all interested stakeholders. Since 2013, Atlantic Grupa, which is based in Zagreb and includes Ljubljana-based Atlantic Droga Kolinska d.o.o., has disclosed its sustainable development in a sustainability report compiled under the GRI standards. [Sustainability reports](#) of Atlantic Grupa are publicly available.

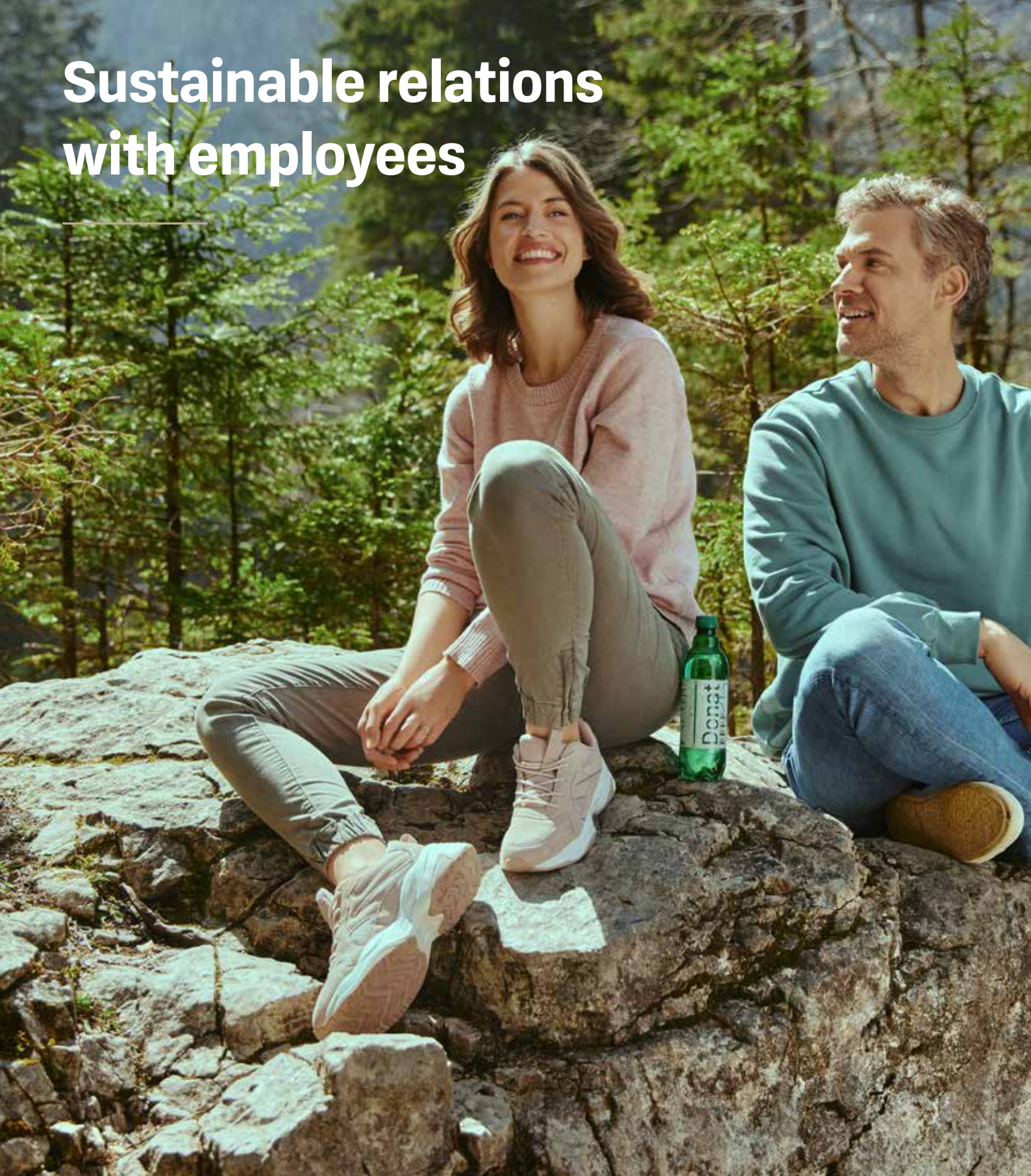
The Donat brand, which began operating as an independent business unit as of 1 January 2020, is reporting on its own sustainable development separately for the first time. Previously we have reported on certain aspects of our sustainable operations through various communication channels, including via our website and as part of the overall sustainability report for Atlantic Grupa.

The greater independence in the management and commitment to the high standards of sustainable reporting prompted us in 2021 to prepare our first independent sustainability report in accordance with the GRI standards. This report is aligned with the sustainability report of Atlantic Grupa.

In the future we will continue to report independently. The process of drawing up this Sustainability Report involved the active participation of all sectors of the Donat brand, including the management. When choosing the content, the following elements are of key importance: materiality, stakeholder involvement and the sustainability context. In presenting the content we endeavoured to set out the data in a balanced, comparable, accurate, clear and reliable way.

**The person responsible for reporting on sustainable development for BU Donat is Klavdija Vidic, Director of Marketing and R&D. Her email address is: [klavdija.vidic@atlanticgrupa.com](mailto:klavdija.vidic@atlanticgrupa.com)**

# Sustainable relations with employees



In BU Donat, as well as in the entire Atlantic Grupa, we are building the values of openness, respect, belonging, trust, honesty and personal responsibility amongst employees at all levels. We encourage creativity and friendly relations in the working environment.

Rewarding and incentivising employees, who through their work help create a better future for all of us, are an integral part of our corporate culture.

In Atlantic Grupa, the core HR management functions are centralised.

# Employee analysis

As at 31 December 2021, BU Donat had 79 employees, their average age being 47.6 years. All employees work under a collective employment agreement, and 99% of them are employed for an indefinite period. There are no agency workers or students. The data up to 2019 refer only to the Rogaška Slatina site, where Donat production takes place. As of 1 January 2020, Donat became an independent business unit, and so the data from 2020 on refer to the entire Donat business unit, which comprises not only the Rogaška Slatina production site, but also Sales and Marketing as well as R&D.

## Number of employees at the Rogaška Slatina site/BU Donat, 2018–2021, by employment type

Year	2018	2019	2020	2021 As at 31 December 2021
Type of employment	78 for an indefinite period	2 for fixed term 78 for an indefinite period	1 for fixed term 82 for an indefinite period 1 via an agency	1 for fixed term 78 for an indefinite period

## Employees by sex in % at the Rogaška Slatina site/BU Donat, 2018–2021

Year	2018	2019	2020	2021 As at 31 December 2021
Women	21%	21%	27%	28%
Men	79%	79%	73%	72%

Due to the nature of the work, which is gradually changing, men are prevalent amongst the Rogaška Slatina site employees. The management comprises 67% women and 33% men.

## Employees at the Rogaška Slatina site/BU Donat, 2018–2021, by education

Year	Level II	Level III	Level IV	Level V	Level VI	Level VII	Level VIII	Total
2021	7	1	26	27	8	8	2	<b>79</b>
2020	10	1	27	28	9	8	1	<b>84</b>
2019	11	1	30	28	5	4	1	<b>80</b>
2018	12	1	29	26	6	3	1	<b>78</b>

Employee turnover is low at the Rogaška Slatina site, and is continuing to fall. In 2020 it fell to 7%, down from 11% the year before. The majority of the turnover arises from retirements, which means we employ new people because some employees are retiring. In 2021 the entire turnover resulted from the abandonment of the glass line, where we applied soft methods of decreasing the number of employees, i.e., retiring older employees.

## Employee turnover at the Rogaška Slatina site/BU Donat, 2018–2021

Year	2019	2020	2021
Turnover in %	10.89	6.95	11.20

## Number of new employees at the Rogaška Slatina site/BU Donat, 2018–2021

2018	2019	2020	2021
1 – Logistics	0	internal rotations	1 – Maintenance 1 – R & D

In the marketing department, all employee arrivals from 2020 on relate to internal rotations within Atlantic Droga Kolinska d.o.o.

# Pay and remuneration policy

Atlantic Grupa has a remuneration system that is constantly verified in the market, since we want our employees to be appropriately paid for their work and rewarded for their own achievements and those of the company. For this reason, the wages we pay are enhanced with various benefits, bonuses and scope for employee development.

This includes annual bonuses, one-off awards, the rewarding of business performance, 'sabbatical' and flexible benefits that employees can choose from a selection, and thereby select those best suited to their wishes and life needs. Only in this way can we secure our place among the best employers in the labour market, exert an active influence on the turnover of our employees, and attract the best candidates in the market.

# Training and education

HR development at Atlantic Grupa is based on the process of career management and the LEARN@Atlantic model. Career management is a process whereby we identify the impact and potential of the individual, verify what their ambitions and desires are, and draw up an individual development plan.

LEARN@Atlantic enables the development of fundamental competences and skills. It is divided into four areas:

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

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

In 2021, the entire Atlantic Grupa therefore saw more than 1,000 education and training courses organised, with around 3,500 employees attending at least one course.

**Number of education and training hours recorded per employee at Atlantic Grupa**

Year	2019	2020	2021
Number of hours	13	12	15



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

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

## Prevention of mobbing

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In accordance with the law Atlantic Droga Kolinska d.o.o. has a set of rules, established procedures and officers appointed to deal with mobbing.

## Communication with employees

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



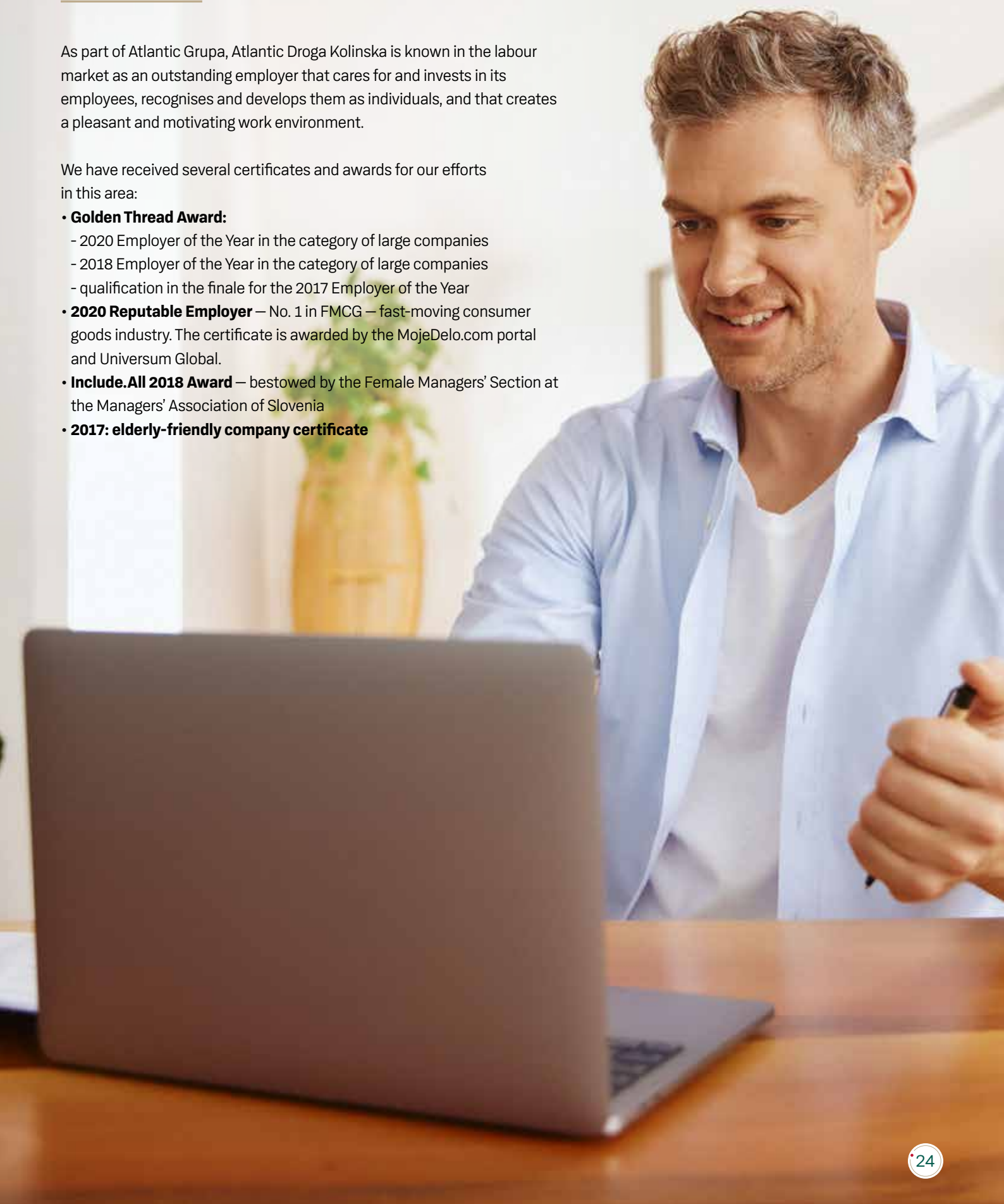
# Desirable employer

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As part of Atlantic Grupa, Atlantic Droga Kolinska is known in the labour market as an outstanding employer that cares for and invests in its employees, recognises and develops them as individuals, and that creates a pleasant and motivating work environment.

We have received several certificates and awards for our efforts in this area:

- **Golden Thread Award:**
  - 2020 Employer of the Year in the category of large companies
  - 2018 Employer of the Year in the category of large companies
  - qualification in the finale for the 2017 Employer of the Year
- **2020 Reputable Employer** – No. 1 in FMCG – fast-moving consumer goods industry. The certificate is awarded by the MojeDelo.com portal and Universum Global.
- **Include.All 2018 Award** – bestowed by the Female Managers' Section at the Managers' Association of Slovenia
- **2017: elderly-friendly company certificate**





# Occupational health and safety policy

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The occupational health and safety policy is adopted by the company's management board. In accordance with the Health and Safety at Work Act, companies established in Slovenia must have in place a fundamental internal document called the Safety Declaration with Risk Assessment. In this document the employer has assessed all the risks for safety and health to which employees are exposed at their work stations, defined the measures to limit and monitor risk, and by signing the Safety Declaration is bound to implement the related measures and ensure the safety and health of employees. We also implement various programmes in the area of promoting health: workshops, training for a healthy personal and working life, education courses on proper diet, physical exercise, preventive check-ups and so forth. We pay a lot of attention to procuring high-quality personal protective equipment for our employees, appropriate arrangement of the working environment and ensuring optimal conditions at work stations.

In addition, under the Care programme we implement measures for easier balancing of work and private time (working from

home, flexible hours, additional leave from work for the first day of school).

Not only do employees have options for recreation in various sports clubs, we also organise 15-minute online stretching exercises three times a week during working hours. We provide regular health check-ups for all employees every two years, and additional check-ups for employees over 40 – mammograms for women and prostate exams for men.

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



# Workplace injuries

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In BU Donat, the rate of workplace injuries relative to the number of employees and intensity of the work (number of working hours performed) was very low in recent years. At the Rogaška Slatina site, just two work injuries occurred from 2018 to the end of 2021. The first was an injury to an employee's finger, with no lasting consequences. This injury resulted in a loss of 158 working hours. The second incident was a thumb injury (break) in the maintenance department, which had no lasting consequences for the employee either. This injury resulted in a loss of 360 working hours.

We implement the following preventive measures in the area of occupational health and safety:

- periodic employee training to ensure occupational health and safety,
- periodic preventive health check-ups for employees,
- periodic inspections of work equipment and tools and resources for work, as well as of the premises and work sites.

# Responsibility towards the disabled

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We strive to find appropriate work for all employees who are granted the status of disabled. At the Rogaška Slatina site, we currently have two employees with disabled status.



# Sustainable relations with users

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In the past, users' perception of Donat was limited to the product's characteristics, especially those related to magnesium and constipation. As a result, the circle of users was rather small and, demographically speaking, older and therefore price-sensitive. In the renewed strategy, which positions Donat as a digestive health expert, the focus is on a younger target group that wants to take a proactive approach to taking care of their health and is looking for natural products intended for prevention. These are exacting users with higher income, prepared to pay more for products that are natural, effective and sustainable.

With this approach, we make sure that a user gets to know Donat earlier on and already has experience with the product as their age progresses to our secondary target group, when Donat is needed as a solution.

At the secondary level, we are still addressing the target group of older people who are extremely loyal to Donat. We build on our activities with medical marketing, i.e. by building relationships with doctors and medical staff, who are important in terms of raising the awareness of individuals about the importance of healthy digestion and a healthy lifestyle.

# Key consumer trends

Recently, we have been noticing the following key consumer trends in the Donat brand market:

- **A healthy lifestyle and digestion**

Increasingly, users are beginning to understand that prevention is better than treatment. A lot of attention is focused on digestion and its impact on the entire body, as new scientific research confirms that a person's overall health is based on a healthy gut. The digestive health industry is the third largest category within the health and wellness industry.<sup>1</sup>

- **A natural approach**

People are beginning to understand more and more how a product's origin and production can affect its healthiness and safety. As a result, there is an increasing demand on the market for the attributes that users associate with safer and healthier purchases: natural, organic, local, and additive-free. The global sales of such products achieve new growth records each year. In 2020, the category of organic health products surpassed the value of USD 105 billion, the "naturally healthy" category reached USD 259 billion, and functional healthy products reached USD 267 billion.<sup>2</sup>

- **Sustainable orientation**

Users are becoming more and more aware of their role in the management of the environment and the impact it has on their future and health. That is why they expect their brands to treat nature as responsibly as possible. Sustainability commitments have an increasing influence on purchasing decisions.<sup>3</sup>

- **Convenience**

What is most important for the user is that the brand product presents the simplest and most convenient choice for them.

All these trends were accelerated further with the COVID-19 pandemic in 2020/21, which presented Donat with an additional opportunity for success.

<sup>1</sup> Market insight and trends for gut health ingredients shaping the digestive health market, Nov 2016

<sup>2</sup> Statista, 2021

<sup>3</sup> Global data, 2020 and FMCG gurus, 2020



# User perception

As users are at the very centre of our operations, we regularly conduct measurements to monitor the Donat brand's reputation in their eyes based on individual attributes.

The key attributes of measurements that are carried out each December include responsibility towards the environment and social responsibility.

BRAND IMAGE – ATTRIBUTES	SLOVENIA		CROATIA		AUSTRIA	
	2020	2021	2020	2021	2020	2021
% of users in the category that associates the attribute with Donat						
High-quality brand	64	68	51	57	7	8
Socially responsible brand	47	52	32	34	3	3
Trustworthy	61	65	47	47	5	7
With regular use, it makes sure the digestive system functions normally	63	72	48	52	4	6
Helps maintain a healthy immune system	37	39	31	33	4	4
Sustainable approach to the environment	48	51	35	34	4	5
A brand that understands my needs/what I need	45	47	33	35	4	5
Is an expert in healthy digestion		67		52		5

Results show that the users of products intended to regulate digestion and general wellbeing increasingly perceive the Donat brand as an expert in healthy digestion (the attributes “with regular use, it makes sure the digestive system functions normally” and “is an expert in healthy digestion” are becoming stronger over time in Slovenia, Croatia and Austria), which consequently has a beneficial effect on the entire immune system. The share of users who agree that Donat “helps maintain a healthy immune system” amounted to 39% in Slovenia in 2021, whereas it was slightly lower in Croatia, at 33%. The share of users who perceive Donat as a trustworthy brand is also on the rise. In 2021, the share of such users in Slovenia was 65%, and 47% in Croatia.

This survey also helps us measure what share of the users of products intended to regulate digestion and general wellbeing associates the Donat brand with the attributes “socially responsible brand” and “environmentally friendly brand”. In Slovenia, the share of users who associate these two attributes with Donat is rising each year, amounting to more than 50% in 2021.

In Croatia, where the brand is slightly less recognisable and does not reach the same levels of use, the share of users who associate these two attributes with Donat is 34%. (2021).

Good results in the area of Donat's impact on the body are also reflected in the “high-quality brand” attribute, where the share of users in Slovenia was 68% in 2021, and 57% in Croatia, with growth noticeable in the Austrian market as well, where the share of users associating the “high-quality brand” attribute with Donat amounted to 7.9%.

Although the brand's recognition is still fairly low at the national level in Austria, we measure these attributes because we want to have a starting point on which to set objectives in the coming years when the marketing activities in this country become more intensive. The stagnation of results with individual attributes in Austria is not statistically significant, as the brand's low penetration in the market makes it difficult to capture samples that are sufficiently large to measure. Nevertheless, we definitely consider the results as a guide, and further develop activities in local markets in line with them.

# Complaints

We monitor customer satisfaction using a quality assurance system, which helps us to efficiently manage the complaints process. The high quality standards are reflected in the fact that there are practically no complaints for the Donat Mg natural mineral water.

## Number of justified complaints, 2018–2021

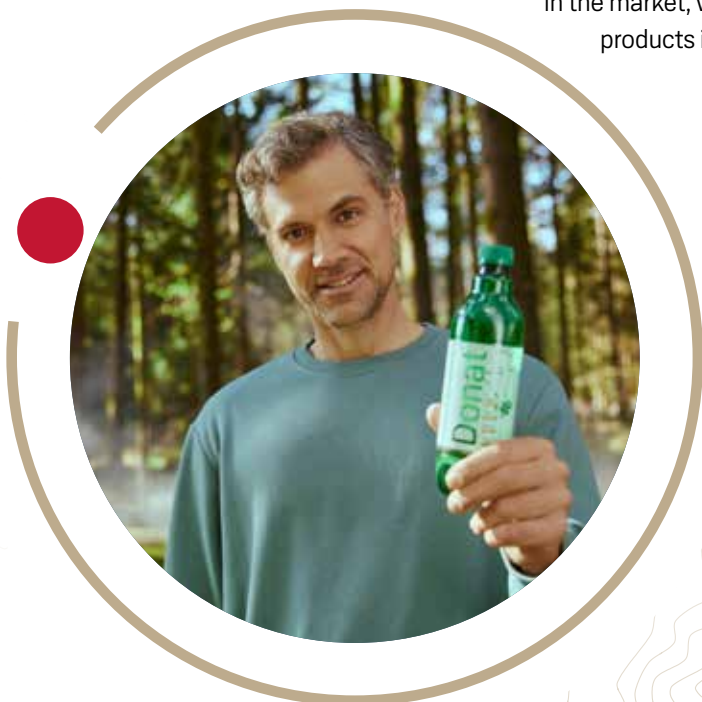
Year	2018	2019	2020	2021
Number of complaints	0	0	1	0

# Information for customers and traceability of products



Informing customers in an appropriate manner is essential when it comes to building their trust in the product.

The company has established systems that ensure that product declarations contain all the necessary information as dictated by the law pertaining to the food industry and the special law governing the area of natural mineral waters. The declaration also contains a QR code with additional useful information for users. In 2021 we set up an extra system of traceability for the Russian market, including a QR code on individual products in order to ensure product authenticity in the market, which is especially important in Russia, where the falsification of products is a more frequent occurrence.



# Medical marketing

Cooperation with the medical profession is one of the priorities in managing the Donat brand. As part of promoting preventive healthcare, we are preparing various educational projects for general practitioners present in our key markets. To raise awareness about the importance of digestive health, we are working with professional organisations, and help deepen their expertise by financially supporting the implementation of scientific studies. Every assertion about Donat comes with a scientific basis.

# Guided Donat health programmes

Raising the awareness of people about healthier living is a special area we implement through various educational, guided health programmes and projects aimed at the general population present in our target markets.

The fast pace of life, stress, improper diet and insufficient exercise have negative effects on our health and wellbeing. As an expert in healthy digestion, Donat can use its in-depth knowledge about the functioning of the digestive system to educate users on the significance of healthy digestion for the entire body. This has resulted in three holistic guided health programmes, each with its own end goal, yet all of them sharing the general strategy: to improve awareness about how important a healthy digestion is for the health of one's entire body, and learning new, healthy habits that can help people resist and overcome negative external factors.

All guided programmes were devised by experts and are supported with scientific studies. They contain healthy eating plans and advice on exercise and stress management, and their functioning is supported by daily drinking of Donat.

We have developed three guided Donat health programmes: **Donat Detox**, **Donat Imuno** and **6 Days to a Better Digestion**. All programmes are designed holistically and last 6 to 30 days. During the programme, an individual learns how to prepare balanced and varied meals, receives practical advice and explanations about healthy nutrition, along with physical activity ideas and tips on how to drink Donat.

The aim of the **Donat Detox** programme is a complete body detox. It lasts 21 days and its functioning is backed by a scientific study. The programme comprises an eating plan, exercise advice, tips on how to detoxify the mind as well as instructions on how to drink Donat, which will help regulate the digestion. We recommend undergoing the programme at least once a year.

The **Donat Imuno** programme was designed to help the participants strengthen their immune systems naturally, within 30 days. The programme comprises recipes with ingredients that enhance the immune system, suggestions for physical exercise, instructions on how to drink Donat, and tips prepared by the seven experts who helped develop the programme.

The **6 Days to a Better Digestion** programme helps eliminate functional constipation within six days. The programme offers recipes, advice and guidelines that will help participants to improve their digestion. The main supporting factor in the programme is drinking Donat, which is clinically proven to regulate digestion. By adopting healthy habits and adhering to the suggested advice, programme participants can maintain the proper functioning of the digestive system in the long run, thus improving their general health as well.

In 2021, we began developing our fourth guided health programme, Donat Vital, designed to help the participants achieve a body that is full of vitality and a healthier lifestyle within 60 days.



**Scientifically  
proven  
effectiveness**



# Sustainable relationships with suppliers

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

- human and labour rights must be respected,
- the making of the product may not involve any labour done by children or minors,
- packaging material should be entirely or partly made from recycled materials,
- packaging should be recyclable.

We also expect the following information from suppliers, which is important for our overall management of the life cycle of the product and service:

- information regarding the costs of disposing of the product and packaging,
- whether the item being supplied is produced in an area of limited resources or in an area of social, political or economic vulnerability,
- the amount of total direct and indirect emissions of greenhouse gases during the production of the product.

We are constantly looking for and choosing suppliers that can prove that the products and services they provide, cultivate, make or supply comply with all of the sustainable development criteria.

Where necessary we perform assessments of suppliers so as to verify the parameters of the quality systems. Local suppliers that satisfy all our needs for certain materials have preferential priority in the final selection of supplier. In BU Donat, the share of local suppliers amounts to 67% (90% in terms of the value of supplies).

# Sustainable attitude towards the environment

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With creation of a better environment in mind, the corporate culture of Atlantic Grupa and all of its related undertakings supports and promotes the principles of sustainable development: economic efficiency, environmental, social and ethical responsibility. Sustainable goals are incorporated in the strategic development plans of business programmes and the company.

**Aware of the rapid advance of climate change and related danger to biodiversity, we are constantly reducing our negative impact on the environment. To this end, we focus on:**

- **choosing environmentally friendly raw materials, materials and services,**
- **responsible planning of new product development,**
- **consistent waste reduction and separation,**
- **rational use of natural resources (water, energy) and**
- **providing help with the renewal of endangered ecosystems.**

We implement the entire environmental management process in accordance with ISO 14001:2015. All of the identified environmental aspects have been defined and assessed in the environmental aspects matrix. We have determined risks related to them and are managing these in a responsible manner.

# Regulatory compliance

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Through applicable regulations based on which the company has concluded concession agreements, Atlantic Droga Kolinska d.o.o. is committed to preserving water sources, conducting appropriate monitoring, taking care of the boreholes and aquifers, and appropriate management of pipelines. Atlantic Droga Kolinska d.o.o. implements its activities under the concession agreements in accordance with the provisions of agreements and in line with the regulations; in the period between 2018 and 2021, the competent authorities detected no irregularities pertaining to the execution of the concessions granted.

# Environmental permit

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In accordance with Article 27 of the Decree on the Emission of Substances and Heat when Discharging Wastewater into Waters and the Public Sewage System (Official Gazette of the Republic of Slovenia, Nos. 64/12, 64/14 and 98/15), our production site does not require an environmental permit.

# Water abstraction concession

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Atlantic Droga Kolinska d.o.o. manages water resources in accordance with its concession agreements, which have been concluded pursuant to the Decree on the Concession to Abstract Groundwater from the G-9/78, G-10/95, V-3/66-70 and K-2a/86 Sources of Supply for the Manufacture of Beverages, No. 00719-54/2005/6 of 7 July 2005, published in the Official Gazette of the Republic of Slovenia, No. 41/04, and the Decree on the Concession for the Use of Water from the G-4/70 Borehole for the Production of Beverages at Droga Kolinska d.d. of 23 December 2015, published in the Official Gazette of the Republic of Slovenia, Nos 103/15, 14/19 and 44/22-ZVO-2.

The Decree on the Concession to Abstract Groundwater from the G-9/78, G-10/95, V-3/66-70 and K-2a/86 Sources of Supply for the Manufacture of Beverages, No. 00719-54/2005/6 of 7 July 2005, EVA 2005-2511-0183, is a concession act based on which the Government of the Republic of Slovenia granted a concession for the abstraction of groundwater from water sources 9/78, G-10/95, V-3/66-70 and K-2a/86, whereby water sources **V-3/66-70** and **K-2a/86** are intended for the capture of the Donat Mg natural mineral water.





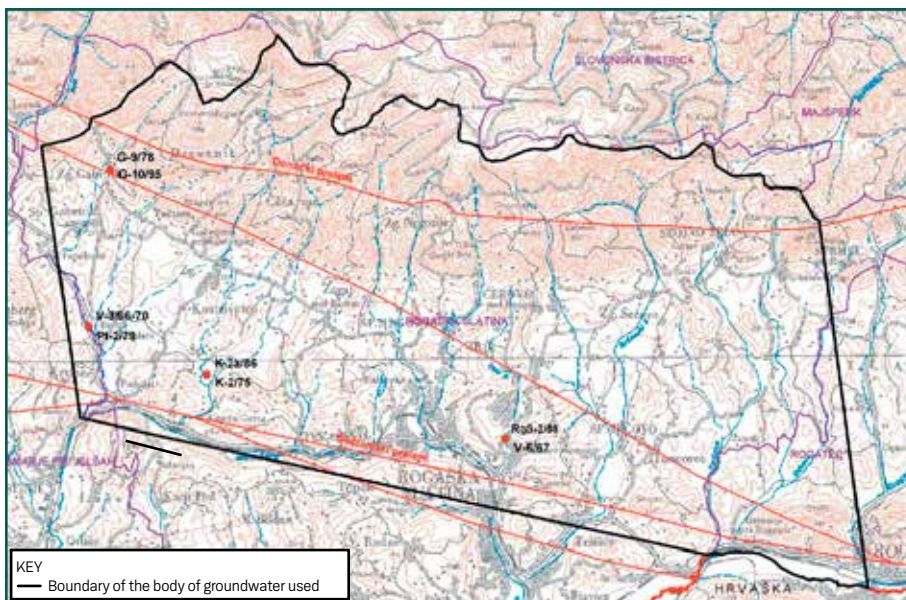
According to the Decree, the concession is granted for a period of 30 years and pertains to the bottling of natural mineral water, spring water, table water, and to produce soft drinks, whereby the start date of executing the concession agreement is the day on which it was signed.

As the concessionaire, we must provide the following in addition to the stipulated conditions:

- security measures to protect the land, facilities, devices and other resources against the harmful consequences of using groundwater,
- security measures to protect the equipment, devices and facilities used to abstract groundwater,
- continuous measurement of the quantities of groundwater abstracted,

- monitoring the quality of the water in the body of groundwater,
- maintaining of the quantity and quality as well as the natural role of the water source,
- preservation of biodiversity and protection of habitats and biological balance if the latter is endangered due to releasing groundwater into the environment,
- establishing a new or recovering the previous state after the concession expires.

As a concessionaire, we must also monitor groundwater abstraction, which involves measuring the replenishment of the water source and chemical composition of groundwater samples.



The figure presents the concession area, i.e., the body of groundwater that is being abstracted pursuant to the above-referenced Decree.

**Decree on the Concession for the Use of Water from the G-4/70 Borehole for the Production of Beverages at Droga Kolinska d.d.**

Facility	Location	Water source	l/s	Envisaged annual abstraction (m <sup>3</sup> /year)
G-4/70	groundwater of the lower part of River Savinja by River Sotla	VTPodV_1009, the first aquifer	1.8	<b>31,550 m<sup>3</sup>/year</b>

# Water consumption

We use our own source (G-4/70) to bottle other beverages on the site, while the rest is used as technological water.

We strive to optimise processes in order to reduce the use of technological water. Optimisation of filter rinsing contributed to a significant reduction in water consumption.

Using an energy management system contributes to adequate supervision and reduction of rinsing water on the plastic bottle rinsers.

# Wastewater

Industrial wastewater is generated in the technological process of preparing and producing soft drinks, bottling natural mineral waters, washing the bottles used to bottle mineral water and refreshing soft drinks, in the process of softening and preparing the water, in the process of preparing boiler water (bilge wastewater is generated in the process), rinsing out plastic bottles, automated procedures of cleaning bottling lines, tanks and fittings (CIP, clean-in-place), and in the process of cleaning production and warehouse facilities.

The quantity of wastewater is the same as the consumption of technological water.

We are bound to regularly monitor wastewater in compliance with the environmental regulations, and this is carried out by the state institution authorised for this task – the National Laboratory of Health, Environment and Food (NLZOH). Before releasing it into the public treatment plant, we process the water so that it complies with the regulatory criteria. Due to optimisations, the quantity of industrial wastewater has been decreasing every year of the past three-year period.

Quantity of technological/wastewater in m<sup>3</sup> and the percentage of consumption in 2018–2021 – total and per tonne of product

Technological/wastewater total	2018	2019	2020	2021
Consumption (m <sup>3</sup> )	44,399	34,197	32,684	31,672
Consumption (m <sup>3</sup> /t)	1.49	1.14	1.08	1.00



# Packaging

Plastic and glass bottles are mostly used **as primary packaging** in Europe for carbonated natural mineral waters, the glass option being considered more suitable in terms of preserving the quality of the product. Primary packaging includes bottle caps, which in Europe are mostly plastic or metal, usually aluminium.

From 1995 on, we first used plastic bottles made of polyethylene terephthalate (PET) as primary packaging for the bottling of Donat Mg, a material that is fully recyclable. In the process, we strived to reduce the consumption of the PET material for plastic bottles. To this end, we reduced the mass of the one-litre plastic bottle by 2020 by 4 g (from 36 to 32 g, i.e., by 11.11%), and the mass of the half-litre plastic bottle by 2.5 g (from 22.5 to 20 g, i.e., 11.11%).

In 2018, we transitioned to the “shorty” plastic bottleneck (PCO-1881 thread profile), while also reducing the HDPE-cap mass by 0.46 g (from 2.9 to 2.44 g).

From 2016 to 2019, we used, in addition to the plastic bottles, returnable one-litre glass bottles and non-returnable 0.75-litre glass bottles. The caps for these bottles were made of metal. Since the mass of the returnable one-litre glass bottle is around 17 times greater than the one-litre plastic bottle, we stopped using the glass bottles and reduced the amount of transport by

around a third, thereby reducing CO<sub>2</sub> emissions in transport and the product’s carbon footprint.

**As a result, primary packaging became fully recyclable by 2021.**

**Secondary packaging** surrounds primary packaging; in Donat’s case, this means labels, the foil used to package together several products, and cardboard handles.

**Tertiary packaging** comprises transport packaging used to package greater quantities of products onto pallets. This includes cardboard lining and wrapping foil.

**Since 2016, all cardboard used for secondary and tertiary packaging has been made from 100% recycled material, while foil and label materials are fully recyclable.**

**Trends** in packaging materials are mostly headed in three directions:

- reduction of packaging mass while preserving its functions,
- introduction of recycled materials: partial inclusion of recyclates or complete replacement of new (virgin) materials with recyclates,
- introduction of the circular economy in the area of handling packaging.



# Product life cycle assessment (LCA)

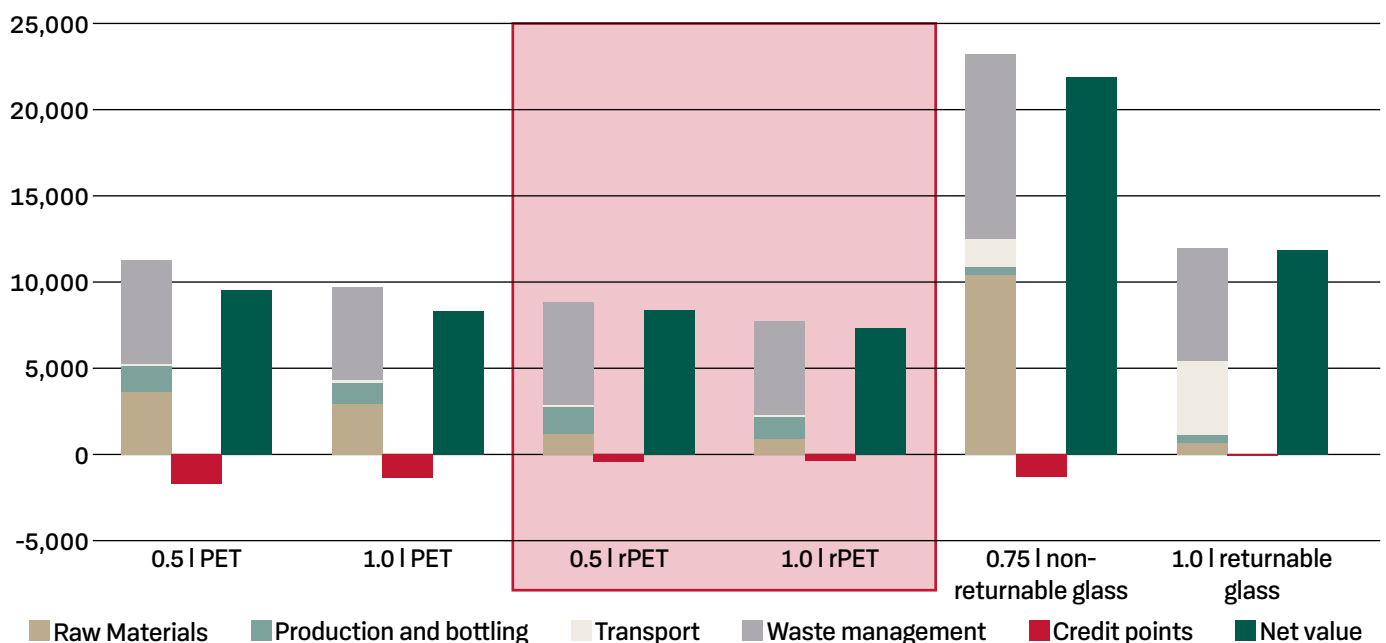
In 2021, we assessed the life cycle of products for several types of packaging made of plastic, recycled plastic and glass. We decided to conduct the LCA because our aim is to manage, over the long term, those materials that have the greatest impacts on the environment.

The first column of each chart presents environmental impacts related to the production of raw materials (plastic granulate, glass, etc.), production processes (conversion of raw materials into plastic or glass bottles, and other materials in the packaging system, and the bottling system), transport (of raw materials from suppliers to Atlantic Grupa, from the packaging system to PoS) and the processes of waste management after the life cycle ends (sorting, recycling, disposal).

The second column presents credit points for materials processed from the recycling processes, which can replace virgin materials, and the electric and thermal energy obtained from the process of waste incineration. It is assumed that the materials and energy obtained are used within another system. The third column of each chart presents net results, where credit points are subtracted from the total impacts on the environment.

For most of the indicators, the most important share of impacts on the environment is connected to the production of raw materials (in our case, this means packaging components), followed by the production and bottling phase, and the waste management phase after the life cycle ends. The impact of transport is lesser, except in the packaging system involving returnable bottles.

**The global warming potential (GWP) in CO<sub>2</sub> kg equivalent for the examined packaging systems for a certain functional unit, which is defined as packaging to provide 1,000 l of the Donat natural mineral water to a point of sale.**



Packaging systems with PET plastic bottles have better environmental results than those with glass bottles, as is reflected in most of the environmental impact indicators:

1. global warming potential,
2. abiotic resource depletion potential,
3. acidification potential,
4. eutrophication potential,
5. ozone depletion potential,
6. photo-oxidation potential,
7. water consumption,
8. solid particles, and
9. total primary energy consumption.

The packaging systems with PET-bottles exhibit similar environmental efficiency as the packaging system with returnable glass bottles for the following two environmental impact indicators:

1. land use and
2. toxicity for people.

Although packaging systems with larger PET-bottles (1 l) are better than those with smaller PET-bottles (0.5 l) in terms of all of the examined environmental impact indicators, the differences are so small that they are insignificant from the viewpoint of managing environmental impacts.

At the same time, packaging systems with plastic bottles made from recycled PET-granulate (rPET) are environmentally friendlier than packaging systems featuring plastic bottles made from virgin PET-granulate.

The calculated burdens on the environment by the packaging systems with returnable one-litre glass bottle are, for the majority of environmental impact indicators, slightly higher compared to any other packaging system with PET-bottles. The calculated burdens on the environment by the packaging systems with non-returnable single-use glass bottles (0.75 l) are significantly higher.

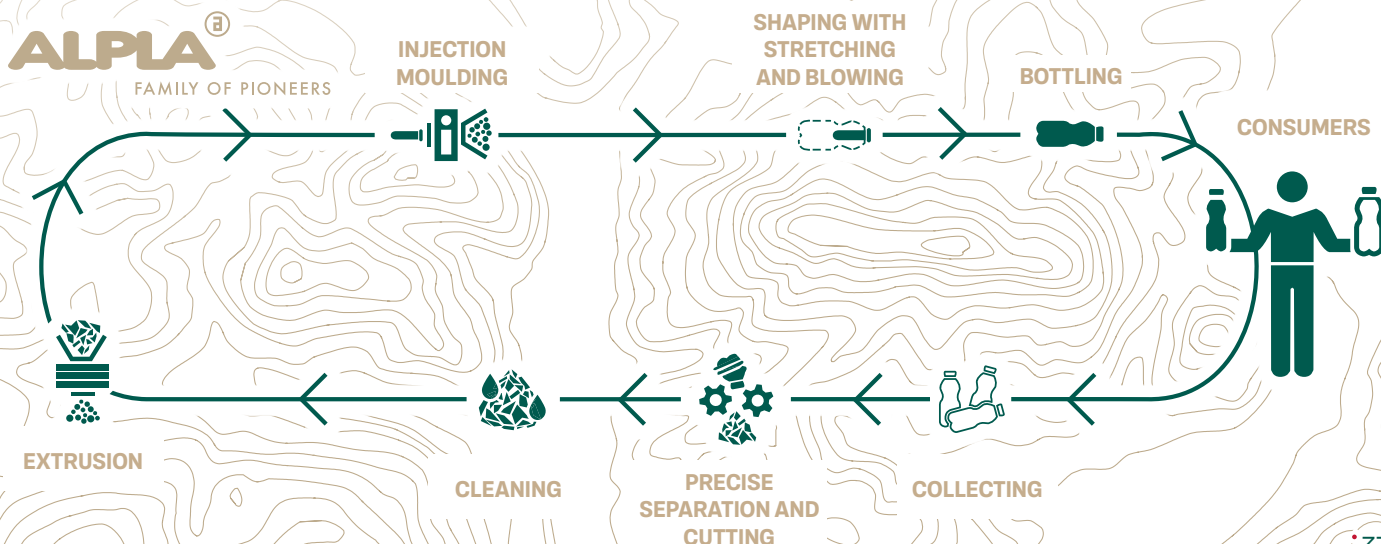
# Introducing recycled packaging materials

For several years now, the company has been observing a trend of declining demand for glass packaging in favour of plastic packaging. The share of plastic packaging now amounts to around 90%. This water packaging trend is also evident in the European Union, and is a reflection of the choices made by European users and their way of life.

As responsible producers concerned for nature, we decided to use plastic bottles that are made entirely of recycled material. Modern technology enables the reuse of polyethylene terephthalate (PET), the material plastic bottles are made from, for the production of new bottles, which are thus made entirely from recycled material. Such plastic bottles are fully compliant with the criteria for packaging used to pack food items, and are in line with the EU legislation on plastic materials and products intended to come into contact with food. Plastic bottles made from recycled PET present no risk for users.

From 2021 on, we have been using only 0.5 l and 1 l plastic bottles made from 100% recycled polyethylene terephthalate to bottle the Donat Mg natural mineral water, as these bottles burden the environment the least in accordance with the LCA.

At the same time, in cooperation with our partner company Alpla – which produces our 100% rPET pre-forms for 100% rPET plastic bottles – we successfully integrated into the circular economy system in the Slovenian market. We buy the entire quantity of PET-packaging green fractions necessary for the production of Donat plastic bottles in the Slovenian market. By doing so, we contribute significantly to the protection of the environment and to sustainability, as we are reusing the packaging that would otherwise become waste material. In addition, we have reduced our carbon footprint by 90% compared to the PET-packaging made from virgin material.



Packaging material consumption by volume of product and type of packaging, 2018–2021

Donat 6 x 1 l (consumption in g per 1 l)							
	handle PAP 22	label PP 5	thermal foil LDPE 4	stretch foil LDPE 4	barriers PAP 20	pre-form PET 1	cap HDPE 2
2018–2020	0.233	1.6	2.493	0.561 / RUS* 0.838	1.46	32	2.44
<b>TOTAL</b>	<b>40.869 g of packaging/1 l, of which 4.143% recycled (PAP only)</b>						
2021	0.233	1.48	2.493	0.561 / RUS* 0.838	1.46	32	2.44
<b>TOTAL</b>	<b>40.667 g of packaging/1 l, of which 85.92% recycled (PET, LDPE and PAP), RUS* 40.944 g of packaging/1 l, of which 85.34% recycled (PET, LDPE and PAP)</b>						

Donat 12 x 0.5 l (consumption in g per 0.5 l)							
	handle PAP 22	label PP 5	thermal foil LDPE 4	stretch foil LDPE 4	barriers PAP 20	pre-form PET 1	cap HDPE 2
2018–2019	0.117	0.9	1.437	0.307 / RUS* 0.466	1.081	21	2.44
2020	0.117	0.9	1.437	0.307 / RUS* 0.466	1.081	19.7	2.44
<b>TOTAL</b>	<b>26.875 g of packaging/0.5 l, of which 4.458% recycled (PAP only)</b>						
2021	0.117	0.9	1.437	0.307 / RUS* 0.466	1.081	19.7	2.44
<b>TOTAL</b>	<b>25.982 g of packaging/0.5 l, of which 83.2% recycled (PET, LDPE and PAP), RUS* 26.141 g of packaging/0.5 l, of which 82.69% recycled (PET, LDPE and PAP)</b>						

Donat 12 x 0.5 l (consumption in g per 1 l)							
	handle PAP 22	label PP 5	thermal foil LDPE 4	stretch foil LDPE 4	barriers PAP 20	pre-form PET 1	cap HDPE 2
2018–2019	0.233	1.8	2.874	0.614 / RUS* 0.932	2.163	42	4.88
2020	0.233	1.8	2.874	0.614 / RUS* 0.932	2.163	39.4	4.88
<b>TOTAL</b>	<b>53.748 g of packaging/1 l, of which 4.456% recycled (PAP only)</b>						
2021	0.233	1.8	2.874	0.614 / RUS* 0.932	2.163	39.4	4.88
<b>TOTAL</b>	<b>51.964 g of packaging/1 l, of which 83.2% recycled (PET, LDPE and PAP), RUS* 52.282 g of packaging/0.5 l, of which 82.69% recycled (PET, LDPE and PAP)</b>						

Donat 1 l returnable glass (consumption in g per 1 l)				
	label PAP 22	bottle GL 71	cap ALU 41	stretch foil LDPE 4
2018–2020	0.84	562	1.75	0.375
<b>TOTAL</b>	<b>564.965 g of packaging/1 l, of which 99.475% returnable bottle</b>			

Donat 0.75 l non-returnable glass (consumption in g per 1 l)						
	label PAP 22	bottle GL 71	cap ALU 41	stretch foil LDPE 4	cardboard carrier PAP 20	barriers PAP 20
2018–2019	1.866 (1,4 g label 0,75 l)	592 (444 g bottle 0.75 l)	2.333 (cap 1.75 g)	0.584 (0.75 g - 0.438 g)	41.622 (187,3 g - cardboard 6 x 0.75 l)	3.768 (2.826 g - 0.75 l)
2020	-	-	-	-	-	-
<b>TOTAL</b>	<b>641.592 g/1 l, of which 7.365% recycled (only PAP)</b>					

\* RUS = RUS, EST, UKR

# Regular annual monitoring of packaging materials

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All of the packaging used for food items must be compliant with the EU legislation on plastic materials and products intended to come into contact with food (Commission Regulation (EU) No. 10/2011 on plastic materials and articles intended to come into contact with food).

The packaging materials we use to bottle the Donat Mg natural mineral water are compliant with these regulations.

We control material compliance with the above regulations within regular monitoring at the authorised state institution – the National Laboratory of Health, Environment and Food.

The results of all such analyses confirm that the materials used in the bottling of the Donat Mg natural mineral water are appropriate and present no risk for users.

# Rational use of technological resources

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The planned rational approach in managing energy resources and appropriate control thereof are the foundations of efforts to reduce the environmental burden. We regularly monitor the effectiveness of energy and water consumption per unit of product. In the event of deviations from the objectives set, we implement corrective measures.

We have introduced the Energy Management System (EnMS) and take account of the ISO 50001:2018 standard on energy efficiency. We are introducing improvements aimed at optimising energy consumption, which were identified during energy inspections at the production site.



# Energy management

We manage energy by means of the MePIS Energy system provided by the Metronik company. We monitor major energy consumers and the internal distribution system watershed. We analyse energy and water consumption on a monthly basis by means of KPIs, thus successfully optimising energy consumption in production.

We manage energy according to the ISO 50001 standard. The goals we have set aim to reduce consumption for the quantity produced. We analyse any deviations from the initial model on a monthly basis and look for causes.

Energy consumption by type of energy product, 2018–2021

Year	2018 kWh	2019 kWh	2020 kWh	2021 kWh
Electricity from the grid	1,986,917	2,016,812	1,993,513	2,049,709
Natural gas	964,534	1,050,688	991,119	838,770

Energy consumption by type of energy product per tonne of beverage, 2018–2021

Year	2018 kWh/t	2019 kWh/t	2020 kWh/t	2021 kWh/t
Electricity from the grid	66.8	67.2	66.0	64.7
Natural gas	32.4	35.0	32.8	26.5

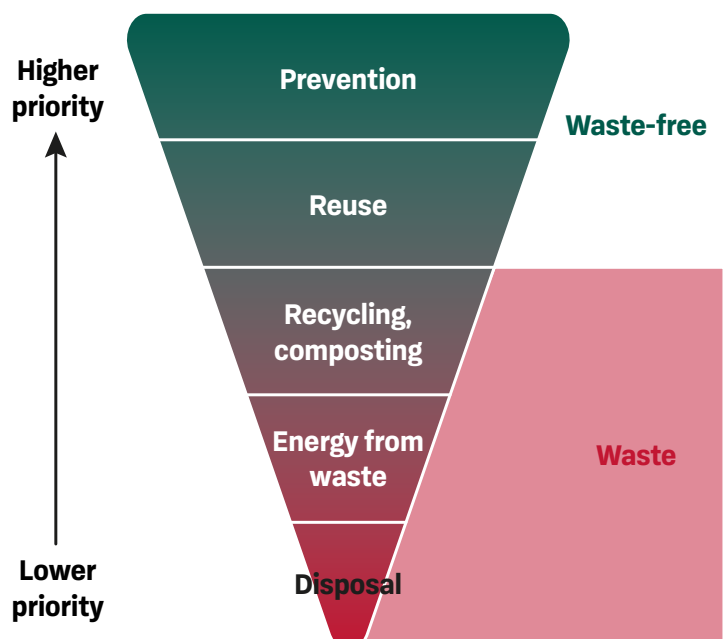
We are currently reducing electricity consumption solely through energy supervision via the MePIS Energy system, thus ensuring the optimal functioning of equipment and the production process.

At the end of 2020, we already completely overhauled the thermal substation for heating; by 2025, we are planning on replacing the steam boiler with a hot-water boiler, which will result in considerable energy savings. Gas is used on the site to heat the location and for CIP cleaning of the bottling lines.

Electricity consumption varies depending on other production that takes place on the site. In 2019, gas consumption increased on the site due to issues with technology on the boiler and the recovery of condensate.

# Waste management

The key element in economic waste management is a system of separate waste collection on the production site, which enables us to recycle and reuse the waste that has been collected separately. The aim of the waste management system is to continuously increase the share of separately collected waste relative to urban waste, and to continuously look for environmentally friendly solutions in the further processing of waste from the hierarchical pyramid of waste management methods.





# Generation of waste in production

The waste generated on the production site may be divided into three groups. The first group comprises packaging material waste that results from protecting input materials and raw materials (cardboard, LDPE foils, HDPE canisters, vessels, etc.) and primary plastic and glass packaging waste, metal bottle caps, secondary cardboard packaging, plastic foils that are generated in the production process as a result of hidden defects and loss/destruction of the packaging material. We sort this waste separately and pass it on to authorised waste management companies. These materials are recyclable.

The second group comprises filtering sand that is generated as waste in the technology of water preparation. After use, it is classified as hazardous waste and cannot be reused. The use of filtering sand depends on natural factors over which we have no influence.

The third group comprises urban waste. This is all the waste that cannot be collected separately and passed on to further use.



## Waste by type and management method, 2018–2021

YEAR:	2018	2019	2020	2021	
GLASS*	44,580 kg	35,372 kg	32,020 kg	9,280 kg	Recycling
PAPER	19,125 kg	22,174 kg	18,044 kg	19,661 kg	Recycling
PLASTIC	10,104 kg	11,337 kg	8,412 kg	12,540 kg	Recycling
FILTERING SAND	10,860 kg	18,440 kg	12,340 kg	8,720 kg	Landfill
URBAN WASTE**	6,528 kg	7,146 kg	6,114 kg	4,038 kg	Landfill

\* Glass only refers to Donat; other values are corrected, taking into account an approximation of the share for Donat.

\*\* Fluctuations of urban waste depend on production, mostly on glass production and the cleaning line, where waste labels were left over.

Waste is determined based on the ratio of quantities sold.

## Percentage of waste collected separately, 2019–2021

YEAR:	2019	2020	2021
SHARE OF WASTE COLLECTED SEPARATELY	78.43%	82.02%	85.52%

# Safe handling of harmful and hazardous substances

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The site uses minor quantities of hazardous substances in production, maintenance and in laboratories, primarily cleaning agents and disinfectants, raw materials and reagents.

We have prescribed procedures in place for handling hazardous substances, which take into account the provisions of safety documents, manufacturers' instructions and applicable legislation. We have procedures defined on how to act in emergency situations in order to prevent and mitigate the possibility of accidents, employee injuries and environmental burden.

# Sustainable cooperation with the local community

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The Donat brand connects closely with the local community in Rogaška Slatina and is part of its identity, and vice-versa. Thanks to the spring of the Donat Mg natural mineral water, the Rogaška Slatina Municipality boasts a rich tradition and an extensive range of products and services in spa tourism. The municipality is located at an altitude of 228 m, and is part of the Savinjska statistical region. It measures 71.5 km<sup>2</sup> and has around 11,210 inhabitants.

We have established great cooperation with the Rogaška Slatina Municipality in several areas. We sponsor projects that aim to revive the local community. At the same time, our own projects put great emphasis on enhancing the spa-destination brand of Rogaška Slatina. In this way, we want to contribute to the development of the municipality as a strong local community and first-rate tourism destination.

To date, we have sponsored the Rogaška Basketball Club, the traditional Anna's Ball, exhibitions at Ana's Mansion, New Year's events in Rogaška Slatina, and so on.

In addition to sponsorships, we provide local hoteliers with free-of-charge Donat and informative brochures as part of the service for their guests, and have established promotional collaboration with the Rogaška Medical Centre, the heart of spa activities in Rogaška Slatina.

Support in the further development of the Rogaška Slatina Municipality is extremely important to us, which is why we would like to continue working closely with the local community. Part of the sustainable development of the Donat brand is closely linked with projects within the Rogaška Slatina Municipality, which is why we plan on collaborating with the local community in the future, as we want to contribute our share to the sustainable development of the town where Donat, this unique natural mineral water, springs forth.



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The report was compiled in accordance with the GRI Standards: Core option.



Donat