



Report on economic role and social commitment of the Cedrob Group

Our mission is to provide healthy food for present
and future generations

December 2022



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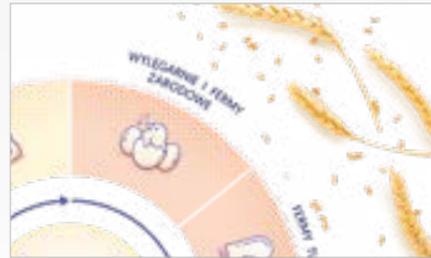
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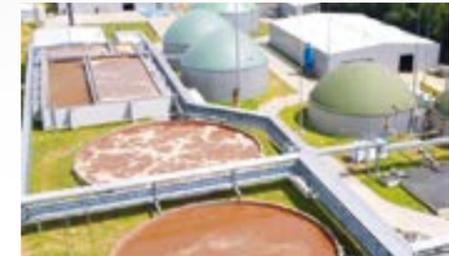
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INTRODUCTION

Our mission is to provide healthy food for present and future generations.

We provide healthy food for present and future generations – this is our commitment to which we subscribe with conviction and responsibility. We implement them every day. Cedrob Group exports top quality food to more than 70 countries around the world and reaches 12 million satisfied consumers.

As we place in your hands the seventh report on the Cedrob Group's economic role and social commitment, we present both data on our economic potential and our goals, development strategy and values that guide us.

If we assume that there are already about 8 billion people on Earth, and every year another 80–90 million more, it becomes an increasing challenge to feed the world's population, while increasing efficiency, maintaining environmental balance and limiting the impact of production on the environment. Cedrob Group's strategy aligns comprehensively with global sustainability goals.

We support those who cannot support themselves. In 2022, Cedrob S.A. has allocated nearly PLN 4 million for donations. We consider investing in people—in the knowledge and professional experience of our employees—to be the best, most promising form of investment. At ZM Silesia S.A. in 2022, out of more than 1,300 employees, 241 people have improved their skills and competencies thanks to the company's support. By cooperating with many Polish farmers, small and medium-sized enterprises, we have a positive impact on the sustainable development of the community. At the same time, thanks to the implementation of unique cooperation programs with a significant group of professional poultry and swine

breeders, according to the world's best models, Cedrob S.A. and Gobarto S.A. are building the position and socially elevating agricultural producers, Polish farmers.

The group's goal is to consistently raise productivity, simultaneously reducing production costs of animal-based protein. We protect the environment by reusing water and utilizing cutting-edge sewage treatment plants. Our investments include a profound contribution to renewable energy sources, mainly by constructing bio-gas plants. We guarantee healthy and safe products meant for consumption by adhering on a daily basis to known and well-used international certificates and standards of meat production: BRC, IFS Food and ISO. Using various strategies, we aim to avoid and reduce food waste.

The presented report is a compendium of knowledge about the Cedrob Group, thanks to which we want to share our best experiences and practices. We hope that they will be important and inspiring for you.

Cedrob Group

Economic patriotism and sustainable development



Andrzej Goździkowski
President of the Management
Board of CEDROB S.A.

LADIES AND GENTLEMEN,

the Polish economy has shown great resilience to the crises that have swept Europe in recent years. It is thanks to the commitment and flexibility of domestic entrepreneurs, the support of public administration, as well as social solidarity that our country maintains the course of economic growth and becomes an increasingly strong economic partner on the Old Continent. Polish family businesses are among the greatest contributors to this idea.

I'm proud of us. I am proud of our Polish economic patriotism. The fact that both consumers and we producers, in our case of food, choose Polish, high quality. The aim of the Cedrob Group is to provide high-quality food for present and future generations.

Like many family businesses, we focus on commitment, health, safety, quality and innovation in running a business created by people, the best of the best. At Cedrob, we focus on agricultural production with respect for tradition and support for domestic production by the state. Thus,

we can talk about sustainable regional development, the retention and creation

of new jobs, growing revenues to state and local government budgets, and the implementation of state-of-the-art technologies, preserving our national economic identity at the same time. For the Cedrob Group, sustainability is a commitment that we implement through specific business decisions.

From fully respectful cooperation with customers and stakeholders, through the creation of decent employment conditions, to supporting local communities, ending with care for the environment in which we live and care for animal welfare.

Our activity is presented in this report, which is a summary of the business, social and environmental activities of the Cedrob Group for 2022. I encourage and invite you to read it.

Best regards,



Włodzimierz Bartkowski
Vice President of the Management
Board of CEDROB S.A.

LADIES AND GENTLEMEN,

we have been guided by the principle of social responsibility and sustainable development for years. We care about the interests of all groups in our business environment. We operate globally, but we also engage locally in the daily life of our community. These features and resources allow us to very effectively carry out our mission and a vision that we have been guided by from the very beginning. We produce wholesome food for present and future generations both in Poland and around the world.

Today, we are an important food producer in the country, but also on the European market. In the Group, we are engaged in the breeding of poultry and pigs, as well as the production and distribution of chicks, feed, meat, sausages and ready meals. Our commitment, cooperation and efficiency is visible in our financial results. In every aspect of our business, we have achieved significant progress compared to 2021. The company's total revenue for 2022 is as much as 160 percent of the value from the previous year. In turn, the level of our exports increased by as much as 105 percent. This is a special reason for us to be proud, because already over 26 percent of the meat produced by Cedrob reaches, in terms of quantity, nearly 70 demanding foreign markets on 5 continents.

Such results are possible thanks to very effective, cooperation based on invaluable experience with proven business partners and the commitment of our employees. We know that people are the strength of our Polish family busi-

ness. We cooperate with over nine thousand Polish farmers, native companies and institutions. We focus on transparency, honesty and reliability. Following the maxim of Henry Ford, the founder of Ford Moto Company, saying that „Business is the art of multiplying and dividing, dividing surpluses, also in own interest”, it can be said that we have mastered this art very well. We share our resources with local homelands, we support, among others, cultural centers, schools, public benefit institutions. In a difficult time and in need in 2022, we also supported our neighbors from Ukraine.

Consumer safety remains our priority. Therefore, at every stage of breeding and meat production, we strictly adhere to the principles of biosecurity, we conduct rigorous quality control and veterinary supervision. We focus on modern, proven and reliable solutions. We also care about the environment. We use technologies that allow us to reduce energy and water consumption. We use state-of-the-art methods to improve our efficiency and effectiveness.

By sharing our success and enjoying constant development, we want to continue to act as an ambassador for good Polish food today and tomorrow.

Best regards,



01/

Company

The Cedrob Group is the largest Polish meat producer. The integration of the company into a multidisciplinary meat concern has meant that the Cedrob Group expands the scale of its operations every year and its revenues are growing dynamically.

The Cedrob Group History

The company's foundation dates back all the way to 1991, a difficult and at the same time groundbreaking time of economic transformation, initiated by the victory of „Solidarity” in the parliamentary elections in June 1989. At that time, a group of ambitious young people who wanted to face the challenges of the free market decided to create their own company. They took advantage of the opportunity to buy Poldrob plants in Ciechanów. At that time, the average state of possession of a private company in Poland was about two hundred million „old” zlotys, which was enough to buy a middle class passenger car. The share of the investment volume of these companies in the Polish economy, in relation to the total capital involved in it, did not exceed 20 percent. The business private Republic began to develop at an unprecedented pace. In 1992, the private sector recorded a 32 percent increase in industrial production, while in state owned industry the decline was 4.8 percent. The number of companies owned by natural persons increased to 1,631 thousand. It can be said that the private sector became the workhorse pulling the entire economy forward, and entrepreneurs from Ciechanów were not left behind and made excellent use of the epochal opportunity.

In the mid-1990s, over 3.5 million Poles worked in agriculture, which constituted 22 percent of the entire workforce. At the beginning of the 21st century, it was only 2.5 million, and now just over 1.2 million work in agriculture. The industry has become very professional. Working at the Cedrob Group, today it is a real elite of the industry.

After five years of operation, in 1996, the Ciechanów company employed over 500 employees, reaching its first 1000 working men

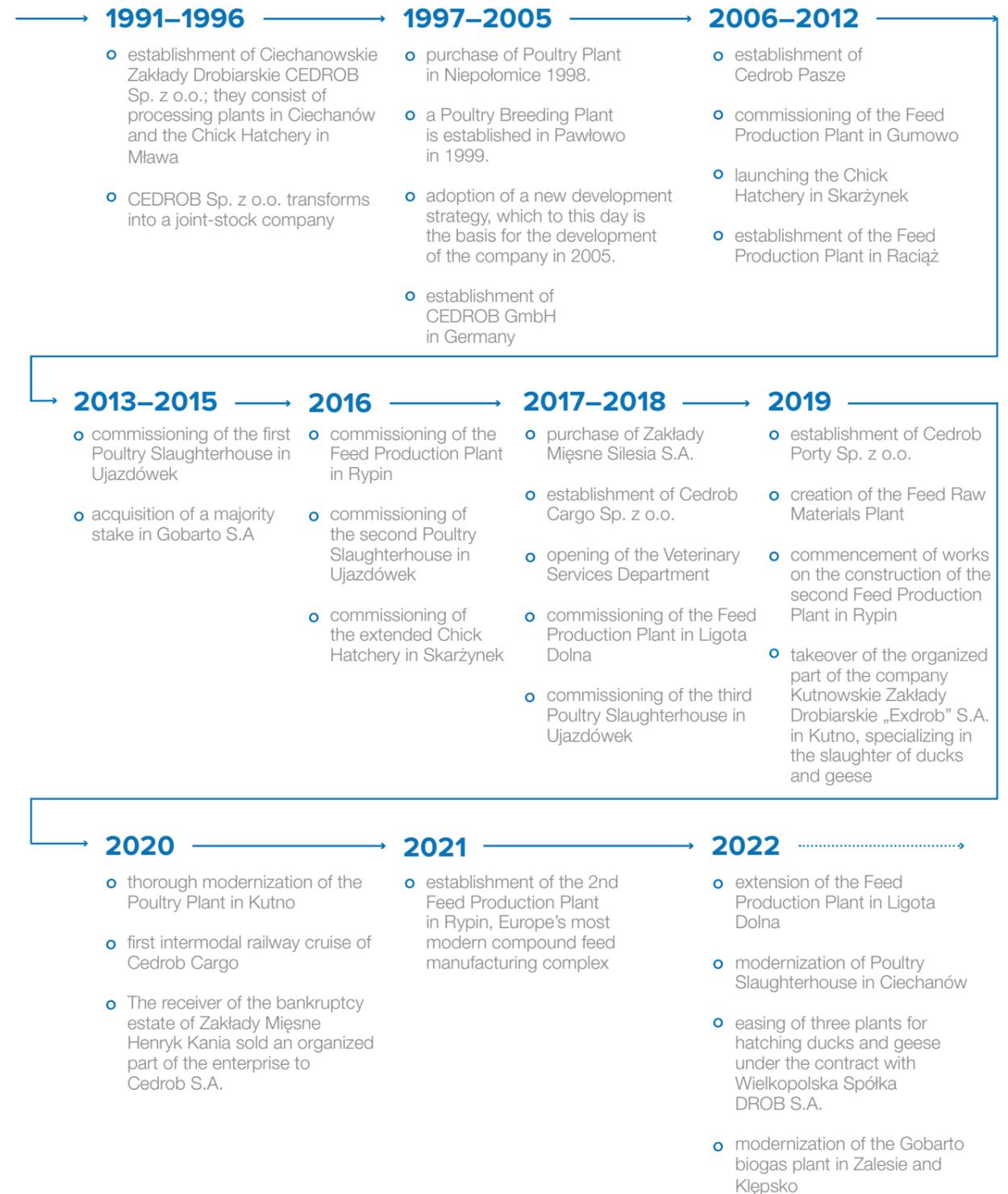
and women in 2008. Currently, the crew of the entire Cedrob Group consists of nearly 10,000 people. The Group cooperates with over 450 companies and institutions dealing with, among others, transport, construction and engineering.

Since 2015, the Cedrob Group has owned a significant part of the shares of Gobarto S.A., one of the largest suppliers of red meat in Poland, which includes 20 companies from the agri-food industry. Two years later, the purchase of Zakłady Mięsne Silesia S.A., a meat processing tycoon, took place.

Today, the Cedrob Group is a national leader in its industry and a significant player on the European market. In the latest ranking of the largest agri-food companies in Poland (including those with foreign capital) published by the weekly Wprost under the heading of „The Golden Hundred,” Cedrob S.A. was ranked 9th, and Gobarto S.A. was ranked 20th. If we tried to create a list of the largest companies with only Polish capital, the Cedrob Group would have no equal in its segment of activity. In turn, in the „Forbes” magazine ranking from 2021 covering the largest family businesses in Poland, Cedrob S.A. was ranked 10th.

Cedrob S.A.—the flagship of the Cedrob Group—is a solid, reliable taxpayer. In 2021, the company paid over PLN 23 million in personal income tax (PIT) and over PLN 21.5 million in corporate income tax (CIT). In 2022, it was PLN 34.9 million (PIT) and PLN 53.6 million (CIT), respectively. „When a company pays taxes honestly, it is really a sign of its success in business. When it pays taxes in its own country, it is the success of the citizens of that country”, said Kazuo Inamori, former CEO of Japan Airlines, years ago.

Our milestones:



Management and structure

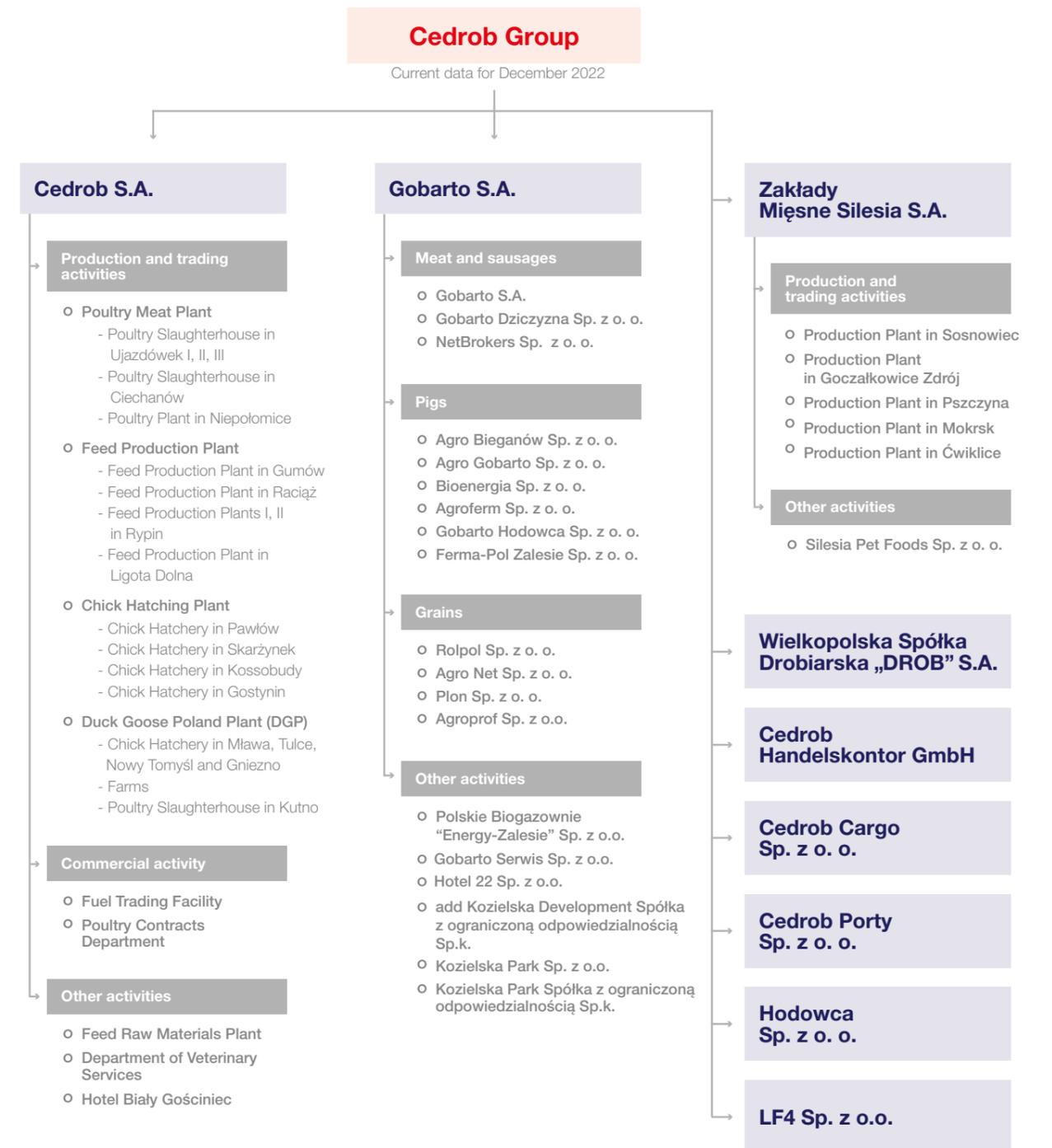
The Cedrob Group includes Cedrob S.A., Gobarto S.A., Zakłady Mięsne Silesia S.A., Cedrob Porty Sp. z o.o., Cedrob Cargo Sp. z o.o., Hodowca Sp. z o.o., Cedrob Handelskontor GmbH (Cedrob Passau GmbH), Wielkopolska Spółka Drobiarska DROB S.A.

	CEDROB S.A.	GOBARTO S.A.	ZM SILESIA S.A.
MANAGEMENT BOARD	<p>Andrzej Goździkowski President of the Management Board</p> <p>Włodzimierz Bartkowski Vice-President of the Management Board</p> <p>Andrzej Śliwiński Member of the Management Board</p> <p>Aleksander Koźlakiewicz Member of the Management Board</p>	<p>Marcin Śliwiński President of the Management Board</p> <p>Katarzyna Goździkowska-Gaztelu Vice-President of the Management Board</p> <p>Rafał Oleszak Vice-President of the Management Board</p> <p>Karol Ludwiński Vice-President of the Management Board</p>	<p>Krzysztof Pniewski President of the Management Board</p> <p>Marietta Stefaniak Vice-President of the Management Board</p> <p>Igor Kaszewski Member of the Management Board</p> <p>Paweł Wilk Member of the Management Board</p>
SUPERVISORY BOARD	<p>Mirostaw Koźlakiewicz Chairman of the Supervisory Board</p> <p>Henryk Włodzimierz Grześkiewicz Deputy Chairman of the Supervisory Board</p> <p>Witold Ludwiński Member of the Supervisory Board</p> <p>Zbigniew Koźlakiewicz Member of the Supervisory Board</p> <p>Antoni Rajnik Member of the Supervisory Board</p> <p>Dawid Błażkiewicz Member of the Supervisory Board</p>	<p>Andrzej Goździkowski Chairman of the Supervisory Board</p> <p>Włodzimierz Bartkowski Vice-Chairman of the Supervisory Board</p> <p>Aleksander Koźlakiewicz Member of the Supervisory Board</p> <p>Andrzej Śliwiński Member of the Supervisory Board</p> <p>Ryszard Ceranowicz Member of the Supervisory Board</p> <p>Robert Bednarski Member of the Supervisory Board</p> <p>Zbigniew Natkański Member of the Supervisory Board</p>	<p>Andrzej Goździkowski Chairman of the Supervisory Board</p> <p>Marcin Śliwiński Vice-Chairman of the Supervisory Board</p> <p>Włodzimierz Bartkowski Member of the Supervisory Board</p> <p>Rafał Oleszak Member of the Supervisory Board</p> <p>Katarzyna Goździkowska-Gaztelu Member of the Supervisory Board</p> <p>Karol Ludwiński Member of the Supervisory Board</p>



It is worth emphasizing that the consistency of the Group's structure is largely determined—in addition to transparent capital relations—in functional, efficient and effective management with the participation of experienced managerial staff and its family character.

Let's take a look at the individual segments of the Group:



Financial Results

The condition of agriculture and livestock in 2022 in our country was significantly influenced by: the war in Ukraine, lost eastern markets, broken supply chains, the effects of the Coronavirus pandemic, droughts, overproduction of pork in Europe, the African swine fever virus in Poland, the avian influenza epidemic, increased inflation and high energy and oil prices.



Sales revenues in 2022 amounted to PLN 10.96 billion. This is a record increase of 3.86 billion.

Despite experiencing losses in 2020, the Cedrob group recorded an increase in revenues and profits in 2022.

The strategic goal of the Group has been achieved – we have maintained our leading position on the poultry market in Poland. In 2022, the Group achieved sales revenues of PLN 10.96 billion. (160% of 2021 value). This is a record increase of PLN 3.86 billion, with a net profit of as much as PLN 533.74 million (against PLN 184 million in the previous year).

Such good results were possible thanks to Cedrob S.A., which, as in previous years, had by far the largest share in the

revenues of the entire Group. It generated PLN 8.15 billion in sales revenues, which constitutes over 74 percent of the share in the structure of the Group's entire revenues. Revenues from foreign sales amounted to PLN 1.83 billion.

Gobarto S.A.'s revenues in 2022 increased by about 30 percent compared to 2021, and amounted to PLN 2.641 billion (in 2021 – PLN 2.022 billion). Gobarto recorded a net profit of PLN 44.85 million.

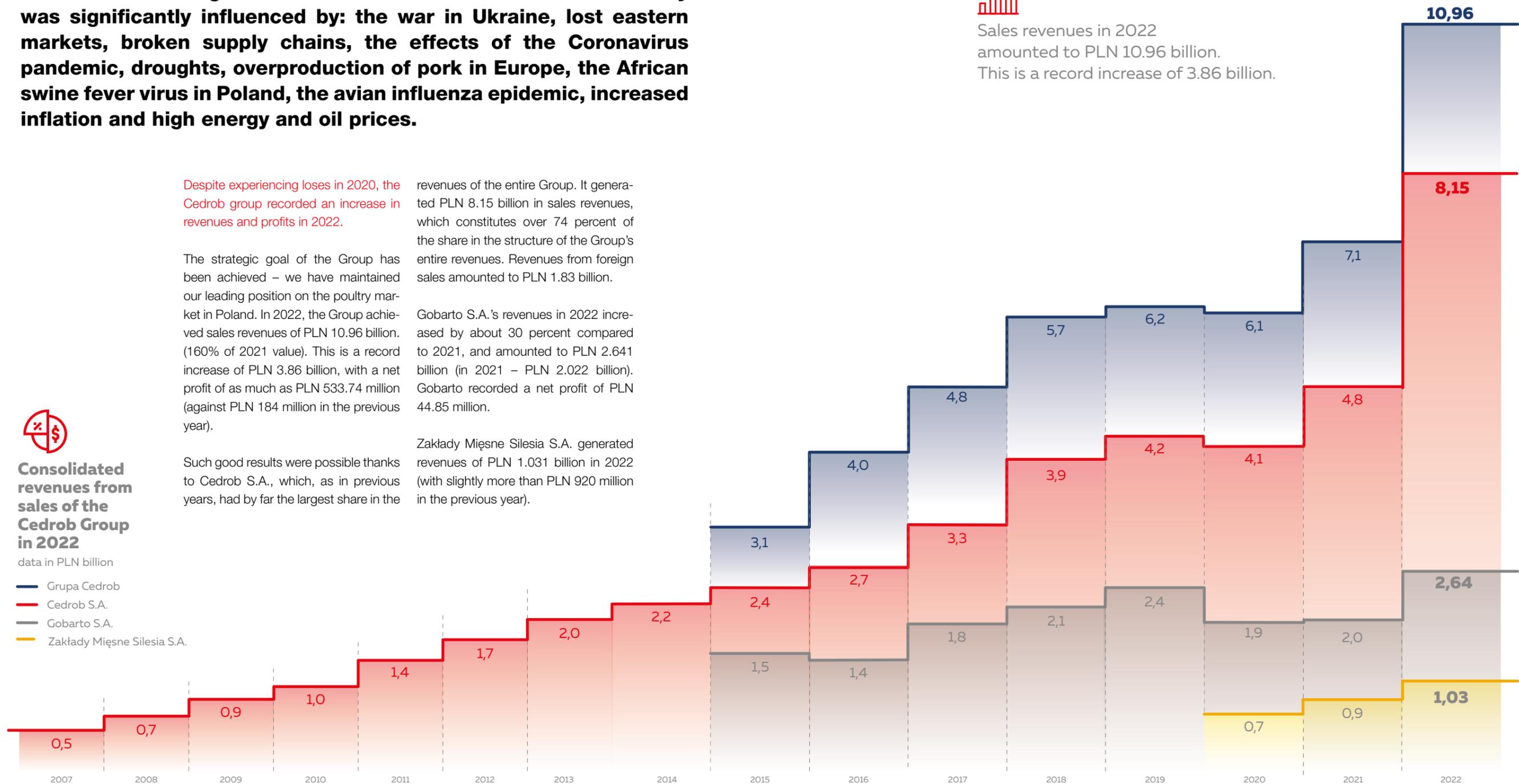
Zakłady Mięsne Silesia S.A. generated revenues of PLN 1.031 billion in 2022 (with slightly more than PLN 920 million in the previous year).



Consolidated revenues from sales of the Cedrob Group in 2022

data in PLN billion

- Grupa Cedrob
- Cedrob S.A.
- Gobarto S.A.
- Zakłady Mięsne Silesia S.A.



Investments

Investments of enterprises, i.e. money spent, for example, on new production solutions, create the potential of the economy through technological development and constitute the healthiest form of activating the growth of Gross Domestic Product.



Unfortunately, in the past year, the investment rate, i.e. the ratio of gross fixed capital formation to GDP, amounted in Poland to 16.7 percent – the same as in the pandemic year 2020. As the portal obserwator-gospodarczy.pl notes: it hasn't been this bad since 1994. However, a different phenomenon could be observed within the Cedrob Group – an increase in investment outlays. With a view to development, the Group has launched new facilities, implements modern technologies and expands its product offer. It also successively consolidates the meat sector through acquisitions. This allows to conquer new markets and rank among the largest producers of meat and meat products in the country. In 2022, approximately PLN 200 million was allocated to investments in the Cedrob Group. In the last nine years, investment expenditures in the Group have already amounted to approx.

PLN 2 billion. Several dozen business entities employing over 1,000 people participated in the implementation of the Cedrob Group's investment. Therefore, the investments made by the Group also meant the possibility of developing a large number of small Polish enterprises. „If small fish feed thanks to the support of big ones, growing at the same time, it is a sign of a healthy, natural symbiosis in the aquarium of national economy” – said Johann Friedrich August Borsig, a German industrialist born in Wrocław.



200 mln zł

were spent on investments by the CEDROB Group in 2022.

CEDROB S.A.

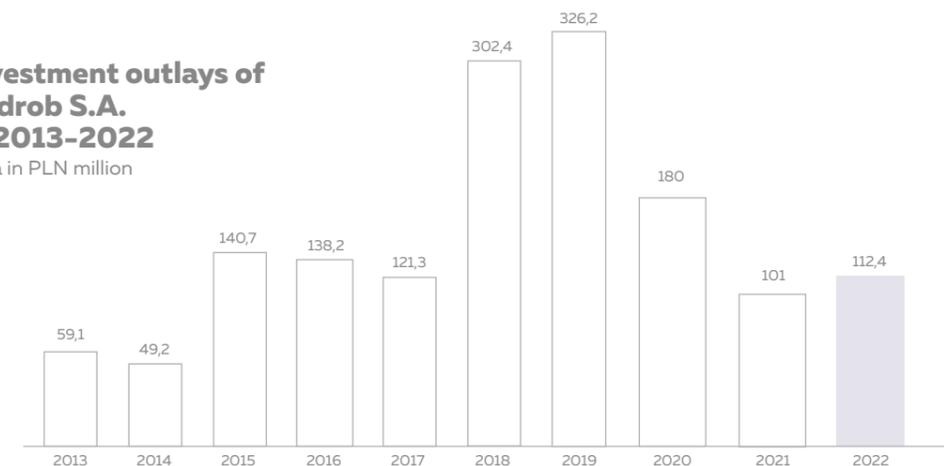
The reconstruction of broken supply chains after the lockdown period was disrupted in the poultry industry by extremely acute avian influenza. Despite this, the company maintained a high investment level related to maintaining quality and safety and continued its previously started projects. In 2021, it allocated PLN 101 million for investments, which was a continuation of the trend started in 2015, i.e. maintaining the level of investments above PLN 100 million. In 2022, it was PLN 112.4 million.



The funds assigned previously were mainly allocated for the completion of the construction of the second Feed Production Plant in Rypin. Thanks to the investment, the company's production capacity increased by 480,000 tons per year. The second feed production line in Ligota Dolna was launched, which means an increase in production by 10,000 tons per month. In the near future, a thorough modernization of the Production Plant in Ciechanów will be completed.

Investment outlays of Cedrob S.A. in 2013-2022

data in PLN million



GOBARTO S.A.

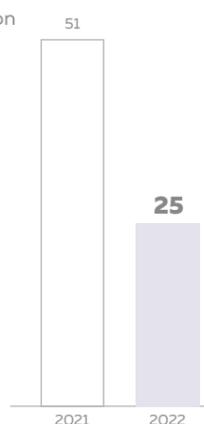
In 2021, the company allocated PLN 51 million for investments, most of which was used to increase the production capacity of the pig slaughterhouse in Grąbków.

In turn, the investments of the Gobarto Capital Group in 2022 included, among others, the construction of a biogas plant at the pig farm in Węgrzynów, the development of new renewable energy projects, the modernization of several company facilities and the purchase of technologically advanced agricultural equipment. Approximately PLN 25 million was spent on their implementation.



Investment expenditures of Gobarto S.A. for 2021-2022

data in PLN million



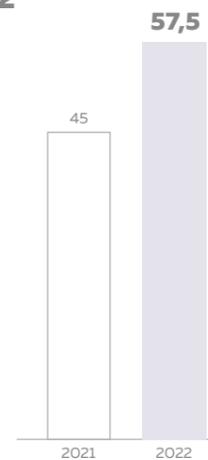
ZAKŁADY MIĘSNE SILESIA S.A.

In 2021, Zakłady Mięsne Silesia has allocated more than PLN 45 million for investments. Most of the amount was the purchase of fixed assets as part of the organized part of the Rubin enterprise and the purchase of real estate in Mokrsk.

The scale of investments in 2022 is PLN 57.5 million. The company implemented, among others, a project co-financed by the National Centre for Research and Development (NCBiR) at the plant in Pszczyna related to the purchase and assembly of a line for the production and freezing of ready meals. The planned effect is an increase in production from 200 tons to about 600 tons per month.

Investment expenditures of Zakłady Mięsne Silesia S.A. in 2021-2022

data in PLN million



Eksport

„In 2022, Polish farmers sold food worth 47.6 billion euros outside our country, which was an increase of over 26 percent compared to the previous year. For years, meat and its products have been a specialty of Polish agri-food exports.” – summary by Forum of the Polish Economy from March 2023

In 2022, the export of meat from Poland constituted about 20 percent of the total value of foreign sales of domestic agri-food products.

reached more than 70 global markets, including Germany, France, the Netherlands, Saudi Arabia, the United Kingdom, Hungary, Belgium, Greece, Egypt and Spain.

Not without significance is the strong position of our country as a producer and exporter on many animal production markets. For years, Poland has been the undisputed leader in the difficult poultry market. It was poultry meat that accounted for 44 percent of the value of meat exports from Poland. Last year, Polish breeders sold almost 4.4 billion euros worth of it.

The total **export of goose** carcass in 2022 was: **1.6 million kg**, including three main directions:

- Germany – approx. 1.3 million kg
- Hungary – approx. 180 thousand kg
- France – approx. 42 thousand kg

The second place was taken by meat preparations, the sales value of which fluctuated around 2.1 billion euros. Pork, despite the ASF epidemic that has been raging for years, has reached an export value of more than 812 million euros. And how did the results of the Cedrob Group stand against this background?

On the other hand, the **export of duck** carcass in 2022 amounted to approx. **7.7 million kg**, including three main directions:

- United Kingdom – approx. 1.9 million kg
- Germany – approx. 1.7 million kg
- Czech Republic – approx. 1.1 million kg

The European market share of the company's poultry meat production amounted to approx. 4 percent. The company is gradually strengthening its position also, among others, on Arab markets. Until recently, these countries imported poultry meat from Brazil, but thanks to the high-quality offer, Cedrob managed to permanently settle in this region.

EKSPORT CEDROB S.A.

The value of Cedrob S.A. exports in 2022 amounted to PLN 1.83 billion (with PLN 893 million in 2021 – an increase of over 105 percent) and accounted for 26.46 percent of the company's total sales in terms of volume. As in previous years, the vast majority of exports consisted of chicken meat. Broilers from Cedrob S.A. have



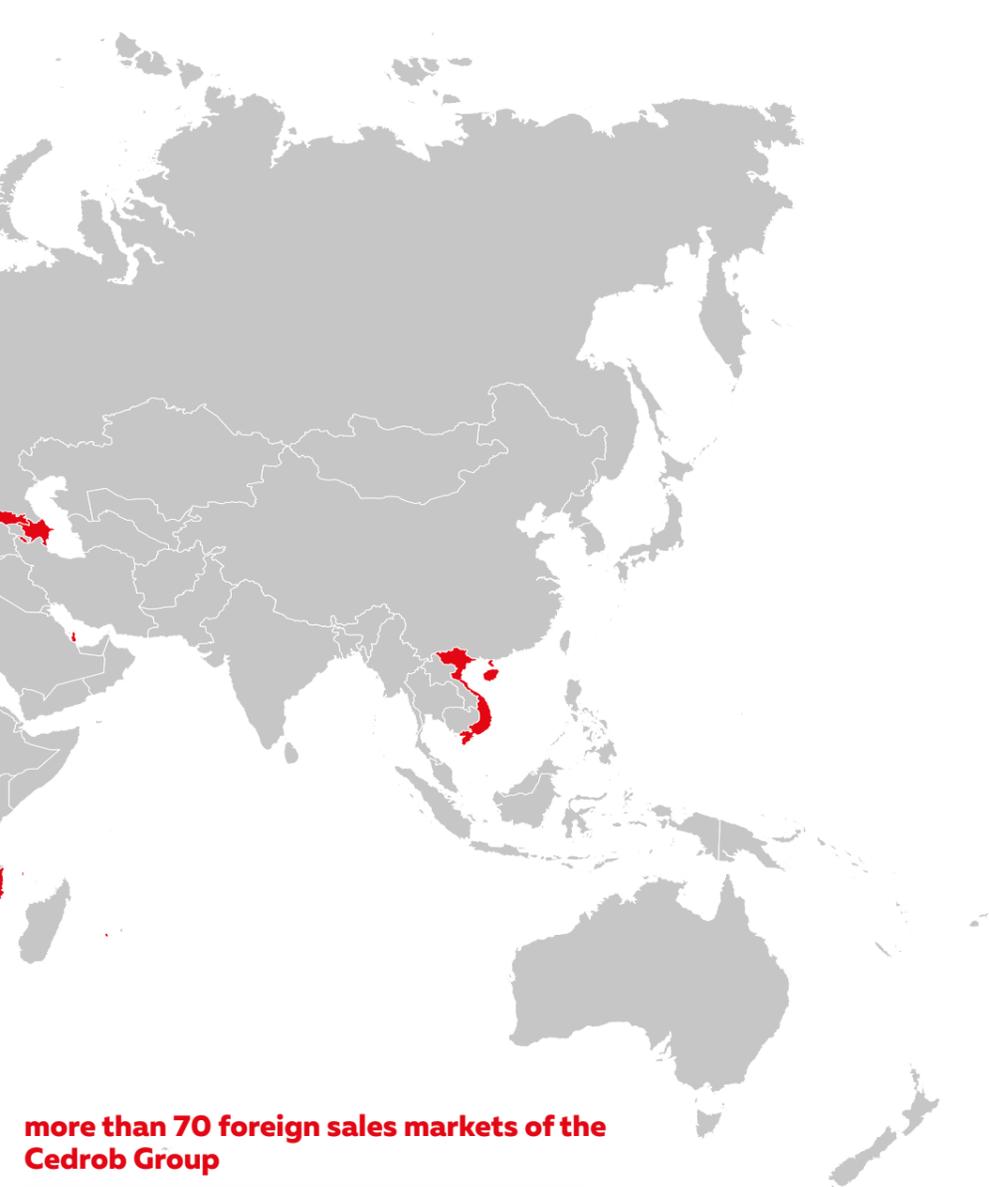
EKSPORT GOBARTO S.A.

The export revenues of Gobarto S.A. in 2022 were higher than in the previous year and amounted to PLN 268.29 million (at PLN 223 million in 2021 – an increase of about 20 percent). This is a success given the fact of the trade embargo with Russia and the weakening of Chinese demand for pork from the EU. Red meat from Gobarto is exported mainly to the EU market (90%), and to more than 30 countries in total.



REVENUE FROM EXPORT data in PLN

YEAR	CEDROB S.A.	GOBARTO S.A.	ZAKŁADY MIĘSNE SILESIA S.A.
2022	1.83 billion	268.29 million	43.5 million



more than 70 foreign sales markets of the Cedrob Group

CEDROB S.A.

Europe: Albania, Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, France, Greece, Georgia, Spain, Netherlands, Ireland, Kosovo, Lithuania, Latvia, North Macedonia, Malta, Moldova, Germany, Portugal, Slovakia, Romania, Ukraine, Hungary, United Kingdom, Canary Islands

Africa: Angola, Benin, Democratic Republic of the Congo, Gabon, Ghana, Gambia, Guinea, Guinea-Bissau, Equatorial Guinea, Cameroon, Comoros, Congo, Liberia, Mayotte, Mozambique, South Africa, Central African Republic, Sierra Leone, Togo, Ivory Coast, São Tomé and Príncipe,

Asia: Saudi Arabia, Bahrain, Egypt, Hong Kong, Qatar, Martinique, Réunion, Seychelles, Uzbekistan, Vietnam,

North and Central America: Guadeloupe

South America: French Guiana

GOBARTO S.A.

Europe: Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, France, Greece, Spain, Netherlands, Ireland, Lithuania, Latvia, Germany, Romania, Slovakia, Slovenia, Sweden, Hungary, United Kingdom, Italy

Asia: Hong Kong

Africa: Republic of the Congo, Ivory Coast

ZAKŁADY MIĘSNE SILESIA S.A.

Europe: Belgium, Czech Republic, Estonia, Greece, Lithuania, Latvia, Romania, Slovakia, Sweden, Karina, Hungary, United Kingdom

ZAKŁADY MIĘSNE SILESIA S.A. EXPORT

Zakłady Mięsne Silesia is gradually developing sales on foreign markets. In 2022, it reached PLN 43.5 million (with PLN 36 million in the previous year, a 19 percent year-on-year increase). The most popular product category were dry sausages, sausages, meat, sausages, luncheon meat, meat blocks and ready meals. The category that grew the most were dry products.

Thanks to its wide assortment, the company sees its opportunities in very diverse markets. African countries open up great opportunities for the manufacturer to sell frozen sausages. In the Arab and Middle East markets, there is an interest in ready-made halal and kosher dishes.

The company also sells on markets where there is a large Polish community, such as in the United Kingdom, Germany or the Benelux countries, as well as in Greece, where the sales potential results from the tradition of poultry convenience consumption. France is also an interesting market, due to the high popularity of convenience products.

Products that have a chance to become a showcase of Polish cold meats on foreign markets are certainly „dry” assortments represented by kabanosy (both alginate technology and natural intestine) and thick sausages (krakowska and żywiecka). An additional advantage of this product category is the relatively long shelf life.



READY-COOKED MEALS...

Ready meals made from the highest quality poultry meat with the addition of vegetables, cheese and aromatic spices are a full-fledged dinner, ready to be heated in the oven, in a pan or in the microwave.





Jedz dobrze.
Kurna Półka!
Doskonały polski kurczak.

02/

Food

Over 30 years of experience in the meat industry have allowed us to create a closed production cycle, according to the "from seed to the table" principle. Thanks to this, the Group controls every stage of the production process and allows to provide consumers with the highest quality products.



Favorite flavor is our passion



Krzysztof Pniewski
President of the Management
Board of ZM Silesia S.A.

LADIES AND GENTLEMEN,

Zakłady Mięsne Silesia S. A. is one of the largest investments of the Cedrob Group, an investment in the FMCG consumer products segment, which closes the Group's full control over the entire food production value chain from field to fork.

The company, in cooperation with other companies of the Cedrob Group, offers the highest quality of healthy and natural cold cuts, ready meals and dog food, derived from meat that is produced on Polish, own or family farms, meeting the highest world standards, based on ingredients from own feed factories or agricultural produce. The high quality and repeatability of white meat from Cedrob S. A. and pork from Gobarto S. A., which we use for our products, has become legendary not only on the Polish market but also in Europe and the world. This translates directly into the exceptional quality and taste of our products, which are made according to BRC, IFS Food and Halal standards.

Our greatest assets are our consumers, our customers and our employees, linked by a unique relationship through the taste and quality of our products, the quality and efficiency of our services and the great passion of the organisation for innovation and continuous improvement. For 30 years, our team at five sites has been creating products based on unique, traditional recipes that

have found a permanent place on the tables and hearts of almost 10 million of our consumers. Most of them are sold under well-known and popular brands "Duda" and "Cedrob" as well as under the brands of our long-standing wholesale and retail partners throughout Poland and abroad. We are present in all sales channels throughout Poland and in 2022 we delivered almost 75 million kilograms of our products to Polish tables. We are systematically expanding our offer of healthy and natural products, especially products made from dietary and healthy poultry meat.

We are one of the fastest growing meat processing companies. Compared to 2019, we have increased the value of sales by 100% and the volume of sales by more than 60%. In 2022, we exceeded the value of PLN 1 billion in revenues. In the coming years, we intend to strengthen the position of one of the leading meat processors in Poland, including by investing in management efficiency, technological and product innovations addressing important consumer trends, such as healthy food, functional food and the growing segment of ready meals.

Have a good time
Respectfully:



Promoting a healthy diet and proper nutrition is one of the pillars of the European Green Deal strategy implemented by the European Union. These objectives are in line with the philosophy of the Cedrob Group.

Poultry meat, of which Cedrob Group is the largest Polish producer, contains a lot of protein with low fat and cholesterol content. The use of fatty acids in the diet prevents and treats cardiovascular diseases, including mainly coronary artery disease, stroke, hypertension and cardiac arrhythmia.

Pork is very popular in Poland. It is a source of nine important nutrients: zinc, phosphorus, selenium, potassium, niacin, thiamine, riboflavin and vitamins B6 and B12. The pork produced today is 16% leaner and contains 27% less saturated fatty acids than 20 years ago.



The Cedrob Group provides consumers with healthy and highly nutritious products. It supports a sustainable and well-balanced diet, in which, in addition to meat products, fruits, vegetables, and carbohydrates are found.



From seed to the table

Global crises such as the Coronavirus pandemic, droughts and wars prove even more clearly how important sustainable food production is in stabilizing global development. Resource efficiency, as well as care for the environment and the local community play a key role in its production.

The Cedrob Group focuses on the use of modern technologies that increase production efficiency. Thanks to them, we significantly reduce greenhouse gas emissions, water, electricity or feed consumption per kilogram of product.

What's more, since the beginning of its activity, the Cedrob Group has been distinguished by a complete production chain, in which we care about the quality and safety of food at every stage, i.e. from seed to the table from seed to the table. This provides not only a competitive advantage, but also independence from external supply and price fluctuations.

It all starts with good grain. In 2022, Cedrob Pasze purchased more than 1 million tons of grain, mostly wheat and maize. The majority came from about 9,000 Polish farms. Importantly, farmers sign contractual agreements with the Cedrob Group, thanks to which they have a guarantee of the price and sale of the grain. This stabilizes the financial situation of many domestic grain producers. Every year, the group of partners who decide to establish cooperation with Cedrob Pasze increases by approx. 1000 entities. Cedrob Pasze bases cooperation with suppliers on trust and fair conditions. Farmers receive a 14-day payment guarantee and the opportunity to take advantage of free transport throughout the country.

The grain is then sent to feed production plants, which are located in such a way as to minimize the distance to nearby farms and breeding farms. This allows to reduce transport, and thus, among others, CO2 emissions. Furthermore, the company invests in rail transport and modernization of the car fleet. What's more, in order to shorten the distances between farms and feed production plants, the company is constantly expanding the network of external warehouses located in small towns. This allows smaller farmers to transport even relatively minimal amounts of agricultural products on their own.

Grains are processed in five feed production plants: in Gumowo, Raciąż, two in Rypin, and in Ligota Dolna. They provide feed mixtures intended for chickens, hens – re-production flocks of meat and laying hens, as well as commodity chickens, ducks, geese and pigs. On sale are both granulated and crushed feeds, better assimilated by animals.

In 2022, the Cedrob Group sold a total of over 1.4 million tons of feed, which gave it about 15% share in the Polish industrial feed market. In 2022, sales of feed for poultry and pigs increased by about 200,000 tons. An important stage of the "from seed to the table" cycle are slaughterhouses and processing plants, which are among the most modern facilities of this type in Poland.



Thanks to innovative wastewater treatment plants and water recycling plants, they have a minimal impact on the environment and the environment. In order to further increase environmental protection, the Cedrob Group has implemented BAT conclusions (Best Available Techniques). At the largest facilities, it is developing a network of agricultural biogas plants. In turn, the Gobarto Capital Group planned that the annual volume of energy generated from biogas in the following years would not be lower than the total energy currently consumed for the needs of Gobarto. The idea is to process animal by-products with the recovery of gaseous fuel converted into useful electricity and heat.

In 2019, the Feed Raw Materials Plant was established, which processes slaughter by-products, slaughterhouse waste, which can be a great source of valuable components in animal feed, but is also used, for example, for medical devices or cosmetics.

Thanks to this, the Cedrob Group fits into the assumptions of a circular economy, limiting the waste of raw materials.

All stages of production are subject to constant veterinary inspection and the plants comply with strict hygiene and sanitary requirements in force in the European Union. Thanks to this, domestic and foreign gourmets can be sure that the meat is healthy and produced in a sustainable, environmentally safe way.

Thanks to the continuous expansion of the distribution network by including new wholesalers, company stores, supermarkets and grocery retailers, the Group's products reach the tables of consumers at home and abroad. What is worth emphasizing, Gobarto S.A. has its own distribution centers and cross-dock points, which cooperate with over 160 external recipients.

Breeding and animal welfare

World meat production is constantly growing. It is estimated to increase to 366 million tons per year by 2029. This trend is also noticeable in Poland, which in recent years has become one of the largest meat producers in Europe.



croclimate and light conditions. Also included in the concept of welfare are conditions of animal transportation and humane slaughter.

All livestock facilities dealing with reproduction and fattening of animals in the Cedrob Group operate according to the principles of Good Manufacturing Practice (GMP) and Good Husbandry Practices (GHP). In addition, the Group implements advanced welfare programs. Thanks to the Department of Veterinary Services, constant supervision over the health of the herd is exercised seven days a week, 24 hours a day. The company constantly monitors biosecurity procedures and introduces new elements that increase the protection of livestock facilities against pathogenic agents.

Today, Poland ranks 1st in the EU in poultry production (2nd in terms of export volume in the Union, and 4th globally) and 4th and 7th in terms of pork and beef production on the Old Continent, respectively. In the last two decades, the production of these three basic types of livestock in Poland has increased by as much as 75 percent.

One of the key issues in modern animal breeding is to ensure the best possible welfare. It defines the optimal conditions for keeping animals that affect their health. Such a system of husbandry meets the basic needs of the to water, the necessary living space, the provision of companionship with other animals, medical treatment, hygienic maintenance, housing mi-

The Department of Veterinary Services provides assistance to all Cedrob Group farms. The scope of the clinic's activities includes servicing breeder flocks of reproductive hens, flocks of broiler chickens, ducks and geese, as well as embryonic pig farms and fattening facilities.

The employees of the Department also supervise the hatcheries of chicks belonging to Cedrob S.A., performing preventive vaccinations of chicks and taking care of their welfare. The Department of Veterinary Services offers not only the treatment of poultry diseases. It also focuses on advice on zootechnical issues and prevention of supervised flocks. It also develops competences and implements the best global breeding solutions.

REPRODUCTIVE FARMS

The shareholders of the Cedrob Group include 45 reproductive farms, i.e. facilities from which high-class eggs are obtained. This is a guarantee of chain safety from seed to the table.

Own breeding flocks of Ross 308 chicks guarantee safe and successful production. Breeders have more control over the quality of the chicks they receive in the further fattening process. In all facilities owned by the shareholders of Cedrob S.A., joint zootechnical and veterinary prevention is carried out. The welfare and health of birds are supervised by specialists from



the Department of Veterinary Services, operating in the company's structures since 2018.

One vaccination program is used in breeding flocks, which guarantees equal quality of chicks placed on farms for fattening.

Breeding facilities are equipped with the latest technological solutions, including a grate system and automatic nests, which makes it possible to obtain hatching eggs of very high quality.

HATCHERIES

Hatcheries are one of the key components of slaughter poultry production. The health of chicks depends on the success of fattening.

Cedrob has one of the most modern poultry hatcheries in Poland. The Group's goal is to cover 100% of the demand for chicks thanks to its own hatcheries. This is another very important element of the from seed to the table strategy, thanks to which the Group ensures the safety of breeding. The technologies used allow to achieve an average of 84 percent of hatching.

The company acquires chickens in three of its own facilities: in Pawłowo, Skarżynek and Kossobudy. In 2022, 273 million chickens were hatched in three locations. The group also produces duck and goose chicks. They are hatched in five locations: Mława, Gostynin, Tulce, Nowy Tomyśl and Gniezno. In 2022, 5.6 million duck chicks and 764,000 goose chicks were produced.



Chick hatchery in Skarżynek, with a production capacity of 181 million hatching eggs per year.



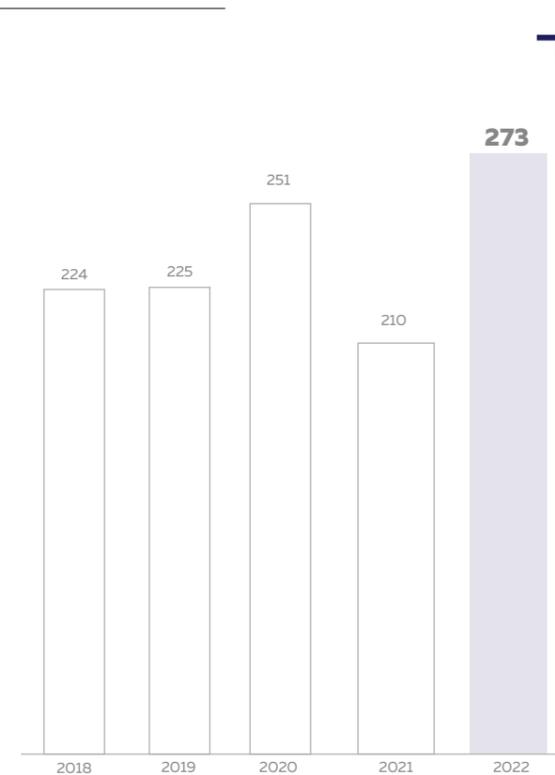
531 million
total egg laying capacity of
broiler chicken in three plants
per year

Having its own hatcheries also affects the competitive position of the Cedrob Group. The cost of chicks in the overall structure of broiler production costs in the European Union ranges from 14-17 percent. Estimates of the European Union indicate that in the case of Poland, the cost of chicks has accounted for about 15 percent of the total cost of poultry farming in recent years.

The current production technology in chick hatcheries is based on the latest technical solutions, and the work is fully automated. This allows us to increase the effectiveness of hatching and to achieve the highest welfare and sanitary standards.



Scale of broiler chicken chicks hatched
data in million pieces



POULTRY FARMS

A stable raw material base is the basis for the development of poultry companies. The appropriate scale, efficiency and quality make Polish poultry farmers the leaders in Europe. The Cedrob Group farms are among the most modern facilities in Poland.

Fattening farms are another important element of the “from seed to the table” cycle, guaranteeing safety and efficiency. Currently, there are over 75 of them in the Cedrob Group, with a total area of about 1.5 million sqm. Approximately 206 million broiler chickens were produced in 2022. In addition, the company cooperates with about 90 producers of broilers. In 2022, they bred 36 million units of poultry. In total, compared to 2020, poultry production in Cedrob S.A. increased by 29 percent.

The basis for raising chickens is to maintain appropriate air humidity and temperature, as well as proper nutrition. Concern for these parameters, strict biosecurity rules and constant veterinary care ensure that animals are kept in good condition. Each facility provides chickens with a microclimate that meets all their natural needs. It is maintained thanks to computer-controlled systems. To improve animal welfare, the company also implemented mechanical loading of chickens transported to the slaughterhouse.

An equally important issue as the technical parameters of the facilities is their qualified service. Training, precise biosecurity procedures and regulations—in accordance with the highest standards of the European Union—make all farm employees an experienced team of specialists.



HOW TO ACHIEVE THE HIGHEST WELL-BEING?

According to Philip A. Stayer, a veterinarian working for Sanderson Farms, in order to achieve the highest welfare, poultry should be provided with five main elements: protection against predators, the right temperature in the room, water and balanced food, and herd life. Based on Maslow's pyramid, he created its equivalent for poultry.

Jacek Szerszeń
Director of Cedrob S.A. Poultry Contracts Department

Animal welfare is one of the key elements that we follow in poultry farming. Providing animals with optimal breeding conditions improves the condition of animals, and thus reduces the number of falls

At Cedrob Group, we are constantly looking for new solutions and technologies to improve the health of chickens, while reducing the adverse impact of farming on the environment.

Source: <https://poultryhealthtoday.com/maslows-pyramid-self-actualization-for-chickens/>

PIG FARMS

Pig breeding is accompanied by many challenges. African Swine Fever, fragmentation of farms, low profitability, is a catalog of problems that the entire sector has to face.

Maintaining the highest sanitary standards is one of the top priorities of the Gobarto Group. Caring for the environment and the surroundings of livestock facilities is equally important. By following these rules, Gobarto achieves high herd health and good production results. The company strives to minimize the impact on the local nature and the environment, which is realized by employing, among others, modern building structures or biogas plants.

Breeding farms are a key element of pork production. The condition of piglets depends on the later state of animal health and production results of breeders.

In 2022, Gobarto owned about 15,000 sows, which gave birth to a total of over 429,000 piglets. These animals, after the so-called weaning, are sent to a weaner facility and then transported to fattening farms. In 2022, the Group bred approx. 445,000 fattening pigs. As part of pig farming, the company implements a unique Gobarto 500 program – based on partnership cooperation between the company and the farmer.

Pig farming, especially large livestock facilities, according to Tomasz Schwarz, Ph.D. at the University of Agriculture in Kraków, can achieve higher efficiency, which directly translates into environmental benefits.

The current average breeding efficiency is 2, i.e. we can breed two fattening pigs from each headage. According to the scientist, if the productivity rate could be raised to 2.49, it would allow as many as 27 million pigs to be bred with the same value of the national population of approx. 11 million.

However, if one would want to maintain the current scale of production, the above-mentioned increase in efficiency would allow to reduce the headage by 2 million. And that would mean reducing ammonia emissions by more than 14,000 tons and hydrogen sulfide by more than 430 tons per year.

Applying this assumption, with an increase in the global headage rate, global ammonia emissions would be reduced by 1.3 million tons and hydrogen sulfide by 40,000 tons.



According to the National Pork Board, today's pig farming is much more environmentally friendly than it was 60 years ago.

Thanks to the improved efficiency, 1000 kg of pork can be obtained from 11 pigs, while in 1959, nearly 18 pigs were needed to obtain such an amount of meat

Source: Alan Stokes, National Pork Board, www.pork.org



Jacek Jagiełłowicz
Vice President of the Management Board,
Agro Gobarto

Environmental issues and concern for the local community are now as important as the welfare of pigs. We use the best technologies available in pig breeding. We use modern construction solutions in buildings.

We are constantly working to optimize nutrition in order to achieve the best compromise between meeting the production needs of animals and reducing unwanted gas emissions.

We are also working intensively to improve well-being. We apply the principle of sustainable development policy, which assumes a conscious and properly shaped relationship between care for the environment, well-being and the implementation of the production and economic goal.



Meat and balanced diet

According to the estimated data of the Institute of Agricultural and Food Economics (IERiGŻ), total consumption of meat in 2022 in Poland decreased to 73.5 kg per capita compared to 76.5 kg per person in 2021, i.e. by 4 percent on an annual basis.

As the main reason for this, IERiGŻ cites the increase in inflation. To the greatest extent, this decrease concerned pork, the consumption of which decreased by 2 kg per person per year to 39 kg per capita. Poultry consumption also decreased by 0.5 kg per person to 28 kg per capita. Beef consumption in Poland has remained low for many years and in 2022 it still slightly decreased from 2.5 kg per person to 2.4 kg. However, the average meat consumption in Poland is still higher than in the European Union and amounts to 68 kg per person.

It is worth emphasizing that a balanced diet containing meat, including red meat, helps in maintaining health. The advantage of meat is its high nutritional value. By eating a specific

amount of meat we provide the body with much more valuable proteins, fats, carbohydrates and vitamins than by consuming alternative plant products.

Meat is a valuable source of minerals. Some of them, such as protein, iron or zinc, are much better absorbed than those derived from plant protein. Others, such as vitamin B12, which is extremely important for the development and functioning of the nervous system, naturally occurs only in proteins of animal origin. Meat is especially needed in the diet of children and adolescents, as it supports the proper development of bones, muscles and the nervous system.



This year's Nature Medicine study refutes claims of an allegedly higher risk of carcinogenicity of red meat, in particular pork. The same applies to type 2 diabetes and ischemic heart disease. The researchers point out that only improper preparation of pork products can be unhealthy.

In 2020, the „Annals of Internal Medicine” published the results of studies carried out by an international research team led by Mi Ah Han from Chosun University in South Korea, which consisted of the so-called meta-analysis of cohort studies. They included over 6 million participants. The effect of red meat on cancer incidence (esophagus, stomach, colon, pancreas, breast,

or prostate) and mortality was analyzed. These studies did not confirm the alleged harmfulness of red meat. In turn, studies of prestigious and opinion-forming „Nutrients” and „Journal of Affective Disorder” prove that vegetarians are twice as likely to suffer from depression as meat consumers, and vegans up to five times more often.

NUTRITIONAL VALUE IN 100G OF PRODUCT					
	GOOSE CARCASE	DUCK CARCASE	CHICKEN CARCASE	PORK RAW HAM	VENISON DEER
CALORIES	339 kcal	308 kcal	158 kcal	261 kcal	ok. 114 kcal
PROTEIN	14,1 g	13,5 g	18,6 g	18,0 g	ok. 22,3 g
FATS	31,8 g	28,6 g	9,3 g	21,3 g	ok. 2,1 g
IRON	2,4 mg	2,1 mg	1,2 mg	0,9 mg	3,1 mg
VITAMIN B12	0,3 g/100 g	0,3 g/100 g	0,3 g/100 g	0,7 g/100 g	1,8 g/100 g
VITAMIN B2 RIBOFLAVIN	0,03 mg	0,22 mg	0,18 mg	0,24 mg	0,68 mg
VITAMIN B1	0,12 mg	0,18 mg	0,09 mg	0,72 mg	0,68 mg
VITAMIN B3 NIACIN	6,40 mg	3,45 mg	6,84 mg	5,35 mg	0,07 mg

Based on, among others:
prof. Hanna Kunachowicz, „Wartość odżywcza wybranych produktów spożywczych i typowych potraw”
oraz dr Janusz Kilar, „Dziczyna. Co o niej wiemy i czy ją jedzą mieszkańcy Podkarpacia”



The Cedrob Group is the largest Polish and one of the largest European producers of poultry meat. **Cedrob's share in poultry meat production in Poland is about 18%.** It produces over 441,000 tons of meat from chickens and nearly 101,000 kg of pork, as well as 75,000 tons of cold meats and other meat products. The production of waterfowl meat amounts to a total of 25,800 tons (6.5 - goose, 19.3 - duck).

CHICKEN

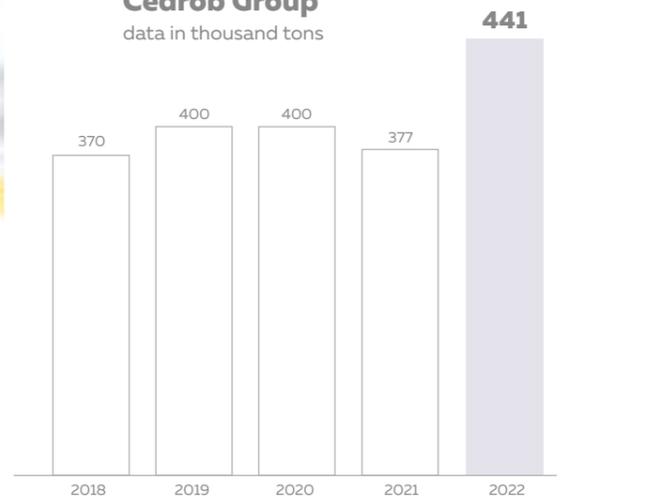


The high popularity of chicken meat among Polish consumers is ensured by its nutritional values, taste, easy processing and richness of culinary uses, led by the recipes of traditional cuisine.

Chicken meat is a source of wholesome protein, unsaturated fatty acids, vitamins A, D, E and vitamins from group B, as well as macro- and micro-elements. The low fat content and balanced calorie content makes chicken meat a valuable component of the diet for both children and the elderly, as well as for athletes. Chicken breast contains as much potassium as a glass of orange juice, and as much protein as 10 heads of broccoli. Consumption of poultry is particularly recommended, among others, in cardiovascular diseases, including mainly coronary artery disease, stroke, hypertension and cardiac arrhythmia.

Chicken meat is a popular and valued food product that has many health benefits. Depending on the

The scale of chicken meat production in the Cedrob Group
data in thousand tons



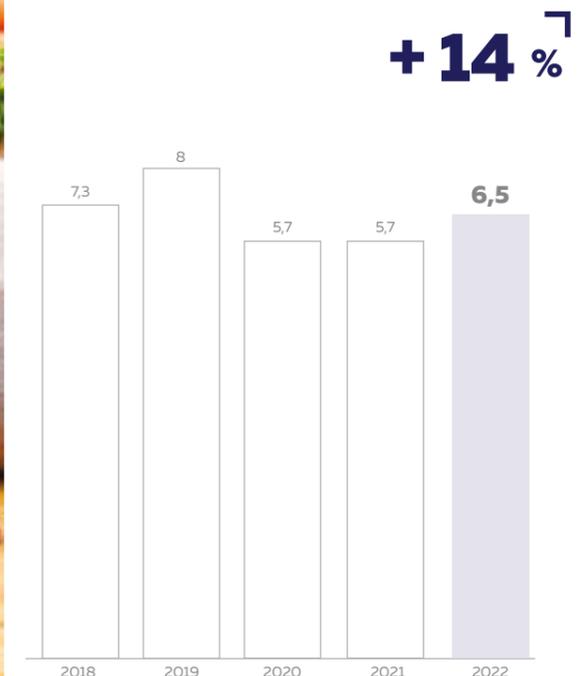
part of the chicken, its nutritional composition may vary. Dark meat, such as from the thigh, is richer in iron and zinc than white meat, such as fillet. White meat, on the other hand, is richer in protein. To preserve the nutritional value of chicken meat, it is best to steam, bake or grill it. Pan-frying or deep-frying increases fat content and calorific value

Chicken meat and carcasses are sold under the Cedrob Farmers brand name. On the Arab market, however, it operates under the MENA brand, along with the Halal certificate.

GOOSE



Goose meat production scale
data in thousand tons



Poland is the largest producer of geese in Europe. Goose meat is becoming more and more popular on the tables every year. About 80 percent of goose meat goes to foreign markets, primarily to Germany.

One of the reasons for the rise in popularity of goose meat is the disproving of the myth regarding the difficulty and time-consuming nature of its preparation. Goose meat is characterized by a high content of protein and minerals, as well as vitamins A, E, and B. The Cedrob Group is the main Polish producer and exporter of this type of meat. In 2022, it deli-

vered 1.3 million units to the market (1.2 million in 2021). The slaughter of geese in the Cedrob Group is handled by the Poultry Plant and the Duck Goose Poland Aquatic Poultry Slaughterhouse in Kutno.

Goose meat is sold under the Kraina Kraka and Krakauerland brands.

The Cedrob Group's goose offer s tailored to the needs of domestic and foreign customers. It includes a wide range of fresh and frozen meat, in various forms of packaging.

DUCK

Duck is one of the noblest types of meat. Its consumption, compared to other meats, is fairly low. However, when it appears on our tables, it is in the role of an impressive and exquisite main course. It features in Polish culinary tradition since the 17th century.

Duck meat is a source of vitamins from groups A, B, D, E. It also contains large amounts of unsaturated fatty acids and micronutrients such as potassium, phosphorus, iron and magnesium.

In 2022, the Cedrob Group slaughtered 7.7 million units (5.2 million pieces in the previous year), which allowed to produce 19.3 thousand tons of duck meat. In the next few years, the company plans to significantly increase the production of this type of meat. The Cedrob Group is intensively developing the production of ducks, which is why it has thoroughly modernized the slaughterhouse purchased from Exdrob in Kutno, which deals with the production of duck and goose meat.

The duck meat offered by the Cedrob Group is sold under the Kraina Kraka and KrakauerLand brands



Marek Brycki
Director of Duck Goose Poland
Cedrob S.A.

The dynamic growth of duck meat production in the Kutno facility is based on cooperation with the best Polish breeders who meet the highest breeding standards and whose farms are subject to constant veterinary inspection. Properly balanced feed from modern Cedrob Pasze plants, high quality ducklings and optimal breeding conditions obtained in modern, professional duck rooms, allow for full control of production at all stages and, consequently, the production of the highest quality duck meat.



Duck meat contains vitamin A and B. It is also rich in minerals such as magnesium, phosphorus and iron.

PORK



Today's pork is 16% leaner and has 27% less saturated fat compared to 20 years ago.



Pork is the most popular meat consumed in Poland. It is the basis of many traditional dishes and a valuable source of protein.

acid. In turn, the WHO data say that today's pork is 16 percent leaner and contains 27 percent less saturated fat compared to 20 years ago.

According to Prof. Wieslaw Przybylski of the Institute of Human Nutrition Sciences at the Warsaw University of Life Sciences (SGGW), pork contains 30 percent less fat than that produced in the 1980s, thanks to changes that have taken place during decades of improvement in pig breeding. It is less calorific and has a high nutritional value. It contains a lot of high-value protein. It can be a source of iron, zinc, selenium and vitamins A and B, as well as folic

Pork production in the Cedrob Group is handled by Gobarto S.A. In 2022, the slaughter of fattening pigs amounted to 924,000 units, which is 101,033 thousand kg of pork. The main production facility of Gobarto S.A. is located in Grąbków, Greater Poland Region.

Pork is produced under the Gobarto brand.

VENISON

Venison is one of the least caloric meats. The fat content of venison is only 3 g per 100 g of raw product. Compared to other meats, it also contains relatively little cholesterol.

The average energy value of venison is about 120 kcal per 100 g of meat. It contains a high amount of protein, which is a source of important amino acids. In addition, meat of this type is a rich source of minerals important for humans, primarily iron (as indicated by its intense red color), selenium, phosphorus and calcium. Their amount in game is higher than in other meat species.

Within the Cedrob Group, Gobarto Dzikyczna is responsible for the production of venison meat. It is a company specializing in the purchase and processing of wild game: deer, wild boar, roe deer, fallow deer.

Gobarto started its venison business in 2006. Currently, its share in the Polish venison market is about 20 percent. Meanwhile, the consumption of wild meat in Poland is still low compared to other meat types. However, this situation can be changed by an increasing number of points of sale and educational campaigns.

The main production plant of Gobarto Dzikyczna is located in Karolinki, in the Greater Poland Region.



Venison is low in calories. It is characterized by a low fat content and is a rich source of protein and B vitamins.

PRODUCTION OF CURED MEAT AND MEAT PRODUCTS

A statistical Pole eats about 20 kg of various types of sausages every year. Most often, we choose pork ham. However, the poultry version is becoming more and more popular every year.

Among the meats liked by Poles, thin sausages named "kabanosy", sold as quick snacks, remain a rapidly growing category. Their advantage is the high content of meat, presenting a good source of nutrition despite the small portion. More than 160 g of meat is used to produce 100 g of some types of kabanosy. The advantage of kabanosy is their easy storage. They can be kept outside the refrigerator for a long time without fear of spoilage or loss of taste.

The Cedrob Group is an integrated food producer. In addition to breeding and producing meat, it also produces high-quality cured meat, which is another element of the „from seed to the table” strategy.

Within the Cedrob Group, the production of cured meat is carried out by Zakłady Mięsne Silesia (with plants in Sosnowiec, Pszczyna, Goczałkowice, Ćwiklice and Mokrsko). In 2022, they delivered nearly 75,000 tons of cured meat to the market. The production process is supervised by a team of the best technologists and experts in the field of production

ZM Silesia deals with the production of:

- o cured meat
- o ready meals
- o pet food

Zakłady Mięsne Silesia S. A. offers its customers a wide range of products to satisfy various tastes and meet the varied needs. The offer includes both traditional cold cuts and modern proposals, as well as ready-made food.

Sausages are made from high-quality pork and poultry meat that undergoes various treatments, such as smoking, steaming, drying and roasting. Thanks to this, they are distinguished by a distinctive taste and aroma. They come in different forms, such as: hams, loaves, sausages, tenderloins, and pates.



75,000 tons of cured meat were produced in 2022 in Zakłady Mięsne Silesia S.A.

A promising and growing segment in the Company's portfolio are ready-made meals. They are a convenient and delicious solution for individuals seeking to quickly and comfortably prepare their lunch or dinner. The development of the ready-meals industry stems from various factors, including a rise in the number of working professionals and an increase in nutritional awareness. This category is expected to gain even more popularity in the future. The „Ready from the Shelf” brand offers a range of options, such as traditional dishes like minced cutlets, rumsticks from chopped chicken meat, medallions with various stuffings, as well as crispy nuggets for the little ones.

ZM Silesia S. A. technologists are always developing formulations that meet consumers' needs and expectations. This information guides the creation of new products and the enhancement of existing ones, ensuring the Company's product line stays current and responsive to market trends.

We sell our processed products under the following brands:



A well-known brand of Polish poultry cold meat. Aromatic hams and tenderloins are appreciated by a wide range of consumers.



A line of premium products made from poultry meat. It is distinguished by its simple composition. The products contain only chicken meat, without unnecessary additives. The meat is seasoned with curing salt.



Ready-made dishes made of poultry meat with vegetables, cheese and aromatic spices are a full-fledged dinner, ready to be heated in the oven, in a frying pan or in a microwave oven. We offer, among others, drumsticks, chops and a wide selection of poultry medallions with various additives as well as nuggets.



It is a line of popular, tasty Polish cured meats. Observing market trends and searching for new, unusual flavors results in the production of cured meats that are becoming increasingly popular among consumers.



The Premium Duda Nasze Polskie product line was created out of love for Polishness and what is ours, native. These products are for people looking for unique flavors, high quality and convenient forms of packaging. The line includes sliced products and kabanosy.



These are high-quality food for dogs and cats. The secret of the brand's success is the recipe of products tailored to the needs of our four-legged friends and the freshness of the ingredients on the basis of which the food is created.



Our pets are characterized by a huge variety of physique, size and health predispositions. With a view to their good diet, we have prepared our food. Found under this name are products such as natural dried chews, including pig's ear and chicken feet.

ZM Silesia has a very extensive and diverse product offer.

Quality and food safety

Caring about the high quality of products is one of the key values that the Cedrob Group is guided by in its activities. Quality is controlled and verified at every stage of the „from seed to the table” cycle. Thanks to this, the company's products are characterized by the highest global standards.

The Group has obtained the most important international certificates, such as the BRC standard (international food safety standard) – production plants in Ujazdówek, Grąbków, Sosnowiec and Ciechanów operate under its requirements.

The requirements of the IFS standard have also been implemented, the aim of which is to minimize the risk of food safety hazards – it is held by the plant in Niepołomice and Kutno.

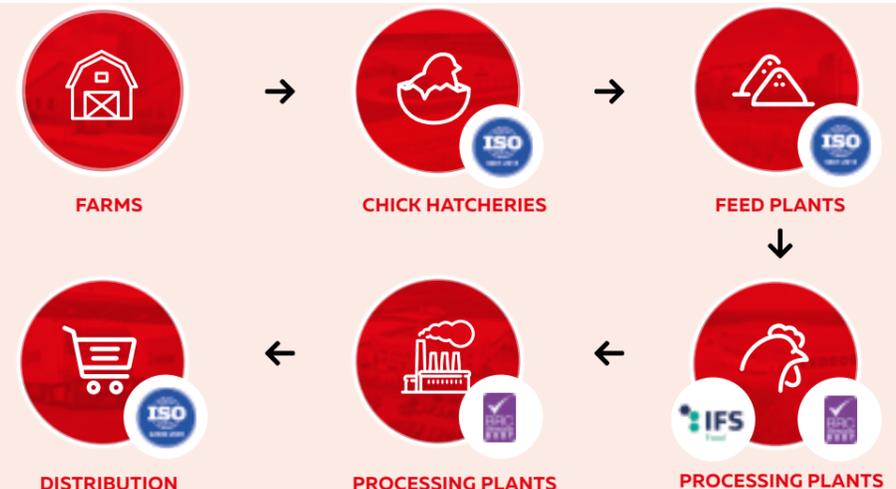
The ISO 9001:2015 quality management system has been introduced in feed production plants and chick hatcheries. The food quality and safety ma-

agement system at Gobarto Distribution Centres is based on the requirements of ISO 22000:2005.

The Cedrob Group complies with all quality standards in force in the countries to which it exports its products. Thanks to the implementation of the latest technologies and strict security requirements, the Group can compete with the largest global brands and conquer new markets. All these elements, as well as many other investments of the Group, mean that Cedrob products achieve a lower carbon footprint than the market average. Thanks to modern technologies and improved efficiency, the company constantly reduces the environmental impact per kilogram of product.

THE CEDROB GROUP FOOD SAFETY SYSTEM

Thanks to the implementation of the latest technologies and strict security requirements, the Group can compete with the largest global companies and conquer new markets.



Marietta Stefaniak
Vice President of the Management Board at Zakłady Mięsne Silesia S.A.

Our goal is not only to provide the highest quality products, but also to implement innovations that increase food safety. We launch packaging with an antibacterial coating as the first Polish producer of cured meat and one of the first in Europe. The silver ions it contains are 99.9% effective in protecting against bacteria and viruses

Reducing food waste

The Cedrob Group continuously improves its internal processes to minimize the risk of food waste in the process of production and processing.

Every year, 1.3 billion tons of food are wasted in the world, i.e. about 30% of production. Meanwhile, as many as 2.5 billion people could be fed with this food for a year, or over 60 years, if we accounted just for the inhabitants of Poland.

From the consumer's perspective, waste is associated with throwing unconsumed food into the garbage. However, this is only a small part of the problem. Food is wasted at virtually all stages of its production, from the farm where it is produced, through processing, transport, storage and distribution.



For meat producers, maintaining animal welfare is a particularly important issue. The appearance of, for example, a disease in a flock of poultry or pigs makes such meat unfit for consumption and it must be disposed of. Particularly stringent regulations in this area apply in developed countries, including the European Union. In the case of processors, food is wasted, e.g. as a result of errors in the processing or packaging process.

HOW MUCH DOES FOOD WASTE COST THE WORLD ANNUALLY?



Food waste in the world corresponds to annual emissions of 3.3 billion tons of carbon dioxide.

In Poland, as estimated by the Food Banks, we waste **about 4.8 million tons of food every year. 15 percent of products are wasted at the stage of agricultural production, the same in processing.** Less than 1 percent is destroyed during transport and storage, in trade it is about 7 percent, and in catering a little over 1 percent.

The most, as much as **60% of food, or almost 3 million tons**, is food discarded in households.

Źródło: FAO, obliczenia własne

Breeding safety is regulated in all production farms under the control of the Group through the application and enforcement of strict standards, procedures and instructions. The production process in processing plants is closely supervised, starting with the slaughter of animals and ending with the packaging and labeling of finished products.

In addition, the company cooperates with Food Banks, school canteens and hospital canteens, thanks to which unsold full-value products with a short expiry date can reach those in need. In 2022 alone, the company handed over several dozen tons of meat and delicatessen products.



WHAT ARE FOOD BANKS?

Non-profit organizations, engaged in the free procurement of food, and its free distribution to those most in need through charitable organizations. The Federation of Polish Food Banks constitute 31 food banks operating throughout the country.





03/

People

The Cedrob Group considers people to be its most valuable asset. It invests in the knowledge and professional experience of its employees and co-workers. In addition, the Group actively supports the development of local communities in regions where production plants operate. It is a valued patron of culture, education and sport.

People – our most valuable asset



Marcin Śliwiński
President of the Management
Board of Gobarto S.A.

DEAR SHAREHOLDERS AND ASSOCIATES,

The Gobarto Group, operating in a difficult, unstable and demanding market, achieved good financial results in 2022. We managed to achieve a significant increase in revenues and profits, which proves the stability and efficiency of our operations. However, we are convinced that financial successes are not enough if they do not go hand in hand with a responsible approach to business and care for the social and natural environment.

We are convinced that Gobarto's success would not be possible without the commitment and job satisfaction of the people employed by our company. That is why we focus on developing their competences and skills, ensuring safe working conditions and equal development opportunities. We respect the rights of employees and strive to maintain a friendly atmosphere in the workplace. Commitment to our employees is not everything. We also actively support the local communities in which we operate. We implement various projects that have a positive impact on the environment of our plants and their vicinity. We support local charities, cultural and educational initiatives and environmental projects.

Aware of our impact on the natural environment, we take numerous actions to reduce greenhouse gas emissions and efficient management of natural resources. We strive to constantly improve our production processes to reduce their negative impact on the environment.

We thank all our shareholders, employees, business partners and local communities for their cooperation. It's a valuable asset. Together, we can contribute to building a better future for all of us.

Best regards,

Marcin Śliwiński

Our stakeholders

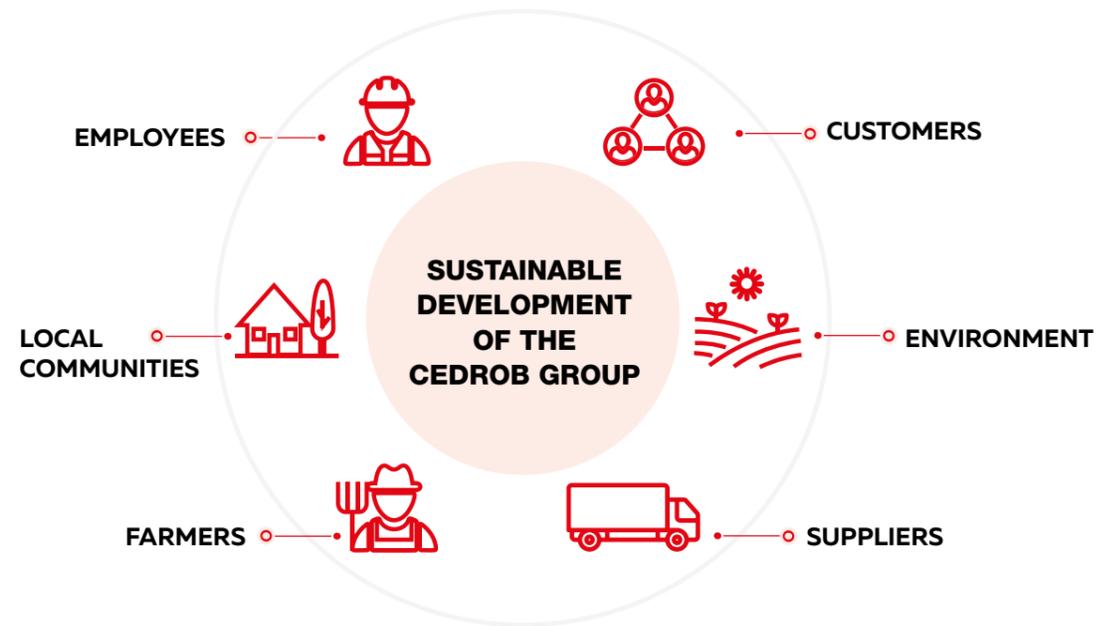
The Cedrob Group appreciates the importance of the relationship between business and the environment. Our Corporate Social Responsibility policy also creates good relations with employees. The company actively engages in pro-social activities. It strives to maintain a balance between its own interests and the interests of customers, employees, farmers and suppliers, not forgetting society and the environment.



Building of mutually beneficial relations with all stakeholders is the foundation of corporate social responsibility.

The Stanford Research Institute first used the term "stakeholders" in 1963. In Poland, the term began to make a appear in the mid-1990s. Stakeholders are currently one of the key groups of recipients and an important concept when creating and implementing activities in the field of Corporate Social Responsibility (CSR). One of the recommendations resulting from the ISO 26000 standard, developed by the International Standardization

Organization, is that the company should be aware of the existence of various stakeholders, including groups, persons or organizations interested in activities whose interests are influenced by the decisions and activities of the company. Building relationships with stakeholders is the foundation of sustainable development of the Cedrob Group. Working with its partners, the company focuses on honesty, transparency and mutual respect.




CUSTOMERS

The Cedrob Group implements its commitment to sustainable development primarily by offering customers products created with respect for the environment. Reducing the carbon footprint thanks to biogas plants or the water footprint thanks to the recycling station are just some of the activities that make the Group's products stand out not only in terms of high quality, but also in terms of sustainability.



EMPLOYEES

The main value for every company is its employees. Thanks to its responsible HR policy, the Cedrob Group has gained the reputation of a reliable, good employer. It currently employs about 10,000 people. It constantly raises employment conditions by investing in the automation of production processes. It offers not only non-wage benefits, but also financing training, courses or university studies that increase competences. Approximately 400 people have been associated with the Cedrob Group since the 1990s, and the average seniority in the Group is over 6 years.



FARMERS

The Cedrob Group cooperates with about 9,000 Polish farmers and producer groups, and each year about 1,000 more are added. It provides stability through contracting agreements and creates lasting business relationships based on trust.



LOCAL COMMUNITIES

Supporting the development of local communities is one of the priorities of the Cedrob Group's sustainable development strategy. In addition to activities popularizing the native culture or equalizing social disparities, the company is involved in the activation of local leaders, education and sport.



SUPPLIERS

As a large and stable company, the Cedrob Group ensures the development of many enterprises. Engineering, construction, supply and technology companies grew together with the Cedrob Group and today they are entering broad international waters. If possible, the company uses the services of Polish suppliers operating regionally. This ensures sustainable development of district cities and municipalities.



ENVIRONMENT

The Cedrob Group invests in modern technologies that minimize environmental impact. Renewable energy sources, circular economy, LED lighting, modern breeding technologies, water recycling, successive replacement of the car fleet with a lower emission one, investments in rail transport are just some of the projects that show the company's commitment to reducing its negative impact on the environment.



Responsible, friendly employer

The Cedrob Group attaches great importance to the issues of knowledge management and team building, as well as care for the professional development of employees. It is also a guarantee of employment stability.

Currently, the staff of the entire Cedrob Group consists of nearly 10,000 people, including people from cooperating farms.

The Cedrob Group is committed to good internal relations and a friendly working environment. All employees are subject to the Work Regulations, and a significant part of the Code of Ethics and Diversity Policy. Thanks to a comprehensive motivation system based on fair and consistently implemented bonus principles, opportunities to improve skills and promotion, it has gained a reputation as a solid and good employer. High organizational culture affects the attractiveness of the company. The sense of belonging to an efficient organization, in turn, increases employee involvement. They are aware of contributing to its success.

The group cares about occupational health and safety. When in 2022 it turned out that 137 employees at Gobarto S.A. performed work in conditions exceeding noise intensity standards, the technical conditions for performing their duties were changed and employees were equipped with hearing protectors.

The key values in the Cedrob Group are innovation, development, commitment, respect and recognition for both the individual and teamwork.



PROFESSIONAL DEVELOPMENT

The Cedrob Group takes care of the professional development of all employees by organizing internal and external training, training courses, raising professional qualifications, as well as co-financing the costs of studies or foreign languages courses.

In 2022, Cedrob spent over PLN 295,000 on training, courses and postgraduate studies for its employees. More than 140 people benefited from them. Since 2021, Cedrob S.A. has been cooperating with the University of Warmia and Mazury in Olsztyn, Faculty of Animal Bioengineering as part of the Dual Studies Program. These are 7-semester engineering studies with a practical profile preparing specialized staff to work in all departments of poultry production. A dozen or so students of the company have completed internships under this program in the last two years.

The Company will also co-finance higher education studies necessary for employees to perform their positions, which 6 people benefited from in 2022.

Cedrob S.A. employees are constantly improving their professional qualifications including UDT forklift operation, UDT overhead crane operation, SEP authorizations, welding courses – in 2022, 113 people received such education. In 2022, Cedrob S.A. also provided the opportunity to complete apprenticeships for 23 people. Specialized training courses related to changes in tax law, labor law, occupational health and safety, and fire law were attended by 30 people last year.

In 2022, more than 240 employees of ZM Silesia S.A. raised their qualifications. Gobarto S.A. also offers its employees a wide range of various forms of education – from postgraduate studies, coaching training to stimulate creativity and innovation to renowned courses for managerial staff. At the Gobarto 500 program (more about it in the „FOOD” chapter, subsection „Animal breeding and welfare”), there is the Farmer's Academy 500. Its offer includes a series of free training courses for pig farmers throughout the country.

Employees of the Cedrob Group also go abroad, visiting, among others, other plants and learning about the production processes used there, learning good practices used on the global market. They also participate in international trade fairs of the food industry, e.g. Anuga Foods in Germany, IFFA in the United Kingdom, Food Expo in Greece.



NON-WAGE BENEFITS

In addition to salaries, Cedrob offers employees various types of non-wage benefits. Without having to spend a lot of money, employees can spend holidays with their families using the services of the Cedrob Group's holiday resort on Lake Wielkie in Partęczyny in the Brodnica Lake District.



Pro publico bono

The Cedrob Group is an active participant in social life in the cities and villages in which it operates. It supports local cultural, scientific or sports initiatives and contributes to social activation. It does not forget about the support for the poorest and most excluded. In 2022, it allocated nearly PLN 4 million for donations.

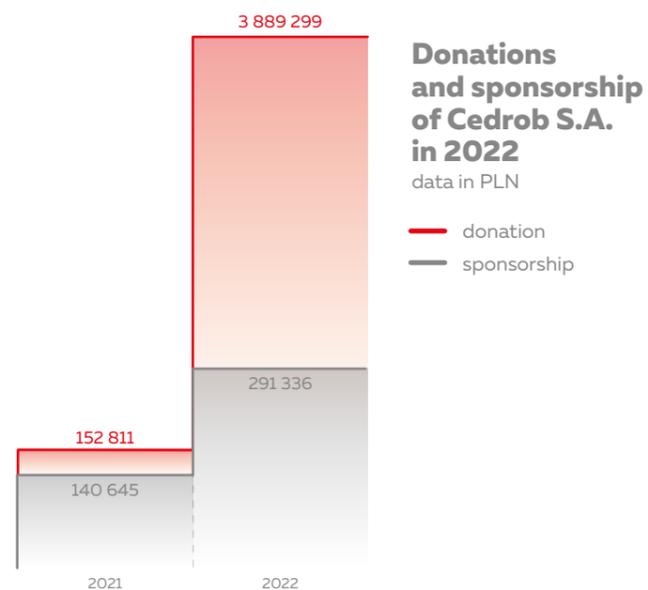
SOCIAL AND BUSINESS PARTNERSHIP

Concern for social development and building social and business partnerships are part of the CSR philosophy. The Cedrob Group undertakes many activities aimed at raising competences, social activation or the development of individual passions. The company promotes equal opportunities for residents of small towns and villages and supports the cultivation of traditions and the dissemination of culture.

nizer of the Niepokorni Niezłomni Wyklęci (NNW) Festival. Cedrob also supports local sports clubs, such as the Rypin Sports Club „Lech” Rypin, the Municipal Sports Club Wkra Radzanów, or the Puszcza Niepołomice. Annually, it sponsors dozens of local and regional events. The value of sponsorship on the part of Cedrob S.A. in 2022 was about PLN 291,000, and on the part of Gobarto S.A. PLN 126.5,000 were donated.

An important event, enjoying great popularity, was the nationwide grant competition „We Support Development” organized by Cedrob S.A. twice. The aim of the project was to support entities conducting socially useful activities (foundations, schools, universities, sports organizations, etc.). In the first edition of the competition, 54 winners were selected, and the total prize pool amounted to PLN 700,000. In the next edition, 75 winning projects were awarded PLN 1 million by Cedrob S.A.

For years, the Cedrob Group has been supporting cultural institutions, such as the Museum of the Mazovian Countryside in Sierpc, which is a strong local center popularizing the traditional culture of the region, and The Museum of the Small Town in Bieżun or the A.R.T. Foundation. As a patron, the Group also cooperates, among others, with the Scena Kultury Association, which is the orga-



ASSISTANCE TO NEIGHBOURS FROM UKRAINE

Since the beginning of Russia's attack on our eastern neighbors, the Cedrob Group has rushed to help. In the first place, support was organized for Ukrainian workers and their families. Aid was offered to all fleeing Russian aggression. Transport, accommodation, food and medical care for the victims of this tragic conflict were organized.

The Cedrob Group supported the inhabitants of Ukraine on many levels. PLN 1 million was donated to the Borderland Spiritual Culture Foundation for humanitarian activities as part of the „Together with Ukraine” campaign to support Ukrainians at the site of hostilities. In consultation with local government entities throughout the country, the Group provided financial and material assistance. In cooperation with the Ministry of Agriculture and Rural Development and PKP Intercity, Cedrob S.A. donated kabanosy by humanitarian transport to Ukraine for more than PLN 600,000.

All companies belonging to the Cedrob Group have actively participated in humanitarian activities. In each of them, employees organized collections of food, cosmetics, medicines and clothing that were donated to those in need. ZM Silesia in Katowice, which has been cooperating with the Food Bank for a long time in connection with the situation in Ukraine, also handed over dry products with a long shelf life, which went directly to the Ukrainian population. In addition, ZM Silesia cooperated with local labor offices, offering employment to refugees. Gobarto was also not indifferent to the suffering of our neighbors and actively provided financial and material support by organizing collections among employees in all branches and agricultural companies.



PLN 3,3 million.

the amount the Cedrob Group donated to help Ukraine

“We have never been indifferent to human harm and have been helping those in need for years. We are involved in initiatives organized by the local community, which is why when the war broke out in Ukraine and hundreds of thousands of refugees moved towards our border, we also got involved in helping. In this situation, no one can be indifferent. This is a natural human reflex.

Andrzej Goździkowski
President of the Management Board of CEDROB S.A.

Cedrob Passau GmbH has allocated a total of 50,000 euros to help Ukraine. 20,000 euros were donated to the Borderland Spiritual Culture Foundation as part of the „Together with Ukraine” campaign. The remaining amount was allocated for the organization of transport of Ukrainian citizens from Przemyśl to Germany and for emergency assistance.

How Gobarto builds the prestige of the pig farmers profession?

Gobarto 500 Team

Gobarto 500 is a partnership program between Gobarto and a pig farmer. The cooperation takes place with the technical and substantive support of Gobarto. It consists of the construction of a livestock building on the farmer's land, in cooperation with Gobarto, with up to 2000 fattening stations.



Survey conducted by Gobarto shows that 80% of breeders joining the Gobarto 500 program and signing contracts are men.

Of course, this is no surprise, although it also leads to the conclusion that one in five farms is managed by a woman.

– The cooperation agreement covers 15 years and guarantees the breeder a very stable income, which can be determined at approx. PLN 10,000 per month, regardless of the situation on the pig market, of course, in addition to the amount necessary to repay the loan and the current functioning of the livestock building – emphasizes Piotr Karnas, Director of Pig Farming Development in Gobarto.

According to a survey conducted by Gobarto, 80 percent of breeders joining the Gobarto 500 program and signing contracts are men. Participants in the Gobarto 500 program are most often farmers with medium-sized farms. More than 30 percent of them are owners of farms with an area of 11 to 20 hectares, and more than 25 percent are owners of farms with an area of 21 to 30 hectares. This shows how important the program is in increasing the development of farms. The possibility of buying new land by farmers is limited, which is why the development of breeding is a real opportunity for them to raise their income level. Almost 30 percent of the survey participants are under the age of 30, and nearly 60 percent are under the age of 40. Most breeders are people with secondary and higher education. The fact that the prestige of the profession of a farmer is improving significantly is



confirmed by the conclusions of the nationwide ranking of professions and specialties from May 2023 conducted by SW Research. In this study, the farmer was ranked 15th among the most respected professions (1st firefighter, 2nd paramedic, 3rd nurse). The farmer overtook, among others, judges or lawyers, although two decades ago, in similar surveys, the farmer's profession remained far behind the lawyer.



Jacek Jagiellovicz
Vice President of the Management Board,
Agro Gobarto

In turn, according to the latest pan-European Cor-teva Agriscience survey from 2019: „Poland should raise the prestige of the farmer's profession to ensure food security. Incorrect perception of the agricultural sector by young people may constitute an obstacle to its further development” – stated the conclusions. More than 50 percent of the surveyed Polish teenagers „do not want to have anything to do with the profession of a farmer”, while 42 percent of them could not name at least one agricultural profession.

Meanwhile, the reality of this profession has changed over the years. The “Peasant” (exemplified in characters such as Ślimak, Drzymała or Boryna), celebrated by popular literature as a symbol and foundation of Polishness, is no more. And so is his successor from the Polish People's Republic period, „The Farmer” On today's market, we have got the „Farmer/Agricultural Producer”. It is a contemporary profession and a profession of the future in Poland. Socially and economically necessary, supported by modern technologies, increasingly prestigious and profitable. In many countries of the European Union and in the United States, agricultural producers belong to the group of medium-highest paid, and work in agriculture is a guarantee of life stability.

– We observe that more and more young people decide to take a professional approach to agriculture and choose this profession in Poland. In the Gobarto 500 program alone, we already have more than 30 such manufacturers, 20 of which are under 40 years old, and several are under 30. This is a clear signal for us that there is a growing interest in running a farm in the country, following the example of modern global farming patterns. The industry's much-needed respect for the food manufacturing profession is also growing.

– The Polish farmer still does not receive such great social recognition, acceptance, and awareness of the importance of this profession for providing healthy food to current and future generations, as is the case, for example, in the USA or Spain, but this trend is clearly improving – adds the head of Gobarto.

– The Gobarto 500 program is expanding across the country. At various levels of advancement and cooperation, including those already producing, there are nearly 100 farmers.

Hen-quality cooperation, or how Cedrob joins forces with the best breeders for years

„Cedrob provides contractors with cooperation at the highest level in the poultry industry”, says Jacek Szerszeń, director of the Poultry Contracts Department of Cedrob S.A. “We create a perfectly organized structure, based on the latest technologies, with a world standard. Modern production plants, efficient logistics and business reliability are the advantages that encourage breeders to cooperate with us”.

“We deliver chicks, feed, load and slaughter live animals. We provide our partners with comprehensive service throughout the entire breeding process, so that the results are the best and repeatable. We consistently play fair in business, which is why we have a wide range of breeders with whom we have worked for years”, he adds.

The rules of cooperation are simple and transparent: Cedrob offers potential contractors clear contracts, guaranteeing systematic production, even for a few years ahead. The contracting agreement of the company is a unique solution on the poultry market. The agreement includes, among others, a minimum purchase price for broilers, which protects the costs of chicks, feed, fixed costs and profit.



Management staff of the Poultry Contracting Plant, from left: Jacek Kociński, Michał Ozdarski, Jacek Szerszeń, Jan Szczepkowski

There is strong competition on the market, slaughter capacities in Poland are higher than the production of broiler chicks, and we increase our market share every year. This is the result of the solid foundations that have been developed in the Cedrob Group and the trust that our suppliers place in us.

Nearly 200 people work in the Poultry Contracts Department, most of them with mechanical loading of poultry. In this aspect and livestock logistics, we are the largest and best organized in Europe. Our machine park is impressive. **We have nearly 80 specialized machines and 70 semi-trailers for transporting livestock.**

It is also part of our offer. No one else offers mechanical loading of chickens. We do it for free, says director Szerszeń.

It sounds like an offer of high-quality cooperation, or actually even “hen-quality” (referring to the „Cedrob z kurnej półki” brand, i.e. the Premium poultry meat brand known in stores). The only question is whether the breeders share the opinions of the head of the contracting department?

- We are like a good old married couple, based on mutual respect and trust, says Mirosław Kaniecki about his cooperation with Cedrob S.A., contractual breeder of broilers from Żuromin. Mr. Mirosław and his wife Elżbieta raise nearly 50,000 chickens in one production cycle. He runs a farm in Brudnice near Żuromin, which consists of two chicken coops.

- Cedrob guarantees financial stability, predictability and good logistics, confirms Andrzej Grzywiński from Sarnowo near Żuromin, who, as he admits, had the opportunity to cooperate with large players from the poultry segment, but everyone had some flaws, especially unreliability. Mr. Andrzej used to be in the transport industry, since 2011 he has been a breeder, producing 85,000 broilers in one cycle. He has been associated with Cedrob S.A. for several years. In cooperation with the company, he values stability, including a positive effect of business scale, synergy effect and transparent business relations.

A similar opinion is expressed by Zbigniew Gutowski from nearby Zielona, also once associated with other poultry companies. He has been cooperating with Cedrob S.A. for two years now and raises 40,000 chickens in one cycle. He draws attention to another aspect of cooperation with the company from Ujazdówka – professional, thoughtful care. “The company’s experts support us and are at our disposal throughout the week.” In addition, in the

context of Cedrob, he also emphasizes a very favorable FCR indicator. Feed conversion is at a low, repeatable level. In turn, low FCR means low raw material costs of production, which measurably affect the final financial result. I calculated that the FCR for my production from Cedrob is 1.53 kg of feed = 1 kg of live weight

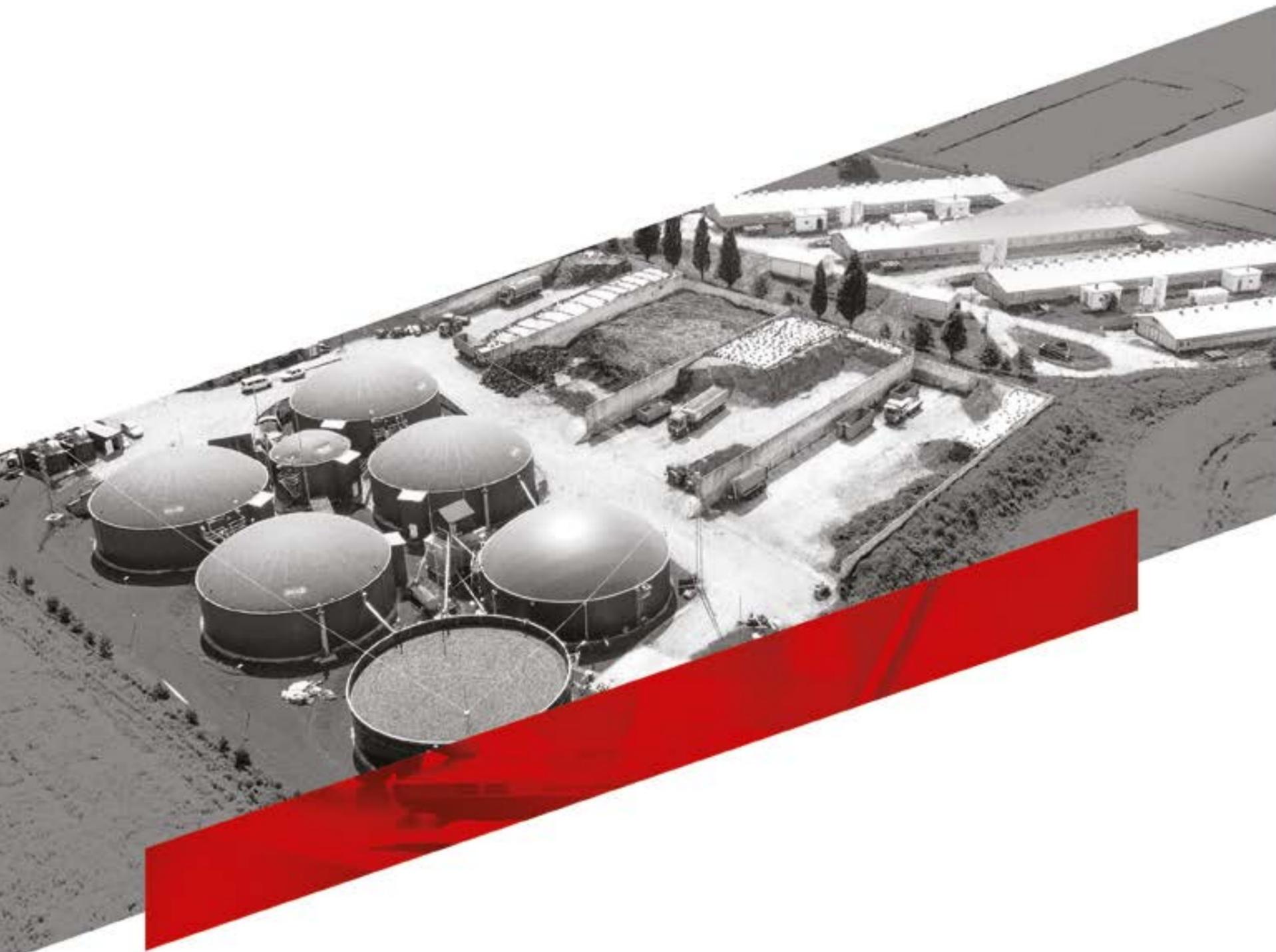
- I appreciate Cedrob mainly for its reliability and efficiency as well as a kind of rational reliability, - says Edward Dutkowski. And why the above-mentioned conclusion that the company supports the diversification of production on a large farm? “Thanks to cultivation, I have straw as litter for chickens, and thanks to chickens, I have natural fertilizer for cultivation.

Strategic cooperation allows both parties to achieve very good results and increase the scale of production. The sense of identification and unity with a business partner is one of the greatest successes achieved by the largest Polish poultry producer”.



All contractors of Cedrob S.A. emphasize the synergy of business objectives focused on development and continuous improvement of the business profile.





04/

Environment

The Cedrob Group implements its corporate social responsibility policy on many levels, including building good relations with employees and actively engaging in pro-social activities. It also strives to maintain a balance between its own interests and the interests of customers, employees, shareholders, not forgetting society and the environment.

Breeding efficiency

Agriculture in the world and in Poland has undergone fundamental changes in the last decades. Their effect is a significant improvement in its productivity while reducing the negative impact on the environment.

This dependence began to be talked about in the world only in the 80s of the 20th century. From year to year, the impact of agriculture – especially extensive – on the environment is becoming more and more serious. These include water, soil and atmospheric pollution, including greenhouse gas emissions, which are related to agriculture. This is largely a side effect of cattle breeding. This topic concerns to a much lesser extent the breeding of pigs or poultry. However, analysts from the Food and Agriculture Organization of the United Nations (FAO) are drawing attention to emissions throughout the production cycle.

The EU countries in which labor productivity in agriculture has increased faster than production in the last decade are also Hungary, Slovakia, Croatia, France, and Norway from non-EU countries. Also in Poland, in the adopted comparative period (2010-2021), labor productivity in agriculture increased by 53.6%, with an increase in plant production by 41.2%, and in livestock production by 48.6%. Large, including the Cedrob Group.



Thanks to modern production methods, food is healthier and safer.

The Cedrob Group actively implements new technologies and constantly improves its efficiency.

An important element of reducing the environmental impact is to improve the efficiency of food production. In 2016, the average labor productivity in agriculture in the EU-28, expressed as the ratio of value added to the number of people employed, was almost three times lower than in the economy. The largest disparities occurred in Romania, Portugal, Bulgaria and Poland. In these countries, labor productivity in the agricultural sector was almost four or five times lower than in the rest of the economy.

In January 2022, the portal obserwatorfinansowy.pl emphasized: „In the long run, the efficiency of processes taking place in agriculture will grow faster than production in EU countries. The most spectacular changes occurred at that time in agriculture in Bulgaria, where there was an increase in labor productivity by more than 229 percent with an increase in crop production by almost 83 percent and a decrease in livestock by more than 5 percent.”



PIGS



Thanks to technological progress, pig farming is becoming more efficient and less burdensome for the environment. According to data from the Animal Agriculture Alliance, water consumption in pig production has decreased by more than 25% over the past 60 years, while electricity consumption has been reduced by 7%. On a similar scale, the so-called carbon footprint was also reduced. Modern pig farms do not pose a threat to the natural environment. Moreover, they allow to reduce the consumption of fertilizers by using liquid manure from which natural fertilizers are made.

Thanks to the use of natural fertilizers, the carbon footprint is minimized, as the demand for fertilizers, for the production of which petroleum and natural gas are necessary, is reduced. The efficiency of livestock breeding also increases in other ways. Gradually, the so-called meatiness of farmed pigs increases. As a result, one „modern” fattening pig corresponds to 1.6 fattening pigs reared 60 years ago. In other words, five fattening pigs today have the same amount of meat as eight in the 1960s.

The pork produced today is also much healthier. In just 20 years, the amount of fat in the produced pork has decreased by 16%, and the amount of saturated fatty acids has decreased by 27%. This is the result of genetic selection, which led to breeds with better growth and slaughter potential, and the consequence of changes in nutrition. Modern pigs are fed with lower fat and higher protein feed. Thanks to this, you can get more meat from one fattening pig, which is more juicy and aromatic, and healthier because it contains less fat.

POULTRY



The professionalization of poultry farming has brought many benefits, both economic and environmental. Thanks to technological progress and changes in regulations, modern poultry farms are more efficient and environmentally friendly, thanks to: modern technology, including herd management systems, feeding systems and health monitoring systems regular inspection by sanitary authorities and veterinary inspections to legal regulations that oblige breeders to comply with environmental protection regulations.

Industry 4.0

The Cedrob Group invests in modern technologies that minimize environmental impact.

Renewable energy sources, circular economy, LED lighting, technological innovations in breeding, water recycling, successive replacement of the car fleet with a lower emission one, investments in intermodal transport (cargo transport using more than one mode of transport) are just some of the projects showing the company's strong commitment to reducing the impact on the environment.

Modernity and new technologies are the only way to produce food that will meet the needs of the growing world population. Automation, robotics, big data and artificial intelligence (AI) are increasingly used in the agri-food industry. The Cedrob Group is one of the leaders in modern technologies that enable production to be sustainable.

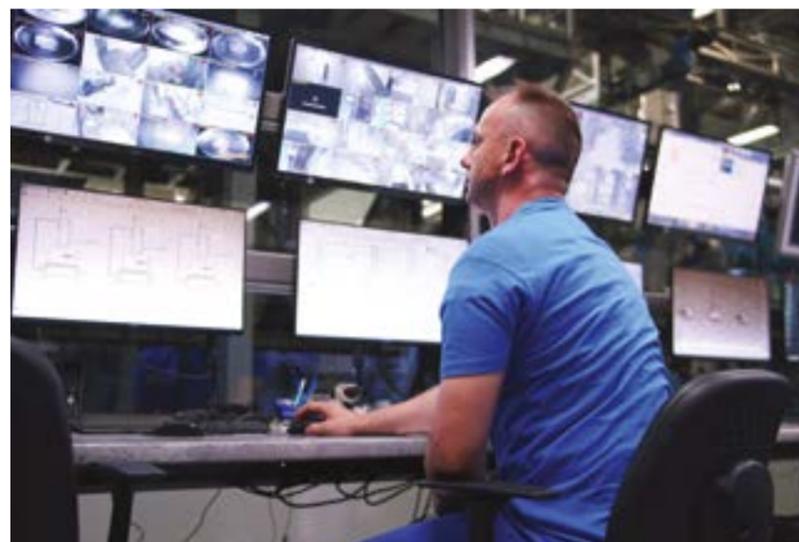
According to a 2018 McKinsey & Company report, the large-scale introduction of automation and robotics would replace 7.3 million jobs. Thanks to the robotization of simple activities performed so far by humans, productivity will significantly increase and through the introduction of new technologies, skills in programming, operation of robots and—always sought after by employers—emotional intelligence and teamwork will gain in importance. Poland, thanks to the use of industry 4.0 solutions, can achieve additional GDP growth at the level of +15 percent by 2030.

The Cedrob Group places particular emphasis on digital transformation, especially in the area of production.

In 2018, another greenfield investment in the Group was launched, i.e. the third poultry meat production plant, equipped with a modern slaughter and cutting line with a speed of 13.5 thousand

units per hour. The advantage of the new plant are solutions enabling the implementation of Industry 4.0 assumptions. The most important include measurement sensors, installed on the reversing wheels of the line and gutting machines, which allow for the analysis of data in real time and taking actions to eliminate deviations in the production process. Innovations, as well as many investments of the Group, mean that Cedrob products achieve a lower carbon footprint than the market average. Thanks to modern technologies and improved efficiency, the company constantly reduces the environmental impact per kilogram of product.

It is worth emphasizing that expenditure on research and development in the agricultural sector gives high rates of return. The median value of the internal rate of return (IRR) on agricultural R&D expenditures is 43 percent in developing countries. In the field crops sector, the median IRR was 43 percent, and in animal husbandry – as much as 53 percent.



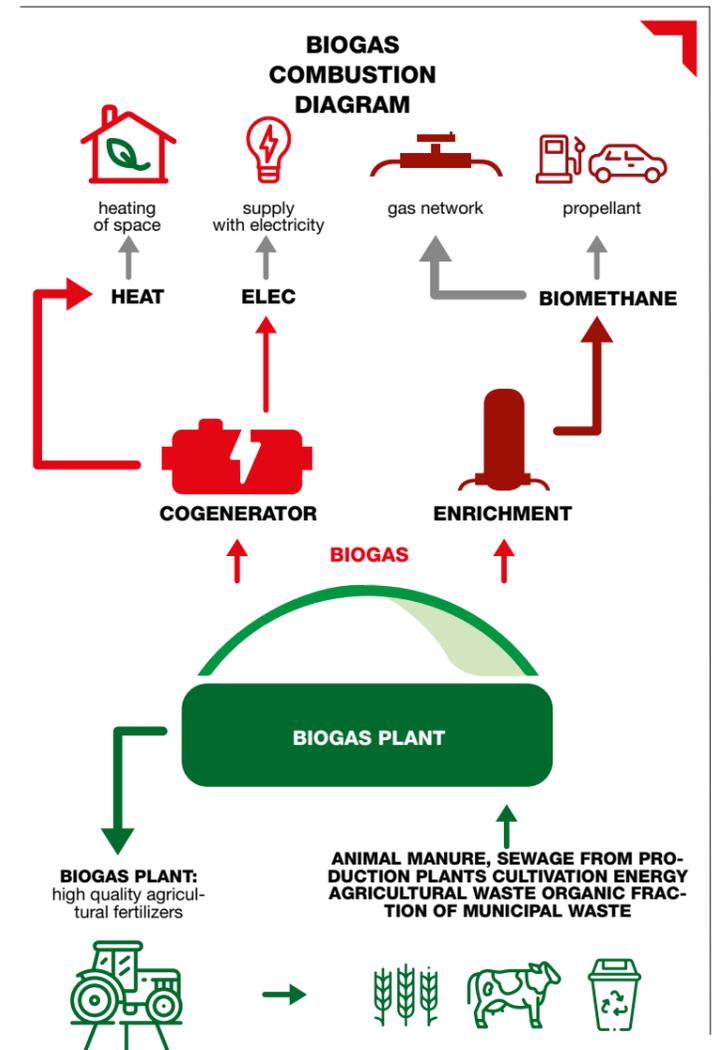
Green transformation

Concern for the pro-environmental dimension of business activities is an important element of the Cedrob Group's sustainable development policy. That is why companies from the Group are gradually investing in biogas plants and reducing carbon dioxide (CO2) emissions, ensuring economical water management, sustainable nitrogen circulation and reducing exhaust emissions.

Biogas plants and reducing CO2 emissions

Biogas is a combustible gas resulting from the fermentation of organic waste (e.g. sewage, slurry, animal faeces, vegetable waste). Controlled production of biogas takes place in the fermentation chambers of biogas plants, where the received waste is subjected to the so-called methane fermentation process. The main component of biogas is high-energy methane. Thanks to modern technologies, in the purification process it is possible to obtain biogas containing even more than 75 percent methane. This gas is used to produce heat and electricity, as well as for other purposes, such as powering vehicles. Poultry manure and liquid manure are potentially one of the best sources of methane among all types of agricultural waste. Converting them into biogas reduces greenhouse gas emissions that would otherwise end up in the atmosphere.

Breeders and entrepreneurs are paying more and more attention to limiting the impact of their activities on the climate. They are increasingly investing in biogas and biomethane plants. Through the production of biomethane from, among other things, agri-food waste and manure, Poland's greenhouse gas emissions could be reduced by up to 26 million tons per year, which would balance 80 percent of greenhouse gas emissions from agriculture.



Source: www.strainstruments.com/ia-compact-solution-for-the-analysis-of-biogas-and-biomethane

The produced biomethane would allow to produce up to 30.5 TWh of clean energy (estimates of the Ministry of Climate and Environment).

In addition to biogas, the effect of processing slurry and manure in biogas plants is also high-quality natural fertilizer – a digestate that can be used to fertilize fields, thus reducing the use of artificial fertilizers. Importantly, the digestate formed as a result of submitting the biogas plant to the process, e.g. slurry, has a 60% less intense smell than the raw material itself. The result is limiting the negative impact of livestock facilities on the environment. Reducing greenhouse gas emissions is a pillar of the European Union's climate policy, the so-called New Green Deal. Reducing carbon dioxide emissions will be a long and costly process for all EU countries. Especially for Poland, where most of the electricity and heat generated still comes from coal combustion.

Effective energy transformation requires the involvement of all parties in the process. The Cedrob Group also contributes to climate protection. An example is the biogas plant built at the treatment plant in Ujazdówek near Ciechanów. It processes waste from on-site treatment plants in order to neutralize sludge and process it into substrates that can be used to fertilize the soil.

Gobarto S.A. additionally has two agricultural biogas plants, producing electricity and heat. The first one operates in Zalesie and has a capacity of 2 MWh, and the second one in Klępsko with a capacity of 1 MWh. In 2022, Gobarto S.A. produced approx. 18,383 MWh of electricity and approx. 48,230 GJ of heat from agricultural biogas. In the net balance, thanks to biogas plants, the total annual avoided CO₂ emissions amounted to over 15,000 tons. The biogas plants processed about 72,000 tons of organic waste mixed with other raw materials, producing renewable fuel with energy recovery, as well as pro-

ducing about 120,000 tons of organic fertilizers, reducing the need for energy-intensive fertilizers. At the same time, the construction of a third biogas plant was started, possibly creating within the next few years the ability to generate more green energy than Gobarto S.A. needs for its operation in general.



In 2022, boiler plants powered by biogas from Ujazdówek generated 38,351 GJ of thermal energy. This corresponds to 3,641 tons of CO₂ that would be produced if an identical value of thermal energy was produced when burning hard coal.

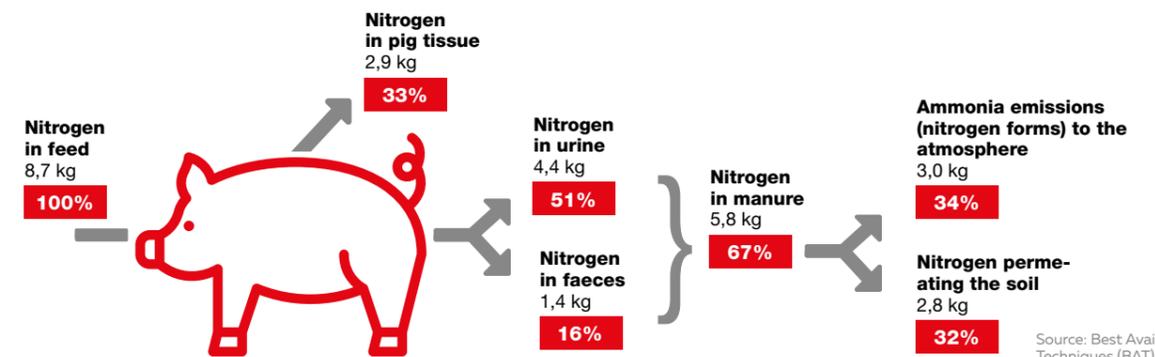


According to the definition of the European Union Emissions Trading System (EU ETS), heat and energy generated from biofuels and biomass carry a so-called zero carbon footprint. Biogas production at the Ujazdówek plant therefore helps in achieving climate policy objectives.

Heat from biogas is not all the benefits that the Ujazdówek plant can give to the natural environment. Cedrob S.A. launched a cogeneration unit at the end of 2022, located at the production plants in Ujazdówek. Thanks to this, in addition to heat, clean electricity is also produced to power production processes.

BALANCED NITROGEN CYCLE

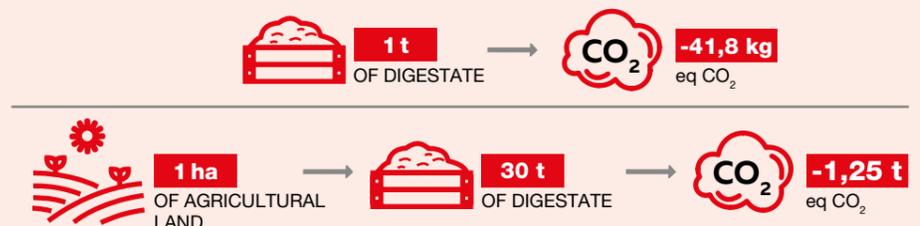
Nitrogen is one of the components of protein, which is an indispensable element of food for farm animals. Its high content is found in animal faeces. However, if properly utilized, the waste can become a substitute for artificial fertilizers.



Until now, animal excrement have been used as agricultural manure.

However, if improperly used, they could cause a burden on the natural environment, e.g. cause eutrophication of surface waters. However, their processing in biogas plants is beneficial for the environment. The produced biogas can be used to produce heat and electricity, and digestate can be used as an ecological natural fertilizer, thanks to which we can reduce emissions. This is due to the reduction in the use of fertilizers.

Using an average of 30 tons of digestate per hectare, it can be calculated that the avoided emission of pollutants from the production of fertilizers exceeds 1.25 tons of CO₂ equivalent per hectare



Source: Best Available Techniques (BAT) Reference Document for the Intensive Rearing of Poultry or Pigs Report 2017

ECONOMICAL WATER MANAGEMENT

Another element of circular thinking is the care for water resources. Cedrob S.A. is practically independent from external water supply. The company already obtains over 94% of the water used from its own deep wells. Its consumption is monitored and optimized on an ongoing basis.



In 2022, more than 30% of the water necessary for the production of poultry meat was recovered in Cedrob S.A., which accounted for 1,195,421 m³

Since the beginning of its activity, Cedrob S.A. has been striving to build a complete production chain, taking care of the quality and safety of food at every stage of production. Launched more than a decade ago, the collaboration with Nijhuis Saur Industries allowed the company to implement a pioneering water recovery plant, directly from wastewater. It is located in the sewage treatment plant at the Cedrob S.A. facility in Ujazdówek.

Recycling of water from production processes is one of the most effective methods of reducing its consumption. In the case of poultry meat production, water can be recovered from the following processes:

- washing chickens
- cooling chickens
- washing production equipment



REDUCTION OF EXHAUST EMISSIONS

Cedrob, taking care of the environment, tries to reduce exhaust emissions. One of the undertaken activities is the successive replacement of rolling stock and the introduction of intermodal transport.



Cars with engines meeting standards lower than EURO5 have already disappeared from the fleet. Currently, they have been replaced by cars with EURO5 and EURO6 standards. In order to reduce emissions, the Group is developing and increasingly using intermodal transport.



Every year in the Cedrob Group there are more cars meeting the exorbitant emission standards.

Most importantly, vehicles equipped with engines that meet the EURO5 and EURO6 emission standards emit a much lower amount of nitrogen oxides (NOx), as well as hydrocarbons (HC) and particulate matter (PM) into the atmosphere. Therefore, their use contributes to the reduction of smog. The future of transport, including truck transport, seems to be cars powered by electricity as well as hydrogen. The Group also continues to look for alternative solutions that contribute even more to the reduction of exhaust emissions

An example of such activities is the activity of Cedrob Cargo, which is responsible for the supply of raw materials for the production of feed by rail

transport. Its aim is to optimize costs by intensifying deliveries in containers based on intermodal transport.

Transshipments of containers from railway wagons to road transport are carried out within railway stations in Ciechanów, Rypin and Raciąż, and in the future also in Kluczbork, from which feed production plants in Gumów, Rypin or Raciąż are supplied.

Intermodal transport of raw materials for feed production is much more environmentally friendly. In this way, the Cedrob Group also implements a sustainable development policy.

CIRCULAR ECONOMY

A circular economy (CE) is currently one of the most important issues for socially responsible businesses. Widespread consumerism, dwindling natural resources and advancing climate change are mobilizing responsible companies towards sustainable development and minimizing their environmental impact. Moreover, this approach aligns with the UN Sustainable Development Goals, particularly Goal 12. on Responsible Consumption and Production and Goal 13. on Climate Action.

Companies in the agri-food sector have an essential and growing role in the coming years. The growth of the global population, droughts in various regions of the world, decreasing arable land and climate change are driving a steady rise in

food demand. They are thus face the challenging task of feeding the global population and are actively seeking ways to improve efficiency and maximize production. In this perspective, modernity and new technology are the sole means to produce food that fulfills society's demands.

CE aligns perfectly with the challenges of the future. The model enables companies to attain their demanding goals by minimizing the use of raw materials while maximizing waste utilization. The priority for the circular economy is innovation, high efficiency, low emissions, and minimal waste generation. In addition, in our production processes, we prioritize minimizing the use of raw materials and promoting their reuse through recycling materials previously deemed as waste.

The use of by-products from the slaughtering process plays a crucial role in the safety and sustainability at the Cedrob Group. In 2019, Cedrob S. A. opened the Feed Raw Materials Plant in Ujazdówek, situated in close proximity to their largest poultry slaughtering complex in Poland.

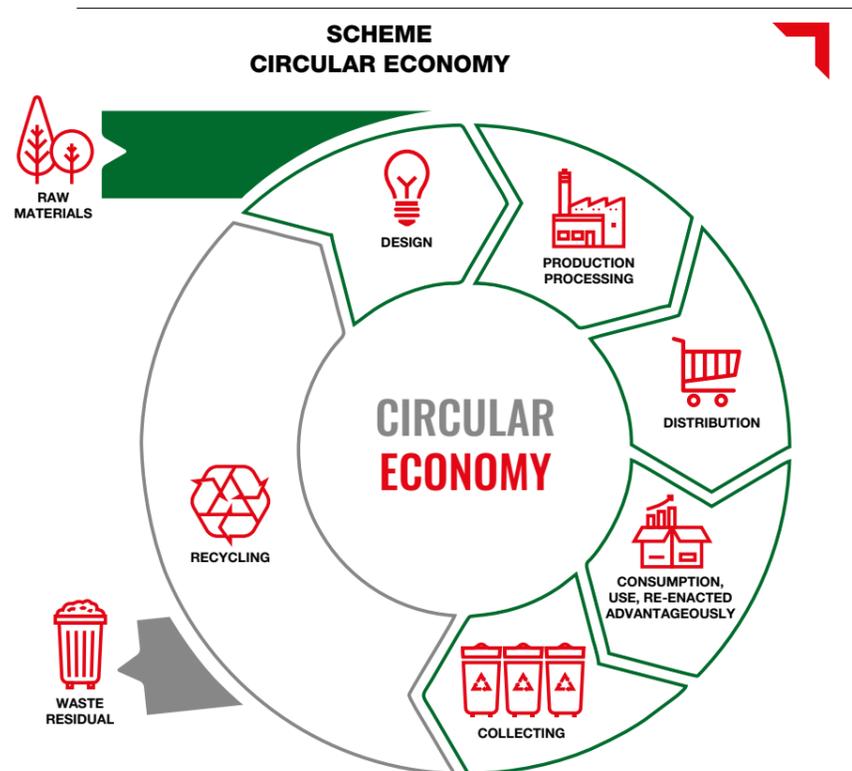
Furthermore, it is the biggest rendering company in Poland and the most modern in Europe. Advanced technology with four production lines produces high-quality proteins and fats for pharmaceutical, cosmetic and medical products. Moreover, post-slaughter materials serve as a valuable source in creating conventional meat-and-bone meals and animal feeds.

The Feed Raw Materials Plant is an excellent example of the circular economy, where the output of one process is reused as a raw material for the next process, resulting in a new product with full value.

Undoubtedly, this solution reduces waste generation, promoting the sustainable resource use and environmental protection.



In 2019, the largest rendering plant in Poland was established - Feed Raw Materials Plant in Ujazdówek



An aerial photograph of a vineyard, showing rows of grapevines stretching across a landscape. The image is overlaid with a semi-transparent blue filter. A prominent white arc curves across the right side of the frame, starting from the top right and curving downwards towards the bottom right. The text is positioned in the upper left quadrant of the image.

**Report on economic role
and social commitment
of the Cedrob Group**

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