

Studenac

Sustainability report

2024

Environmental, social and corporate governance
overview of Studenac Group S.A.

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ESRS 2

General information

BP1 - General Basis for Preparing the Sustainability Statement

This sustainability report of Studenac Group S.A. ("the Company*") provides an overview of the sustainability of Studenac. This report covers the period from 1 January to 31 December 2024 and has been prepared on a consolidated basis, applying the same consolidation parameters as those used in the consolidated financial statements. Consolidated data are covering information of Studenac d.o.o. and acquired companies Kea d.o.o., La-vor d.o.o. and Decentia Trgovina d.o.o.

As part of our commitment to transparency and sustainability, we align our reporting with the Corporate Sustainability Reporting Directive (CSRD), which aims to standardize and enhance sustainability disclosures. We have taken significant steps towards aligning our sustainability reporting with the CSRD framework, ensuring that we cover key areas such as governance, environment, climate-related disclosures, and social impacts. While we have made substantial progress, we recognize that we are not yet fully aligned with all aspects of the CSRD. Specifically, there are certain requirements regarding the depth of climate-related disclosures and the integration of sustainability into our governance processes that are still a work in progress. According to the standard (ESRS 1) for the first three years of sustainability reporting, due to the pressure that the collection would create for companies, a company may limit the information on the value chain, and it is not mandatory to include information on higher and lower levels of the value chain when publishing indicators other than those arising from other EU regulations. Through this report we want to provide stakeholders with a comprehensive view of our environmental, social, and corporate governance.

Several factors have contributed to our current non-compliance, including the complexity of integrating CSRD's detailed reporting requirements into our existing systems, and challenges related to data availability in some areas of sustainability performance. We are actively working to address these gaps and are committed to achieving full compliance with the CSRD. Our roadmap includes investing in better data collection systems, enhancing stakeholder engagement, and improving internal reporting processes to ensure full alignment with CSRD requirements.

As we continue our sustainability journey, we remain dedicated to enhancing our reporting processes and ensuring that we meet all CSRD requirements. Our approach will evolve as we gather more data, refine our strategies, and collaborate with key stakeholders to drive meaningful change. We value the feedback of our stakeholders and encourage open dialogue to help us enhance our sustainability efforts. Should you have any questions or suggestions, please do not hesitate to contact us.

This report is based on the double materiality assessment (DMA) conducted in 2024 in accordance with European sustainability reporting standards (ESRS). The aim of DMA is identification of key environmental,

social and governance impacts, risks and opportunities. The content of the report includes key information about the Company operations and approach to sustainable development in the Company.

Value chain related data is not available (or partially available) due to not established processes to collect data from all relevant stakeholders, and the Company did not include upstream and downstream related stakeholders, except in process of data collection for greenhouse gas (GHG) emissions (Scope 3). To establish the processes for collecting all relevant data throughout the value chain it will take some time for the Company and is expected in the upcoming reporting periods.

The Company has used the option to omit certain information related to intellectual property, knowledge and expertise, or innovation results.

**Throughout report we used company name such as the Company, Studenac or the Group mainly since majority of governance bodies are established at Studenac Group S. A. level, but all of business operations and ESG relevant disclosures in this report are related to Studenac d.o.o. and M&A.*

BP-2 - Disclosures in Special Circumstances

Due to the lack of information for the value chain, the Company did not include data from the value chain except data related to Scope 3 of GHG emissions that are result of activities in the value chain of an organization, but which are not directly under the control of that organization and some uncertainty may appear in some categories. More information on this topic can be found in chapter E1 Climate changes.

Also, the substantial amount of environmental data for acquisitions: La-vor d.o.o., Kea d.o.o. and Decentia is done based on estimations and calculated based on percentage share in profit/number of stores.

Planned measures in the following period to obtain more quality data is expected primarily through more involvement of stakeholders in the value chain, and not to dismiss option implementation of sustainability metrics software and by preparing M&A Companies in the entry level.

Sustainability information for 2022 and 2023 are prepared in accordance with GRI (Global reporting initiative) and based on internal and external stakeholder engagement used for defining material topics of the Company. And the report for year 2024 is prepared in accordance with CSRD and based on DMA (Double materiality assessment) and disclosed using ESRS (European Sustainability Reporting Standards). Also, for this report Company has not audited data and no external independent opinion. The Company did not identify significant errors from the previous period. But it must be taken into consideration the usage of different reporting guidelines used in previous reporting period.

The Company did not include information in this sustainability statement from any other regulations. The only thing to note is that the owner of the company, Enterprise investors fund, is a member of the United

Nations Global Compact (UNGC) and has therefore committed to respecting the 10 UNGC principles, thus Studenac is also committed to respecting the same.

Financial data used in this report refers to the Studenac consolidated financial report which is not part of this report.

GOV-1 Role of administrative, management, and supervisory bodies

The Company has a two-tier board structure consisting of the Management Board and the Supervisory Board. The Management Board is responsible for the Company's day-to-day management, which includes, among other things, preparing the strategies and policies of the Company and achieving the Company's objectives. The Supervisory Board supervises and advises the Management Board. Each member of the Management Board and the Supervisory Board has a duty to the Company to properly perform the duties assigned by each member and to act in the Company's corporate interest. Lines of authority and control mechanisms are clearly established in order to achieve flexibility in business processes, sustainability in the use of resources, transparency and innovation in business.

In addition to the Management Board and the Supervisory Board, the Company has created an Audit committee. The Management Board may act in the name of the Company and perform all acts necessary or useful for achieving the Company's corporate purposes, except for those acts expressly attributed to the General Meeting or the Supervisory Board under the applicable law or the Articles of Association.

Management Board, consisting of five members manages the Company's operations and determines the strategy and direction of the Company's development with the approval of the Supervisory board. The strategic orientation of the Company ensures the effective operation of internal control functions and monitoring of the quality of information for shareholders and financial markets.

The Audit Committee assists the Supervisory Board in monitoring systems of internal controls, the quality and integrity of financial reporting process and the content of the Company's financial statements and reports. The tasks of the Audit Committee also include assessing and mitigating Studenac's business and financial risks as well as supervision of persons entrusted with the management of the Company.

Composition of the Management Board	
During 2024 (7 members)	In 2025 (time of publishing this report) (5 members)
Michał Seńczuk Michał Halwa Dragan Baškarad Filip Bilanović Rafał Cieślakowski Nina Mimica Andrija Topić	Michał Seńczuk Michał Halwa Rafał Cieślakowski Andrija Topić

Composition of the Supervisory board	
During 2024	In 2025 (time of publishing this report)
Krzysztof Andrzejewski Javier Fernandez Rozado Ronny Gottschlich Michał Kędzia Tomislav Tomljenovic Gordan Kolak Bartosz Kwiatkowski Ewa Radkowska-Świętoń Stephanie Ekaette Trpkov	Krzysztof Andrzejewski Michał Kędzia Tomislav Tomljenovic Gordan Kolak Bartosz Kwiatkowski Natalia Koch Michał Lagunioneck

For year 2024 (2025)	Management Board	Supervisory board
Number of executive members	7 in 2024 (4 in 2025)	0
Number of non-executive members	0	9 in 2024 (7 in 2025)

**Supervisory board is considered non-executive*

Members of administrative, management, and supervisory bodies (for year 2024)	Percentage (%)
Women	18.8
Men	81.2
Other	-

As at the date of publication of this report, Studenac Group S.A. is represented by a Management Board consisting of the following people:

Michał Seńczuk, CEO, Chief Executive Officer

Michał Wojciech Seńczuk joined Studenac in 2018 after it was acquired by the private-equity fund Enterprise Investors and has overseen a programme of further acquisitions and organic expansion. Before taking the reins at Studenac, Michał spent more than 20 years in the retail industry in his native Poland, working for top retailers such as Biedronka (the country's biggest discounter, part of Jeronimo Martins group), Żabka (the largest convenience retailer) and POLOmarket (Poland's No. 1 supermarket chain). Michał holds an executive MBA from Harvard Business School Publishing and the Canadian International Management Institute and completed a general management programme at INSEAD.

Michał Halwa, FCCA, CFO, Chief Finance Officer

Michał Andrzej Halwa joined Studenac as a Chief financial officer in 2020 to support the transformation of the Company. Michał started his professional career with PwC, where he spent almost ten years

engaged in financial audit and business advisory projects. In 2010 he joined Dino, a leading Polish grocery retailer, where he served as a CFO and Board member for three years, supporting the initial phase of dynamic, PE-backed growth and expansion. He then took CFO and Board member positions in several Polish and international companies representing industries such as automotive (Nordglass, AGC), FMCG (Twinings, Poland) and IT for retail (Exorigo-UPOS). Michał is a member of Association of Chartered Certified Accountants since 2005.

Rafał Cieślakowski, CCO, Chief Commercial Officer

Rafał Jacek Cieślakowski joined the company in 2018 as a Chief Commercial Officer of Studenac. Before Studenac, Rafał has been working for the largest retailer in Poland for more than 20 years. During that time, he implemented sourcing structures at the level of the entire JM group. His higher economic education is also supported by management programs in JM structures.

Andrija Topić, CAIO, Chief Acquisitions and Integrations Officer

Andrija Topić was appointed as the Chief Acquisitions and Integrations Officer (CAIO) at Studenac in 2024. As a member of the Management Board, he is responsible for designing and implementing strategies for acquiring new companies and ensuring their successful integration into Studenac. Andrija holds a degree in Business Management from Lock Haven University in Pennsylvania, USA, an MBA from COTRUGLI Business School in Zagreb, and a certificate in Project, Change, and Risk Management from Oxford University, UK. His career began in the retail sector at Agrokor, where he served as Executive Retail Director. Prior to joining Studenac, he was the Executive Director for Business Development, a Management Board member, and the General Director for Business Development at Tokić d.o.o., where he was responsible for growth strategy, sales in export markets, and acquisitions and integrations.

Governance and Business Conduct

The administrative, management, and supervisory bodies play a central role in upholding the Group's standards of responsible business conduct. Their responsibilities include setting the strategic direction, overseeing compliance with ethical principles, and ensuring alignment with the Group's values and regulatory obligations. These bodies are composed of individuals with diverse expertise in areas such as corporate governance, risk management and compliance, and also passed yearly obligatory education on ethical business principles. More on this topic can be found in Governance G1 part of the report.

GOV-2 – Information provided to administrative, management, and supervisory bodies of the company and the sustainability factors addressed by those bodies

As for the ESG area, the body responsible for overseeing the effects, risks, and opportunities is Management Board. Roles and bodies included in the process are: ESG department (ESG coordinator) as a lead in defining IRO, together with ESG team members composed of directors or managers from relevant departments, such as: Technical department, Human resources, Safety at work, Procurement, Commercial, Quality, Logistics, Marketing, Studenac digital, Finance, Controlling and Legal department.

Management Board is a final role included in overall process and final determination of effects, risks, and opportunities. The audit committee was presented with IRO arising from DMA and how they are managed in the organization besides fundamental Company risks, such as financial risks, process risks, supplier risks and similar.

Governance and Oversight of Sustainability Factors

The administrative, management, and supervisory bodies of the Group possess the necessary expertise, experience, and competencies to effectively oversee and guide the integration of sustainability factors into the Group's strategy and operations. These bodies are composed of individuals with diverse professional backgrounds, including environmental, social, governance, and risk management disciplines, ensuring well-informed decision-making on sustainability-related matters. Their collective knowledge supports the Group's commitment to responsible business conduct and long-term value creation.

The administrative, management, and supervisory bodies, along with the relevant committees, are regularly informed about the Group's significant sustainability-related impacts, risks, and opportunities. Group is actively working toward enhancing its sustainability governance. Full alignment with best practices is planned to be achieved in the mid-term period, reinforcing our commitment to transparent, responsible, and accountable business conduct. This includes updates on the implementation of double materiality process, procedures and the performance of related policies, measures, indicators, and targets. Full integration of these processes is still underway. On a monthly basis Management Board is informed of the status of overall ESG related topics, but also by specific areas directly from relevant departments.

GOV-3 – Inclusion of sustainability performance results in incentive programs

Incentive programs and compensation related to sustainability factors are not directly defined through programs or policies but in a way, it is a standard practice defined in a way that internally, through yearly budget and sustainability action plan, Company defined its targets regarding sustainability, and those are linked to Management Board performance. Also, with published Sustainability commitment policy, the Company stated the direction of its sustainable growth. In future short-term plan is to publish Sustainability strategy with clear commitment and targets that will be directly linked to Management Board performance.

GOV-4 – Due diligence report

Company did not carry out the Due diligence process as such but considers that it is managed to gain significant insight on ESG relevant topics through double materiality assessment process.

ESRS E1 - Requirement related to ESRS-2 GOV-3 – Inclusion of sustainability results in incentive programs

While climate-related objectives are not yet directly embedded in the remuneration structures of the administrative, management, and supervisory bodies, the Group acknowledges the growing expectations of stakeholders regarding climate accountability. As part of the Group's long-term sustainability commitments, greenhouse gas (GHG) reduction is one of the commitments and is increasingly guiding strategic and operational decisions. The integration of climate considerations into performance and incentive frameworks remains under review, with the aim of aligning more closely with evolving stakeholder expectations and industry best practices. The Company is considering options to update its remuneration policy in line with climate related KPIs.

GOV-5 – Risk Management and Internal Controls in Sustainability Reporting

The Group has adopted the Rulebook for managing ESG criteria and sustainable development in the company and established the process of sustainability reporting that includes role of ESG coordinator, ESG team members continuously included, and a final approval of the Management Board. ESG team members are persons ensuring the participation of all relevant organizational units of the Company, consisting of directors, managers or coordinators, as mentioned above in the text.

The scope of this process encompasses the identification, assessment, and monitoring of sustainability-related risks and opportunities, including those related to data accuracy, regulatory compliance, and reputational impact. Key features include cross-functional collaboration, defined responsibilities, and controls designed to ensure the reliability and completeness of sustainability disclosures. Although this process is clear, due to the comprehensiveness of CSRD, the responsibilities of team members shall be increased in the sense of more independence and responsibilities to ensure effectiveness of the process of reporting.

Periodic reporting mechanisms are in place to keep the administrative, management, and supervisory bodies informed of key findings and developments. These reports include updates on identified risks, progress on mitigation measures enabling informed oversight and strategic guidance. Results of the above processes and statuses are weekly reported to the Management Board Member responsible for Finance (during 2024), and as of 2025, ESG department went under direct supervision of Chief executive officer.

SMB-1 - Strategy, Business Model, and Value Chain

Main Company activity

Studenac Group S. A. is a public limited company registered and located in Luxembourg, 1B rue Jean Piret, 2350 Luxembourg. Studenac Group S.A. together with its subsidiaries forms the group of Studenac Group S. A. Headquarter of the Company is in the city of Luxembourg, while its retail network is located

predominately in Croatia, covering the majority of the country's territory, and where the Group is one of the leading retail chains.

The principal activity of the Group is retail and wholesale of grocery products and consumer goods.

Retail chain of the Group consisted of 1,443 stores as at 31 December 2024. During 2024 the Group increased the number of stores by 178 (208 acquired or newly opened stores, and 30 were closed).

At the end of 2024, the Group had distribution warehouses, cross-dock facilities and wholesale warehouses in Croatia as follows: distribution warehouses in Dugopolje, Pazin, Zagreb, Kutina, Sv. Križ Začretje, Buzet and Dubrovnik; cross-dock facilities in Zadar and Đurđevac; wholesale warehouses in Ivanić Grad, Sisak, Dugo Selo, Bjelovar, Mljet, Ubl (island of Lastovo), Kutina, Buzet and Sv Križ Začretje.

The Group's own logistics structure enables efficient distribution of centralised assortment to retail stores throughout the year and is particularly important during summer months when the demand is intensified due to the impact of tourism.

Sales revenue for the year 2024 amounted to EUR 816,549 thousand. More information can be found in Consolidated financial statements for the years ended 31 December 2024.

As at 31 December 2024 the Group had 7,189 employees.

The Group has no branches. As of 31 December 2024, Studenac d.o.o. and its subsidiary Kea d.o.o. operated as independent companies.

M&A Activities in 2024

The Group continued its activity regarding mergers and acquisitions in 2024. La-vor Trade d.o.o. which was merged with Studenac d.o.o. on 31 December 2024. On 31 August 2024 the Group acquired Decentia Trgovina d.o.o. which was merged with Studenac d.o.o. on 30 November 2024. On 6 September 2024 the Group acquired Slovenian company Kea d.o.o. With acquisition of Kea d.o.o., company expanded the business area to country of Slovenia. Kea d.o.o. operates as independent company. The Group plans to continue to develop its retail network throughout organic growth and M&A.

Overview of Studenac Group S.A.

Business Model and Growth

Studenac is recognized as the fastest-growing food retailer in Croatia, operating a network of proximity stores that cater to the specific needs of local communities. As of the end of 2024, the company had 1,443 stores, making it the largest retail chain in Croatia, with an additional 37 stores in Slovenia following its recent expansion.

Consumer Proposition

Studenac's stores focus on the "Isitno I bitno" (small and essential) proposition, offering a quick and quality shopping experience. The average store size is 111 square meters, and they carry between 2,000 and 4,000 stock-keeping units (SKUs), emphasizing perishables and daily necessities.

Croatian Grocery Market

The Croatian grocery market was valued at €10.2 billion in 2023, with a growth rate of 8.4% year-on-year. Studenac has capitalized on the increasing consumer preference for smaller format stores, which complement larger discounters in meeting grocery needs. The company held then a market share of 6.6%, reflecting significant growth since its acquisition in 2018.

Tourism Impact

Studenac benefits from both residential and tourist locations, bolstered by Croatia's appeal as a tourist destination, with approximately 21,3 million visitors and 108,7 million overnights in 2024. This dual market presence provides a stable revenue stream year-round.

Acquisition and Expansion

After being acquired by Polish Enterprise Funds in 2018, Studenac has transformed from a family-owned business to a professional organization focused on rapid growth through both organic means and acquisitions. The company has opened and acquired over a thousand stores since 2018. Further expansion of up to 3,400 stores by 2028 is envisaged, to serve ever-more customers of the region.

Competitive Advantages

Unique Market Position

Studenac is the only modern single-format proximity retailer in Croatia. Its unique attributes position it to capture market share as consumer preferences shift towards convenience and local shopping. The company's strength in both tourist and residential areas allows it to adapt to varying consumer needs.

Operational Efficiency

Studenac employs advanced digital tools for efficient site assessments, utilizing machine learning to identify suitable new locations for expansion. The company's logistics structure is also being centralized to improve profitability and operational efficiency.

Growth Levers

The company's growth strategy includes leveraging white space opportunities in existing markets, pursuing acquisitions, and expanding into neighbouring markets like Slovenia. Studenac is also focused on enhancing customer experience through tailored product offerings and improving operational effectiveness.

Sustainability and Community Engagement

Studenac is committed to corporate social responsibility, with initiatives aimed at supporting local communities and reducing its environmental footprint. The company also emphasizes digitalization and innovation as key drivers for future growth.

As a part of company's overall strategy, Studenac plans to Continue its engagement with ESG topics

Studenac has implemented a dedicated unit in its organisational structure to effectively coordinate all of the aspects related to ESG areas.

In terms of the environment, a number of initiatives have been tested and implemented to reduce the impact of Studenac's activities on the environment. Studenac has carried out a detailed study addressing all of the aspects of emissions (Scope 1,2 and 3) in order to identify areas of special attention and to enable it to closely monitor its progress. In line with these initiatives, Studenac is focused on limiting its carbon footprint through energy savings initiatives and the use of renewable energy. Since 2021, Studenac has held the ZelEn (green energy) certificate. 90% of the Studenac energy it uses comes from renewable sources purchased from the national electricity company, HEP Group. Studenac's energy saving initiatives include: installing drink refrigerators with doors at newly opened and newly renovated stores from April 2024 in order to reduce energy usage; preparing test retrofitting doors on refrigerators across certain stores; optimising temperature settings on all refrigerators; testing consumption of plug-in versus remote cabinets at selected stores including the impact on energy consumption by air conditioning systems; and upgrading the technical standards of equipment. Studenac is also considering options to update its remuneration policy in line with climate related KPIs.

Studenac's biodiversity initiatives include its "Korak bliže prirodi" ("Step Closer to Nature") project, which was introduced in 2020. The focus is on cleaning the sea across the Adriatic coast and on urban biodiversity. Studenac has also introduced an underground water protection initiative as part of the project. The "Korak bliže prirodi" project is supported by the local communities and associations.

Studenac's social initiatives are focused on local community projects, support for non-governmental organisations ("NGOs") and diversity and inclusion. Studenac introduced its "Step closer to the community" ("Korak bliže zajednici") project in 2021. The focus of the project is on supporting NGOs, socially disadvantaged, vulnerable groups and children and on promoting health topics. In terms of diversity and inclusion, retirees have been employed in seasonal jobs through the campaign "Remain an Active Member of Your Community". Studenac is also supporting Ukrainian refugees, having recruited Ukrainians through the SVOJA association. It is also involved in empowering women through a partnership with Cemex and has introduced the Kodiraona initiative aimed at empowering women in the field of digital

technology and data analytics. Studenac aims to stay close to the local communities in which it operates and engages directly in certain initiatives demonstrating social responsibility. It intends to further develop this community involvement.

In terms of the governance, following the full implementation of an ethics and compliance programme, Studenac plans to monitor the internal Compliance system area using control mechanisms, ensuring the highest standards and transparency across its operations. The Compliance Officer role is focused on maintaining compliance across matters such as conflicts of interest, gifts and hospitality, anti-bribery and corruption. The aim is to maintain the high standards implemented at that time and to introduce additional policies to achieve continuous improvement. Studenac is preparing to fully implement sustainability reporting, based on the CSRD (Corporate Sustainability Reporting Directive) reporting framework.

Sustainability commitment policy

The Company demonstrates its strong commitment to sustainability through the adoption of a dedicated Sustainability commitment policy, which underscores its focus on responsible and ethical business conduct. By embedding environmental, social, and governance (ESG) principles into its operations and strategic decision-making, the Company aims to deliver lasting value for its stakeholders while making a positive impact on both society and the environment. This Policy outlines the Company's objectives and actions across the three key pillars of ESG:

1. Environment protection and reducing impact on climate change

- Implementation of energy efficient solutions with the aim of reducing environmental impact
- Decreasing our carbon footprint
- Developing a responsible waste management program
- Continuation of the contribution to the preservation of the environment and biodiversity through the program „Step closer to nature"

2. Impact on people and communities

- Investing in the professional and personal development of employees
- Health, safety, and Quality
- Well-being and employee satisfaction
- Diversity and inclusion
- Continuation of contribution to the welfare of local communities through the program „Step closer to the community"
- Stakeholder engagement

3. Responsible, transparent, and innovative business

- Implementation of ethics and compliance program
- Innovations and development
- Transparency and governance

- Implementation of the sustainable procurement program

The company aligns its Sustainability commitment with the Global Sustainable Development Goals.

Studenac Group S. A. is well-positioned to continue its expansion in the competitive grocery market within Croatia and Slovenia. With a strong management team, a clear growth strategy, and a focus on digital transformation, the company aims to enhance its market presence while ensuring operational efficiency and customer satisfaction.

Value chain

Studenac value chain includes:

Upstream			Own operations	Downstream	
Tier 3+	Tier 2	Tier 1	Warehouses - main distribution centres, cross-dock locations	Tier 1	Tier 2+
Raw materials	Production of perishable goods	Distribution (direct delivery from supplier)	Retail stores - leased properties	Consumers and end-users	Waste and waste management
Farming	Production of non-perishable goods		Commercial (perishable, non-perishable, non-food)	Wholesale clients	
Agriculture	Production of non-food		Supply chain - logistic operations, stock management		
	Production of capital goods		Studenac Private Label		
	Packaging		Distribution - own distribution		
			Human resources, Finance & Accounting, Decision Support		
			Technologies - IT		
			Innovations & Digitalization, Marketing		
			Quality Management, Corporate communications		
			M&A, Network development (Real estate, (organic) expansion, maintenance)		
			Studenac Bistro, Bakery		
			Wholesale		

The Company does not operate in the fossil fuel sector.

The Company does not operate in the chemical production sector, controversial weapons sector and production of tobacco.

SBM-2 - Stakeholder Interests and Perspectives

Studenac plays a various role in its surroundings, it is part of the local community, business partner, an employer, and a partner. Stakeholders are individuals or groups who can affect or be affected by Studenac's decisions and actions. Cooperation and dialogue with stakeholders is an important step in establishing quality relationships and transparent business operations. In accordance with the ESRS requirements, a stakeholder identification and classification was conducted in order to understand which stakeholders need to be considered during a materiality assessment. The list of stakeholders was classified into two main groups of stakeholders: affected stakeholders and users of sustainability statements. For each stakeholder group, Company identified specific representatives/organisations to engage with.

Main stakeholders that impact and are impacted by the Company are store customers (consumers), employees, suppliers and business partners, regulators, NGO's and local communities, media and investors.

Consumers

The main goal of Company business is to be accepted by its customers and to satisfy consumer needs in line with the highest standards. This commitment is understood as providing consumers with merchandise and products that are safe and of high quality, offering a diverse assortment at attractive prices, and locating stores close to where people live. The Company respects all human and consumer rights.

Communication with consumers is reflected by the Company's willingness to consider their voice in the process of improving various aspects of offerings and services in stores.

The company has a dedicated personnel and various communication channels, whose role is to receive comments and handle all reports, including customer complaints. More details on communication with customers can be read in chapter S4 - Consumers and end users. Further development and expansion of stores with main goal to be close to customer is also enhancing dialog with consumers and improve response to their needs.

Employees

The Company wants to ensure safe and supportive workplace, foster a high level of employee motivation, and provide opportunities for professional growth and fair compensation. Employees directly contribute to the rapid growth and development of Studenac and are the key assets for the Company.

The Company respects all human and employee rights, which is governed by internal regulations and the Code of Ethics and other internal procedures and policies. The Company is listening to the

Opinions and needs of employees and make appropriate changes. Various communication channels are developed for communication with employees on various topics. More details on communication with customers can be read in chapter S1 - Own workforce. With planned expansion of the network, it will lead to a significant increase in the number of employees, and thus the Company wants to strengthen its position as an attractive employer, providing stable jobs and be a good place to work.

Suppliers and business partners

Maintaining fair and transparent business relationships with Suppliers and partners is of high importance to the Company. It is done through continuous dialogue, regular communication, exchanging know-how expertise and improving services. Focus is on transparency, long-term cooperation and responsibility.

The Company developed Supplier code of conduct handbook that can be found on Company website. The Code defines basic requirements and guidelines on what is expected of suppliers by applying the highest standards of business ethics to ensure that the people and companies we do business with meet our values and standards and share this responsibility.

Regulatory and public administration bodies

Ensuring compliance with all applicable laws and regulations, anti-bribery and corruption laws, and laws on preventing money laundering and conflicts of interest is extremely important to the Company. The Company published a Code of Ethics, an Anti-Bribery and Corruption Policy, a Money Laundering and Terrorism Financing Prevention Policy, a Supplier Code of Conduct, a Gift and Hospitality Policy, a Conflict of Interest Reporting Procedure, and have built our own compliance system with aim to ensure compliance with legal requirements. The Company conducts regular communication and cooperation with different regulatory and other government authorities

Community and NGO's

Corporate Social Responsibility is part of the company's business strategy with the aim of bringing about positive changes in the communities in which we live and operate. Aware of our impact on the society around us, we have firmly decided that, by listening to the needs of the communities in which we live and work and our neighbours with the daily challenges they face, we will make our contribution, in cooperation with other stakeholders, to achieving a better and more prosperous life and future.

Therefore, it is of great importance to us to foster continuous dialogue with local communities and NGOs. For that reason, we developed projects that contribute development and support to the communities and nature, such as "Korak bliže zajednici" ("A step closer to nature") and "Korak bliže prirodi" ("A step closer to community").

Media

To ensure transparent and consistent communication with the wide public we cooperate with various media channels. We provide them with updated information and ensure proper response in case of their requirements.

Investors

Studenac potential investors and its founder provided the Company with the necessary experience and financial resources to develop its business. Therefore, Company's commitment is to develop stable and transparent business in a stable and secure manner, with a defined strategy and with respect for the interests of other major stakeholders.

Developing a stakeholder engagement plan

Following one of the points of the Sustainability Commitment Policy (SCP), i.e. implementation of systematic stakeholder engagement process, we have formed an ESG working group, conducted our first stakeholder engagement process, and joined the Croatian Business Council for Sustainable Development in order to learn, achieve, and contribute more in this critical area.

In 2023, we conducted our first materiality assessment and stakeholder engagement process. The process was carried out through several steps: mapping of the main stakeholder groups, determination of material topics, communication with stakeholders, data analysis and definition of the materiality matrix. The goal of this process was to better prepare for the requirements for achieving sustainability through the recognition of the areas on which the company has the greatest influence, and which have the greatest influence on the company, which will help us to better manage risks, impacts and opportunities.

We prepared a comprehensive stakeholder register and divided the stakeholders into groups. External stakeholders are divided into several groups, the most influential being suppliers and business partners, non-governmental organizations (NGOs), regulatory bodies and government organizations, media, local communities and customers. Among internal employees we asked for the perspectives of the Management Board, managers, office employees and store employees. This process was a pioneering effort to involve all our stakeholders, and we were aware that through this type Material topics were divided into three main groups: of communication, the stakeholders would also be educated, and some would hear a little more about certain topics for the first time. We wanted to get a wider range of answers, hear what is important to them as an individual group and recognize how familiar they are with the topic of sustainability and how willing they are to influence changes.

The survey was sent to 2,255 stakeholders and additionally to customers through the "Moj Studenac" mobile application. The total response to the survey was 17% of all targeted groups. Among internal stakeholders, the response was 39% (620), among external 12% (68), and 3% (130) of customers responded. In case of external stakeholders, great interest in the survey was shown by suppliers and business partners, local communities, and NGOs, while among internal stakeholders, employees from stores responded the most. Most of the questions answered by stakeholders were rated with 7 or higher, which tells us that the sustainability topics we have identified within the Company are important for both stakeholder groups. As expected, the issue of climate change and waste were selected as priority topics, followed by social topics and the safety and health of customers.

Communication with external stakeholders related to sustainability topics takes place via the email address: esg@studenac.hr.

In the process of DMA in 2024, engagement plan was set up for each of the stakeholder groups identified in the previous step. The following considerations were considered: Why and/or at which step(s) of the process should a stakeholder be engaged; On which topics should a stakeholder be engaged; Through which method should a stakeholder be engaged (i.e. survey, interview, passive engagement).

Engagement with internal stakeholders are representatives of their departments and their inputs have been considered as subject matter experts' inputs. Internal stakeholders have been engaged through interviews. External stakeholders have been engaged through passive engagement activities by the value chain mapping, benchmark analysis (peer companies, SASB, GRI and rating agencies' sector specific material topics) i.e. collection of material ESG information about stakeholders through Reports and websites, as indicated in the EFRAG's Implementation guidance for materiality assessment. External stakeholders, engaged in this way, are Studeoac largest suppliers, and as such, they are identified as key stakeholders. During the validation phase of material topics, the Management Board was involved.

Future assessments of double materiality plan to actively engage external stakeholders, as this will provide a better understanding of their impacts, risks and opportunities in the value chain of the Company.

Interests and perspectives of own workforce (S1 SBM-2)

Interest and rights of employees arise directly from Company's strategy and business model. The strategy and business model are determined by Management Board, and the views of the employees have been considered. The Company has established mechanisms for effective resolution of any concerns that may arise, such as any unfair treatment or practices, any unethical deed or case of discrimination. Besides Compliance officer, handling all the topics related to ethics and compliance, Dignity protection officer is dealing with resolving matters related to dignity of employees and directly reports to Management Board, the same as Compliance officer.

The company conducts regular and periodical surveys on employee satisfaction and maintains dialog with employees through various channels, such as Intranet, specific contact persons, e mail address or direct personal contact.

Interests and perspectives of consumers and end-users (S4 SBM-2)

The Company prioritizes the interests, perspectives, and rights of its consumers and end-users, which plays a key role in shaping its strategy and business model. Customer satisfaction is continuously monitored to gain insights into user experience and to identify both strengths and areas for improvement in the business relationship. This is carried out through regular surveys focused on service quality and business processes, with the findings used to support ongoing enhancements to the quality system. The Company also ensures that customers have access to high-quality products and services through its broad pharmacy network.

SMB-3 - Significant impacts, risks, and opportunities, and their interaction with strategy and business model

As a result of double materiality assessment, a total of 93 significant impacts, risks and opportunities were identified. There were 38 significant impacts, and 54 material risks and opportunities ("R"/"O") were identified. An overview of the significant impacts, risks and opportunities, along with where they are located in the business model and related time periods is provided in the table - *Overview of the Studeoac significant impacts, risks and opportunities*:

Overview of the Studenac significant impacts, risks and opportunities

Impacts

Unique IRO Title	Sustainability topic(s)	Sub / sub-sub-topic(s)	Value chain location	Detailed description	Classification	Time horizon
Greenhouse gases with higher global warming potential (GWP)	E1 Climate change	Climate change mitigation	Own operations	Refrigerant media used in refrigerating chambers, refrigerators, air conditioners and other cooling devices contain greenhouse gases with a stronger global warming potential (GWP) than CO ₂ , which are released into the atmosphere (so-called fugitive emissions) and significantly contribute to the increase of the greenhouse gas effect.	Negative Actual	Short-term
Transport - GHG emissions Scope 1	E1 Climate change	Climate change mitigation	Own operations	Studenac uses energy from non-renewable sources for the transport of goods and employees and consequently generates Scope 1 greenhouse gas emissions that negatively affect the environment because they contribute to global warming and climate change.	Negative Actual	Short-term
GHG Emissions Scope 1 & 2	E1 Climate change	Climate change mitigation	Own operations	Companies engaged in retail and wholesale activities and in office operations use a large amount of energy (natural gas and electricity) for cooling, heating, ventilation, air conditioning (HVAC), lighting, packaging, etc. and consequently, depending on the energy source, generate greenhouse gas emissions (Scope 1 and 2) that negatively affect the environment, as they contribute to global warming and climate change.	Negative Actual	Short-term
GHG Emissions Scope 3	E1 Climate change	Climate change mitigation	Upstream/Downstream	During the implementation of various activities of Studenac's business partners in the value chain (upstream and downstream), greenhouse gases (Scope 3) are emitted, which negatively affect the environment because they contribute to global warming and climate change.	Negative Actual	Short-term
Energy consumption	E1 Climate change	Energy	Own operations	During the implementation of various activities (office work, retail, wholesale, transport, etc.), various energy sources from renewable and non-renewable sources are used.	Negative Actual	Short-term
Microplastic	E2 Pollution	Microplastic	Own operations	The release of microplastics from packaging can have serious negative effects on the environment.	Negative Potential	Short-term
Water consumption on own locations	E3 Water and marine resources	Water consumption	Own operations	During daily operations (retail sales, office work, logistics centers) municipal water is used for drinking and sanitation purposes.	Negative Actual	Short-term

Unique IRO Title	Sustainability topic(s)	Sub / sub-sub-topic(s)	Value chain location	Detailed description	Classification	Time horizon
Water consumption during the production of food products	E3 Water and marine resources	Water consumption	Upstream	During the production of agricultural raw materials to produce food products, large amounts of water are used for irrigation and crop maintenance.	Negative Potential	Short-term
Endangered species	E4 Biodiversity and ecosystems	Impacts on the state of species	Upstream	The production of raw materials for food products can have significant negative environmental impacts, including impacts on endangered species, due to the destruction of natural habitats for the purpose of growing these types of raw materials.	Negative Potential	Short-term
Deforestation	E4 Biodiversity and ecosystems	Impacts on the extent and condition of ecosystems	Upstream	The production of raw materials for the food industry often causes deforestation, which leads to habitat loss and a reduction in biodiversity. This process can seriously disrupt ecosystems, destabilize local climate and threaten the living conditions of many plant and animal species.	Negative Potential	Short-term
Genetically modified products	E4 Biodiversity and ecosystems	Direct impact drivers of biodiversity loss - Direct exploitation	Upstream	Food products sold in retail can often be produced using GMO related practices and the use of pesticides and as such have a greater potential harm to biodiversity conservation.	Negative Potential	Long-term
Waste	E5 Circular economy	Waste	Own operations	During daily operations, company generates a significant amount of waste. The main categories are paper, cardboard, foil; goods unfit for further use and consumption, biowaste and animal waste.	Negative Actual	Short-term
Waste created by end users	E5 Circular economy	Resource outflows related to products and services	Downstream	End-users generate waste after using products distributed by company such as plastic, paper, cardboard and food waste.	Negative Actual	Short-term
Food waste generated as a result of business operations	E5 Circular economy	Waste	Own operations	The retail industry, especially companies that base the majority of their sales on food products, generate a large amount of food waste due to expiration dates, damage, inability to sell goods sold on hot shelves (i.e. baked/cooked food), etc.	Negative Actual	Short-term
Food donations	E5 Circular economy	Waste	Own operations	Food donation organizations and food donation policies could have a positive impact on the community as well as reducing food waste.	Positive Potential	Short-term
Overtime work	S1 Own workforce	S1 Working conditions - Working time	Own operations	Warehouse and retail work and office jobs driven by rapid business growth and expansion can lead to extended or irregular working hours, fatigue, stress and reduced work-life balance for employees.	Negative Actual	Short-term

Unique IRO Title	Sustainability topic(s)	Sub / sub-sub-topic(s)	Value chain location	Detailed description	Classification	Time horizon
Education and training	S1 Own workforce	S1 Equal treatment and opportunities for all - Training and skills development	Own operations	Studenac invests in education and professional training of employees through a series of education and mentoring programs. Education and training of the workforce increase productivity, improving the skills and knowledge of employees, which leads to greater job satisfaction and better business results.	Positive Actual	Short-term
Freedom of association and collective bargaining	S1 Own workforce	S1 Working conditions - Collective bargaining, including rate of workers covered by collective agreements	Own operations	Workers have the right to freedom of association and to bargain collectively over wages, working conditions and terms of employment with management or through unions. Encouraging employee participation in this process can have a positive impact on the workforce and the community.	Positive Actual	Short-term
Work related injuries	S1 Own workforce	S1 Working conditions - Health and safety	Own operations	Working in retail locations, warehouses, operating forklifts, salami cutters, etc. carries the risk of occupational injuries. Common hazards include falls, slips, cuts, accidents involving equipment and machinery. All of the above can potentially negatively impact employee health and safety.	Negative Potential	Short-term
Robberies in stores	S1 Own workforce	S1 Working conditions - Health and safety	Own operations	Robberies have a serious negative impact on a company's workforce. Such incidents not only threaten the physical safety of employees but also leave long-term psychological consequences.	Negative Potential	Short-term
Employee complaints	S1 Own workforce	S1 Equal treatment and opportunities for all - Measures against violence and harassment in the workplace	Own operations	Unresolved or poorly resolved harassment-related complaints can result in reduced morale and satisfaction in the workplace, increased stress and tension.	Negative Potential	Short-term
Equal treatment and opportunities, including training and skills development	S1 Own workforce	S1 Equal treatment and opportunities for all - Training and	Own operations	Failure to provide equal treatment and opportunity, including training and skill development, can lead to a discriminatory workplace culture and low employee morale.	Negative Potential	Short-term

Unique IRO Title	Sustainability topic(s)	Sub / sub-sub-topic(s)	Value chain location	Detailed description	Classification	Time horizon
		skills development				
Ensuring adequate accommodation for workers	S1 Own workforce	S1 Other work-related rights - Adequate housing	Own operations	Providing assistance in finding and co-financing adequate accommodation for foreign workers as well as for the local population employed in retail contributes to improving the protection of employees' rights and builds a positive image of the company as a desirable employer.	Positive Actual	Short-term
Child labour in the value chain	S2 Workers in the value chain	S2 Other work-related rights - Child labour	Upstream	In the production of raw materials for the food industry, in third world countries, the work of children and minors is possible, and they might be exposed to difficult working conditions, which negatively affects their physical and mental health and limits their development. Such form of child labour denies children access to education, perpetuates cycles of poverty and hinders the social progress of communities that depend on these industries.	Negative Potential	Short-term
Forced labour in the value chain	S2 Workers in the value chain	S2 Other work-related rights - Forced labour	Upstream	Forced labour is prevalent in the production of raw materials used in the food industry, where workers, including children, often work in harsh and dangerous conditions with little or no compensation. These practices violate human rights and contribute to long-term cycles of poverty and exploitation.	Negative Potential	Short-term
Adequate wages in the value chain	S2 Workers in the value chain	S2 Working conditions - Adequate wages	Upstream	Workers in the food value chain often face inadequate wages that do not meet basic living needs. These workers, including those involved in growing and processing key raw materials, often receive low wages that are far below the living standard, perpetuating poverty and hindering access to basic services such as education, healthcare and decent housing.	Negative Potential	Short-term
Employee health and safety in the value chain	S2 Workers in the value chain	S2 Working conditions - Health and safety	Upstream	Workers in the food value chain are often exposed to difficult and unsafe working conditions that threaten their health and safety. Workers face risks such as exposure to pesticides, manual labour without adequate protective equipment, and prolonged physical exertion.	Negative Potential	Short-term
Working hours of employees in the value chain	S2 Workers in the value chain	S2 Working conditions - Working time	Upstream	Workers in the value chain of the food industry often work longer than according to the legal norms, without adequate breaks, which endangers their health and well-being. It includes night work and overtime, often without adequate compensation.	Negative Potential	Short-term
Product safety	S4 Consumers and end users	S4 Personal safety of consumers and/or end-users - Health and safety	Own operations	The lack of ensurance of quality control of food products and the inability to ensure safety protocols in the store can affect the delivery of unhealthy food and thus cause a negative effect on the health of customers and end consumers.	Negative Potential	Short-term

Unique IRO Title	Sustainability topic(s)	Sub / sub-sub-topic(s)	Value chain location	Detailed description	Classification	Time horizon
Availability of product information	S4 Consumers and end users	S4 Personal safety of consumers and/or end-users - Health and safety	Own operations	Lack of access to quality information can lead to misinformation among consumers and end-users. This can result in poor product selection, user dissatisfaction and potential health risks if information on ingredients and safety standards are not available on all products (eg allergens).	Negative Potential	Short-term
Consumer and end-user privacy	S4 Consumers and end users	S4 Information-related impacts for consumer and/or end-users - Privacy	Own operations	Non-compliance with GDPR can lead to a breach of consumer and end-user privacy, exposing their personal data to unauthorized access and misuse. This can result in identity theft, financial losses, and a sense of insecurity among consumers.	Negative Potential	Short-term
Hygienic conditions in warehouses and retail outlets	S4 Consumers and end users	S4 Personal safety of consumers and/or end-users - Health and safety	Own operations	Lack of hygiene in the retail industry in warehouses in the case of direct food handling and in retail outlets can lead to health risks for customers.	Negative Potential	Short-term
Genetically modified products	S4 Consumers and end users	S4 Personal safety of consumers and/or end-users - Health and safety	Upstream	Food products sold in retail can be produced using GMO practices and the use of pesticides and as such have potential harm to customers and end users.	Negative Potential	Long-term
Whistleblower protection	G1 Business conduct	Protection of whistleblowers	Own operations	Inadequate whistleblower protection can result in fear among employees to report unethical or illegal behaviour, reduced morale, and loss of trust in the company.	Negative Potential	Short-term
Payment deadlines to suppliers	G1 Business conduct	Management of relationships with suppliers including payment practices	Own operations	Providing more favourable and shorter payment terms to small entrepreneurs, i.e. suppliers allow them to have better control over costs and financial flows and ensures stability in the supply chain.	Positive Potential	Short-term

Unique IRO Title	Sustainability topic(s)	Sub / sub-sub-topic(s)	Value chain location	Detailed description	Classification	Time horizon
Supplier selection criteria	G1 Business conduct	Management of relationships with suppliers including payment practices	Own operations	Failure to take social and environmental criteria into account when choosing suppliers can indirectly lead to supporting unsustainable and unethical practices, which can consequently lead to a negative impact on the environment and society, and damage the long-term sustainability of the business.	Negative Potential	Short-term
Corruption and bribery	G1 Business conduct	Corruption and bribery - Prevention and detection, including training	Own operations	The lack of effective measures for the prevention and detection of corruption and bribery can result in unethical behaviour within the company. This can negatively affect the work culture and create an unfair work environment for employees.	Negative Potential	Short-term

Risks and opportunities

Unique IRO Title	Sustainability topic(s)	Sub / sub-sub-topic(s)	Value chain location	Detailed description	Classification	Time horizon
Increasing insurance costs due to climate change	E1 Climate change	Climate change adaptation	Own operations	As climate risks increase, insurance premiums for operations may rise or coverage may become more limited, increasing financial exposure.	Risk	Mid-term
Transport - regulatory risks	E1 Climate change	Climate change adaptation	Own operations	Fleet fuel consumption is a significant cost to the retail industry, both in terms of operating costs and associated capital expenditure. Such environmental impacts may affect food retailers and distributors through fuel price fluctuations and potential expenses associated with future regulatory requirements.	Risk	Mid-term
Transport - climate change	E1 Climate change	Climate change adaptation	Own operations	More frequent weather disasters caused by climate change lead to delays in deliveries or the impossibility of delivery. Delays in deliveries and inability to deliver to retailers can affect profitability; risk of micro-distribution (ferries not running/highway closed to delivery vehicles).	Risk	Short-term
Damage in retail outlets - climate change	E1 Climate change	Climate change adaptation	Own operations	As a result of the rainfall, there are floods and leaks that cause the closure of retail outlets.	Risk	Short-term

Unique IRO Title	Sustainability topic(s)	Sub / sub-sub-topic(s)	Value chain location	Detailed description	Classification	Time horizon
Increasing costs of raw materials required for food production.	E1 Climate change	Climate change adaptation	Own operations	Climate change can affect crop yields, leading to higher prices for raw materials used in food production. Rising production costs will translate into higher product prices and may impact product margins.	Risk	Short-term
Energy efficiency and renewable energy sources	E1 Climate change	Climate change adaptation	Own operations	Diversifying energy sources and investing in renewable energy sources can reduce costs, ensure reliable supply, and reduce risks associated with fluctuating fossil fuel prices.	Opportunity	Mid-term
Renovation of equipment and introduction of household energy saving rules	E1 Climate change	Climate change mitigation	Own operations	Refurbishing equipment and purchasing more energy-efficient equipment and machinery, as well as implementing house rules to reduce energy consumption, can lead to long-term savings. Also, installing sensors in refrigeration equipment and air conditioners connected via an IoT platform can lead to reduced energy consumption and lower costs.	Opportunity	Long-term
Temperature increase	E1 Climate change	Climate change adaptation	Own operations	Rising average temperatures and extreme temperature intervals affect the maintenance of the cold chain, which can lead to increased energy consumption and greenhouse gas emissions, which consequently results in additional costs for the company.	Risk	Long-term
Energy management	E1 Climate change	Energy	Own operations	Inefficient energy management can increase operating costs due to high consumption and high energy bills. In the long term, dependence on unsustainable energy sources can lead to higher operating costs due to energy price fluctuations and possible regulatory penalties.	Risk	Mid-term
Energy consumption - efficiency in packaging and logistics	E1 Climate change	Energy	Own operations	Efficient packaging during transport and logistics can lead to cost savings due to a reduction in the amount of material that needs to be purchased, as well as savings in carrying out logistics costs, as more products can fit into one shipment.	Opportunity	Mid-term
Value chain disruptions related to environmental factors	E1 Climate change	Climate change adaptation	Upstream	Disruptions in the value chain due to shortages caused by climate change (e.g. loss of biodiversity due to over-exploitation) can lead to interruptions in the production of food products and thus negatively affect the operations of companies in the retail sector, where supply of key products can be interrupted.	Risk	Mid-term
Waste management	E5 Circular economy	Waste	Own operations	Inadequate disposal of hazardous waste materials, as well as non-hazardous waste materials such as plastic and cardboard, as well as an increase in waste management prices can result in increased operating costs and capital investments. Inadequate waste management can be a reputational risk.	Risk	Mid-term

Unique IRO Title	Sustainability topic(s)	Sub / sub-sub-topic(s)	Value chain location	Detailed description	Classification	Time horizon
Food waste management	E5 Circular economy	Waste	Own operations	Effective food waste management can present financial opportunities to reduce disposal costs and savings associated with better inventory management.	Opportunity	Short-term
Discarded bags with store logo	E5 Circular economy	Waste	Downstream	Inadequate disposal of plastic bags with the Studenac logo by customers can lead to reputational risk and create a negative perception of the company. This can lead to loss of customers and revenue. Also, business partners who prioritize sustainability may decide to distance themselves from a company with a poor environmental reputation, which leads to the loss of business partners and future business opportunities.	Risk	Short-term
Secure employment	S1 Own workforce	S1 Working conditions - Secure employment	Own operations	Investing in workforce development, skills, and retention programs can increase employee loyalty, productivity, and job satisfaction, promote long-term employment stability and organizational resilience, and reducing costs associated with employee turnover.	Opportunity	Short-term
High employee turnover	S1 Own workforce	S1 Working conditions - Secure employment	Own operations	High employee turnover can have negative consequences for business continuity and productivity, as well as for Studenac's reputation, which can reduce the number of customers and lead to a decrease in revenue.	Risk	Short-term
Loss of key personnel	S1 Own workforce	S1 Working conditions - Secure employment	Own operations	The loss of key personnel in strategic positions caused by rapid growth can disrupt business operations, hinder strategic initiatives, and weaken organizational capabilities, leading to reduced productivity, morale, and innovation within the company.	Risk	Short-term
Labour shortage in retail	S1 Own workforce	S1 Working conditions - Secure employment	Own operations	In the event of a more critical labour shortage, there might be a reduction in the number of shifts or even the closure of stores.	Risk	Short-term
Overtime work	S1 Own workforce	S1 Working conditions - Working hours	Own operations	Overtime work causes fatigue, prevents the balance between work and private life, can lead to weaker work of employees or termination of work by employees, which can result in additional costs for the company.	Risk	Short-term
Interruptions in communication with employees	S1 Own workforce	S1 Working conditions - Social dialogue	Own operations	Breakdowns in communication and trust between management and employees can lead to labour disputes, strikes and disruptions in administrative and retail operations, affecting productivity and profitability.	Risk	Short-term

Unique IRO Title	Sustainability topic(s)	Sub / sub-sub-topic(s)	Value chain location	Detailed description	Classification	Time horizon
Promoting communication with employees	S1 Own workforce	S1 Working conditions - Social dialogue	Own operations	Promoting open communication channels (e.g. employee satisfaction surveys, etc.), fostering a culture of transparency and establishing mechanisms for constructive dialogue and dispute resolution can improve relationships, trust and cooperation in the workplace, facilitating organizational success.	Opportunity	Short-term
Long-term human resources management	S1 Own workforce	S1 Equal treatment and opportunities for all - Training and skills development	Own operations	Companies can benefit from a long-term perspective on managing their workforce, including plans and policies related to salaries and benefits. This increases workforce satisfaction and productivity, and thus employee retention. A long-term perspective on managing their workforce also strengthens the company's reputation as a desirable employer and reduces the potential costs associated with employee turnover and departures.	Opportunity	Short-term
Work-life balance	S1 Own workforce	S1 Working conditions - Work-life balance	Own operations	Implementing policies and programs that prioritize work-life balance, promote employee well-being initiatives, and provide resources for stress management and work-life integration can improve employee morale and reduce costs associated with turnover.	Opportunity	Mid-term
Occupational safety	S1 Own workforce	S1 Working conditions - Health and safety	Own operations	Failure to comply with occupational health and safety regulations includes potential work-related injuries or illnesses caused by working conditions, which can lead to financial risks through high fines, lawsuits and increased legal costs, increased insurance premiums, and lost workdays due to employee injuries.	Risk	Short-term
Employee education	S1 Own workforce	S1 Equal treatment and opportunities for all - Training and skills development	Own operations	A lack of opportunities for professional growth (e.g., a career development plan and opportunities to improve skills) can cause a drop in morale leading to increased employee turnover and associated costs.	Risk	Short-term
Diversity	S1 Own workforce	S1 Equal treatment and opportunities for all - Diversity	Own operations	Neglecting to promote equal opportunities and other ways to improve diversity and inclusion can lead to legal, reputational and financial risks.	Risk	Short-term
Employee privacy protection	S1 Own workforce	S1 Other work-related rights - Privacy	Own operations	Unauthorized access to employee data, breaches of confidentiality, or violations of privacy rights can undermine employee trust, damage workplace morale, and result in legal and reputational consequences for the company.	Risk	Short-term

Unique IRO Title	Sustainability topic(s)	Sub / sub-sub-topic(s)	Value chain location	Detailed description	Classification	Time horizon
Monitoring near-miss incidents	S1 Own workforce	S1 Working conditions - Health and safety	Own operations	Inadequate monitoring of potential injuries and dangerous situations can lead to more serious injuries and accidents, which can result in increased costs due to medical bills, lost days, legal proceedings, and loss of workforce.	Risk	Short-term
Fire risk	S1 Own workforce	S1 Working conditions - Health and safety	Own operations	Inadequate equipment maintenance can lead to fires, resulting in significant financial losses due to property damage and business interruption. This risk can also damage a company's reputation and lead to legal consequences and increased insurance costs.	Risk	Short-term
Value chain disruptions related to working conditions - forced labour	S2 Workers in the value chain	S2 Other work-related rights - Forced labour	Upstream	Poor working conditions and violations of human and labour rights occurring during operations in the upstream part of the value chain can lead to product supply interruptions. Such disruptions in the supply chain negatively affect the operations of companies in the retail sector. Such interruptions can cause financial losses and damage to the company's reputation due to unsafe working conditions in the supply chain.	Risk	Mid-term
Value chain disruptions related to working conditions - child labour	S2 Workers in the value chain	S2 Other work-related rights - Child labour	Upstream	Child labour in the value chain is a violation of human rights and can lead to disruptions in the supply chain as well as damage to the reputation of companies due to unethical practices in the supply chain.	Risk	Mid-term
Customer privacy protection	S4 Consumers and end users	S4 Information-related impacts for consumer and/or end-users - Privacy	Own operations	Data breaches that result in the theft or loss of customers' private data can impact their trust in a company's ability to securely manage their private data. This loss of trust could result in reduced customer visits, lower revenue, and diminished private label value.	Risk	Short-term
Complaints from buyers and end consumers	S4 Consumers and end users	S4 Information-related impacts for consumers and/or end-users - Freedom of expression	Own operations	Insufficiently effective resolution of customer and end-user complaints can lead to a loss of trust and loyalty, which negatively affects the company's reputation and can consequently result in financial losses.	Risk	Short-term

Unique IRO Title	Sustainability topic(s)	Sub / sub-sub-topic(s)	Value chain location	Detailed description	Classification	Time horizon
Frequent product withdrawals and recalls	S4 Consumers and end users	S4 Personal safety of consumers and/or end-users - Health and safety	Own operations	If, due to a lack of organization, product withdrawals and recalls are not announced in a timely manner, there may be serious consequences for the health of customers and end users, which could result in Studenac facing legal and financial consequences.	Risk	Short-term
Customer health - allergens	S4 Consumers and end users	S4 Personal safety of consumers and/or end-users - Health and safety	Own operations	Inadequate declarations, for example, for products containing allergens and the mixing of allergens in the bake-off segment can lead to serious health consequences for customers, and Studenac can bear financial and legal consequences.	Risk	Short-term
Marketing practices	S4 Consumers and end users	S4 Information-related effects for consumers and/or end-users - Access to (quality) information	Own operations	Inadequate and insufficient provision of clear, comprehensive product information, failure to adhere to standardized labelling practices, and lack of transparent communication can lead to consumer uncertainty and dissatisfaction. This can result in a loss of trust, a decrease in loyalty and a negative impact on brand credibility. Also, it can result in financial losses and fines.	Risk	Short-term
Improving user experience through personalization and automation	S4 Consumers and end users	S4 Information-related effects for consumers and/or end-users - Access to (quality) information	Own operations	Implementing AI technology can significantly improve the customer experience in retail. Through automation and self-service options, AI can provide personalized and rapid responses to customer questions and concerns. This technology can meet customer expectations for a seamless experience across multiple channels and enable 24/7 support in a cost-effective manner. This not only reduces operational costs, but also increases customer satisfaction, which can lead to greater loyalty and increased sales.	Opportunity	Short-term
Product safety	S4 Consumers and end users	S4 Personal safety of consumers and/or end-users - Health and safety	Own operations	Food safety issues that occur within a company's supply chain typically result in the recall of final products, and can also impact brand reputation, operations, and revenue.	Risk	Short-term
Consumer protection	S4 Consumers and end users	S4 Personal safety of consumers and/or end-users - Health and safety	Own operations	Lack of control of contaminants in a product at any stage of the value chain can seriously damage a company's reputation, reduce consumer confidence, and result in loss of market share and revenue.	Risk	Short-term

Unique IRO Title	Sustainability topic(s)	Sub / sub-sub-topic(s)	Value chain location	Detailed description	Classification	Time horizon
Health and safety in the event of a cold chain disruption	S4 Consumers and end users	S4 Personal safety of consumers and/or end-users - Health and safety	Own operations	A disruption in the cold chain poses a significant risk to a business, with potentially serious financial consequences. If the cold chain is disrupted, products that rely on tightly controlled temperatures, such as food items, can become unusable or unsafe for consumption. This can result in product recalls, lost revenue, and potential fines, significantly impacting a business's cash flow.	Risk	Short-term
Changing customer awareness	S4 Consumers and end users	S4 Personal safety of consumers and/or end-users - Health and safety	Own operations	As a leading retail chain, Studenac has the opportunity to respond to changing consumer awareness regarding the demand for healthier products and products with environmentally friendly packaging. By adapting its own assortment and practices, Studenac can improve its business and revenue growth.	Opportunity	Mid-term
Customer satisfaction surveys	S4 Consumers and end users	S4 Social inclusion of consumers and/or end-users - Access to products and services	Own operations	Customer satisfaction research represents a significant financial opportunity for a company. By regularly collecting and analysing customer feedback, a company can better understand the needs and expectations of its customers and adapt its products and services to meet them. This can result in increased customer loyalty, higher sales, and a better market position.	Opportunity	Short-term
Customers injuries in stores	S4 Consumers and end users	S4 Personal safety of consumers and/or end-users - Health and safety	Own operations	Injuries to customers in stores due to non-fulfilment of minimum technical requirements (leakage, electricity) can lead to legal and financial consequences. In addition, Studenac may also suffer reputational consequences.	Risk	Short-term
Sale of expired goods	S4 Consumers and end users	S4 Social inclusion of consumers and/or end-users - Responsible marketing practices	Own operations	Selling expired products can lead to customer loss. When customers encounter expired products, they may lose confidence in the quality and safety of the store, which may lead them to shop elsewhere. Consuming expired goods can have health consequences for customers. This loss of trust is difficult to regain and can significantly impact a store's customer base and overall sales.	Risk	Short-term
Whistleblower protection	G1 Business conduct	Protection of whistleblowers	Own operations	Inadequate whistleblower protection can lead to retaliation against employees who report misconduct, which can result in legal liabilities, financial penalties, and reputational damage, which can significantly increase a company's costs.	Risk	Short-term

Unique IRO Title	Sustainability topic(s)	Sub / sub-sub-topic(s)	Value chain location	Detailed description	Classification	Time horizon
Political engagement	G1 Business conduct	Political engagement	Own operations	Unclear rules for lobbying activities can result in potential ethical or legal dilemmas regarding lobbying efforts, jeopardizing a company's reputation, regulatory compliance, and effectiveness in influencing legislative decisions or public policy.	Risk	Short-term
Unethical practices towards suppliers	G1 Business conduct	Management of relationships with suppliers including payment practices	Own operations	Unethical practices towards suppliers, payment delays can strain supplier relationships, disrupt the supply chain and lead to legal disputes or damage to a company's reputation.	Risk	Short-term
ESG due diligence of suppliers	G1 Business conduct	Management of relationships with suppliers including payment practices	Own operations	By identifying and managing potential ESG risks in the supply chain, companies can avoid scandals and negative publicity associated with irresponsible supplier practices, thereby increasing resilience and better managing the value chain and better anticipating potential supply disruptions.	Opportunity	Mid-term
Conflict of interest	G1 Business conduct	Corruption and bribery - Incidents	Own operations	Conflicts of interest can lead to legal risks, such as lawsuits and fines, and financial risks, such as loss of business opportunities due to unfair favouritism towards certain manufacturers, business partners and customers, which can significantly damage a company's market position.	Risk	Short-term
Corruption and bribery	G1 Business conduct	Corruption and bribery - Prevention and detection, including training	Own operations	Failure to address corruption and bribery vulnerabilities can lead to regulatory violations, financial penalties and reputational damage, undermining corporate credibility and trustworthiness.	Risk	Short-term
Regulatory compliance	G1 Business conduct	Corporate culture	Own operations	Failure to comply with trade regulations, such as those for the protection of competition in the retail industry, can lead to legal penalties, reputational damage and operational disruptions.	Risk	Short-term
Money laundering and terrorist financing	G1 Business conduct	Corporate culture	Own operations	The food industry is vulnerable to the risk of money laundering practices due to the large number of cash transactions and the opportunity for falsified invoices and shell companies that conceal illicit funds.	Risk	Short-term

Unique IRO Title	Sustainability topic(s)	Sub / sub-sub-topic(s)	Value chain location	Detailed description	Classification	Time horizon
Cybersecurity - business shutdown	G1 Business conduct	Entity specific	Own operations	A cyber security breach can bring business to a standstill, which carries the risk of lost revenue and financial losses due to remediation costs.	Risk	Short-term

IRO-1 – Description of the procedure for determining and assessing significant impacts, risks, and opportunities

Double materiality assessment for determining and assessing significant impacts, risks, and opportunities was conducted by Studenac in Q4 2024 with the support of a reputable consultant and was performed in line with the requirements of ESRS, which has been adopted by the European Commission. The ESRS require sustainability reporting according to the concept of double materiality: a company must report the material information necessary to understand its impact on sustainability matters, that is, the impact on people and the environment ("inside-out" perspective), and how sustainability matters affect the company ("outside-in" perspective). It began with a value chain mapping exercise and resulted in a list of material Impacts, Risks and Opportunities (IROs). The value chain identified upstream and downstream activities from own operations. Thorough assessment followed, based on interviews with internal stakeholders, as well as on external analysis. The latter covered not only EU and national regulations and guidance but also digging through the annual and sustainability reports of both suppliers and industry peers, followed by benchmarking based on sustainability reporting standards (GRI, SASB) and rating agencies approaches. For 2024 the resilience analysis was not performed.

Assessment Phases:

Identification and engagement of stakeholders

The Company incorporated stakeholders' perspectives to align key sustainability topics with business priorities. Internal stakeholders contributed through interviews, while external stakeholders were indirectly involved via value chain mapping, benchmarking, and reviews of publicly available sustainability information.

Compilation of potentially relevant topics

Using insights from stakeholders, industry benchmarking, SASB standards, and ESG ratings (MSCI, S&P Global, ISS ESG, Sustainalytics, and ESRS), a preliminary list of sustainability topics was compiled. Topics mentioned more than three times across sources were considered relevant for further double materiality assessment. Climate change-related topics were deemed material regardless of frequency.

Identification of impacts, risks and opportunities

A list of potentially material topics was formed based on stakeholder input, sector analysis, and supply chain mapping. Business resources, locations, and operations were reviewed to evaluate actual and potential IROs. Impacts were mapped to specific segments and stakeholders following ESRS guidelines. The Company acknowledged that sustainability impacts often translate into financial outcomes.

Relevant impacts were identified and mapped to specific business segments, stages of the value chain and affected stakeholders.

Risks and opportunities were identified, including their origin within the value chain and financial implications. It considered the interdependencies between impacts and financial consequences, recognizing that sustainability impacts can develop into financial risks or opportunities.

Evaluation and Prioritization - Each topic was assessed for severity and likelihood:

- **For positive impacts:** severity (scale and scope).
- **For negative impacts:** severity (scale, scope, and irreversibility), and likelihood (for potential impacts only).
- **For financial risks and opportunities:** magnitude and probability of financial impact, with thresholds adjusted for different timeframes.

The Company used a 1–5 scale for impact severity and financial risks, and a 1–4 scale for likelihood. Impacts rated ≥ 3 (actual) or ≥ 3.5 (potential) were classified as significant. For human rights impacts, severity was prioritized over likelihood. Irreparability was assessed by the amount of effort required to restore the harm caused by the impact to its original state. Probability was assessed by its occurrence.

Governance and Follow-Up

As this was Studenac first double materiality assessment, a formal governance process was not yet established. However, the initial findings were reviewed by key internal stakeholders and validated by the Management Board. The Company plans to revisit and update the assessment at the start of the next reporting cycle to reflect any significant changes. Identified significant risks will be addressed through mitigation strategies, with progress tracked over time.

Data Sources and Scope

The assessment relied on credible internal and external data, including operational reports, environmental assessments, employee feedback, ESG ratings, and regulatory benchmarks such as the ESRS and EU Taxonomy. The scope included the full value chain, from suppliers to end consumers and communities.

This process reflects Studenac commitment to advancing sustainability performance and regulatory readiness through structured analysis and stakeholder engagement.

ESRS E1 - ESRS 2 IRO-1 - Description of procedures for identifying and assessing significant impacts, risks, and opportunities related to climate change

Studenac considered the impacts, risks and opportunities related to climate change during the double materiality analysis. It identified significant impacts that include energy consumption and greenhouse gas emissions in scope 1, 2 and 3. Scope 1 emissions are mainly emissions from the stationary and mobile combustion of fuel and from escaping refrigerants. The assets associated with these emissions are primarily motor vehicles, refrigeration equipment, and equipment used to generate electricity from the combustion of fuels. Also, Studenac is buying electric energy from renewable sources. The Company is replacing the assets it uses with assets that reduce its climate impact through its revamping or modernization process with the aim to reduce energy consumption as much as possible and it is planned in yearly budget plans. Among Scope 3 emissions, most of them are related to the goods (primarily food products) that the Company offers for sale.

The climate risk analysis has not yet been carried out in the company, but through the double materiality process, insight was gained and some of the risks were identified, such as: increased raw material costs, increased energy consumption and greenhouse gas emissions, increased ambient temperature that may affect the maintenance of the cold chain, changes in regulatory requirements

related to greenhouse gas emissions and the consequent increase in costs. Among the significant opportunities identified were increased energy efficiency and the use of energy from renewable sources.

In the medium term, the company plans to conduct a climate risk analysis for the short, medium and long term, which will be a demanding process given the spread of the business and the significant impact of the supply chain. In doing so, we plan to use the Climate Change Adaptation Strategy of the Republic of Croatia, which considers risks such as increased temperature, sea level and the frequency of extreme weather events by the end of this century.

Climate related scenarios have not been used in alignment with critical assumptions related to climate change in the financial statements. Although, in mid-term period, with development of transition plan and Climate related strategy, it will be a part of yearly budget plan.

ESRS E2- IRO-1 – Description of procedures for identifying and assessing significant impacts, risks, and opportunities arising from pollution

As part of the process of identifying significant pollution-related impacts, risks, and opportunities, the Company conducted a review of its operations. This process considered the pollution plastic and microplastic and the fact that own operations and most operations in the value chain are related to the production or distribution of food in Croatia and Slovenia and could have a significant impact on the environment and the potential financial implications linked to find solutions to mitigate usage of plastic. The Company may have a large influence when it comes to Private label packaging, but challenge could be finding the way to influence suppliers and value chain and their role in this process. The topic of pollution and plastic reduction is communicated through consultations with regulatory authorities. Relying on plastic, disposable packaging during the sale and delivery of goods carries financial risks due to possible stricter regulations and increased costs related to plastic packaging. There is a risk that those costs may then be passed on to the Company in product prices. Once a year the Company submits a report to the Environmental Pollution Register to the Ministry of Environmental Protection.

ESRS E3- IRO-1 - Description of the process for identifying and assessing material impacts, risks, and opportunities related to water and marine resources

When determining the significant impacts, risks and opportunities associated with water and marine resources, the Company reviewed its locations, business activities and value chain through a benchmark analysis of similar companies. Although the company is not a big consumer of water for its operations, we expect that this topic will surface more in the value chain and become a topic of greater importance in the next few years.

ESRS E4- IRO-1 - Description of the process for identifying and assessing the use of significant resources and the impacts, risks, and opportunities related to biodiversity and ecosystems

As part of the process to identify material impacts, risks, and opportunities related to biodiversity and ecosystems, the Group reviewed its operational sites and activities. The assessment confirmed that the Company does not operate in areas classified as sensitive to biodiversity, and therefore, biodiversity mitigation measures are not currently required. While the Company recognizes that biodiversity and ecosystem impacts may occur upstream and downstream in its value chain, it has not yet conducted a detailed analysis of its own operational or supply chain dependencies on biodiversity and ecosystem services. Such dependencies are particularly relevant in sectors like agriculture, where crop and livestock productivity rely heavily on healthy ecosystems and biodiversity. At this stage, the Company has not identified any systemic risks or significant transition, or physical risks and opportunities specifically related to biodiversity and ecosystems.

ESRS E5- IRO-1 - Description of the process for identifying and assessing material impacts, risks, and opportunities related to resource use and the circular economy

As part of identifying material impacts, risks, and opportunities associated with resource inflows, outflows, and waste, the Company assessed its operational sites and activities. This review considered both the Company's own operations and its broader value chain, including upstream and downstream processes. The analysis revealed that resource inflow and outflow issues primarily relate to packaging materials used by suppliers, with a smaller portion linked to the Company's private label products. Packaging was identified as a significant source of waste—alongside municipal, organic, and animal waste—and has therefore been classified as a material topic. As an stream for improvements, the Company recognizes the possibility of cooperation with manufacturers on innovative packaging in order to reduce the amount of waste and the use of resources.

ESRS G1 - Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes for identifying and assessing material impacts, risks, and opportunities

In the process of identifying significant impacts, risks and opportunities in terms of business conduct, through benchmark analysis of similar companies, discussions with internal experts, as well as supplier relations and a review of existing procedures in supplier relations, significant topics related to training on business conduct, and prevention of bribery and corruption were identified. Although, the company published Supplier code of conduct and added contract clause to the standard contract regarding ethical business behaviour there is still space for significant improvements in terms of audits and tracking supplier score.

Internally, the Company is on a yearly basis conducting educations on Code of ethics, ethical business behaviour, such as prevention of bribery and corruption, preventing money laundering and conflict of interest. Each year the Company updates and improves its Compliance system.

IRO-2 – Disclosure requirements in ESRS covered by the company's sustainability statement

The Company has identified the most important information to disclose related to its significant impacts, risks and opportunities by applying the criteria set out in section 3.2 of ESRS 1 "Significant factors and materiality of information".

The process began with a dual materiality assessment, which assessed sustainability factors from two perspectives: (1) the impact of the Group's operations on the environment, society and governance and (2) the financial and strategic implications of sustainability-related risks and opportunities for the Group and included input from multiple sources, including stakeholder consultations, regulatory requirements, the aforementioned external sources and internal business data. A detailed description of the identification and assessment of significant impacts, risks and opportunities is presented in section IRO-1 Description of the process for identifying and assessing significant impacts, risks and opportunities. The identified material topics were reviewed and approved by the Management Board. The aim is for the Company to disclose sustainability-related information and data in a transparent manner, thus enabling stakeholders to gain insight into the Company's operations from a sustainability perspective.

The Company reports in accordance with the ESRS material topic standards. Exceptions are topics that are not recognized as significant in the double materiality process and requirements that are gradually introduced considering the level of data availability, and which will be gradually introduced in the coming period. A list of disclosure requirements that were met in the preparation of this sustainability report, along with the number of pages, is provided in the table of contents:

Appendix B Table: Description of Data in Cross-Sector and Thematic Standards Arising from Other EU Regulations

Disclosure Requirement and Related Data Point	Reference to the Regulation on Sustainability-related Disclosures in the Financial Sector (1)	Reference to Third Pillar (2)	Reference to Benchmark Regulation (3)	Reference to the European Climate Law (4)	Page in Sustainability Report	Not Significant
ESRS 2 GOV-1 Gender Diversity in Governance point 21, subpoint (d)	Indicator No. 13 from Table 1 of Annex I.		Delegated Regulation (EU) 2020/1816 (5), Annex II.		7	
ESRS 2 GOV-1 Percentage of Independent Board Members point 21, subpoint (e)			Delegated Regulation (EU) 2020/1816, Annex II.		7	
ESRS 2 GOV-4 Due Diligence Statement point 30.	Indicator No. 10 from Table 3 of Annex I.				9	

Disclosure Requirement and Related Data Point	Reference to the Regulation on Sustainability-related Disclosures in the Financial Sector (1)	Reference to Third Pillar (2)	Reference to Benchmark Regulation (3)	Reference to the European Climate Law (4)	Page in Sustainability Report	Not Significant
ESRS 2 SBM-1 Participation in Activities Related to Fossil Fuels and Energy point 40, subpoint (d) i.	Indicator No. 4 from Table 1 of Annex I.	Regulation (EU) No. 575/2013, Article 449.a Commission Implementing Regulation (EU) 2022/2453 (6), Table 1: Qualitative Information on Environmental Risk and Table 2: Qualitative Information on Social Risk	Delegated Regulation (EU) 2020/1816, Annex II.		16	
ESRS 2 SBM-1 Participation in Activities Related to Chemical Production point 40, subpoint (d) ii.	Indicator No. 9 from Table 2 of Annex I.		Delegated Regulation (EU) 2020/1816, Annex II.		16	
ESRS 2 SBM-1 Participation in Activities Related to Controversial Weapons point 40, subpoint (d) iii.	Indicator No. 14 from Table 1 of Annex I.		Delegated Regulation (EU) 2020/1818 (7), Delegated Regulation (EU) 2020/1816, Article 12(1), Annex II.		16	
ESRS 2 SBM-1 Participation in Activities Related to Tobacco Cultivation and Production point 40, subpoint (d) iv.			Delegated Regulation (EU) 2020/1818, Delegated Regulation (EU) 2020/1816, Article 12(1), Annex II.		16	
ESRS E1-1 Transition Plan for Achieving Climate Neutrality by 2050 point 14.				Regulation (EU) 2021/1119, Article 2(1).	63	

Disclosure Requirement and Related Data Point	Reference to the Regulation on Sustainability-related Disclosures in the Financial Sector (1)	Reference to Third Pillar (2)	Reference to Benchmark Regulation (3)	Reference to the European Climate Law (4)	Page in Sustainability Report	Not Significant
ESRS E1-1 Companies Excluded from Paris Agreement Benchmarks point 16, subpoint (g)		Article 449.a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Form 1: Position Book – Transition Risk of Climate Change: Credit Quality Exposure by Sector, Emissions, and Remaining Maturity	Delegated Regulation (EU) 2020/1818, Article 12(1), points (d) to (g) and Article 12(2).		36	
ESRS E1-4 Greenhouse Gas Emission Reduction Targets point 34.	Indicator No. 4 from Table 2 of Annex I.	Article 449.a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Form 3: Position Book – Transition Risk of Climate Change: Indicators of Alignment	Delegated Regulation (EU) 2020/1818, Article 6.		66	
ESRS E1-5 Energy Consumption from Fossil Sources Disaggregated by Sources (only sectors significantly affecting the climate) point 38.	Indicator No. 5 from Table 1 and Indicator No. 5 from Table 2 of Annex I.				67	
ESRS E1-5 Energy Consumption and Energy Mix point 37.	Indicator No. 5 from Table 1 of Annex I.				68	

Disclosure Requirement and Related Data Point	Reference to the Regulation on Sustainability-related Disclosures in the Financial Sector (1)	Reference to Third Pillar (2)	Reference to Benchmark Regulation (3)	Reference to the European Climate Law (4)	Page in Sustainability Report	Not Significant
ESRS E1-5 Energy Intensity Related to Activities in Sectors Significantly Affecting the Climate points 40–43.	Indicator No. 6 from Table 1 of Annex I.				69	
ESRS E1-6 Gross Greenhouse Gas Emissions from Scope 1, 2, 3 and Total Greenhouse Gas Emissions point 44.	Indicators No. 1 and 2 from Table 1 of Annex I.	Article 449.a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Form 1: Position Book – Transition Risk of Climate Change: Credit Quality Exposure by Sector, Emissions, and Remaining Maturity	Delegated Regulation (EU) 2020/1818, Articles 5(1), 6, and 8(1).		70	
ESRS E1-6 Gross greenhouse gas emission intensity points 53 to 55	Indicator No. 3 from Table 1 of Annex I.	Regulation (EU) No. 575/2013, Article 449.a Commission Implementing Regulation (EU) 2022/2453, Form 3: Position Book – Transition Climate Change Risk: Compliance Indicators	Delegated Regulation (EU) 2020/1818, Article 8(1)		73	
ESRS E1-7 Removal of greenhouse gases and carbon credits point 56.				Regulation (EU) 2021/1119, Article 2(1)		Not significant

Disclosure Requirement and Related Data Point	Reference to the Regulation on Sustainability-related Disclosures in the Financial Sector (1)	Reference to Third Pillar (2)	Reference to Benchmark Regulation (3)	Reference to the European Climate Law (4)	Page in Sustainability Report	Not Significant
ESRS E1-8 Internal Carbon Pricing			Delegated Regulation (EU) 2020/1818, Delegated Regulation (EU) 2020/1816, Annex II.			Not significant
ESRS E1-9 Exposure of the reference portfolio to physical risks related to climate change point 66.			Delegated Regulation (EU) 2020/1818, Delegated Regulation (EU) 2020/1816, Annex II.			Not included in the report, gradually will be introduced
ESRS E1-9 Breakdown of monetary amounts by acute and chronic physical risk, point 66, sub-point (a) ESRS E1-9 Location of significant assets exposed to significant physical risks, point 66, sub-point (c)			Regulation (EU) No. 575/2013, Article 449.a Commission Implementing Regulation (EU) 2022/2453, Points 46 and 47. Form 5: Position Book – Physical Risk of Climate Change: Exposures subject to physical risk.			Not significant
ESRS E1-9 Breakdown of the carrying value of company properties according to energy efficiency classes point 67, sub-point (c).		Commission Implementing Regulation (EU) 2022/2453, Point 34, Form 2: Position Book – Transition Climate Change Risk: Loans with real estate as collateral – Energy efficiency of collateral				Not significant

Disclosure Requirement and Related Data Point	Reference to the Regulation on Sustainability-related Disclosures in the Financial Sector (1)	Reference to Third Pillar (2)	Reference to Benchmark Regulation (3)	Reference to the European Climate Law (4)	Page in Sustainability Report	Not Significant
ESRS E1-9 Degree of portfolio exposure to opportunities related to climate change point 69.			Delegated Regulation (EU) 2020/1818, Annex II.		73	Not significant
ESRS E2-4 The quantity of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) released into air, water, and soil, point 28.	Annex I Indicator No. 8 Table 1, Annex I Indicator No. 2 Table 2, Annex I Indicator No. 1 Table 2, Annex I Indicator No. 3 Table 2					Not significant
ESRS E3-1 Water and marine resources, point 9.	Indicator No. 7 from Table 2 of Annex I.				13 37	
ESRS E3-1 Special policy, point 13.	Indicator No. 8 from Table 2 of Annex I.					Not significant
ESRS E3-1 Sustainable oceans and seas point 14.	Indicator No. 12 from Table 2 of Annex I.				13 37	
ESRS E3-4 Total amount of recycled and reused water, point 28, sub-point (c)	Indicator No. 6.2 from Table 2 of Annex I.					Not significant
ESRS E3-4 Total water consumption in m3 per net income from own business point 29.	Indicator No. 6.1 from Table 2 of Annex I.					Not significant
ESRS 2- IRO 1 – E4 point 16, sub-point (a) sub-sub-point i.	Indicator No. 7 from Table 1 of Annex I.				38	
ESRS 2- IRO 1 – E4 point 16, sub-point (b)	Indicator No. 10 from Table 2 of Annex I.				38	

Disclosure Requirement and Related Data Point	Reference to the Regulation on Sustainability-related Disclosures in the Financial Sector (1)	Reference to Third Pillar (2)	Reference to Benchmark Regulation (3)	Reference to the European Climate Law (4)	Page in Sustainability Report	Not Significant
ESRS 2- IRO 1 – E4 point 16, sub-point (c)	Indicator No. 14 from Table 2 of Annex I.				38	
ESRS E4-2 Sustainable land/agricultural practices or policies point 24, sub-point (b)	Indicator No. 11 from Table 2 of Annex I.					Not significant
ESRS E4-2 Sustainable practices or policies for oceans/seas point 24, sub-point (c)	Indicator No. 12 from Table 2 of Annex I.					Not significant
ESRS E4-2 Policies for addressing deforestation issues, point 24, sub-point (d)	Indicator No. 15 from Table 2 of Annex I.					Not significant
ESRS E5-5 Non-recycled waste, point 37, sub-point (d)	Indicator No. 13 from Table 2 of Annex I.				76	
ESRS E5-5 Hazardous waste and radioactive waste, point 39.	Indicator No. 9 from Table 1 of Annex I.				76	
ESRS 2 – SBM3 – S1 Forced labour risk, point 14, sub-point (f)	Indicator No. 13 from Table 3 of Annex I.				22, 81	
ESRS 2 – SBM3 – S1 Child labour risk, point 14, sub-point (g)	Indicator No. 12 from Table 3 of Annex I.				22, 81	
ESRS S1-1 Human rights policy obligations point 20.	Indicator No. 9 from Table 3 and Indicator No. 11 from Table 1 of Annex I.				79	

Disclosure Requirement and Related Data Point	Reference to the Regulation on Sustainability-related Disclosures in the Financial Sector (1)	Reference to Third Pillar (2)	Reference to Benchmark Regulation (3)	Reference to the European Climate Law (4)	Page in Sustainability Report	Not Significant
ESRS S1-1 Due diligence policies on issues covered by core conventions 1 to 8 International Labour Organization, point 21.			Delegated Regulation (EU) 2020/1816, Annex II.		82	
ESRS S1-1: Procedures and measures to prevent human trafficking, point 22.	Indicator No. 11 from Table 3 Annex I.				79, 81	
ESRS S1-1: Policy on accident prevention at work or management system, point 23.	Indicator No. 1 from Table 3 Annex I.				79	
ESRS S1-3: Complaints resolution mechanism, point 32, subpoint (c)	Indicator No. 5 from Table 3 Annex I.				82	
ESRS S1-14: Number of fatalities and number and rate of work-related accidents, point 88, subpoints (b) and (c)	Indicator No. 2 from Table 3 Annex I.		Delegated Regulation (EU) 2020/1816, Annex II.		88	
ESRS S1-14: Number of days lost due to injuries, accidents, fatalities or illnesses, point 88, subpoint (e)	Indicator No. 3 from Table 3 Annex I.				88	
ESRS S1-16: Unadjusted gender pay gap, paragraph 97, point (a)	Indicator No. 12 from Table 1 Annex I.		Delegated Regulation (EU) 2020/1816, Annex II.		81	Not published for this reporting year
ESRS S1-16: Excessive pay gap between directors and employees,	Indicator No. 8 from Table 3 Annex I.				81	Not published for this

Disclosure Requirement and Related Data Point	Reference to the Regulation on Sustainability-related Disclosures in the Financial Sector (1)	Reference to Third Pillar (2)	Reference to Benchmark Regulation (3)	Reference to the European Climate Law (4)	Page in Sustainability Report	Not Significant
point 97, subpoint (b)						reporting year
ESRS S1-17: Cases of discrimination, point 103, subpoint (a)	Indicator No. 7 from Table 3 Annex I.				88	
ESRS S1-17: Non-compliance with UN's Guiding Principles on Business and Human Rights and OECD Guidelines, point 104, subpoint (a)	Indicator No. 10 from Table 1 and Indicator No. 14 from Table 3 Annex I.		Delegated Regulation (EU) 2020/1816, Delegated Regulation (EU) 2020/1818, Annex II, Article 12, paragraph 1.		88	
ESRS 2 – SBM3 – S2: High risk of child labour or forced labour in the value chain, point 11, subpoint (b)	Indicators No. 12 and 13 from Table 3 Annex I.					Not significant
ESRS S2-1: Obligations in the area of human rights policy, point 17.	Indicator No. 9 from Table 3 and Indicator No. 11 from Table 1 Annex I.					Not significant
ESRS S2-1: Policies related to workers in the value chain, point 18.	Indicators No. 11 and 4 from Table 3 Annex I.					Not significant
ESRS S2-1: Non-compliance with UN's Guiding Principles on Business and Human Rights and OECD Guidelines, point 19.	Indicator No. 10 from Table 1 Annex I.		Delegated Regulation (EU) 2020/1816, Delegated Regulation (EU) 2020/1818, Annex II, Article 12, paragraph 1.			Not significant
ESRS S2-1: Due diligence policies regarding issues covered by International Labour Organization (ILO) Fundamental			Delegated Regulation (EU) 2020/1816, Annex II.			Not significant

Disclosure Requirement and Related Data Point	Reference to the Regulation on Sustainability-related Disclosures in the Financial Sector (1)	Reference to Third Pillar (2)	Reference to Benchmark Regulation (3)	Reference to the European Climate Law (4)	Page in Sustainability Report	Not Significant
Conventions 1 to 8, point 19.						
ESRS S2-4: Human rights issues and incidents related to higher and lower levels of the value chain, point 36.	Indicator No. 14 from Table 3 Annex I.					Not significant
ESRS S3-1: Obligations in the area of human rights protection policy, point 16.	Indicator No. 9 from Table 3 Annex I and Indicator No. 11 from Table 1 Annex I.					Not significant
ESRS S3-1: Non-compliance with UN's Guiding Principles on Business and Human Rights, ILO principles, and OECD Guidelines, point 17.	Indicator No. 10 from Table 1 Annex I.		Delegated Regulation (EU) 2020/1816, Delegated Regulation (EU) 2020/1818, Annex II, Article 12, paragraph 1.			Not significant
ESRS S3-4: Human rights issues and incidents, point 36.	Indicator No. 14 from Table 3 Annex I.					Not significant
ESRS S4-1: Policies related to consumers and end-users, point 16.	Indicator No. 9 from Table 3 and Indicator No. 11 from Table 1 Annex I.				91	
ESRS S4-1: Non-compliance with UN's Guiding Principles on Business and Human Rights and OECD Guidelines, point 17.	Indicator No. 10 from Table 1 Annex I.		Delegated Regulation (EU) 2020/1816, Delegated Regulation (EU) 2020/1818, Annex II, Article 12, paragraph 1.		91	
ESRS S4-4: Human rights issues and incidents, point 35.	Indicator No. 14 from Table 3 Annex I.				96	
ESRS G1-1: United Nations Convention Against Corruption, point 10, subpoint (b)	Indicator No. 15 from Table 3 Annex I.				100	

Disclosure Requirement and Related Data Point	Reference to the Regulation on Sustainability-related Disclosures in the Financial Sector (1)	Reference to Third Pillar (2)	Reference to Benchmark Regulation (3)	Reference to the European Climate Law (4)	Page in Sustainability Report	Not Significant
ESRS G1-1: Whistleblower protection, point 10, subpoint (d)	Indicator No. 6 from Table 3 Annex I.				102	
ESRS G1-4: Fines for breaches of anti-corruption and anti-bribery regulations, point 24, subpoint (a)	Indicator No. 17 from Table 3 Annex I.		Delegated Regulation (EU) 2020/1816, Annex II.		106	
ESRS G1-4: Anti-corruption and anti-bribery standards, point 24, subpoint (b)	Indicator No. 16 from Table 3 Annex I.					Not significant
<p>(1) Regulation (EU) 2019/2088 of the European Parliament and the Council of November 27, 2019, on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1).</p> <p>(2) Regulation (EU) No. 575/2013 of the European Parliament and the Council of June 26, 2013, on prudential requirements for credit institutions and investment firms, and amending Regulation (EU) No. 648/2012 (Capital Requirements Regulation or CRR) (OJ L 176, 27.6.2013, p. 1).</p> <p>(3) Regulation (EU) 2016/1011 of the European Parliament and the Council of June 8, 2016, on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No. 596/2014 (OJ L 171, 29.6.2016, p. 1).</p> <p>(4) Regulation (EU) 2021/1119 of the European Parliament and the Council of June 30, 2021, establishing a framework for achieving climate neutrality and amending Regulations (EC) No. 401/2009 and (EU) 2018/1999 ("European Climate Law") (OJ L 243, 9.7.2021, p. 1).</p> <p>(5) Delegated Regulation (EU) 2020/1816 of the European Commission of July 17, 2020, amending Regulation (EU) 2016/1011 of the European Parliament and the Council regarding clarifications in the reference statement on how environmental, social, and governance factors are considered in each provided and published reference value (OJ L 406, 3.12.2020, p. 1).</p> <p>(6) Implementing Regulation (EU) 2022/2453 of the European Commission of November 30, 2022, amending the implementing technical standards established in Implementing Regulation (EU) 2021/637 regarding the publication of environmental, social, and governance risks (OJ L 324, 19.12.2022, p. 1).</p> <p>(7) Delegated Regulation (EU) 2020/1818 of the European Commission of July 17, 2020, amending Regulation (EU) 2016/1011 of the European Parliament and the Council regarding the minimum standards for EU Climate Transition Benchmarks and EU Paris-Aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).</p>						

Consolidated disclosures pursuant to article 8 of the taxonomy regulation

By adopting the European Green Plan, the European Union set a goal of energy neutrality (net-zero goal) until 2050. In connection with this, the European Commission has developed a comprehensive program of sustainable financing to ensure the fulfilment of the set goals. One of the key pillars for encouraging investments in sustainable projects is the EU Taxonomy Regulation (EU) 2020/852.

The EU Taxonomy Regulation (EU) 2020/852 establishes a framework to facilitate sustainable investments and sets out the overarching conditions that an economic activity must meet to be qualified as environmentally sustainable.

The Taxonomy Regulation requires undertakings to disclose the proportion of their activities that are taxonomy-eligible and taxonomy-aligned. An activity is considered Taxonomy-eligible if it makes a substantial contribution to at least one of the following environmental objectives defined by Article 9 of the Taxonomy Regulation:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

Taxonomy-aligned activities, on the other hand, must not only be eligible but also comply with additional criteria that classify them as environmentally sustainable:

- The activity must comply with the substantial contribution criteria established for each of the EU Taxonomy environmental objectives.
- The activity must not significantly harm any of the other EU Taxonomy environmental objectives.
- The activity must be carried out in compliance with the minimum safeguards, by ensuring alignment with the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the United Nations (UN) Guiding Principles on Business and Human Rights. The activity should also be in compliance with the principles and rights set out in the eight fundamental conventions identified in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

The Taxonomy Regulation has been followed by complementary Delegated Acts:

- The Delegated Law 2021/2139 of 4 June 2021 (or "Climate Law") – Establishes the list of economic activities that contribute significantly to the objectives of climate change mitigation and adaptation and do not cause significant damage to the other environmental objectives.
- The Delegated Act 2021/2178 of 6 July 2021 (or "Delegated Act on Disclosure of Information") – describes the specifications for the content and presentation of the information to be reported by companies on environmentally sustainable activities, including the key indicators to be reported and their calculation methodology.
- The Complementary Climate Delegated Act 2022/1214 of 9 March 2022 – Establishes the TSC and associated DNSH for the Annex 1 and Annex 2 objectives in relation to natural gas and nuclear energy activities.

- The Delegated Act 2023/2486 of 27 June 2023 – Establishes the list of economic activities that contribute significantly to the environmental objectives: sustainable use and protection of water and marine resources, transition to a circular economy, prevention and control of pollution, protection and restoration of ecosystems and biodiversity, and do not cause significant damage to the other environmental objectives.

Basis of preparation

This report assesses the eligibility of Studenac d.o.o. economic activities for the 2024 financial year in accordance with the EU Taxonomy Regulation, its Delegated Acts, and additional guidance released since their adoption. The analysis encompasses the entire Studenac d.o.o.

In accordance with Article 8 of the EU Taxonomy Regulation, companies subject to The Directive on corporate sustainability reporting (CSRD) are required to disclose the eligibility and alignment of their economic activities.

Studenac - Consolidated disclosures pursuant to Article 8 Taxonomy Regulation

Overview

For details and templates, see the chapter “Our accounting policies and KPIs” below.

Table 1 – Proportion of Taxonomy-eligible and Taxonomy-aligned economic activities in total turnover, CapEx and OpEx in FY 2024

FY 2024	Total (tEUR)	Proportion of Taxonomy-eligible (non-aligned) economic activities	Proportion of Taxonomy-aligned economic activities	Proportion of Taxonomy-non-eligible economic activities
Turnover	818,950	580	-	818,370
Capital expenditure (CapEx)	80,578	53,831	-	26,747
Operating expenditure (OpEx)	5,141	3,289	-	1,852

Definitions

Taxonomy-eligible economic activity means an economic activity that is described in the delegated acts supplementing the Taxonomy Regulation (that is, the Climate Delegated Act and the Environmental Delegated Act), irrespective of whether that economic activity meets any or all the technical screening criteria laid down in those delegated acts.

An economic activity is Taxonomy-aligned where it complies with the technical screening criteria as defined in the Climate Delegated Act and the Environmental Delegated Act* and it is carried out in compliance with the minimum safeguards regarding human and consumer rights, anti-corruption and bribery, taxation, and fair competition. To meet the technical screening criteria, an economic activity contributes substantially to one or more environmental objectives while not doing significant harm to any of the other environmental objectives.

Taxonomy-non-eligible economic activity means any economic activity that is not described in the delegated acts supplementing the Taxonomy Regulation.

Taxonomy eligible economic activities

Sect. 1.2.2.1 (a) of Annex I to the Disclosures Delegated Act

Studenac d.o.o. generates most of its revenue within the retail sector, with a focus on the sale of consumer goods through its network of retail outlets. Additionally, we recognized some portion of the eligible turnover from lease of our premises and buildings. Furthermore, we reviewed all economic activities that meet the requirements of the Taxonomies listed in the Climate Delegated Act and the Environmental Delegated Act based on expenditures and investments relevant to the retail sector, and we recognized which expenditures can be harmonized with the so-called procurement of output (according to Commission Delegated Regulation (EU) 2021/2178). In addition to turnover, activities from the following areas are eligible within our CapEx and OpEx: transport, construction activities and real estate operations (see Table 2).

In 2024, taxonomy eligible is: 0,07% of revenue, 66,81% of total CapEx and 63,98% of OpEx. The table below indicates the environmental objective for which the activities qualify as eligible. The templates also provide a clear indication of which environmental objective is pursued by the respective activity.

Table 2: Taxonomy-eligible economic activities of the Studenac d.o.o.

Sector	Eligible Activity	Environmental Objective	KPI
Transport	6.5 Transport by motorbikes, passenger cars and light commercial vehicles	CCM CCA	CapEx/ OpEx
	6.6 Freight transport services by road	CCM CCA	CapEx/OpEx
Construction activities and real estate business	7.3. Installation, maintenance and repair of equipment for energy efficiency	CCM CCA	CapEx
	7.7 Acquisition and ownership of buildings	CCM CCA	Turnover/CapEx/OpEx

CCM: Climate Change Mitigation

CCA: Climate Change Adaptation

WTR: Water and Marine Resources

CE: Circular Economy

PPC: Pollution Prevention and Control

BIO: Biodiversity and ecosystems

Minimum Safeguards

Art. 18 of the EU Taxonomy Regulation

Minimum protective measures are the basis of harmonization with the EU Taxonomy, in accordance with Art. 18 of the Regulation. They include all procedures carried out to ensure that economic activities are carried out in accordance with:

- OECD guidelines for multinational enterprises (OECD MNE Guidelines);
- The UN Guiding Principles on Business and Human Rights (UNGPs), including the principles and rights set forth in the eight core conventions identified in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work; and
- International Charter on Human Rights.

Minimum protective measures cover four topics: human rights (including labour and consumer rights), corruption and bribery, taxation and fair market competition. Given that there is still no clear guidance on how to comply with the Minimum Safeguards, we have based our assessment on the "Final Report on Minimum Safeguards" published by the Sustainable Finance Platform in October 2022.

Although Studenac fully complies with the applicable legal framework, our internal analysis has shown that we are not yet fully aligned with all the requirements of the minimum safeguards.

Our accounting policies and KPIs

Sect. 1.2.1(a), (b) and Sect. 1.2.2.1 c) of Annex I to the Disclosures Delegated Act

Key Performance Indicators ("KPIs") include Revenue KPIs (Turnover), Capital Investment KPIs (Capex) and Operating Expenditure KPIs (Opex). To present the KPIs of the Taxonomy, we use the templates listed in Annex II of the Environmental Delegated Act. In accordance with best practices observed in the market for Fiscal Year 2024, considering the core business of the Group, the Group has incorporated Turnover, Capital Expenditures (CapEx), and Operational Expenditures (OpEx). This eligibility categorization is performed independently of the possibility for compliance with the Technical Screening Criteria (TSC) and the "Do No Significant Harm" (DNSH) principle.

Because we are not performing any of the activities related to natural gas and nuclear energy (activities 4.26-4.31), we are not using the dedicated templates introduced by the Complementary Delegated Act as regards to activities in certain energy sectors.

Turnover KPI

Definition

Sect. 1.2.1(a), (b) of Annex I to the Disclosures Delegated Act

The turnover KPI is defined as net turnover derived from Taxonomy-eligible and Taxonomy-aligned economic activities (numerator) divided by the net turnover (denominator).

We analysed all types of turnover that occurred in 2024 in compliance with the Taxonomy Regulation and were able to identify turnover related to defined economic activities eligible for the Taxonomy on an individual basis. With this approach, we have tried to ensure that each amount is counted only once, since capital amounts were considered individually and not aggregated.

The denominator of the turnover KPI is based on our consolidated net turnover recognised pursuant to paragraph 82(a) of IAS 1. For further details on our accounting policies regarding our consolidated net turnover, see Note 3.1. Sales revenue on page 29 of our consolidated annual financial report for 2024.

Reconciliation

Sect. 1.2.1 (second subparagraph) of Annex I to the Disclosures Delegated Act

Our consolidated net turnover can be reconciled to our consolidated financial statements, see income statement Note on page 9 of our consolidated annual financial report for 2024.

Turnover template for financial year 2024

Financial year 2024	2024			Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.)	Category enabling activity	Category transitional activity	
Economic Activities	Code (a)	Turnover	Proportion of Turnover, 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity					
		000 EUR	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
-			0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0%	-	-	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	-	-	
Of which Enabling		0	0%																	
Of which Transitional		0	0%																	
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																				
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)											
Acquisition and ownership of buildings	CCM/CCA 7.7.	580	0,07%	EL	EL	N/EL	N/EL	N/EL	N/EL											
Turnover of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																				
				580	0,07%	0,07%	0%	0%	0%	0%										
A. Turnover of Taxonomy-eligible activities (A1+A2)				580	0,07%	0,07%	0%	0%	0%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities		818.370	99,93%																	
TOTAL		818.950	100%																	

Proportion of turnover/Total turnover		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	%	0,07%
CCA	%	0,07%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

CapEx KPI

Sect. 1.2.1 (a), (b) of Annex I to the Disclosures Delegated Act

The CapEx KPI is defined as Taxonomy-eligible and Taxonomy-aligned CapEx (numerator) divided by our total CapEx (denominator).

Total CapEx consists of additions to tangible (IAS 16) and intangible fixed assets (IAS 38) including right-of-use assets (IFRS 16) during the financial year, before depreciation, amortization and any re-measurements, including those resulting from revaluations and impairments. Additions resulting from business combinations are also included. However, advances paid are excluded from total CapEx., as well as goodwill since it is out of scope according to IAS 38. For further details on our accounting policies regarding our CapEx, see notes 3.4. Intangible assets, 3.5. Property, plant and equipment, and 3.7. Leases in our consolidated annual financial report for 2024. Additionally, all intercompany transactions were eliminated in consolidation process.

We analysed all types of capital investments that occurred in 2024 in compliance with the Taxonomy Regulation and were able to identify investments related to defined economic activities eligible for the Taxonomy on an individual basis. With this approach, we have tried to ensure that each capital amount is counted only once, since capital amounts were considered individually and not aggregated.

Reconciliation

Sect. 1.2.1 (second subparagraph) of Annex I to the Disclosures Delegated Act

Our total CapEx can be reconciled to our consolidated financial statements, see pages 44, 46 and 58 of our consolidated annual financial report for 2024. They are the total of additions for intangible assets, right-of-use assets and property, plant and equipment.

CapEx template for financial year 2024

Financial year 2024	2024			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	Code (a)	CapEx	Proportion of CapEx, year 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change	Climate Change	Water	Pollution	Circular	Biodiversity	Minimum Safeguards	Proportion of Taxonomy	Category	Category
		000 EUR	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
-		0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0%	-	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	-	-
Of which Enabling		0%	0%																
Of which Transitional		0%	0%																
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Acquisition and ownership of buildings	CCM/C CA 7.7.	46.919	58,23 %	EL	EL	N/EL	N/EL	N/EL	N/EL										
Installation, maintenance and repair of energy efficiency equipment	CCM/C CA 7.3.	2.839	3,52%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM/C CA 6.5.	3.722	4,62%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Freight transport services by road	CCM/C CA 6.6.	351	0,44%	EL	EL	N/EL	N/EL	N/EL	N/EL										
CapEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		53.831	66,81 %	66,81%	0%	0%	0%	0%	0%										
A. CapEx of Taxonomy-eligible activities (A1+A2)		53.831	66,81 %	66,81%	0%	0%	0%	0%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy- non-eligible activities		26.747	33,19 %																
TOTAL		80.578	100,00 %																

Proportion of CapEx/Total CapEx		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	%	66,81%
CCA	%	66,81%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

OpEx KPI

Sect. 1.2.1(a), (b) of Annex I to the Disclosures Delegated Act

Sect. 1.2.3.3(c) of Annex I to the Disclosures Delegated Act

The OpEx KPI is defined as Taxonomy-eligible and Taxonomy-aligned OpEx (numerator) divided by total OpEx as defined by the EU Taxonomy (denominator). Total OpEx consists of direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair. This includes:

- All leases that have not been capitalised in accordance with IFRS 16, including expenses for short-term leases and low-value leases. Even though low-value leases are not explicitly mentioned in the Art. 8 Delegated Act, we have interpreted the legislation as to include these leases.
- Maintenance and repair of property, plant and equipment were determined based on the maintenance and repair costs allocated to different accounts in trial balance. The related cost items can be found in RDG line Cost of materials and services. This also includes building renovation measures.

In general, this includes costs for services, and material costs for daily servicing as well as for regular and unplanned maintenance and repair measures. These costs are directly connected to our PP&E. This does not include expenditures relating to the day-to-day operation of PP&E such as: raw materials, cost of employees operating the machinery, and electricity or fluids that are necessary to operate PP&E. Direct costs for training and other human resources adaptation needs are excluded from the denominator and the numerator. This is because Annex I to Art. 8 Delegated Act lists these costs only for the numerator, which does not allow a mathematically meaningful calculation of the Opex KPI.

By analysing all of our operating costs, we were able to identify individual costs associated with defined activities that meet the requirements of the Taxonomy. With this approach, we have tried to ensure that each operating cost is counted only once, since costs were considered individually and not in aggregated.

OpEx template for financial year 2024

Financial year 2024	2024			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	Code (a)	OpEx	Proportion of OpEx, year 2024	Climate Change	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change	Climate Change	Water	Pollution	Circular	Biodiversity	Minimum	Proportion of Taxonomy aligned (A1+A2+A3+A4)	Category	Category
		000 EUR	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/ N	Y/ N	Y/ N	Y/ N	Y/ N	Y/ N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
-		0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0,0 0%	-	-
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0,0 0%	-	-
Of which Enabling		0	0%																
Of which Transitional		0	0%																
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Transport by motorbikes, passenger cars and commercial vehicles	CCM/ CCA 6.5.	767	14,91%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Freight transport services by road	CCM/ CCA 6.6.	4	0,08%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Acquisition and ownership of buildings	CCM/ CCA 7.7.	2.519	48,99%	EL	EL	N/EL	N/EL	N/EL	N/EL										
OpEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3.289	63,98%	63,98 %	0%	0%	0%	0%	0%										
A. OpEx of Taxonomy-eligible activities (A1+A2)		3.289	63,98%	63,98 %	0%	0%	0%	0%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy- non-eligible activities		1.852	36,02%																
TOTAL		5.141	100,00 %																

Proportion of OpEx/Total OpEx		
	Taxonomy-aligned objective	per Taxonomy-eligible objective
CCM	%	63,98%
CCA	%	63,98%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

Additional table

	Proportion of turnover/ Total turnover			Proportion of CapEx/ Total CapEx			Proportion of OpEx/ Total OpEx	
	Taxonomy- aligned per objective	Taxonomy- eligible per objective		Taxonomy- aligned per objective	Taxonomy- eligible per objective		Taxonomy- aligned per objective	Taxonomy- eligible per objective
CCM	%	0,07%	CCM	%	66,81%	CCM	%	63,98%
CCA	%	0,07%	CCA	%	66,81%	CCA	%	63,98%
WTR	%	%	WTR	%	%	WTR	%	%
CE	%	%	CE	%	%	CE	%	%
PPC	%	%	PPC	%	%	PPC	%	%
BIO	%	%	BIO	%	%	BIO	%	%

CCM: Climate Change Mitigation

CCA: Climate Change Adaptation

WTR: Water and Marine Resources

CE: Circular Economy

PPC: Pollution Prevention and Control

BIO: Biodiversity and ecosystems

The Environmental Delegated Act introduced tables have the purpose of providing information if companies have activities which are eligible under multiple objectives. This way companies may show all their contributions because double counting is allowed within these new smaller tables, which is not allowed in the standard table (templates).

ESRS E1 Climate change

ESRS 2 SBM-3 - Significant impacts, risks, and opportunities, and their interaction with strategy and business model

As a result of the double materiality assessment analysis, the Company identified the following significant impacts, risks and opportunities related to Climate change:

Unique IRO Title	Actual or potential	I/R/O
Climate change mitigation		
Greenhouse gases with higher global warming potential (GWP)	Actual	Negative impact
Transport - GHG emissions Scope 1	Actual	Negative impact
GHG Emissions Scope 1 & 2	Actual	Negative impact
Renovation of equipment and introduction of household energy saving rules		Opportunity
Climate change adaptation		
Increasing insurance costs due to climate change		Risk
Transport - regulatory risks		Risk
Transport - climate change		Risk
Damage in retail outlets - climate change		Risk
Increasing costs of raw materials required for food production.		Risk
Energy efficiency and renewable energy sources		Opportunity
Temperature increase		Risk
Energy		
Energy consumption	Actual	Negative impact
Energy management		Risk
Energy consumption - efficiency in packaging and logistics		Opportunity

Studenac uses energy from non-renewable sources for the transport of goods and employees and consequently generates Scope 1 greenhouse gas emissions that negatively affect the environment because they contribute to global warming and climate change. Retail and wholesale activities and in office operations use a large amount of energy (natural gas and electricity) for cooling, heating, ventilation, air conditioning (HVAC), lighting, packaging, etc. and consequently, depending on the energy source, generate greenhouse gas emissions (Scope 1 and 2) that negatively affect the environment, as they contribute to global warming and climate change. Refrigerant media used in refrigerating chambers, refrigerators, air conditioners and other cooling devices contain greenhouse gases with a stronger global warming potential (GWP) than CO₂, which are released into the atmosphere (so-called fugitive emissions) and significantly contribute to the increase of the greenhouse gas effect.

As climate risks increase, insurance premiums for operations may rise or coverage may become more limited, increasing financial exposure. Fleet fuel consumption is a significant cost to the retail industry, both in terms of operating costs and associated capital expenditure. Such environmental impacts may affect food retailers and distributors through fuel price fluctuations and potential expenses associated

with future regulatory requirements. More frequent weather disasters caused by climate change lead to delays in deliveries or the impossibility of delivery. Delays in deliveries and inability to deliver to retailers can affect profitability; risk of micro-distribution (ferries not running/highway closed to delivery vehicles). As a result of the rainfall, there are floods and leaks that cause the closure of retail outlets. Climate change can affect crop yields, leading to higher prices for raw materials used in food production. Rising production costs will translate into higher product prices and may impact product margins. Diversifying energy sources and investing in renewable energy sources can reduce costs, ensure reliable supply, and reduce risks associated with fluctuating fossil fuel prices. Refurbishing equipment and purchasing more energy-efficient equipment and machinery, as well as implementing house rules to reduce energy consumption, can lead to long-term savings. Also, installing sensors in refrigeration equipment and air conditioners connected via an IoT platform can lead to reduced energy consumption and lower costs. Rising average temperatures and extreme temperature intervals affect the maintenance of the cold chain, which can lead to increased energy consumption and greenhouse gas emissions, which consequently results in additional costs for the company.

During the implementation of various activities (office work, retail, wholesale, transport, etc.), various energy sources from renewable and non-renewable sources are used. Inefficient energy management can increase operating costs due to high consumption and high energy bills. In the long term, dependence on unsustainable energy sources can lead to higher operating costs due to energy price fluctuations and possible regulatory penalties.

The company did not conduct resilience of strategy and business model in relation to climate change.

At the time of publication of this report, a strategy and business model that would reflect climate change resilience had not been developed, although many activities and investments are being carried out in the direction of developing resilience. Information on strategy and business plan can be found in the general disclosures section (ESRS 2) of this report.

Based on the discussions during the double materiality assessment with internal stakeholders and on the existing strategy of the Company, opportunities in area of energy efficiency and renewable energy sources and transitioning to more energy efficient equipment and facilities renovation are recognized.

Description of the procedures for identifying and assessing material impacts, risks and opportunities related to climate change can be found in the general disclosures section (ESRS 2) of this report.

E1-1 - Transition plan for climate change mitigation

The company is preparing to develop a transition plan for climate change mitigation, together with the overall Company strategy, within the mid-term period. Although the transition plan has not been developed, the Company is making efforts to reduce its greenhouse gas emissions, which is explained in ESRS E1-2 and E1-3.

E1-2 - Policies related to climate change mitigation and adaptation

Studenac is committed to integrating sustainability principles into all aspects of its business. Company is aware of the responsibility and impact on the environment, people and business environment. That's why Studenac introduced in 2024 SCP. It incorporates environmental, social and governance factors into the organization's policies, practices and processes to create long-term sustainability and value for the Company, its employees and relevant stakeholders, and provides a framework to guide investment and drive positive impact.

The Sustainability Commitment Policy defines goals and activities through three key pillars of sustainability (environmental, social and governance) and 14 areas that direct activities based on identified risks and opportunities to contribute to the achievement of the Sustainable Development Goals adopted by the United Nations in 2015. The SCP has been approved by the Management Board and the Supervisory Board of Studenac and is available on Studenac website. The SCP should be considered throughout the organisation while taking business decisions and ESG coordinator on C-1 level is responsible for monitoring its implementation.

Initiatives relating to climate change adoption and mitigation of Company's sustainability commitment:

Environment protection and reducing impact on climate change

a) Implementation of energy efficient solutions with the aim of reducing environmental impact

- Reducing energy consumption by investing in technology improvements and business optimisation

b) Decreasing our carbon footprint

- Use of energy obtained from renewable sources
- Going towards carbon neutral car fleet
- Contribute to reforestation in local communities

c) Developing a responsible waste management program

- Implementation of solutions for responsible waste management
- Educating stakeholders on environmental protection and waste reduction

d) Continuation of the contribution to the preservation of the environment and biodiversity through the program „Step closer to nature"

- Implementation of projects and activities aimed at preserving the environment and biodiversity
- Raising awareness of the importance of the same through relations with the media and other relevant public

As per Point ESRS 2 SBM-3 above we've identified several Transition Risks and none of Physical Risks related to climate change. These are being addressed by the Sustainability Commitment Policy and the Business Plan of Studenac:

Greenhouse gases with higher global warming potential (GWP) (Impact)	Investing in technology improvements (e.g. modernizing fridges)
Transport - GHG emissions Scope 1 (Impact)	Going towards carbon neutral car fleet
GHG Emissions Scope 1 & 2 (Impact)	Reducing energy consumption by investing in technology improvements and business optimisation
GHG Emissions Scope 3 (Impact)	Centralization and optimization of the supply chain
Energy consumption (Impact)	Reducing energy consumption by investing in technology improvements and business optimisation

Information on stakeholder engagement process and its relation to SCP can be found in in the general disclosures section (ESRS 2) of this report.

E1-3 – Measures and Resources Related to Climate Policies

In the mid-term Company plans to develop further measures in climate change mitigation and adaptation, including the setting up KPIs and climate change targets. Until now these were not implemented due to complexity and imposing a disproportionate administrative burden on a quickly growing and internationalizing business.

The company is looking to implement further climate mitigation activities, as well as developing a framework strategy for it. One of the first steps completed is establishing monitoring of the key environmental parameters: greenhouse gases emissions, waste management and energy usage. Here are the examples of already implemented activities within climate mitigation area:

1. 100% renewable electricity – already since 2022 Studenac purchases 100% renewable certified electricity. It's delivered by HEP Opskrba and the contract has been extended in 2024 for two more years. The scale of the reduction is visible when comparing market and location-based emissions: more than 14,6 thousand tonnes of CO₂ equivalent was saved in 2023 and 8,6 thousand tonnes in 2024. The emission factors used for Croatian in these calculations were provided by advisors and stated at 0,22 CO₂ tonne per MWh in 2022 (used in the following year) and 0,13 tonne in 2023 which was used for 2024 calculations.
2. Studenac is on a long-term journey to centralize its supply chain operations, with a plan to double the share of centralized deliveries from 33% in 2023 to 65% in 2028. It means less trucks and vans visiting stores, improved utilization of warehouses and load management in vehicles and optimizing the routes. This initiative is going to not only save costs for Studenac, but also to

improve sales experience of our customers and reduce Scope 3 emissions by replacing them with smaller Scope 1 and 2 emissions.

3. Closed fridges - In 2024 Studenac started testing closed fridges with beverages and dairy products in several stores. The results are promising, offering nearly 40% savings on refrigeration energy consumed by installing the doors and 80% when at the same time an old refrigerator is replaced (even without taking into account a new, less emitting cooling agent).
4. LED lighting & equipment with upgraded energy class - In new stores as well as during regular refurbishments the lighting is upgraded to a more efficient LED, allowing for app. 40% less energy consumed compared to fluorescent lamps. Similarly, in-store equipment like fridges and AC units are upgraded to a higher energy class, increasing the energy efficiency of our operations.

For the future Company already has some ideas like zero emission cars, sustainable packaging, circular design for the private brand.

Until the end of 2024 Studenac hasn't yet allocated dedicated, significant operational nor capital expenditures towards sustainability policy. Such Opex and Capex are invested within the regular budget frame and undergo similar scrutiny.

Financial resources are assured for the implementation of the business plan until 2028: these are based on equity and debt from the balance sheet, plus regularly generated operating cash flow. The company deems that sufficient also for future sustainability commitments but is not excluding the utilization of sustainability linked financing.

E1-4 - Climate Change Mitigation and Adaptation Targets

In 2024 Studenac pursued its sustainability commitment, however it did not set any climate change-related targets.

Studenac stores are the touchpoints with our customers. Following our tagline 'I sitno i bitno' and our business plan, we aim at expanding the network to be closer to more customers. In a ever-growing enterprise it's important to track the efficiencies on a per store basis, to capture the unit growth or decrease, as our strategy aim is to enlarge the network.

The factor chosen as best reflecting this ambition is the electricity consumption per store, as the electricity is the main energy source utilized in stores. The following averages were measured:

EE consumption per store in 2024	55.7	MWh
EE consumption per store in 2023	55.0	MWh
EE consumption per store in 2022	70.7	MWh

2022 is treated as a baseline as it was the first year when the consumption per store was calculated. In the two years that followed Studenac managed to decrease it by 21%.

E1-5 – Energy Consumption and Energy Source Mix

Studenac prioritizes energy management by investing in technologies that enhance energy efficiency, aiming to achieve sustainable management of both real estate and movable assets. The Technical Support Department, along with Maintenance and Investment teams, continuously monitors and assesses operations across various locations to identify significant energy consumers and uncover potential savings opportunities.

Main areas consuming energy:

- Cooling system
- Heating
- Lighting
- Transportation
- Bakeries in store

Energy consumption of Studenac d.o.o. for 2024 (without Kea, La-Vor and Decentia)

	Unit	2024	Share
Purchased electricity	MWh	77,407	86.2%
Produced electricity	MWh	288	0.3%
Natural gas for heating	MWh	1,924	2.1%
Transportation (diesel, petrol, LPG)	MWh	10,231	11.4%
Total	MWh	89,850	

	Unit	2024	2023	Change
Purchased electricity	MWh	77,407	66,313	17%
Produced electricity	MWh	288	-	
Natural gas for heating	MWh	1,924	687	180%
Transportation (diesel, petrol, LPG)	MWh	10,231	6,637	54%
Total	MWh	89,850	73,637	22%

Most of the energy consumption is attributed to electricity, followed by fuel usage from the vehicle fleet and logistics. While all electricity utilized is sourced from renewable energy, it remains essential to reduce its overall consumption. The action plan for sustainable energy management focuses on increasing energy efficiency through the adoption of innovative technologies, thereby decreasing greenhouse gas emissions. Rapid organic growth and numerous acquisitions necessitate additional time to implement energy-efficient solutions. When new stores are opened, equipment with higher energy efficiency ratings and LED lighting are installed. Additionally, modernization efforts are underway at acquired stores, where outdated, lower-efficiency equipment is replaced with new, energy-efficient alternatives, such as high-efficiency refrigerators and glass-door beverage coolers, contributing to even 80% reduction of their energy consumption.

A protocol for equipment usage has been established to promote conscientious energy consumption and raise awareness of the importance of energy savings. Gradually, older fridges are replaced with modern, more efficient equipment, based also on cooling agents of a reduced Global Warming Potential.

To foster awareness regarding environmental preservation, energy reduction, and carbon footprint minimization, we have organized educational programs for employees. We believe that this knowledge is applicable in both professional and personal contexts, and that meaningful change can only occur through education and deliberate action.

To reduce the company's carbon footprint, Company collaborates with HEP, the leading Croatian distributor of electricity, and we chose their product ZelEn, green electricity obtained entirely from renewable sources. Since 2021, Studenac has been the holder of the unique labels ZelEn and ZelEn – Friend of Nature. The company recognized this as an opportunity to positively influence changes and to contribute to the achievement of energy and climate goals. In 2024 Studenac renewed the contract and purchases now 100% renewable electricity.

2024 was the year of establishing the first photovoltaic power plant on rooftops of facilities used by Studenac. Similarly to majority of buildings, also these panels are on a long-term lease. In 2024 these produced 303,7 MWh of electricity, of which 288 MWh was used internally.

Energy Consumption and Source Mix for Studenac d.o.o.

	Year N 2024	Year N-1 2023
(1) Fuel consumption from coal and coal products (MWh)	n/a	n/a
(2) Fuel consumption from crude oil and petroleum products (MWh)	10231	6637
(3) Fuel consumption from natural gas (MWh)	1924	687
(4) Fuel consumption from other fossil sources (MWh)	n/a	n/a
(5) Consumption of purchased or acquired electricity, heating energy, steam, and cooling energy from fossil sources (MWh)	n/a	n/a
(6) Total energy consumption from fossil sources (MWh) (calculated as the sum of rows 1 through 5)	12155	7,324
Proportion of energy from fossil sources in total energy consumption (%)	14%	10%
(7) Consumption from nuclear sources (MWh)	n/a	n/a

Proportion of energy from nuclear sources in total energy consumption (%)	n/a	n/a
(8) Fuel consumption from renewable sources including biomass (which includes both industrial and municipal biological waste, biogas, hydrogen from renewable sources, etc.) (MWh)	n/a	n/a
(9) Consumption of purchased or acquired electricity, heating energy, steam, and cooling energy from renewable sources (MWh)	77407	66313
(10) Energy consumption from renewable sources from own production other than fuel (MWh)	288	n/a
(11) Total energy consumption from renewable sources (MWh) (calculated as the sum of rows 8 through 10)	77695	66313
Proportion of energy from renewable sources in total energy consumption (%)	86%	90%
Total energy consumption (MWh) (calculated as the sum of rows 6 and 11)	89850	73656

Energy intensity per net revenue

	N 2024	N-1 2023	%N / N-1
Total energy consumption from activities in sectors significantly impacting the climate per net revenue from activities in sectors significantly impacting the climate (MWh/kEUR).	0.1100	0.1102	-0.18%

Since Studenac belongs to sectors that significantly impact the climate as defined in Commission Delegated Regulation (EU) 2022/1288 and in our case net revenues cannot be directly linked to an item or disclosure in the financial statements:

	Amount
Net revenue from activities in sectors significantly impacting the climate used for calculating energy intensity	100%
Net revenue (other)	0%
Total net revenues (financial statements, kEUR)	816549

Studenac operates in G section of NACE classification: G - Wholesale and retail trade; repair of motor vehicles and motorcycles. More specifically, it's predominantly G47 - Retail trade, except of motor vehicles

and motorcycles, as well as minority part (2% of sales) in G46.3 - Wholesale of food, beverages and tobacco.

E1-6 – Gross Greenhouse Gas Emissions from Scope 1, 2, 3, and Total Greenhouse Gas Emissions

Market based emissions - consolidated emissions for Studenac, Kea and La Vor

Categories	Subcategories	Emissions (t CO ₂ e)
Scope 1	Direct emissions from stationary energy sources	398.80
	Direct emissions from mobile energy sources	2,912.03
	Direct emissions from production processes	-
	Direct fugitive refrigerant emissions	8,913.96
	Direct land use change emissions	-
Total Scope 1		12,224.79
Scope 2	Indirect emissions from electricity use	1,962.54
	Indirect emissions from thermal energy use	-
Total Scope 2		1,962.54
Scope 3	Indirect emissions from upstream flow	1,625.73
	Indirect emissions from the purchase of goods and services	164,559.58
	Indirect emissions from the purchase of capital goods	4,574.78
	Indirect emissions from upstream transportation of goods	5,815.77
	Indirect emissions from waste generation	7,869.75
	Indirect emissions from business travel	9.55
	Indirect emissions from employee commuting	6,901.91
	Indirect emissions from leased assets	452.40
	Indirect emissions from downstream transportation of goods	2,389.37
	Indirect emissions from product processing	-
	Indirect emissions from product use	104.23
	Indirect emissions from end of life treatment of products	12,703.97
	Indirect emissions from rented assets	-
	Indirect emissions from franchises	87.37
	Indirect emissions from investments	-
	Other indirect emissions	-
Total Scope 3		207,094.39
TOTAL		221,281.73

Location based emissions - consolidated emissions for Studenac, Kea and La Vor

Categories	Subcategories	Emissions (t CO ₂ e)
Scope 1	Direct emissions from stationary energy sources	398.80
	Direct emissions from mobile energy sources	2,912.03
	Direct emissions from production processes	-

	Direct fugitive refrigerant emissions	8,913.96
	Direct land use change emissions	-
Total Scope 1		12,224.79
Scope 2	Indirect emissions from electricity use	10,607.66
	Indirect emissions from thermal energy use	-
Total Scope 2		10,607.66
Scope 3	Indirect emissions from upstream flow	1,625.73
	Indirect emissions from the purchase of goods and services	164,559.58
	Indirect emissions from the purchase of capital goods	4,574.78
	Indirect emissions from upstream transportation of goods	5,815.77
	Indirect emissions from waste generation	7,869.75
	Indirect emissions from business travel	9.55
	Indirect emissions from employee commuting	6,901.91
	Indirect emissions from leased assets	107.73
	Indirect emissions from downstream transportation of goods	2,389.37
	Indirect emissions from product processing	-
	Indirect emissions from product use	24.82
	Indirect emissions from end of life treatment of products	12,703.97
	Indirect emissions from rented assets	-
	Indirect emissions from franchises	20.80
	Indirect emissions from investments	-
	Other indirect emissions	-
Total Scope 3		206,603.75
TOTAL		229,436.20

The growing concern over the impact of greenhouse gas (GHG) emissions on the environment has intensified in recent years. Consequently, organizations are experiencing heightened pressure from stakeholders to take proactive measures to reduce their carbon footprint. A critical first step in this process is to assess the organization's current environmental impact, enabling timely and effective mitigation actions. The carbon footprint, which quantifies the GHG emissions released into the atmosphere by an organization, has emerged as a vital indicator of its environmental performance. By calculating our impact, we can gain valuable insights into where to concentrate future mitigation efforts and implement sustainable practices that enhance operational resilience and long-term profitability. It's another year in 2024 that Studenac conducted a carbon audit in accordance with the GHG protocol. Greenhouse gas emissions are divided into:

- **Scope 1** emission are direct emissions from sources owned or controlled by the organization, such as emissions from natural gas heating and auxiliary generators, fossil fuel combustion in vehicles (cars, trucks, forklifts) and fugitive emissions (leaks of greenhouse gases, e.g. from refrigeration and air-conditioning units)

- **Scope 2** emissions are indirect emissions from consumption of purchased electricity, heat or steam. Scope 2 emissions are further divided into two calculation categories:
 - Location-based approach, which is calculated based on the average emission intensity of the network
- from which the organization procures energy.
 - Market-based approach, which considers contracts between suppliers and customers.
- **Scope 3** emissions are the result of activities from assets not owned or controlled by the entity, but that the entity indirectly affects its value chain. These emissions include emissions from the production of purchased materials and goods, emissions from transportation and distribution, and emissions from the use of products or services by customers. Scope 3 emissions can be difficult to quantify and manage, but they often represent a significant portion of an organization's overall carbon footprint.

To combine the impacts of different gases, CO₂ equivalent (CO₂ eq.) is calculated. It is calculated using global warming potential (GWP) of each greenhouse gas, with GWP being a factor describing the radiative forcing impact (degree of harm to the atmosphere) of one unit of a given emission relative to one unit of CO₂.

The emission factors applied in this carbon footprint calculation are as consistent as possible with the following principles of calculating the carbon footprint:

- representative
- current (up to date)
- relevant to the geographic location
- reflecting current technological state of materials and products used

Fugitive emissions' factors are taken from United Nations' Intergovernmental Panel on Climate Change, Fifth Assessment Report (IPCC AR5); Croatian indicators are from national institutions like Ministry of Environmental Protection and Green Transition and other ones from European or global respected organisations like European Environment Agency.

Studenac started in 2024 to monitor and calculate Scope 3 emissions. We're on the beginning of the journey and just achieved the team readiness for its tracking. We are fully aware of the complexities of a thorough Scope 3 disclosure, that's why we used the support of an external consultant. We are aiming at improving accuracy in the following years.

Studenac is dynamically expanding its network: both organically and through M&As. Both aspects change the GHG intensity of the Company. Additionally, we're on a path to further centralize the supply chain with ambitious goal of over 60% centralization in 2028 – this also means replacing Scope 3 emissions of our suppliers (e.g. producers, logistics contractors) with Scope 1&2 emissions from our network. The latter should be smaller due to process optimization and load management.

In 2024 Studenac acquired: 36 store network of Decentia and 37 store network of Kea and finalized the integration of La Vor with 16 stores (acquired in Dec. 2023), thus expanding its network by 5%. As such it

did not go beyond the 10% significance threshold to recalculate the base year emissions, as suggested by GHG protocol. The emissions of these entities were calculated by multiplying average emissions per store of Studenac by the number of acquired stores for the months of 2024 when they were part of our network.

Greenhouse gas intensity per net revenue scope 1&2 for Studenac d.o.o.:

	N 2024	N-1 2023	% N / N-1
Total greenhouse gas emissions (based on location) per net revenue (in tons of CO ₂ equivalent/kEUR)	0.027	0.030	-9%
Total greenhouse gas emissions (based on market) per net revenue (in tons of CO ₂ equivalent/kEUR)	0.014	0.008	92%

Greenhouse gas intensity per net revenue scope 1&2 for Studenac, Kea and La Vor:

	N 2024	N-1 2023	% N / N-1
Total greenhouse gas emissions (based on location) per net revenue (in tons of CO ₂ equivalent/kEUR)	0.028	0.030	-5%
Total greenhouse gas emissions (based on market) per net revenue (in tons of CO ₂ equivalent/kEUR)	0.017	0.008	131%

The increase of market based GHG emissions in 2024 is related to 1,8 times higher fugitive emissions, which increased from 3235 to 8914 tonnes of CO₂ eqv. The main cause was more damage on company fridges in stores where the cooling agents needed replacement and refilling, as well as improved monitoring of the fugitive emissions.

E1-8 Internal Carbon Pricing

The company does not apply internal carbon pricing systems.

ESRS E5 Resource Use and the Circular Economy

As a result of the double materiality assessment analysis, the Company identified the following significant impacts, risks and opportunities related to Circular economy:

Unique IRO Title	Actual or potential	I/R/O
Waste		
Waste	Actual	Negative impact
Food waste generated as a result of business operations	Actual	Negative impact
Food donations	Potential	Positive impact
Waste management		Risk
Food waste management		Opportunity
Discarded bags with store logo		Risk

During daily operations the company generates waste. The main categories are paper, cardboard, and plastic. Risk identified in this area: inadequate disposal of hazardous waste materials, as well as non-hazardous waste materials such as plastic and cardboard, as well as an increase in waste management prices can result in increased operating costs and capital investments. Inadequate waste management can be a reputational risk and doesn't support the circular economy. Main opportunity here lays in a more effective food waste management. It can present financial opportunities to reduce disposal costs and savings associated with better inventory management, as well as increased sales.

E5-1 – Policies related to resource use and the circular economy

Waste management procedure is in force in Studenac. The purpose of it is the standardization of the process of collecting and managing production waste within stores. It comprises the following points:

- Waste generation
- Types of waste
- Waste storage
- Waste documentation
- Packaging in the deposit refund system
- Procedure during inspection supervision

The flow of the generated waste is tracked by the form where each type of waste has its key number. The responsibility is put on the managers of stores and warehouses. The waste is to be separated, stacked, labeled and stored separately from goods for sale. It is then picked up by authorized collectors who document the reception. An important part of the procedure and Studenac approach to waste management is the awareness and attitude of employees. As our key ambassadors towards customers and other stakeholders they are at the forefront of embodying the sustainable approach to our planet. That's why this topic is also part of the internal campaigns and trainings to sensitize us all to its importance.

Due to the interdependence of impacts on people and the environment, risks, and opportunities, Studenac SCP applies to several significant sustainability factors, including factors covered by multiple thematic ESRs. Description of the key content of the SCP is described in point E1-2 - Policies related to climate change mitigation and adaptation.

Company did not recognize significant issues related to raw materials.

Among the material IROs within Circular Economy area surely the topics of waste and food waste in particular have the upstream and downstream impact. Studenac closely collaborates with its suppliers to ensure products availability, freshness, and quality throughout the supply chain. The better and more affordable product, the more sales is generated, and less losses and waste are generated. On the lower level of the value chain Studenac serves millions of consumers each year, both domestic and tourists. What do they do with the purchased goods, how will they handle and consume them influences the volume of waste generated. To further reduce this impact, we might be targeting consumer awareness, product quality and packaging design. Details of waste amounts are presented below in E5 - 5 – Resource Outflows.

E5-2 – Measures and Resources Related to Resource Use and the Circular Economy

The topic of circularity within waste and food waste management is handled by several departments: purchasing, private label, supply chain, maintenance and covered within their budgets. No dedicated person nor financing is attached to these initiatives currently. As described above and below in E5 - 5 – Resource Outflows

E5-3 – Target Values Related to Resource Use and the Circular Economy

The company did not set target values related to resource use and the circular economy.

E5 - 4 – Resource Inflow

Inflows in a Food Retail Company:

1. **Food Products** (fresh & packaged goods)
2. **Packaging Materials** (plastic, cardboard, glass, etc.)
3. **Energy & Water** (used for refrigeration, lighting, etc.)
4. **Logistics & Distribution Inputs** (fuel, transportation, supply chain materials)

For food we're merely a middleman between production and consumption. We are striving for an actual increase in the volume of food going through Studenac value chain, as it would mean we're serving our

customers better and acting on their missions of ‘food for today, food for tomorrow’. Therefore, we don’t aim at reducing the food input itself, but rather at increasing the input-to-output ratio, thus decreasing the food waste.

There are no material IROs recognized within the Resource Inflow area. Additionally, the energy used in transportation, heating and refrigeration was addressed in the energy section of the report.

E5-5 – Resource Outflows

Waste amounts for Studenac d.o.o., Kea and La-vor, in tonnes

Waste type	Hazardous/non-hazardous	Weight 2024	Weight 2023	Weight 2022	Per store in 2024	Per store in 2023	Per store in 2022	Disposal method
Cardboard packaging	non-hazardous	2263.2	1088	971	1.69	0.93	1.10	recycling
Plastic packaging	non-hazardous	154.1	75.6	50.9	0.12	0.06	0.06	recycling
Materials unsuitable for consumption or processing	non-hazardous	377.5	365.8	220.3	0.28	0.31	0.25	energy recovery
Animal waste	non-hazardous	428.1	n/a	n/a	0.32	n/a	n/a	energy recovery
Edible waste oils	non-hazardous	5.7	0.63	0.73	0.00	0.00	0.00	energy recovery
Electric equipment	non-hazardous	6.3	11.8	1	0.00	0.01	0.00	disposal
Electric equipment	hazardous	1.8	12	4.6	0.00	0.01	0.01	recycling
Bulky waste	non-hazardous	328.4	258.6	89.7	0.25	0.22	0.10	recycling
Metals	non-hazardous	113.9	89.5	57.4	0.09	0.08	0.07	recycling
Wood packaging	non-hazardous	34.4	n/a	16.8	0.03	n/a	0.02	recycling
Glass packaging	non-hazardous	10.1	n/a	n/a	0.01	n/a	n/a	recycling
Other waste	non-hazardous	46.0	n/a	n/a	0.03	n/a	n/a	disposal

The largest amounts of recorded waste are generated in cardboard packaging category, reaching nearly 2,3 thousand tonnes, i.e. 1,69 tonne/store in 2024. The growth is marked by the enlarged network and sales volume, as well as by increasing centralization of deliveries, allowing also for more paper collected via Distribution centres and improved monitoring of waste. Similar developments are noticeable in plastic packaging, which grew both in absolute terms as well as on a per store basis.

The monitoring of the generated waste has been enhanced in 2024, allowing for reporting of animal waste and glass separately. The volume of bulk waste, electric equipment and metals derives from the number of new openings and refurbishments in Studenac stores – our goal is to broaden the network and improve customers experience in our stores.

Studenac is a leading retailer in Adria region, active in proximity segment focused mainly on food products. Therefore, the key waste streams comprise food waste and packaging, as broken down in the table above.

E5-6 – The expected financial consequences of the impacts, risks, and opportunities related to significant resource use and the circular economy.

The reduction of waste on its own would also reduce the costs in Studenac value chain. However, to achieve the reduction both Capex and Opex might be necessary. Costs would be incurred already for detailed monitoring of waste management (systems, people, procedures, trainings). Then possible investments in assets allowing for improved handling of goods, e.g. fridges, boxes, shelves, machines for mechanical waste processing, automated solutions in warehouses, etc. Also, opex related to private label management might increase, e.g. improving the design process, investing more in sustainable packaging. On the other hand, it could create issues on the consumer side which might slightly reduce revenues, e.g. more circular packaging is more costly => who would bear the costs; more sustainable product and its packaging changes the product features => customers might get disappointed. As per ESRS E5-6 exception only qualitative impact is discussed.

ESRS S1 Own workforce

Following the results of Double Materiality Assessment the Company identified following impacts related to Own workforce:

Unique IRO Title	Actual or potential	I/R/O
Working conditions - Working time		
Overtime work	Actual	Negative impact
Equal treatment and opportunities for all - Training and skills development		
Education and training	Actual	Impact
Equal treatment and opportunities, including training and skills development	Potential	Negative impact
Long-term human resources management		Opportunity
Employee education		Risk
Working conditions - Collective bargaining, including rate of workers covered by collective agreements		
Freedom of association and collective bargaining	Actual	Positive impact
Working conditions - Health and safety		
Work related injuries	Potential	Negative impact
Robberies in stores	Potential	Negative impact
Occupational safety		Risk
Monitoring near-miss incidents		Risk
Fire risk		Risk
Equal treatment and opportunities for all - Measures against violence and harassment in the workplace		
Employee complaints	Potential	Negative impact
Other work-related rights - Adequate housing		
Ensuring adequate accommodation for workers	Actual	Positive impact
Corruption and bribery - Prevention and detection, including training		
Corruption and bribery	Potential	Negative impact
Working conditions - Secure employment		
Secure employment		Opportunity
High employee turnover		Risk
Loss of key personnel		Risk
Labour shortage in retail		Risk
Working conditions - Working hours		
Overtime work		Risk
Working conditions - Social dialogue		
Interruptions in communication with employees		Risk
Promoting communication with employees		Opportunity
Working conditions - Work-life balance		
Work-life balance		Opportunity
Equal treatment and opportunities for all - Diversity		
Diversity		Risk
Other work-related rights - Privacy		
Employee privacy protection		Risk

The Company is committed to continue to invest in human capital and intention of increasing efforts and investments in the improvement of the professional competencies of employees, with a simultaneous emphasis retention of these employees. An important element in achieving this goal is Studenac's employee NPS project, which it has already launched, and which facilitates the regular collection of data and the measurement of employee satisfaction. Studenac has already implemented a number of benefits,

which it will continue to do in the coming years in order to meet the expectations of employees, as an overall employee benefits programme. An important element of building a strong team is the regular assessment of employees on their professional competencies and the implementation of goals, which will be further strengthened and cascaded down the hierarchy in order to ensure that Studenac has a talent pool that will be conducive to the future development of the company.

Main types of individuals in the company's own workforce who could be negatively impacted based on the materiality assessment:

- Retail and warehouse employees in physically demanding jobs performing repetitive manual tasks, lift heavy objects, stand for long periods of time or work in cold storage which can lead to health disorders or workplace injuries.
- Seasonal and temporary employees may experience job insecurity, variable working hours, higher levels of stress, reduced access to long-term career development programs and higher work intensity during the season due to fluctuations
- Younger employees and students may be at greater risk of work-related stress, lack of appropriate training, and limited awareness of workplace rights.
- Third-party agency employees may be at greater risk of job insecurity, inconsistent contracts, and communication difficulties due to language barriers and lack of knowledge of labour laws may make them more vulnerable to miscommunication and potential unfair treatment, although the Company is compliant with strict labour laws.

The company recognizes these risks and actively works to mitigate negative impacts through workplace safety programs focused on ergonomics and proper use of equipment, training and onboarding initiatives to ensure that new, seasonal and young employees are well prepared, equal opportunity policies to promote gender diversity and prevent discrimination, policies to care for and retain acquired employees through the offer of suitable and acceptable jobs, mentoring during the integration process and a reward program for staying during the transitional period, benefits for employees and ethical employment practices to ensure fair treatment of third parties and foreign employees.

Through these initiatives, the Company aims to mitigate workforce risks while at the same time fostering a safe, inclusive and fair work environment. The company operates exclusively in Croatia and within the EU, where high standards of human and labour rights protection and occupational safety are present. Therefore, there is no systematic risk of negative impact such as forced labour or child labour or serious violations of human and labour rights. The company continuously monitors and manages these risks through internal policies and procedures related to labour rights and occupational safety.

S1-1 – Policies Related to Own Workforce

Impact on own workforce and managing significant impacts, risks and opportunities in Studenac is managed by HR department. The Company adopted following policies and procedures related to efficient human resources management:

- Work regulations
- Personal Data Protection Policy
- Code of Ethics
- Regulation on the procedure and measures for the protection of the dignity of employees
- Rulebook on the procedure of internal reporting of irregularities (Whistleblowing and Whistleblowers Protection)
- Diversity and inclusion policy
- Health and safety policy
- Sustainability commitment policy

Work regulations define the basic obligations of employees and the employer, and ensuring a safe, fair and legally complaint working environment for all employees, promoting professional development and personal well-being of employees, including work-life balance and ensuring respect for employees' rights, including the right to collective bargaining and respect for the principle of non-discrimination. All employees have clear and fair employment contracts that define their rights, responsibilities, working hours and benefits. We are committed to ensuring fair salaries and benefit packages that are in line with industry standards. The introduction of a new HR system ensures monitoring of employee working hours, equal and optimal shift schedules, and the use of daily, weekly and annual leave. Healthy work-life balance is recognized by the Company, and it is offered to employees flexible working hours, paid leave and remote work opportunities where applicable.

The Personal Data Protection Policy defines in detail the methods used to secure and handle personal data and identifies the individuals responsible for personal data processing and protection and the principles of personal data processing. Policy applies to all relevant stakeholders of the Company. The Company provides employees with clear information about the collection and use of their personal data and ensure that their consent is obtained where necessary.

Code of Ethics reflects the fundamental values of the Company and its employees in relations within the Company as well as in relations with external entities. The goal of the Code is to provide guidelines on what is expected of employees of the Company and for people who, on any other basis, perform work for or on behalf of the Company, and provide guidelines related to business conduct. The Code is based on respect for fundamental human rights and ethical principles: integrity, honesty, trust, humanity, tolerance, responsibility and compliance with legal norms. Respect for human rights is one of the fundamental principles on which business of the Company is based. The Company supports the protection of internationally recognized principles of human rights and violation of human rights in any form is unacceptable and respects and accepts the right to association and the right to work in a safe, healthy, and humane environment. Any form of discrimination is prohibited in accordance with the Labour Law

and the Law on suppression of discrimination. Any form of discrimination based on gender, race, religion, age, political affiliation, union membership, nationality, citizenship, language, disability, marital status, or sexual orientation is prohibited.

Forced labour, child labour, and human trafficking have not been identified as risks and therefore, they are not explicitly included in the report but are addressed through compliance with the Labor Law.

All employees of the Company are obliged to comply with the rules of the Code as well as other internal acts of the Company and the relevant local legal regulations. All other external participants are expected to act in accordance with the rules of the Code.

Regulation on the procedure and measures for the protection of the dignity of employees establishes procedures and measures, including preventive measures, for the protection of the dignity of employees which ensures employment and working conditions in which employees will not be exposed to discrimination, harassment and sexual harassment. This Rulebook also aims to better supervision, prevention and sanctioning of any cases of harassment and discrimination, sensitizing and raising collective awareness in the Company and highlighting the necessity of joint and proactive action of both the Employer and the employee in creating work environments that respect the dignity and general well-being of employees.

Rulebook on the procedure of internal reporting of irregularities regulates internal irregularity reporting procedure, appointment of an independent trusted person and protection of whistleblowers and storage of data received in applying against unauthorized disclosure. This procedure is connected to the Code of Ethics and directly protects any person reporting any kind of unethical behaviour.

Diversity and inclusion policy outlines our commitment to creating a welcoming and supportive organizational culture that values and embraces the diversity of our employees and reflects Company's commitment to fostering and creating a diverse and inclusive work environment where everyone feels valued, respected, and supported. The goal of Policy is to ensure equal opportunities for all employees in their development and employment, and to prevent any form of discrimination and to promote equality and diversity and to define principles for the development of an organizational culture based on mutual respect and appreciation of individual differences.

Health and safety policy represents the basic rules of behaviours of the Company's employees as well as third parties regarding health and safety while recognizing that high standards of health and safety are integral for the growth of the organization and its people. The Company is committed to acting responsibly, to provide safe and healthy workplace, and to undertake adequate measures to prevent any injuries and accidents related to our employees, contractors, and other relevant stakeholders. Policy provides basic guidelines for creating a safe work culture in which employees feel safe, healthy and protected when performing their work tasks, and to reduce the number of work injuries to zero.

Sustainability commitment policy defines areas for integrating sustainability principles into all aspects of its business and regarding own workforce topic, policy declares commitment to invest in the professional

and personal development of employees, safeguard health and safety, introduction of well-being and employee satisfaction initiatives and creating diverse work welcoming environment by implementing diversity and inclusion program.

These documents, policies and procedures apply to all workforce and are compliant with applicable laws, include all geographic locations where the company operates and are made available to employees. Also, all the documents are regularly reviewed and updated to ensure their relevance and compliance with the latest regulations and best practices. Responsibility for implementation of these documents is primarily on HR department, but also on the directors of relevant departments in the Company. Management Board is responsible for the implementation of the abovementioned policies and procedures.

When companies are acquired in the merger process, all documents are also applied to the employees of the acquired companies.

Studenac is committed to respecting relevant international standards and initiatives such as 10 UN Global compact principles and ILO (International Labour Organization) standards regulating employees' rights.

S1-2 – Procedures for cooperation with the workforce and worker representatives regarding impacts

Studenac is committed to regular and open communication between workers, workers' representatives, and the Company's Management Board. Processes for engaging with own workforce and workers' representatives about impacts influencing their working conditions, safety, health and other aspects of employment are an integral part of the organization's management system.

Communication with employees and takes place through the intranet, internal meetings, and employee surveys. Employee feedback is considered in the processes of reviewing and updating procedures and policies. Employees have a channel for submitting ideas and initiatives for improving working conditions. The Company participates in meetings with trade unions representatives and consults with them on internal employee rights topics.

Company ensures equal opportunities for development and promotion for all employees and supports diversity and inclusion. Company aligns working conditions with the needs of individual employees, such as flexible solutions for people with disabilities, support to parents returning from maternity leave, free day for parents of first graders, ensuring mentorship and adaptation of foreign employees.

HR department reports directly to the Management Board and presents the outcomes of dialogue and communication with employees.

S1-3 – Procedures for remediating negative impacts and channels through which your own workforce can express concerns

The company has established various channels to express concerns and needs of its employees. In addition to traditional channels such as direct conversations with superiors, our employees can also use internal communication channels such as e-mail addresses to report problems or suggestions, as well as official meetings with management and addressing dignity protection officers.

Mechanisms to express concerns allows employees to report complaints related to various labour issues, such as safety at work, working conditions, discrimination or unfair treatment. This mechanism includes an internal procedure for reporting problems through specialized channels. Besides HR department and direct managers, the Company has dedicated person, Compliance officer, to which the employees can raise concerns according to the instructions set out in the Code of ethics. Also, as mentioned in S1-2, there is a procedure that ensures whistleblowers are protected from retaliation.

Detailed instructions on how to raise concern or submit a report or inquiry are also available in the Code of ethics and on Intranet page. Through this channel, employees can contact the Compliance Officer regularly or anonymously and via email compliance@studenacgroup.eu. When it comes to resolving issues related to human rights and dignity protection of employees, instructions for raising concerns are also available on the Intranet pages with email address zastitadostojanstva@studenac.hr, and 9 dignity protection officers whose contacts can be found on Intranet site.

The status of raised concerns or reported cases is regularly reported to the Management Board, which is directly involved in mitigating or resolving the situation. HR department regularly assesses how aware employees are of the existing structures and procedures for raising concerns or needs, and how much they trust them as effective means of addressing these issues.

S1-4 – Taking measures for significant impacts on the workforce, approaches to managing significant risks, and realizing significant opportunities related to the workforce, as well as the effectiveness of these measures.

Recognised IRO's regarding own workforce focuses on general working conditions, education and trainings, equal opportunities and collective bargaining. Due to the Company's rapid growth, strong demand for additional workforce keeps significantly and consistently increasing its headcount and strives to provide secure employment for its employees, with an emphasis on providing stability in employment. Goal is to reduce the uncertainty associated with fixed-term contracts and increase the number of permanent contracts.

The company strictly adheres to legal regulations, while in case of need for overtime work, employees are rewarded financially or by using free days, and overtime is only allowed in accordance with contracts and legislation.

Creating opportunities for professional development and promotion requires constant adaptation and improvement. We are committed to continuous education and training employees, enabling them to

acquire new skills and advance in their careers. Continuous investment in employee training and education remains a priority, with current programs supporting professional development and skill enhancement. Future initiatives will expand these programs to help employees acquire new competencies and pursue career growth within the Company, contributing to greater work efficiency and long-term staff retention.

Equality is promoted in all aspects of the business, including recruitment, training and skills development. The employment policy is based on the principles of equal opportunities, and employees have access to equal opportunities for career advancement, regardless of gender, age, ethnicity or any other personal characteristics. The results of employee satisfaction surveys are analysed to ensure balance and equal rights in all segments of the business.

The Company has taken several measures to enhance human resources management, focusing on process optimization, improved work scheduling, and shift planning. Looking ahead, there are plans to implement additional systems for working time management and to explore new recruitment channels to better align workforce availability with operational needs, ultimately aiming to increase employee satisfaction.

The Company monitors retail employment trends, with a particular focus on the challenges of attracting and retaining employees and taking steps to ensure a stable workforce and introducing new strategies for recruiting and retaining employees.

Measures and initiatives implemented during reporting year to achieve positive impacts on own workforce:

- Education and training programs – continuous investment in employee training and education with the aim of professional development and increasing their competitiveness in the labour market.
- Improving internal communication channels – enabling easier and faster exchange of information through digital platforms, internal newsletters and regular meetings with management.
- Improving the reward and recognition system – improving bonus policies and other forms of recognition for exceptional results and employee loyalty.
- Improving working conditions – reducing overtime through better shift planning and optimizing work processes.

Methods for monitoring and evaluating the effectiveness of the measures taken:

- Employee satisfaction surveys – conducting regular surveys to collect data on satisfaction with working conditions, advancement opportunities and the work environment.
- Complaints system and feedback mechanisms – monitoring employee reports through official channels, such as dignity protection officers and internal complaint resolution processes.
- Benchmarking and analysis of market standards – comparing Studenac practices with those of the competition to identify areas for improvement.

- Evaluation of training programs – monitoring employee participation in training and analysing their impact on work efficiency and employee satisfaction.
- Monitoring key performance indicators (KPIs) – analysing employee turnover, reducing overtime and increasing employee engagement.

To effectively manage significant impacts on employees, the Company allocates financial, human, and organizational resources. Financial resources are directed toward employee education and development programs, workplace safety initiatives, and employee welfare support.

S1-5 – Target values related to managing significant negative impacts, promoting positive effects, and managing significant risks and opportunities

The Company's strategy outlines overarching directions for future growth and development; however, it does not currently include clearly defined, measurable targets. Similarly, in its key areas of impact - such as occupational health and safety, employee retention, and the promotion of a diverse, inclusive, and supportive work environment - the Company operates based on strategic intentions without fixed numerical goals. The Management Board provides high-level guidance on these priorities, emphasizing continual improvement and responsible business conduct.

To ensure that progress aligns with these ambitions, the Company regularly monitors the effectiveness of its policies and initiatives in areas including employment practices, workplace safety, and diversity. This monitoring is carried out through structured internal reporting, periodic audits, and comparative assessments. By consistently analysing relevant performance indicators, the Company seeks to identify areas for enhancement and drive steady, long-term improvement, even in the absence of formal target-setting mechanisms.

S1-6 – Employee Characteristics of the Company

As of 31 December 2024, the Company employed 7,189 employees using the headcount methodology. There were 6,895 employees in Croatia, and 294 in Slovenia.

Consolidated data on employees on 31 December	2024	2023
Total number of employees (consolidated number)	7,189	6,509
Number of Studenac Ltd. employees	6,710	6,299
Number of acquired employees ¹	142	210
Number of temporary employees ²	1,339	858
Number of employees with indefinite contract	4,494	4,720
Employees with definite contract	2,216	1,789
Number of full-time employees	6,586	6,436
Number of part-time employees	124	73
Number of newly employed ³	3,621	2,451
Number of employees who left the company ⁴	2,500	2,287
Employee turnover		
Average monthly employee turnover	3.36 %	3.52%
Yearly employee turnover	40%	40.56%
Employee retention rate ⁵	74.90%	75.38%
Age structure of employees		
Under 30 years	1,629	1,495
31-40 years old	1,509	1,558
41-50 years old	1,743	1,856
51-60 years old	1,443	1,299
Over 61 years	386	301
Gender structure		
Total number of women	5,590	5,553
Total number of men	1,120	956
% of women in the total number of employees	83%	85%
% of men in the total number of employees	17%	15%
Women in managerial positions		
% of women in high managerial positions ⁶	33%	30%
% of women in managerial positions (other) ⁷	69%	58%
% of women in managerial positions in stores	95%	94%

¹Acquired employees – head count (HC) from the date of merging.

²Temporary employees – refers to seasonal employees and students during tourist season period. 40 - 50% of the seasonal workforce is made up of students and pupils.

³Number of newly employed employees is referred on the period from 1 January till 31 December. Acquired employees and seasonal employees are not included in the number of newly employed.

⁴In the number of employees who left the Company are not included seasonal employees, as they are reported separately as a temporary employees.

⁵Employee retention rate – measures the percentage of employees who stay in the Company over the year.

⁶High managerial positions that refers to Management Board and -1 managerial level.

⁷Managerial positions that refers to level -2, level -3, without store managers.

Considering the number and distribution of the network of stores along the entire coast, the seasonal period (June – September) is extremely business-intensive for the Company, therefore an additional number of temporary seasonal employees is needed in the seasonal period.

S1-8 – Scope of collective bargaining and social dialogue

There is no collective agreement in the Company. At yearend 2024, there were seven trade unions in Studenac: Nezavisni Sindikat Radnika Hrvatske (NSRH), Republički sindikat radnika Hrvatske (RSRH), Sindikat realnog sektora Hrvatske (SRSH), Republički sindikat radnika (RSR) i Sindikat trgovine Hrvatske (STH), Novi sindikat (NS) and Hrvatski opći radnički sindikat (HORS) that are not under the influence or control of the employer. There are a total of seven trade union commissioners. The rights and obligations of the works council were taken over by trade union commissioners appointed by the unions, given that no works council was established. 7.7 % of employees are members of trade unions.

Number of employees members of trade unions	2024	2023
Sindikat trgovine Hrvatske (STH)	295	342
Nezavisni Sindikat Radnika Hrvatske (NSRH)	175	201
Republički sindikat radnika (RSR)	11	18
Republički sindikat radnika Hrvatske (RSRH)	8	11
Sindikat realnog sektora Hrvatske (SRSH)	7	9
Novi sindikat (NS)	3	-
Hrvatski opći radnički sindikat (HORS)	1	-

S1-14 – Health and Safety Indicators

The Company is committed to providing a safe and healthy workplace, responsible behaviour, and taking appropriate measures to prevent any injuries and accidents at work by recognizing that high standards of health and safety are an integral part of the growth of the Company and its employees. Existing health and safety management system in the workplace aims to preventing risks at work, injuries at work, occupational diseases, work-related illnesses and other material and non-material damages at work and in connection with work.

The Company published procedures, instructions, and rulebooks that prescribe rules, measures and procedures which ensures and improves work safety and established a system for monitoring health and safety indicators. Manuals on work safety, fire protection, instructions for working in a safe way, providing first aid, etc. are published.

We adopted Health and safety (H&S) policy that represents the basic rules of behaviours of the Company's employees as well as third parties regarding health and safety and company's commitment to complying with all applicable legislation and adhering to best practice principles in the field of occupational health and safety. We actively foster a positive health and safety culture within the organization by implementing measures to ensure safe working conditions and to prevent work-related injuries across all our business processes. Health and safety awareness is promoted not only among our employees, but also among contractors and third parties involved in our operations. To support this, we provide clear information, instructions, and regular training to ensure that all health and safety requirements are understood and met. Employees are trained to recognize potential risks to their personal safety while at work. We also strive to maintain equipment, office spaces, and work sites in optimal condition, using resources efficiently to minimize and eliminate occupational risks. Finally, we continuously monitor and review our health and safety performance, proactively identifying potential risks and implementing corrective actions to improve our practices and protect all individuals involved in our operations.

Occupational safety trainings such as electrical equipment safety, ergonomics at the workplace, use and safety of work equipment, use of personal protective equipment, fire protection, etc. are conducted regularly.

Injuries/Fires	2024	2023
Number of severe injuries at work	4	9
Total number of fires	0	1

During 2024, the total number of injuries at work was 146 of what there were 4 severe injuries 142 minor injuries. We experienced a total of 7,230 lost workdays due to injuries. There were no fatalities. The most common causes of accidents or injuries at work are improper use of work equipment (e.g. use of a slicing machines), falls, and not following the rules of safety at work. The Company is fully dedicated to improving safety standards, including increasing knowledge and awareness through trainings for the employees.

We are strongly committed to promoting a safety culture within the company; therefore, we have introduced monthly rewards in all warehouses for reporting potentially dangerous situations, as well as semi-annual awards for one store in each of the 12 regions based on audit results (safety-related questions) and the number of injuries. In the future, we plan to continue developing and improving these initiatives.

S1-17 - Cases, complaints, and serious human rights impacts

Company is continuously improving Ethics and compliance program and dignity protection of employees. Part of above-mentioned programs is anti-discrimination, anti-mobbing, and anti-harassment. Specifically, those topics are part of Code of ethics, Employment Rulebook and Dignity protection procedure. As mentioned, previous year, at the end of 2023 the Company published Diversity and inclusion policy and gradually educated employees through 2024.

In 2024 the Company conducted online trainings and live workshops. A total of 152 employee is trained and gained knowledge to be capable of transferring it to employees that they manage. Trainings and workshops included 39 store managers, 83 managers and 30 store managers.

Communication channels are introduced: Intranet page for employees with all relevant information and options for communication. Also, grievances channels are introduced. and in 2024 a total of 9 dignity protection commissioners are nominated. In 2024, we received a total of ten reports for which appropriate procedures and investigations were carried out, and no discrimination or mobbing was established. There were no serious violations of human rights in the company.

ESRS S4 Consumers and end-users

ESRS 2 SBM-3 – Significant Impacts, Risks, and Opportunities, and Their Interaction with the Strategy and Business Model

As a result of the double materiality assessment analysis, the Company identified the following significant impacts, risks and opportunities related to consumers and end users:

Unique IRO Title	Actual potential	or I/R/O
Personal safety of consumers and/or end-users - Health and safety		
Product safety	Potential	Negative impact
Availability of product information	Potential	Negative impact
Hygienic conditions in warehouses and retail outlets	Potential	Negative impact
Frequent product withdrawals and recalls		Risk
Customer health - allergens		Risk
Product safety		Risk
Consumer protection		Risk
Health and safety in the event of a cold chain disruption		Risk
Changing customer awareness		Opportunity
Customers injuries in stores		Risk
Information-related impacts for consumer and/or end-users - Privacy		
Consumer and end-user privacy	Potential	Negative impact
Customer privacy protection		Risk
Information-related impacts for consumers and/or end-users - Freedom of expression		
Complaints from buyers and end consumers		Risk
Information-related effects for consumers and/or end-users - Access to (quality) information		
Marketing practices		Risk
Improving user experience through personalization and automation		Opportunity
Social inclusion of consumers and/or end-users - Access to products and services		
Customer satisfaction surveys		Opportunity
Social inclusion of consumers and/or end-users - Responsible marketing practices		
Sale of expired goods		Risk

As a part of company strategy, Studenac intends to continue to pursue LfL enrichment by attracting new customers and enhance user experience of existing customers mainly through the improvement of the customer value proposition. Studenac is also considering new revenue streams, leveraging the unique position of its stores, particularly on the Croatian coast. Studenac's initiatives to improve the customer value proposition include further assortment tailoring and an expansion of its perishable product assortment, as well as increasing the saturation of the convenience and to-go segments. In addition, new categories are planned to be introduced in response to changes in consumption trends and consumer habits, in order to complement Studenac's core offering.

Studenac's stores focus on the "I sitno I bitno" (small and essential) proposition, offering a quick and quality shopping experience. Studenac has capitalized on the increasing consumer preference for smaller format stores, which complement larger discounters in meeting grocery needs. Studenac intends to continue to develop its logistics and supply chain to improve the quality of fresh products and on-shelf availability, as well as reduce the lead-time for deliveries to stores. Improving the quality of fresh products is a key enabler of Studenac's strategy to increase the proportion of perishables in its sales mix.

When it comes to identified impacts risks and opportunities recognised in DMA process, ensuring consistent food quality and safety protocols, quality control processes or safety measures in stores is essential to maintaining consumer trust and protecting customer health. Proactive quality assurance and control throughout all stages of the value chain throughout the supply chain is essential to quality risks. Access to accurate product information is particularly important for informed purchasing decisions. Providing clear, standardized, and transparent product information enhances consumer confidence and supports informed purchasing. As a leading retail chain, Studenac has an opportunity to respond to evolving consumer preferences by offering healthier products and sustainable packaging. This alignment with consumer expectations can contribute to long-term business growth and competitiveness.

Compliance with data privacy regulations, such as the GDPR, is crucial in safeguarding consumer and end-user personal information. Any shortcomings in data protection may expose individuals to risks such as unauthorized data access, which can lead to reputational impacts and decreased customer confidence. Protecting customer data is integral to preserving brand trust.

Investing in regular customer satisfaction research helps the Company tailor its offerings to customer needs. This proactive approach supports stronger customer relationships, improved services, and enhanced market position. Timely and effective handling of customer and end-user complaints helps maintain trust and satisfaction. Inadequate responsiveness may harm the company's reputation and weaken customer loyalty over time.

S4-1- Policies for Consumers and End-Users

To minimize negative impacts and effectively manage risks and opportunities, the Company has established a comprehensive set of procedures, guidelines, and protocols. These cover the identification, evaluation, and management of significant impacts, risks, and opportunities related to customers and end users. This is achieved through the implementation of systems such as food quality and food safety management, health and safety protocols, complaint management system, as well as the Code of Ethics and the Sustainability Commitment Policy, which outlines the Company's overall approach to sustainable business practices and applies to all stakeholders.

Code of ethics

The Code sets out the fundamental principles the Company upholds as essential for successful and responsible business conduct, fostering a culture of ethics and integrity across the organization. It outlines

ethical standards that apply to all stakeholders, including customers and consumers, and reflects the Company's overarching commitment to respect human rights.

Throughout 2024, no complaints were recorded in relation to breaches of the Code of ethics. The Code is readily accessible to all employees via the Company's internal platform and is also publicly available to external stakeholders on the corporate website.

Sustainability commitment policy

Among other relevant ESG topics, this Policy emphasizes Quality and Health & safety as one of the areas in which the company strives to make improvements by ensuring access to safe, high-quality, and responsibly sourced products. It promotes transparency through clear product information, respects data privacy, and supports continuous improvement based on consumer feedback. The policy also commits to ethical way of business and addressing health and environmental concerns, reinforcing trust and long-term value for all stakeholders, including consumers.

Processing and protection of personal data

The Privacy Policy, along with the Regulation on the processing and protection of personal data, outlines how personal data is handled and safeguarded within the Company, in line with the General Data Protection Regulation (GDPR) and the national Act implementing the GDPR. These documents address key aspects of customer privacy and ensure that the Company meets all legal, technical, and organizational requirements for compliance. Personal data is processed in a lawful, fair, and transparent manner, adhering to the fundamental principles of data protection.

Quality management procedures and instructions

Food safety is overseen by the Quality Management Department, which is tasked with maintaining and monitoring the company's quality assurance systems. By ensuring rigorous control over product freshness, safety, and quality, the company aims to minimize risks and strengthen consumer confidence and brand loyalty. Company adopted various internal procedures and instructions as a part of overall quality management system, such as: Internal HACCP audits, supplier control process, sanitary procedures and controls and food safety protocols.

Health and safety policy

The health and safety policy outlines fundamental standards for employees and third parties, emphasizing that maintaining high health and safety standards is essential to the sustainable growth of the Company and the well-being of its people. The Company is committed to ensuring a safe and healthy environment for all—employees, contractors, customers, and other relevant stakeholders—by acting responsibly and implementing preventive measures to avoid workplace injuries and incidents. The policy serves as a foundation for fostering a culture of safety, where everyone feels protected and supported in their roles, with a long-term goal of achieving zero work-related injuries.

Company Management Board is responsible for publishing the Code and policies. The Code of Ethics, GDPR, H&S policy, D&I Policy and SCP are available on the Company's website

S4-2 – Procedures for collaboration with consumers and end-users regarding impacts

The Company takes care of the interests, perspectives, and rights of consumers and end-users, which significantly influences strategy and business model by continuously monitoring customer satisfaction to understand their experiences and identify the strengths and weaknesses of the business relationship. This is achieved through regular customer satisfaction surveys regarding products and services.

Any customer complaints, product liability claims, product recalls, health and safety issues, adverse publicity, legal action or other factors could adversely affect Studenac's reputation. Any of the foregoing may be amplified by the dissemination of negative publicity on social media.

The Company has direct engagement with affected consumers via multiple channels for expressing concerns:

- e mail (upiti-pohvale@studenac.hr and studenac@studenac.hr),
- phone,
- direct message via social networks,
- Studenac mobile application,
- Wapp channel and website.

Complaints are received and resolved through two streams, internally, as described above and externally via external collaborators who receive customer feedback and provide analysis and feedback. Every customer feedback received in this way is recorded in Operations by a sales process specialist. Depending on the type of feedback, communication is channeled to authorized departments and resolved in the shortest possible time. In 2024, out of a total of 2,808 feedback: 1,965 were complaints, 295 were queries and 177 were appraisals.

Examining customers' concerns are submitted through an internal dedicated channel of communication and conducting the procedure for withdrawing non-compliant products from the network are among the areas of responsibility of the Quality Department. By enhancing quality of services and products the Company aims to reduce the risk of complaints, ensure the protection of consumer health and strengthen trust in the brand.

There is no general procedure for collaboration with consumers, but there are mechanisms and processes that are well established. The Company plans to establish such procedures in mid-term period.

S4-3 – Procedures for remedying negative impacts and channels for consumers and end-users to express concerns

Studenac is required to comply with certain requirements of applicable law, and its activity and products are subject to the supervision and control of various public inspection authorities, including market, sanitary and agricultural inspections, in particular in relation to compliance with food safety rules. Thus, Studenac is required to comply with many sanitary requirements and procedures, including those relating to health and safety and the monitoring and laboratory analysis of the quality of raw materials and end products. Any of the foregoing could lead to adverse legal, regulatory or reputational consequences and could have a material adverse effect on Studenac's business, results of operations, financial condition and prospects.

Studenac allows remediation of negative effects through several channels for expressing concerns, listed in S4-2. The Company continuously monitors the notifications it receives through all channels, in particular through the Customer service office, in terms of food quality and safety, the standard of stores and their impact on local community. We ensure that customers receive feedback for their complaints or other corrective measures. The complaint collection system is protected by the personal data protection policy. Through systematic monitoring and internal reporting, we ensure the effectiveness of established channels. We have defined a product recall system.

Studenac nurtures regular dialogues with consumers through regular and quarterly trackers, and the opinions and attitudes of consumers are monitored on a daily basis with the aim of improving their experience. Also, through the "My Student" club base, consumer attitudes and satisfaction are monitored, and dialogue is encouraged, and their opinions are listened to. Customers also evaluate their shopping experience, such as general satisfaction, satisfaction with the assortment, perception of improvement and similar with the purpose of improving the user experience. The survey results are statistically processed and used as a basis for setting customer satisfaction goals, expressed in absolute numbers. Based on the feedback we receive through communication with consumers, we record positive comments regarding our understanding and cooperation with them.

Marketing activities

The Company's marketing activities are focused on building brand awareness and image uplift. The Management aims to achieve live, interactive and engaging dialogue with customers in order to create a bond and build a community of loyal customers. Studenac actively monitors its customers' needs and feedback through its Moj Studenac loyalty club and conducts regular brand health trackers to validate the brand positioning and the realisation of the main brand KPIs. One of Studenac's ultimate goals is to make its customers' experience with the brand worthwhile. As part of consumer and message segmentation, Studenac uses a mix of media channels to make marketing activities as effective as possible. Studenac also invests in marketing activities through its mobile application, Moj Studenac, which gives Studenac the opportunity to prepare individually targeted marketing communications aimed at each user of the mobile application based on individual customers' purchasing habits.

S4-4 – Measures for Significant Impacts on Consumers and End Users, Approaches to Managing Significant Risks and Seizing Significant Opportunities Related to Consumers and End Users, and the Effectiveness of Those Measures

Quality control

Product quality and safety are key prerequisites for consumer satisfaction and trust. Studenac invests significant efforts in establishing an effective quality management system that relies on three key pillars: food safety, quality control, quality of private label products.

For ensuring food safety is responsible Quality management department, responsible for implementation and control of the quality system and thus enables the company, to the greatest extent possible, to guarantee the food safety, freshness and quality of the product, thereby building consumer trust and loyalty.

The Company developed a system of operating procedures for sanitary standards, which defines hygienic procedures and practices in all phases of business, from warehouses to stores and established a system for calibrating and monitoring the operation of the cooling chambers and the use of thermometers for temperature monitoring, which are key to maintaining quality. A detailed plan for sampling the healthiness of products, water quality and microbiological cleanliness of facilities, as well as a plan for the implementation of DDP measures, was drawn up in order to prove the self-control system based on HACCP principles.

The Company defined the product recall system, unified the work system with declarations and standardized product declarations (bake-off, fruit and vegetables, butchers, gastro and To Go products). Education related to food safety and quality and participate in international conferences related to safety and quality is regularly conducted. All warehouses and retail stores selling meat are registered and approved by the Ministry of agriculture, and the Company is now under the constant supervision of the state inspectorate.

Quality assurance

During 2023, we intensified the monitoring and assurance of product quality through the formation of a team of young people and defined. Input control process through the creation of quality requirements, which resulted in the improvement of supplier services, is defined and supplier complaints system for the purpose of improving products and services is established. Control of incoming supplier declarations in order to improve the monitoring of product traceability is also defined.

Private label

Private label is of strategic importance for Studenac's customer value proposition. Studenac offers high quality private label products at competitive market prices, providing excellent value for money. Studenac carefully selects a range of private label products under the umbrella of the brand in order to enhance competitiveness and attractiveness of its assortment.

Private label products undergo the approval of the Quality Department through organoleptic analyses, product comparisons and the creation of specifications and quality requirements. These are products of domestic and foreign manufacturers at more affordable prices. When adding new products to the range,

a special focus is placed on original Croatian products, which we continuously complement with the aim of giving customers the opportunity to choose from a wide range of products from renowned domestic and international producers of food, drinks, hygiene, and other household items.

In addition to standard products from global manufacturers, the Company recognizes the quality of indigenous Croatian products. Support for domestic producers is a vital component of Studenac's business because it brings multiple benefits to the entire community. By helping Croatian producers, we help the Croatian economy, and we provide our customers with domestic, quality products.

Communication and customer complaints

The Company engages directly with consumers through multiple channels, including email, phone, social media, the Studenac mobile app, WhatsApp, and the corporate website. Feedback is managed via two main streams: internally, and externally through contracted partners who gather, assess, and report consumer insights. Each entry is recorded in the Operations system by a sales process specialist.

The Quality Department is responsible for handling customer complaints and overseeing product recall procedures for non-compliant goods. By continuously improving the quality of products and services, the Company aims to reduce complaints, protect consumer health, and strengthen trust in its brand.

Examining customers' complaints are submitted through an internal dedicated channel of communication and conducting the procedure for withdrawing non-compliant products from the network are among the areas of responsibility of the Quality Department. By enhancing quality of services and products the Company aims to reduce the risk of complaints, ensure the protection of consumer health and strengthen trust in the brand.

There were no serious issues or cases related to human rights been reported concerning consumers and/or end users.

Data protection

In terms of data protection, the Company is subject to various obligations, taking into consideration the high number of employees and consumers. The GDPR prescribes obligations on collecting, processing, storing and transfer of personal data. These obligation relate to matters such as: establishing a valid legal basis for processing data, conducting the stipulated analysis where required (e.g., processing data for legitimate purposes, processing data in line with the established principles such as transparency, purpose limitation and data minimization, implementing appropriate technical and organizational measures to ensure compliant processing and creating internal processes to respect the notification obligations towards authorities and data subjects in the event of data processing breaches).

Suppliers

Although the majority of goods sold are food, and there are potential effects on harmfulness, the Company cooperates with verified suppliers and those who have a good reputation and are recognized among customers, and as far as the Private label is concerned, regular controls are carried out.

When it comes to mediation and risk mitigation, funds are planned in the annual budget for separate departments in the company.

S4-5 – Target Values for Managing Significant Negative Impacts, Promoting Positive Impacts, and Managing Significant Risks and Opportunities

The Company's growth strategy provides a clear strategic direction but does not currently include specific goals or quantitative targets. A similar approach is applied across key impact areas, where the Management Board defines priorities and focus areas—such as strengthening quality control measures, expanding the share of Private Label products, enhancing customer satisfaction and loyalty, and reducing customer complaints and product recalls linked to food safety non-compliance.

To ensure these efforts are effective, the Company regularly monitors the performance of its procedures through systematic quality audits, both within its own operations and across its supplier base. As the retail network continues to expand, the Company aims to progressively increase the frequency and coverage of these audits to maintain and improve standards across the value chain.

For the long-term sustainability of the Group's business, customer satisfaction is crucial, and providing high-quality, safe products is of utmost importance. The Group maintains quality through standardized and regulated quality processes in stores, warehouses and in cooperation with suppliers.

Studenac is focused on increasing the availability of products across its stores, revitalising the store network through the continuous refurbishment of existing and acquired stores, utilising advanced data analytics to improve pricing decisions and create more appealing promotions for customers, rolling out promotional advertisements to increase brand awareness, active work on NPS and expanding the loyalty programme (Moj Studenac) to boost basket size. Studenac is also rolling out self-checkout and mobile POS to boost throughput.

ESRS G1 Governance

Following the results of Double Materiality Assessment the Company identified following impacts related to Governance:

Unique IRO Title	Actual or potential	I/R/O
Protection of whistleblowers		
Whistleblower protection	Potential	Negative impact/Risk
Management of relationships with suppliers including payment practices		
Payment deadlines to suppliers	Potential	Negative impact
Supplier selection criteria	Potential	Negative impact
Unethical practices towards suppliers		Risk
ESG due diligence of suppliers		Opportunity
Corruption and bribery - Prevention and detection, including training		
Corruption and bribery	Potential	Negative impact/Risk
Political engagement		
Political engagement		Risk
Corruption and bribery - Incidents		
Conflict of interest		Risk
Corporate culture		
Regulatory compliance		Risk

Inadequate whistleblower protection can result in fear among employees to report unethical or illegal behaviour, reduced morale, and loss of trust in the company, and can lead to retaliation against employees who report misconduct, which can result in legal liabilities, financial penalties, and reputational damage, which can significantly increase a company's costs.

Providing more favourable and shorter payment terms to small entrepreneurs, i.e. suppliers allow them to have better control over costs and financial flows and ensures stability in the supply chain. Unethical practices towards suppliers, payment delays can strain supplier relationships, disrupt the supply chain and lead to legal disputes or damage to a company's reputation. Failure to take social and environmental criteria into account when choosing suppliers can indirectly lead to supporting unsustainable and unethical practices, which can consequently lead to a negative impact on the environment and society, and damage the long-term sustainability of the business. By identifying and managing potential ESG risks in the supply chain, companies can avoid scandals and negative publicity associated with irresponsible supplier practices, thereby increasing resilience and better managing the value chain and better anticipating potential supply disruptions.

The lack of effective measures for the prevention and detection of corruption and bribery can result in unethical behaviour within the company. This can negatively affect the work culture and create an unfair work environment for employees. Failure to address corruption and bribery vulnerabilities can lead to regulatory violations, financial penalties and reputational damage, undermining corporate credibility and trustworthiness. Conflicts of interest can lead to legal risks, such as lawsuits and fines, and financial risks, such as loss of business opportunities due to unfair favouritism towards certain manufacturers, business

partners and customers, which can significantly damage a company's market position. The food industry is vulnerable to the risk of money laundering practices due to the large number of cash transactions and the opportunity for falsified invoices and shell companies that conceal illicit funds. Failure to comply with trade regulations, such as those for the protection of competition in the retail industry, can lead to legal penalties, reputational damage and operational disruptions.

Unclear rules for lobbying activities can result in potential ethical or legal dilemmas regarding lobbying efforts, jeopardizing a company's reputation, regulatory compliance, and effectiveness in influencing legislative decisions or public policy.

A cyber security breach can bring business to a standstill, which carries the risk of lost revenue and financial losses due to remediation costs.

Our Compliance system

During 2024 the Company continued with implementation and improvements of Ethics and compliance (E&C) program with the aim of building a powerful reputation and integrity in accordance with best practices. The company wants to ensure that it is in compliance with laws on the fight against bribery and corruption, prevention of money laundering and with all other applicable laws and regulations and thus create the foundations of business relationships built on trust and honesty. The program brings together the topics of preventing bribery and corruption, preventing money laundering, resolving conflicts of interest, non-discrimination, dignity protection, information security, confidentiality and data protection, and ensuring compliance with all relevant laws and regulations.

As part of developing our compliance system, Company nominated a Compliance Officer, an independent role within the company, responsible for the organization, coordination, and implementation of systematic business compliance with applicable laws, regulations and internal policies whose tasks and responsibilities are defined by the Rulebook on Monitoring Business Compliance. An action plan was prepared, and during 2023 intensive work was done on the implementation of the program.

We published the Code of Ethics, Anti-bribery and corruption Policy, Anti-money Laundering and Terrorist Financing Policy, Supplier Code of Conduct, Rules for Gifts and Hospitality, Conflict of Interest Reporting Procedure, Whistleblowing Procedure, while also improving our internal compliance system.

G1-1 - Business Conduct Policies and Corporate Culture

Corporate culture

In the last few years, the Company has been intensely engaged in corporate culture improvement. In terms of corporate governance and corporate culture, core Company values are based on respect for

fundamental human rights and ethical principles: integrity, honesty, trust, humanity, tolerance, responsibility, and respect for legal norms - values that complement the company's long-standing values:

- Customer-oriented
- Results-driven
- Professional
- Always ready to cooperate

that represent the foundation of the Company's guidelines in everyday business processes. During 2024 the Company continued with broadening the scope of implementation of Ethics and compliance program as a part of overall corporate culture with the aim of continuing to build a powerful reputation and integrity in accordance with best practices. The program consists of bribery and corruption prevention, prevention and mitigation of conflicts of interest, money laundering prevention, non-discrimination, dignity protection, whistleblower protection, information security, confidentiality and data protection, and ensuring compliance with all relevant laws and regulations.

Company's compliance system

As a part of Ethics and compliance program the Company adopted following documents:

- Code of ethics
- Anti bribery and corruption (ABC) Policy
- Prevention of money laundering and financing of terrorism (AML) Policy
- Procedure on reporting Conflicts of interest
- Supplier code of conduct
- Rules for gifts, hospitality, and donations
- Rulebook on the procedure of internal reporting of irregularities and the appointment of an independent trusted person (Whistleblowing Procedure)
- Rulebook on the procedure and measures for protection of the dignity of employees (Dignity protection rulebook)
- Rulebook for monitoring business compliance

Company nominated Compliance officer, an independent role within the Company, responsible for the organization, coordination, and implementation of systematic business compliance with applicable laws, regulations, and internal policies whose tasks and responsibilities are defined by the Rulebook on monitoring business compliance. The role also covers education of employees, support and guidance related to any interpretations and insecurities, communication with internal and external stakeholders and regular reporting to Management Board and Supervisory board.

Communication channels and reporting non-compliance

The Company ensured internal communication channels for employees with all relevant information, the Code, policies and procedures with aim of raising awareness of the importance of complying with

Company rules and improving organizational culture. Mechanisms for reporting non-compliance and violation of rules prescribed by the Code and Policies for employees, regular as well as anonymous, are established and e mail address compliance@studenacgroup.eu for all communication regarding compliance issues is opened.

For external stakeholders and third-parties, web part (page) is published on Company web site, with the Code of ethics and all relevant policies and Supplier code of conduct. Also, communication channel and reporting mechanisms, regular and anonymous, are enabled as an effortless way to report any suspicious or illegal behaviour related to third parties.

Regarding illegal behaviour that violates the rules prescribed by the Code or Policies any employee can raise concern in a way to report direct to supervisor, or Management Board, to Compliance officer or to report anonymously. After reporting, Compliance officer conducts investigation as prescribed by the Rulebook for monitoring business compliance. After establishing the facts, Compliance officer presents facts to the Management Board which finally decides on mitigation or sanctions.

Code of ethics

Code of Ethics reflects the fundamental ethical values of the Company and defines the rules in accordance with these values, laws, regulations and industry standards. The Code is based on above-mentioned core values of the Company and covers areas of:

- Principles of behaviour - respect for human rights, protection against discrimination, dignity protection, health, and safety.
- Business compliance - prevention of bribery and corruption, prevention of uncompetitive behaviour, compliance with trade regulations, prevention of money laundering.
- Assets - protection of assets, respect for intellectual property.
- Responsible decision making - prevention of conflicts of interest, rules for gifts and hospitality, relations with government and public officials, political contributions, and donations.
- Responsible information management - respect for privacy and data protection, handling of confidential information.

as well as rights and obligations of employees, the role of compliance officer, ways of reporting and communication regarding any code violations.

The Management Board ensures all necessary measures for the implementation of the Code and all supporting policies and procedures. Employees are the implementation agents of this Code; therefore, they understand that the Code is implemented in the Company's business activities and as an internal regulation that establishes the rights and obligations of employees as well as basic behaviour principles. Responsible people in a managerial position are expected to lead by example by respecting the principles and provisions of the Code and policies.

Whistleblower protection

In accordance with Directive (EU) 2019/1937 The Rulebook on the procedure for internal reporting of irregularities and nomination of trusted person is in force and regulates protection of whistleblowers, the role of independent trusted person (Compliance officer) and guidance in case of report and protection.

The procedure for internal reporting of irregularities begins with the submission of the report to an independent trusted person. The report contains information about the Whistleblower, information about the person and/or person to whom the report applies, the date of the report and a description of the irregularity report. The application is submitted directly in writing or stated verbally to the Independent trusted person (Compliance officer). The application can also be submitted via e mail: compliance@studenacgroup.eu.

In the Code of ethics it is also clearly stated that employees who report any non-compliance must not be exposed to retaliation. For any guidance employees may contact Compliance officer, as well as the management or Supervisory board to take the necessary actions to protect the Whistleblower

G1-2 Managing Supplier Relationships

Constantly increasing and adapting sales volumes demand the Company to develop good long-term relationships with existing suppliers and to seek out new ones. Key products offered are similar to other offers in the sector, although the Company offers specific products from unique suppliers together with an increasing offering from Private label category which is offering best value for money in Studenac stores.

This includes the constant need to compete with other networks for access to the product range of reliable suppliers capable of meeting Company's volumes and quality standards and also developing relations with large brands since many key products and product categories are well-recognized brands on a national or international scale.

In addition to regional suppliers, the company operates with the rest of Europe and other continents. The focus is on proven suppliers with whom the Company upgrades criteria and cooperation.

Thus, the primary criterion for selecting suppliers is the customer preferences and demands, in terms of loyalty to certain brands and in terms of quality, safety and compliance with food standards. The purchase price, volume, payment terms and delivery dates are determined in the negotiation process.

Code of conduct for suppliers

The Code of conduct for suppliers defines the basic requirements and guidance regarding what is expected of suppliers with whom the Company enter business relations. By applying the highest standards of business ethics, the Company wants to cultivate and build strong relationships with suppliers and other business partners and strengthen their trust and respect. Therefore, the suppliers with whom the Company enters business relations are expected to be familiarized with the provisions of the Code and therefore:

- respect human rights, non-discrimination, and fair labour practices,
- comply with legal norms and regulations,
- not to participate or support bribery and corruption,
- carefully manage gifts and hospitality,
- not participate in or support money laundering or terrorism financing,
- avoid conflicts of interest,
- respect data privacy,
- safeguard confidential information.

The Company enabled channels for suppliers for reporting non-compliance, incidents or unethical behaviour. Report can be submitted to the Compliance officer via email address: compliance@studenacgroup.eu or through the application mechanism that can be found on the Company's website.

For suppliers and business partners, a contract clause on compliance with the Code and Policies was introduced as an integral part of the standard business contract, which was accompanied by the Code of Conduct for suppliers.

Risks in supply chain

When it comes to suppliers and the supply chain, some of the recognized risks are: climate change, wars, resulting in an increase in energy prices, inflation, lack of goods and raw materials, all of which form a causal chain to which Studenac must also adapt.

Climate change has significantly affected the production of some raw materials, their shortage has affected the availability of goods and products, changes in supply chains and price increases, which are ultimately borne by the end consumer. Wars, rising energy prices and inflation also significantly affect market flows to which constant adaptation is required, including the war in Ukraine, which produces the largest quantities of sunflower at the EU level.

Some of the risks and their associated consequences are prevented and mitigated by ensuring cooperation with multiple suppliers in order to ensure continuity in the supply of products and optimize the availability of goods.

Transition to a circular economy is visible in larger and stronger brands that are all following trends and are active in environmental protection, while in small and medium-sized enterprises this change is somewhat slower. In the case of Studenac, the greatest impact is possible when negotiating conditions related to the production and packaging of brand products. Also, customer habits and changing trends significantly affect product design, such as reducing additives in food, reducing the amount of salt and sugar, and environmental awareness. Which is also recognized as an opportunity for the company.

Corruption and bribery, as a potential risk, are prevented by ensuring continuous education of both employees and suppliers through the implementation of an ethics and compliance program (which you can read more about in chapter: G1-2 Managing Supplier Relationships).

In the case of Studenac, the aforementioned risks are additionally amplified due to the rapid growth factor, so the conclusion is that it is a large chain with many cause-and-effect elements that are taken into account and product procurement is optimized.

Supplier standards

Regarding supplier standards, the Company currently has not adopted any Policy or procedure for taking environmental or social criteria for selecting its suppliers. In future mid-term period, the plan is to establish the processes of implementing ESG criteria for selecting suppliers, as stated in current Sustainability commitment policy.

Although, Private label products must meet certain criteria and ISO standards, depending on the type of product, all suppliers' reputational status is also tracked. The criterion of suppliers is checked (partially internally or via third party) to ensure compliance with internally established criteria. When cooperating with suppliers from third world countries environmental protection and human rights protection is taken into consideration when entering partnership.

In cases of non-compliance with the agreed rules, cooperation with suppliers is terminated in the event of changes in the quality of goods and deviations from declarative regulations.

In cooperation with suppliers, joint initiatives aimed at preserving the environment are sometimes held, such as the Neretva River cleaning campaign in 2024.

G1-3 Prevention and Detection of Corruption and Bribery

Anti-bribery and corruption policy ("ABC Policy")

The ABC Policy represents the basic rules of behaviours of the Company and its employees in relations within the Company as well as in relations with external entities, with the aim of fighting bribery and corruption. The Company adopted zero tolerance policy for bribery and corruption.

The Policy expects its employees:

- to act in accordance with the guidelines, applicable laws, and internal Company acts,
- to attend proper Anti-Bribery and corruption training and familiarize themselves with the ABC Policy,
- to seek guidance regarding any uncertainties,
- to report as soon as possible, if they know or suspect that they themselves or another person have violated any Anti-bribery and corruption provisions,
- not to request, accept, or offer gifts or hospitality to induce, support or reward improper conduct in connection with any business or anticipated future business involving the Company,
- to report any gift or hospitality that exceeds the prescribed values defined in Rules for gifts and hospitality.

Political contributions and donations

The Company is committed to political neutrality and is against any material and financial support of political parties and, in accordance with Company rules, political donations are strictly prohibited. Employees of the Company must not associate their personal connection with political parties with their status in the Company.

Relations with government and public officials and facilitation payments

Any official that represents the government institution must be treated with extreme care and all employees are informed of high caution regarding any issue that could question official independence as well as special caution regarding facilitation payments i.e. financial payment that is made with the intention of expediting an administrative process. The Company rejects the practice of applying such payments.

Conflict of interest

The Company safeguards its reputation and fair and transparent business practices by avoiding entering into agreements or deals that represent indirect or direct competition with the Company. Use of position to obtain improper benefits or opportunities, including loans, investment opportunities, contractual opportunities, personal transactions, or employment is prohibited. Detailed guidelines for the prevention of conflict of interest are explained in Conflict of interest reporting procedure.

To address the completeness, a declaration on the Conflict of interest is requested to be signed by all employees holding positions that are sensitive to risk (as stated in the text above: Increased risk areas).

Educations and training

The Company has identified the high-risk functions concerning conflict of interest, corruption and bribery. Although the Code and policies adhere to all employees, education is conducted annually for employees from high-risk areas, and in 2024 education is broadened to office employees on a voluntary basis. All employees from high-risk areas are obliged to undergo the training as well to submit signed documents of education attendance and Conflict of interest declaration. This process is done annually (more on Conflict of interest in the following text). The plan is to yearly broaden the scope of employees who need to attend the education.

In the reporting year the Company has not published a policy on training within the organization regarding business conduct, although in the Code of ethics it is clearly stated that the Code applies to all employees. In the beginning of implementation all high-risk functions are targeted with regular education frequency and in-depth familiarization with the Code and policies.

There were no reported cases related to corruption or bribery or conflict of interest.

G1-6 Payment Practices

Prevention of late payments

Although there is no formal written payment policy, payments to large and medium-sized and small companies are conducted, as prescribed by the law, in 30 to 60 days, and regularity of payment is connected to long-term cooperation with suppliers and subsequential regular deliveries defined by agreed commercial terms and conditions.

In specific circumstances, the Company considers the size of the business and product portfolio when making payments to suppliers and manages supplier relationships through contractual agreements.

There are currently no unresolved court proceedings related to late payments.

G1 Specific to the company – Cybersecurity

Information technology in the Company is used in all business processes through various IT solutions. IT solutions are used in sales processes, inventories, logistic operations, stores, for financial and accounting processes through different solutions provided by information technology.

If the smooth operation of IT systems is not ensured, this can result in disruptions in current business activities such as store operations, inventory management, store supplies and other business operations. Therefore, it is crucial for the Company to ensure the correct operation and maintenance of existing IT systems that contain business secrets, personal data, customer data and data related to suppliers and other business processes. The Company provides optimal solutions for the proper operation of these systems to ensure undisturbed business processes.

IT systems are potentially threatened by computer viruses, power outages, natural disasters, internet outages and the potential risk of cybercrime. Therefore, compliance with security principles is of utmost importance, as is protecting IT systems from all potential threats.

Studenac may not be able to protect its systems from all attacks and especially protect companies that are in the acquisition process and do not yet have a sufficient level of IT protection, which increases the risk of loss or leakage of internal and protected data. In the event of a cyberattack and breach of IT systems, data leakage, sales disruptions, delays, loss of inventory, reduced levels of service and, consequently, impact on customer satisfaction and trust, thereby damaging the company's reputation and directly affect revenue.

The Company is aware of all potential risks regarding cybersecurity and for this reason the Company has identified a cyberattack on the Group's IT system as a material risk.

The Company will address the risk and take actions to address the risk of cyberattacks on IT infrastructure. One of the actions that will take place in short term is to meet the requirements related to cyber security according to the NIS2 directive, which will set high cybersecurity standards that will bring increased requirements for risk management and incident reporting.

During 2024 the Company conducted employee trainings and system adjustments regarding cybersecurity and data protection. Effectiveness is measured by regularly monitoring the security records of the computer infrastructure.

To mitigate material risks associated with cyberattacks on IT infrastructure Company implemented the following initiatives:

PCI DSS Compliance

The Company has undertaken activities to align with the PCI DSS (Payment Card Industry Data Security Standard), which defines security requirements for handling payment card data. This standard significantly reduces the risk of misuse of sensitive customer information and enhances end-user trust.

Disaster Recovery Plan Implementation through Alternative Site Recovery Capability

The Company is actively working on the development and implementation of a comprehensive Disaster Recovery Plan. This ongoing project aims to enable rapid recovery of critical IT systems at an alternative site in case of major disruptions. Significant progress is expected in the coming period, which will further strengthen operational resilience.

Conducting GAP Analysis for NIS2 Compliance

To ensure alignment with the requirements of the NIS2 directive, the Company conducts GAP analyses to identify existing deficiencies in relation to the regulatory requirements. Based on the findings, concrete measures will be defined to enhance the overall security framework and improve risk management practices.

Ongoing Employee Training and Phishing Campaigns

The Company continuously educates employees to raise awareness of information security and threat recognition. In addition, simulated phishing campaigns will be conducted to test employee readiness for social engineering attacks and to identify potential weaknesses in the human factor.

INFOSEC Project

Through the INFOSEC project, the Company is developing a comprehensive information security

framework, including policies, procedures, and technical measures for data and system protection. The project is focused on strengthening the overall IT security posture and continuously improving risk management processes.

Regular Penetration Testing Projects

The Company regularly performs penetration testing (PenTests) to identify vulnerabilities in IT systems and applications before potential attackers can exploit them. The results of these tests are used to promptly remediate weaknesses and increase the systems' resilience to potential cyber threats.

Glossary of terms and abbreviations

Term/abbreviation	Definition
AR	Application requirements
AIB	Association of Issuing Bodies (AIB 2022 report - European Residual Mixes)
CBCSD	Croatian business council for sustainable development
CSR	Corporate social responsibility
CSRD	The Corporate Sustainability Reporting Directive
DDP	Disinfection, desinsection, pest control
D&I	Diversity and inclusion
E&C	Ethics and compliance
GDPR	General regulation on data protection
HR	Human resources
IRO	Impacts, risks, and opportunities
I&D	Innovation & digitalization
ESRS	European sustainability reporting standards
ESG	Environmental, social, and corporate governance
EU	European union
FMCG	Fast-Moving Consumer Goods
GHG protocol	Greenhouse gas protocol provides standards, guidance, tools and training for business and government to measure and manage climate-warming emissions
Greenhouse gasses (GHG)	Greenhouse gases are gases that cause the greenhouse effect in the atmosphere.
GRI	Global reporting initiative
GWP	Global warming potential
HACCP	Hazard Analysis and Critical Control Points
ICC-3D	Company conducting DDP measures
ID 90	Company conducting DDP measures
KBZ	Step closer to community (<i>cro. Korak bliže zajednici</i>)
KBP	Step closer to nature (<i>cro. Korak bliže prirodi</i>)
MDR	Minimum disclosure requirement
NGO	Non-governmental organization
Family farm	Family farm (<i>cro. Obiteljsko poljoprivredno gospodarstvo</i>)
Proximity format	Store format that is close to the customer (within reach)
SCP	The Sustainability Commitment Policy
SBM	Strategy and business model
SKU	stock-keeping units
SDG's	Sustainable development goals
Stakeholders	A person, group or organization that is positively or negatively influenced by the company or has a certain interest or stake in decision-making and activities
UNGC	UN Global Compact - is the world's largest initiative for sustainable development and corporate sustainability