



## Decision to reinclude Adris Grupa d.d.

December 2016

Adris Grupa d.d. (Adris) is a Croatian conglomerate<sup>1</sup> that has been one of the largest producers of cigarettes in Central Europe.<sup>2</sup> The company has been excluded from investment by KLP and the KLP Funds since 2011.

In September 2015, Adris sold its tobacco business to British American Tobacco, a company that is already excluded from investment by KLP and the KLP Funds.<sup>3</sup> Following the divestment, Adris no longer has any tobacco operations.<sup>4</sup> The basis for exclusion therefore no longer exists.

### **KLP's decision**

It is recommended that the exclusion of Adris Grupa from investment by KLP and the KLP Funds be rescinded as of December 2016.

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<sup>1</sup> Adris, *About Us*. URL: <http://www.adris.hr/o-nama/adris-nekad-i-danas/> (last visited 22 August 2016).

<sup>2</sup> British American Tobacco, *News release: British American Tobacco completes acquisition of TDR* (30 September 2015). URL: [http://www.bat.com/group/sites/UK\\_9D9KCY.nsf/vwPagesWebLive/DOA2UJ2L?opendocument](http://www.bat.com/group/sites/UK_9D9KCY.nsf/vwPagesWebLive/DOA2UJ2L?opendocument) (last visited 22 August 2016).

<sup>3</sup> Ibid.

<sup>4</sup> Adris Group Annual Report (2015) ("On 30 May 2015, the Company signed a sales contract with British American Tobacco International AS regarding the sale of its shares in subsidiaries TDR d.o.o., iNovine d.d. and Opresa d.d., and shares in its associate Tisak d.d. entering into force on 30 September 2015. The sale of these subsidiaries means that all of the shares in other companies owned by these subsidiaries and together comprising the tobacco manufacturing and sale and retail segments were also sold.")