



# SUSTAINABLE DEVELOPMENT REPORT

2018-2020

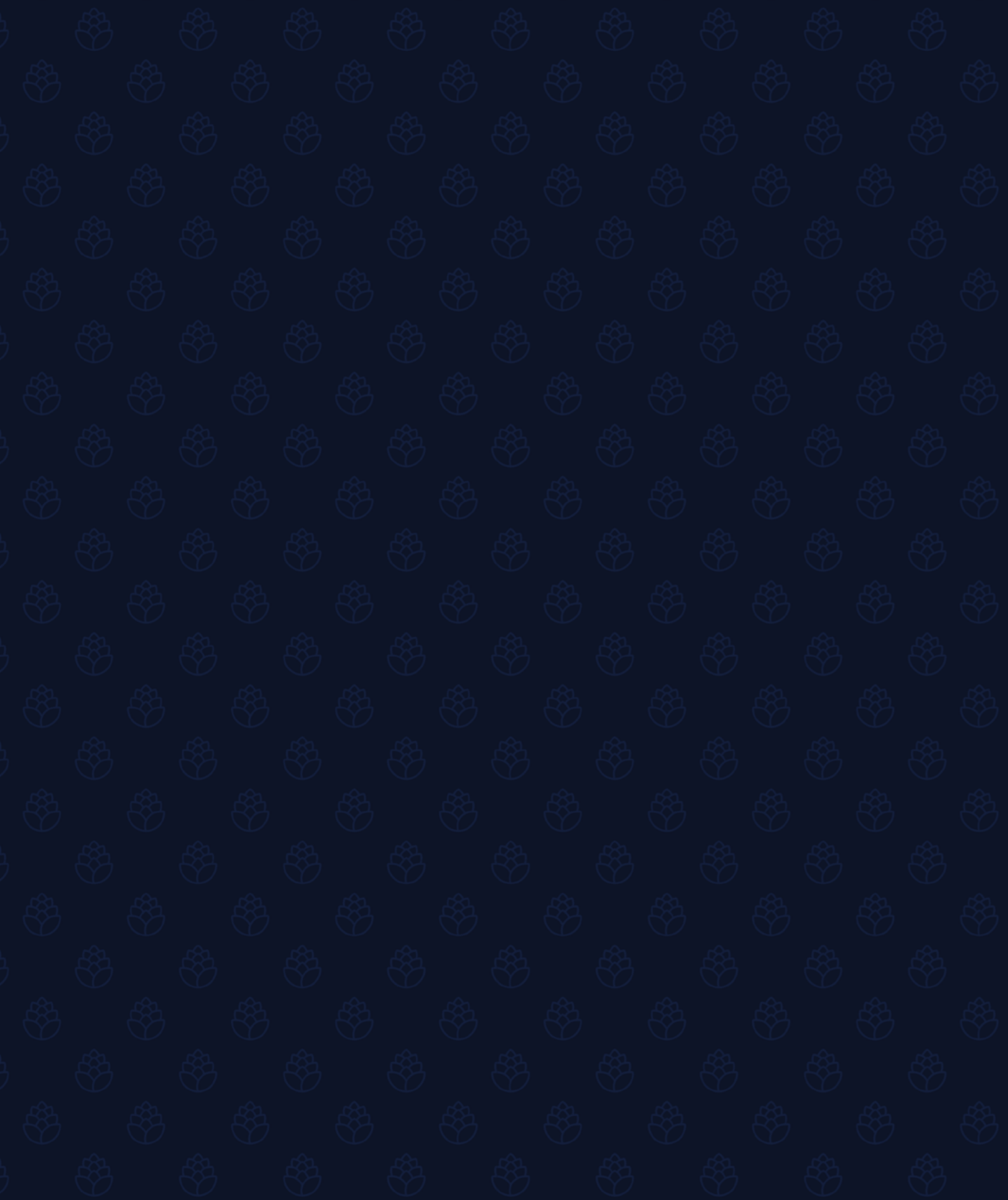
## URSUS BREWERIES

**Homepage:**  
[www.ursus-breweries.ro](http://www.ursus-breweries.ro)

**Address:**  
Bucharest, Romania  
Soseaua Pipera nr. 43, Floreasca  
Park, corp A, et. 2

**Email:**  
[contact@asahibeer.ro](mailto:contact@asahibeer.ro)

**Phone:**  
0372 858 300



**URSUS**  
*Breweries*

# KEY PERFORMANCE RESULTS 2020

## CONTENTS:

Apart from the Introduction, which is mainly aimed at familiarising our stakeholders with our company's atmosphere and operations, the four major chapters of our sustainability report reflect who we are and the priorities that we have: **Business**, **Employees**, **Environment**, and **Responsibility**. We make **BEER**.

### I. Introduction

• Message from the President	08
• Message from the Corporate Affairs Vice President	09
• Who we are	10
• Leadership	12
• How we operate	14
• Legacy 2030, our corporate sustainable development culture	18
• Defining the content of this report	20

### II. Business

• Tax transparency	26
• Ethics and integrity	29
• Quality of ingredients, Traceability	34
• Market presence, Product portfolio, Research and Innovation	38
• Respect for Human Rights (supply chain), Supplier socio-economic compliance, Sustainable supply chain	42
• Sustainable sourcing	44

### III. Employees

• Workforce health and safety	49
• Human resources development, Workforce training	62
• Diversity	67

### IV. Environment

• Water management	76
• Circular economy, Sustainable packaging	77
• Carbon neutrality	80

### V. Responsibility

• Responsible drinking and Healthy lifestyles	87
• Product marketing and labeling	93
• Local Partnerships and Community Investments	95
• Create People to People Connections	99

### VI. About this report

• Overview	104
• Purpose	104
• Reporting period	105
• Reporting standards	105
• Credits	105
• Accessibility and feedback	105

### Appendix

• GRI Standards Content Index	106
-------------------------------	-----

**RON 2,057,084,483**

Company revenue<sup>1</sup>

**1,664**

employees

**RON 282,135,343**

Gross profit<sup>2</sup>

**Zero**

our work fatality rate

**7.24 million HL**

beer produced by Ursus Breweries

**2.76 hl/hl**

water consumption / product

**RON 557,021,901**

Taxes<sup>3</sup>

**106,825 tones**

recyclable waste

**71%**

Total budget disbursed to local supplier

<sup>1</sup> In full accordance with the Romanian fiscal legislation. Source: <http://www.mfinante.ro/infocodfiscal.html>

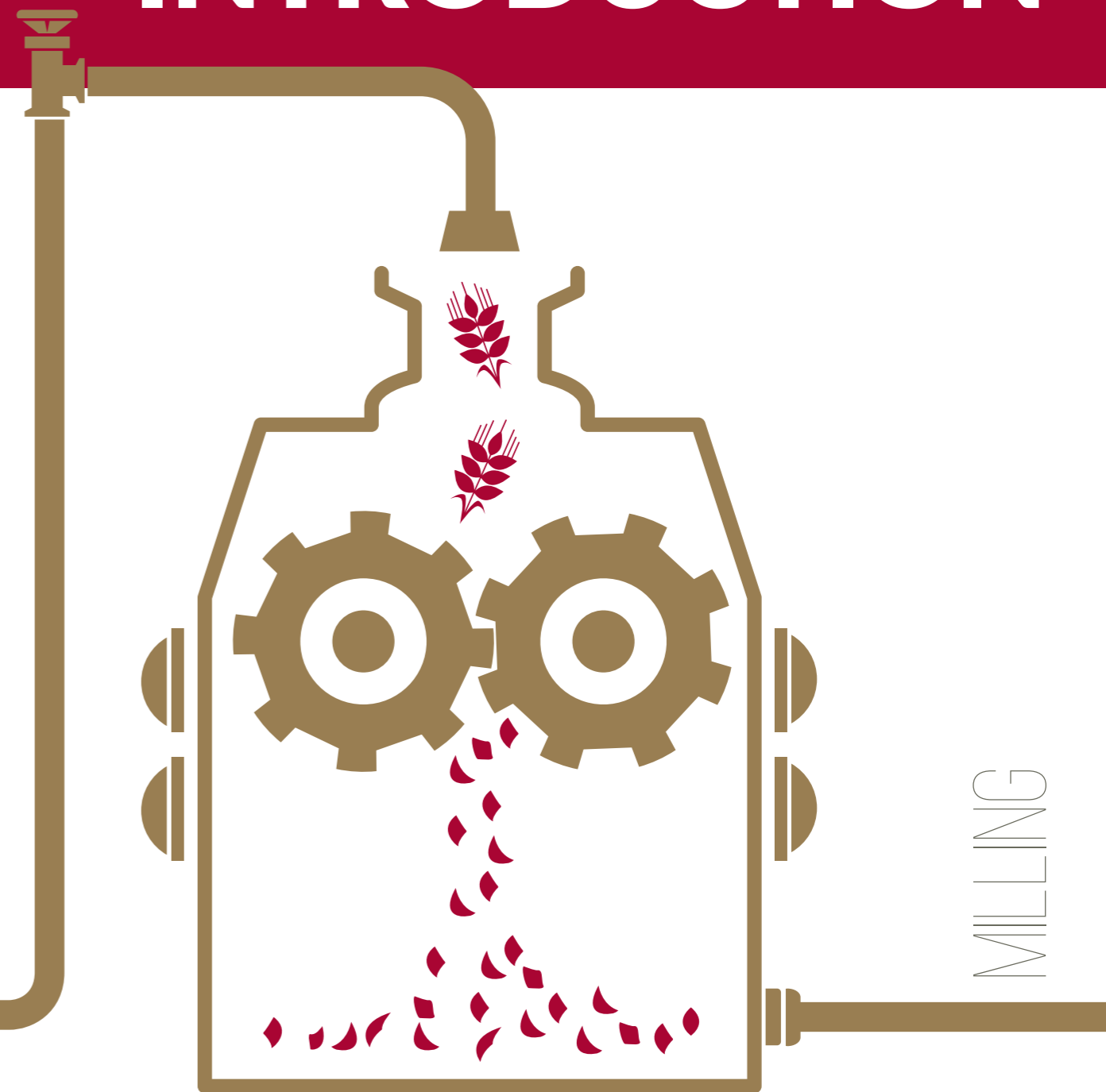
<sup>2</sup> Idem.

<sup>3</sup> The figure includes payments and contributions to national and local budgets (such as excise duties, VAT, income tax, and contributions to social security plans).



I.

# INTRODUCTION



# MESSAGE FROM THE PRESIDENT

The desire to reduce our carbon footprint, while maximizing our positive impact, is as natural to us at Ursus Breweries as the ingredients in our beers.

As market leader we are committed to delivering our beers through responsible business practices: minimizing our environmental impact and enhancing livelihoods, both at work and in the communities where we operate. Throughout this report we have presented how we embarked in this journey, what goals we have, how we measure our performance and the progress we have made.

I would like to highlight that in 2020, Asahi Europe and International, which Ursus Breweries is part of, set ambitious sustainability goals, to drive positive impact on both the planet and people. The Sustainable Development Goals thus set the way we look ahead to the future and encompass carbon neutrality, reduction of water consumption, sustainable sourcing, circular packaging, inclusion and well-being of employees and consumers as well as empowerment for responsible choices.

We are proud to have embraced these goals and already make steps towards achievement.

In the difficult context brought by the pandemic, the health and well-being of our employees was our first major concern. We had a short technical unemployment period for some of our colleagues and compensated their income up to the monthly salary so their families are not affected. With the same view, for our sales colleagues we diminished the activities involving direct contact, focusing on availability and flexibility in order to protect them.

Additionally, to support the effort of countering the pandemic, our brand Timișoreana partnered with Red Cross in the #separațidarîmpreună campaign, donating funds for medical equipment and promoting solidarity messages for all Romanians. Last but definitely not least, we supported our partners in HoReCa, the most affected economic players due to lockdown and restrictions, both by taking back their unsold stocks, and also by launching through our Brewers Association a communication campaign for this sector.

Coming back to the progress we make to achieve our Sustainable Development Goals, I am proud to share that our most iconic brand, Ursus, is leading on the sustainability path, with no PET primary packaging



starting 2020. At the same time, our work for helping consumers to make responsible choices accelerated, and our portfolio of non-alcoholic drinks is consolidated with Cooler, Timișoreana non-alcohol and Ursus non-alcohol.

From farmers to consumers, we aim to lay the foundations for inclusive development, sustainable use of resources, care for our planet and responsible consumption. All these, combined with ingredients of joy, great taste and pride for our unique heritage, are stepping-stones for a legacy to be proud of.

Thank you,  
**Paul Barnett**

President of Ursus Breweries

# MESSAGE FROM THE CORPORATE AFFAIRS VICE PRESIDENT

I'm glad we can introduce you to a new chapter in the Ursus Breweries sustainable journey. The years 2018-2020 marked for our company a series of achievements and progress in terms of sustainable development, which we are proud to be able to summarize in this report and to continue to accomplish them in our daily activity.

In 2020, we launched a solid sustainability strategy with two ambitious time limits - the first in 2030 and the second in 2050. As already mentioned in this report, the strategy is built on six pillars: neutral carbon footprint, water consumption reduction, sustainable resources and raw materials, inclusion and well-being of employees and consumers, circular packaging and, last but not least, responsible choices related to alcohol consumption. Each of these pillars is part of Ursus Breweries' priorities and the company's daily agenda.

We have made progress in all areas of our sustainability strategy and they are detailed in this report. Some of our achievements that we are most proud of are the reduction of water consumption to 2.76 HL/HL of beer produced and the development of our portfolio of non-alcoholic products. Also, throughout this period we continued to pay special

attention to responsible alcohol consumption by harnessing the potential of the already known platform [www.desprealcool.ro](http://www.desprealcool.ro). In this area we have continued to develop programs to prevent underage alcohol consumption, through partnerships with Step by Step Center for Education and Professional Development and the Federation of Non-Governmental Organizations for Children (FONPC), as well as initiatives to discourage drinking and driving by developing the mobile application "Zero la Mie", in partnership with the Romanian Police. Moreover, we continued our commitment to the communities in which we operate, such as: building Ciucaș relaxation areas, where Romanians from local communities can gather in specially designed places for picnics; actions to protect the environment through selective collecting and recycling at major festivals in Romania such as Untold, Neversea and Oktoberfest; volunteering actions through which we invited our employees, despite the pandemic context, to plant trees individually etc. At the same time, in the difficult year 2020, we supported Romanians in the tough times caused by the pandemic and we reacted quickly to this unprecedented situation through our sponsoring initiative and, later, through Timișoreana fundraising campaign - #separațidarîmpreună. None of this could have been possible without



the involvement of our colleagues at Ursus Breweries and we are grateful to them for their day-to-day work, no matter how cliché this statement may seem today. They are our true ambassadors of sustainability.

I invite you to read this report, which follows international GRI standards, to discover the entire journey of Ursus Breweries from our past recent years towards real sustainable development. Thank you for your trust, for the time given to read this report and please send us any suggestions - they are useful in supporting our work and will help us become, I hope, better, in a better Romania, together.

Looking forward for our next edition,  
**Robert Uzună**

Corporate Affairs Vice President

# WHO WE ARE

Ursus Breweries SA is a closed joint-stock company and the largest beer producer in Romania. Our headquarter is located in Bucharest, Romania, 43 Soseaua Pipera, Floreasca Park, building A, 2nd floor, Sector 2.

The shareholders' contributions to the company capital are as follows:

- Asahi Breweries Europe Ltd., a British private limited legal entity, registered with the Trade Register Office in England and Wales under no. 10609034/08.02.2017. It owns 4,443,728 shares, which represent

98.68% of the share capital; and

- other shareholders (Romanian natural persons and legal entities) owning 59,395 shares, representing 1.32% of the share capital.

## OUR MISSION

Together, we give life to joyful moments!

## OUR VISION

To be the most admired company, helping create a better Romania.

## OUR BEHAVIOURS

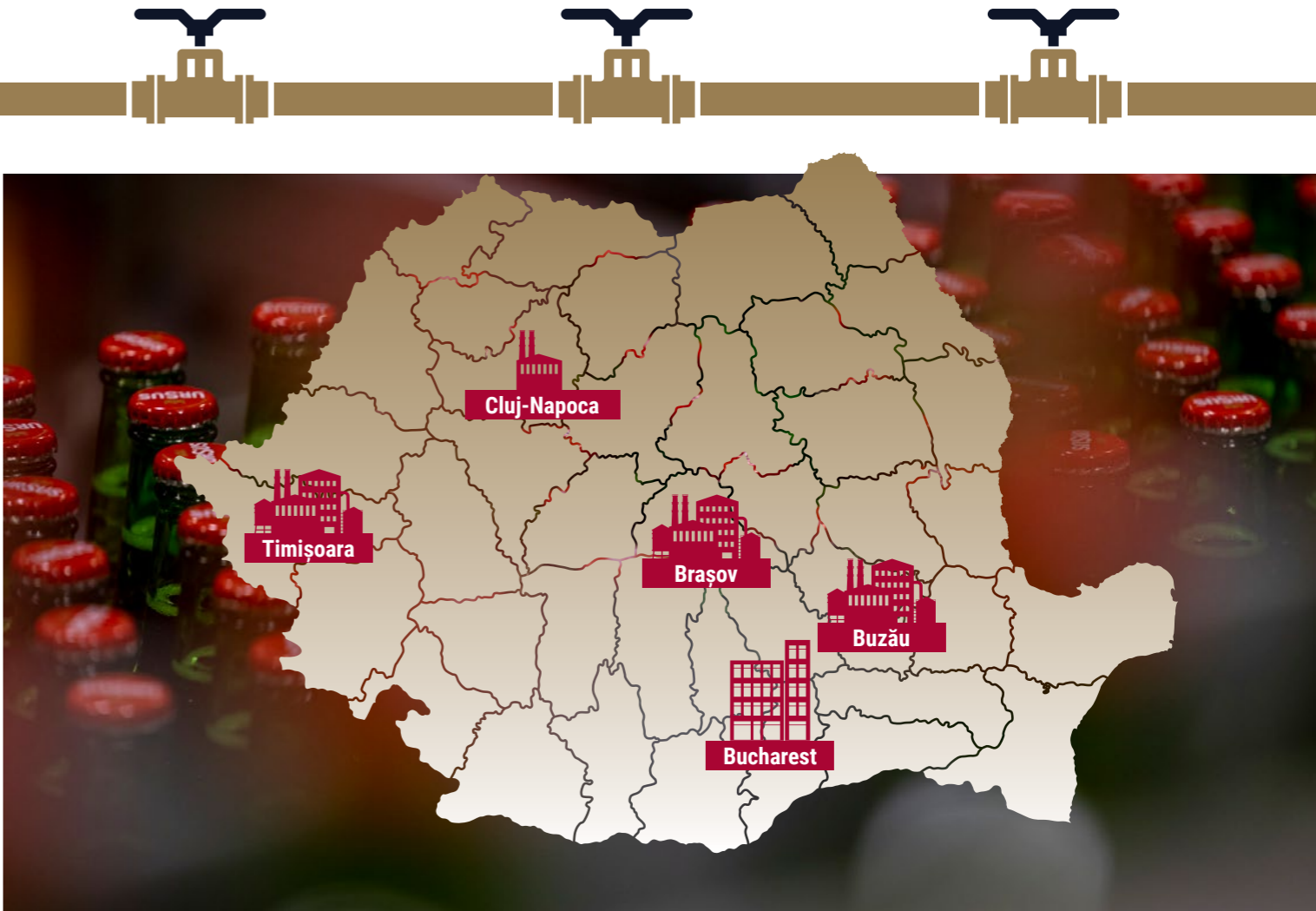
Committed; Cooperative; Bold; Curious; Empowering.

### Ursus Breweries by performance

	2018	2019	2020
Number of employees	1501	1578	1664
102-45 Net sales (RON)	1,846,347,458	1,996,631,430	1,612,037,078
Gross profit (RON)	217,751,148	309,927,161	282,135,343
Profit tax (RON)	42,214,226	50,639,670	37,401,188
102-41 Employees covered by collective agreement (percent)	55.8%	50.9%	46.7%
Quantity of product (million hl)	7.05	7.23	7.24
Water used / beer produced (hl/hl)	2.83	2.78	2.76

We cover the entire Romanian territory. Outside the Romanian borders, Timișoreana is our brand ambassador. Our consumers are people above the minimum drinking age. In addition, we do business with the

following types of customers: traditional trade, retail chains, companies across HoReCa, and entities such as corporate clients.



We operate 3 large breweries located in Buzău, Brașov and Timișoara, and one mini-production unit in Cluj-Napoca. As of 2020, our unit in Cluj-Napoca was upgraded to a craft brewery.

# LEADERSHIP

The General Assembly of the Shareholders (GAS) is the supreme governing body of the Company. It is convened by the Board of Directors, comprising maximum 5 members, all appointed administrators elected by ordinary GAS. One of these members is appointed by GAS as President of the Board of Directors.

Each member of the Board of Directors is responsible for carrying out the long-term vision and medium-term management policy in full accordance with Asahi Group's Policies<sup>4</sup>. Moreover, at local level (i.e. our operations across Romania) the President of the Board of Directors is the head of the Executive Committee that ensures the business management locally. The Executive Committee is comprised of 8 Vice-Presidents of the company coordinating main strategic departments: Finance, Sales, Marketing, Corporate Affairs, Supply Chain, Technical, HR.

At the local level (i.e. our operations across Romania), the percentage of senior management (i.e. members of the Executive Board) that were locally hired (Romanians) at the end of the reporting period was 36,9% (40% during the entire 2020; 37,5% in 2019; 33,3% in 2018). All members' work location is in Romania. During the 3-year reporting period, 100% of our brewery General Managers were Romanians.

<sup>4</sup> Asahi Group website: <https://www.asahigroup-holdings.com/en/company/governance/>

Two management systems and two additional Committees are in charge with or play a key role in the decision-making processes related to environmental, social and economic matters:

- Ethics Committee, which aims at keeping employees informed about the Corporate Ethics Regulation and the Corporate Ethics Guidelines
- Internal Audit Ursus Breweries has in place a fully-fledged internal control system that works to enhance corporate governance and maintain a harmonious development together with our stakeholders.
- Employees Unions
- Pandemic Crisis Committee, that was fully functional throughout the entire state of emergency and would cease its operation once the Covid-related restrictions are over.

### External initiatives

We are actively present and work along partners in the following initiatives:

- International Alliance for Responsible Drinking (IARD) <https://iard.org>
- World Health Organization's SAFER alcohol control initiative <https://www.who.int/initiatives/SAFER>

### Ursus Breweries is a member of the following associations:

- Brewers of Romania Association [www.berariromaniei.ro/en](http://www.berariromaniei.ro/en)
- The Romanian-American Chamber of Commerce (AmCham) [www.amcham.ro](http://www.amcham.ro)
- The British Romanian Chamber of Commerce (BRCC) [www.brcconline.eu](http://www.brcconline.eu)
- The Romanian-German Chamber of Industry and Commerce (AHK) [www.ahkrumaenien.ro/ro](http://www.ahkrumaenien.ro/ro)
- Foreign Investors Council (FIC) [www.fic.ro](http://www.fic.ro)
- The Romanian Association of Packaging and Environment (ARAM) [www.aram.org.ro](http://www.aram.org.ro)
- The Romanian Food Industry Employers' Federation - [www.romalimenta.ro](http://www.romalimenta.ro)
- Employers Organization of Romanian Hotels and Restaurants (HORA) [www.horaromania.org](http://www.horaromania.org)
- Romanian Advertising Council (RAC) [www.rac.ro/EN](http://www.rac.ro/EN)
- International Advertising Association Romania (IAA) [www.iaa.ro](http://www.iaa.ro)
- The Employers' Confederation Concordia (through Brewers of Romania Association) [www.concordia.ro](http://www.concordia.ro)

## MEMBERS OF THE EXECUTIVE COMMITTEE

At the time of the report launch in 2021



**Paul Simon Barnett**

Ursus Breweries President



**Iulia Andreșoiu**

Marketing Vice President



**Zuzana Balejova**

HR Vice President



**Alina Bulgariu**

Finance Vice President



**Glenn Burgess**

Supply Chain Vice President



**Gabriela Crețu**

Sales Vice President



**Duncan Crow**

Technical Vice President



**Robert Uzună**

Corporate Affairs Vice President

## MEMBERS OF THE EXECUTIVE COMMITTEE

During the period covered by the report 2018-2020

President

**Dragoș Contantinescu**, February '19 - May '21

Finance Vice President

**Igor Thikonov**, January '14 – October '18

Technical Vice President

**Lorant Kovacs**, July '20 - August '21

**Claudiu Fuiorea**, May '15 - July '20

Sales Vice President

**Guy Van Geel**, February '19 - July '21

Supply Chain Vice President

**Sorin Harabagiu**, April '18 - February '19

Marketing Vice President

**Tiarnan Ó hAimhirgín**, June '16 - April '21

**Glenn Burgess**

**Marek Dvorak**, February '19 - March '21

Corporate Affairs Vice President

**Mihai Bârsan**, April '14 - December '18

HR Vice President

**Robert Uzună**

**Kenney Robert Victor**, August 15' - May '18



# HOW WE OPERATE



## Internal Ethics Policies

We have a zero-tolerance policy on bribery and corruption. Our transparency framework and substantial information on our anti-corruption policies, including our Code of Business Conduct and Ethics, as well as the Anti-Bribery Policy and the Gifts and Entertainment Policy that supplement it, are available to all our staff via the internal platform. Our whistle-blowing policy is constantly communicated within the organization, giving all employees the opportunity to make confidential disclosures on suspected impropriety or wrongdoing. The contact information our employees can use are displayed in all our locations.

## Supplier Policies

Our business relationships are governed by two supplier policies, both public and mandatory for any of our suppliers:

Supplier Anti-bribery Policy  
[https://ursus-breweries.ro/wp-content/uploads/2021/01/Anti-Bribery-Policy-Supplier-Version\\_Ursus-Breweries.pdf](https://ursus-breweries.ro/wp-content/uploads/2021/01/Anti-Bribery-Policy-Supplier-Version_Ursus-Breweries.pdf)

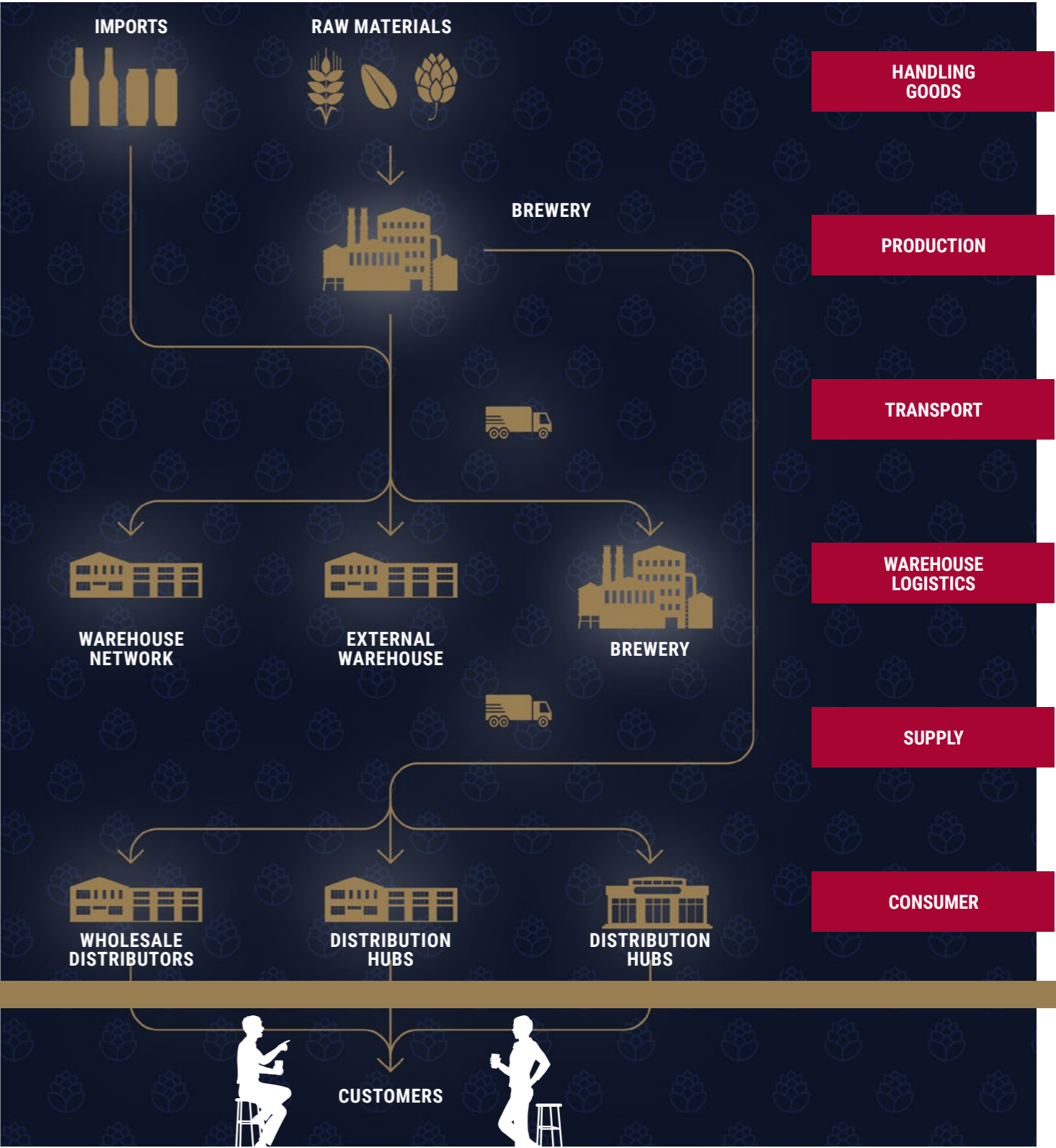
Supplier Code of Conduct  
<https://ursus-breweries.ro/wp-content/uploads/2021/01/Ursus-Breweries-Supplier-Code-of-Conduct.pdf>

## Our supply chain

Handling of incoming goods, production, the inter-depot movement, warehouse operations, customer supply and consumer are the six pillars of our value chain, which maintained its structure presented in our previous sustainability report<sup>5</sup>, at page 14.

However, as of 2018 we have a new warehouse in Cluj-Napoca, which is an A-class building. Two additional depots became operational in 2020, one in Buzău and the other in Timișoara. Also, in 2020 we closed a buffer depot in Buzău. In the same year, we finalized the transition from gas forklifts to electric ones. As of October 2020, all operations (production and warehousing) are performed with electric equipment.

<sup>5</sup> Ursus Breweries website: [https://ursus-breweries.ro/wp-content/uploads/2020/09/Raport\\_EN\\_final.pdf](https://ursus-breweries.ro/wp-content/uploads/2020/09/Raport_EN_final.pdf)



## Our brands 2018 - 2020

### Local brands



### International brands



**Local brands:** Ursus, Timișoreana, Ciucas, Stejar, Azuga.

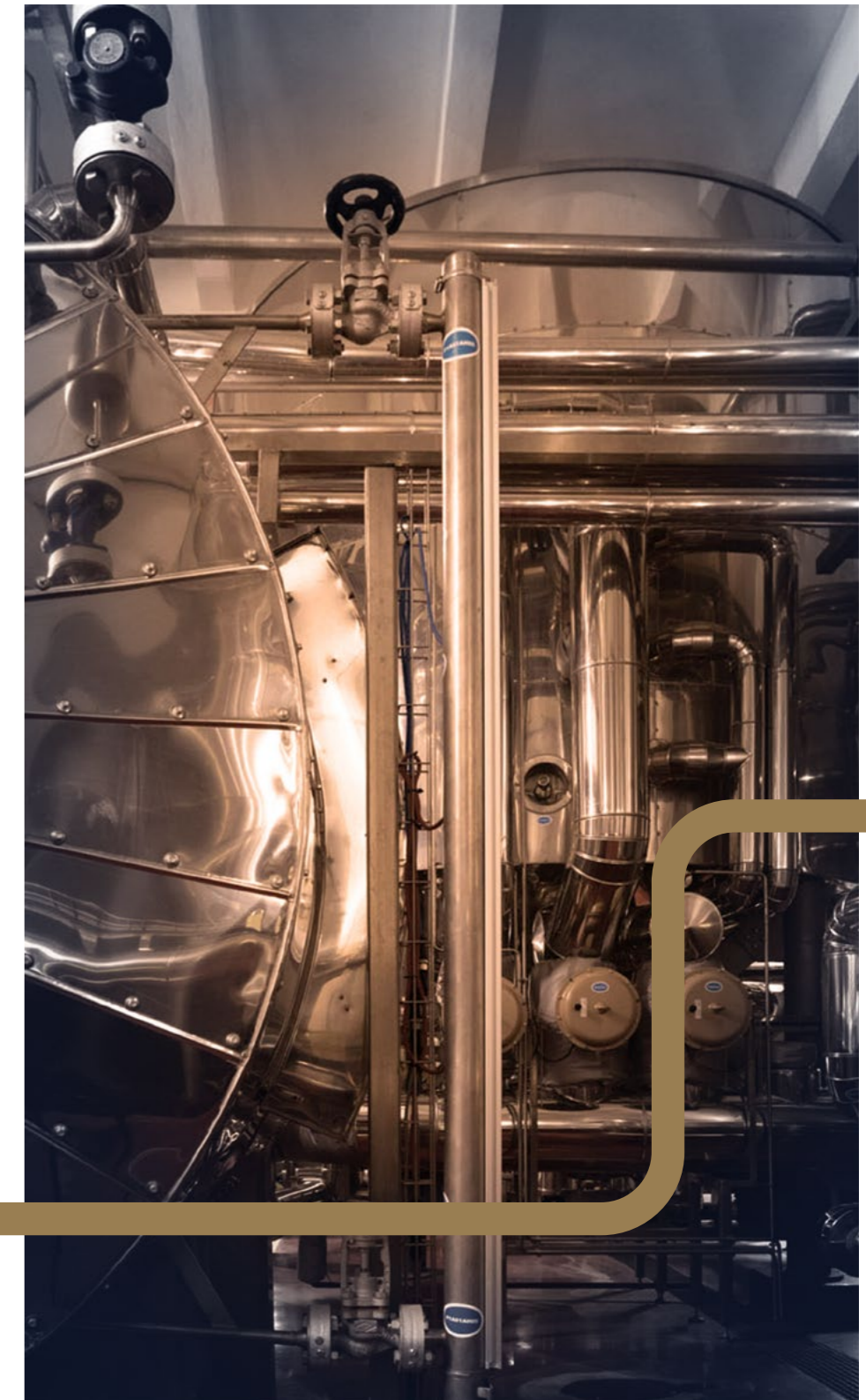
**International brands:** Pilsner Urquell, Asahi Super Dry, Meantime, Peroni Nastro Azzurro, Grolsch, Efes, St. Stefanus, Kingswood, B-life.

## Precautionary principle:

Our risk management system is placed at the core of our management policies, and is based on fundamentals that enable us to improve both strategic planning and decision-making process. We are certified against the requirements of the following management system standards: ISO14001, OHSAS18001, ISO9001, ISO22000, and ISO50001.

In order to identify and evaluate key risks and plan early responses, each department conducts risk assessments that are further discussed in committees and board meetings.

Internal audits are performed annually by certified internal auditors. External surveillance audits are performed also annually by accredited bodies. As required, recertification audits are performed every three years. Regular drills and continuous training are key components in preventing any risks of environmental incidents.



# LEGACY 2030: OUR CORPORATE SUSTAINABLE DEVELOPMENT STRATEGY

We work very hard today, focus on a better tomorrow, and set our standards high. It comes with the taste of our beverages, but also with how we act as a company.

We believe that our legacy is not only in the joy we create with our drinks. It is also about the people we work with: the consumers who drink our beers; the farmers; even the planet itself. Only positive impact on all of those combined can make a legacy we can be proud of.

The gifts of nature are essential to brew great tasting beer, so we are committed to run our business in harmony with nature. Not only for us, but also for generations that come after us.

Legacy 2030, our sustainable development strategy, focuses on our pillars: Planet, People, Portfolio and Profit.

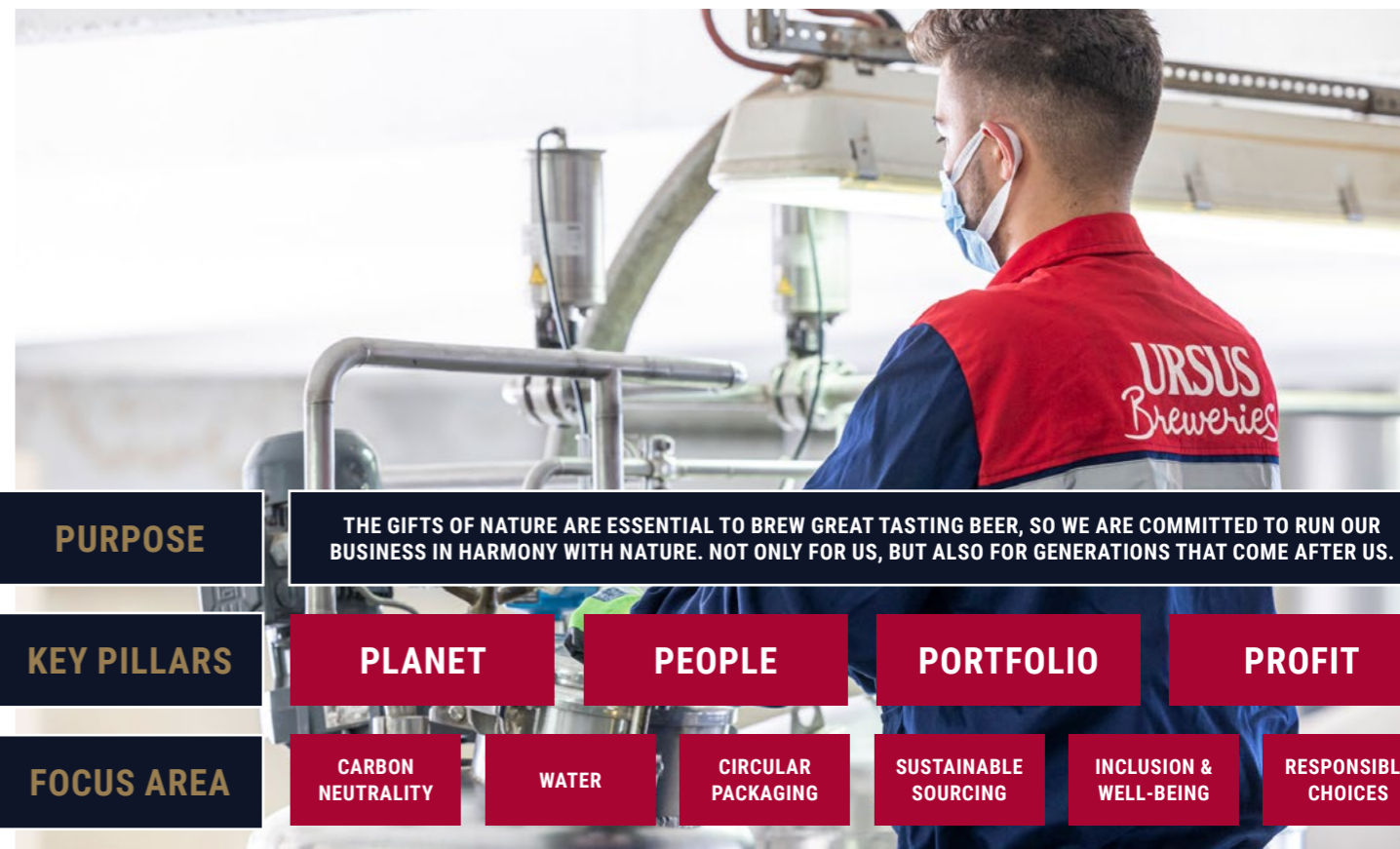
We are living in one of the most important decades to determine our future. If there ever was the time to act, it is now. And we understand things will not start moving on their own. As always, leaders need to lead. Being leaders in most of the markets where we operate, we believe we need to lead by example.

We have already started. We've moved sustainability into the core of our strategy and plan to accelerate our efforts as we move on. Doing both big things and lots of smaller things.

Through our actions, we contribute to the UN Sustainability Development Goals, focusing on the areas where we can make an impact, utilizing our scale, supply chain or partnerships.

Sustainability is more than ever creating people to people connections, provided we keep our minds open and our focus on reducing negative impacts to maximize the positive ones. Transparency, on the other hand, sustainability reporting in particular, is an exercise that keeps us connected with our stakeholders. We listen to them, we care for their expectations, we collect inputs, we develop joint initiatives, and we report back to them.

In the past, we've focused mainly on the activities within our brewery walls. What we are facing now is bigger than us. We can do our part, but we also understand more the need to engage with other partners, our suppliers and customers, to serve a greater good. Building on what BEER has been doing for centuries – bringing people together.



BEER is what defines what we do, therefore we matched the four sustainable development strategic pillars with the four areas that define what we do:

**Profit = Business**

**People = Employees**

**Planet = Environment**

**Portfolio = Responsibility**

**WE  
MAKE  
BEER.**

To provide full and transparent access to Legacy 2030, our corporate sustainable development strategy, we invite you to read it through by clicking on this link and acquaint yourself with a series of goals that when met will make us proud of:

<https://www.asahiinternational.com/images/sustainability/Sustainability-brochure-Legacy-2030.pdf>

# DEFINING THE CONTENT OF THIS REPORT

## Stakeholder dialogue

102-43 102-46

There is one single way to be in touch with the market, business partners, policy makers, NGOs or any other stakeholder: transparency and constant engagement.

We are present in a number of initiatives and members in various associations (please see page 12), where we interact pro-actively with all stakeholder categories as described in our previous report<sup>6</sup>, at pg. 20-21. Although our reporting process was paused for good and significant reasons, our interactions with stakeholders did not suffer.

Our interest in the wellbeing and work satisfaction of our employees was higher than ever, and this is reflected in our employee surveys, that are now performed both locally and group-wise (please see details in the Employee, [page 47](#)).

The relationships with our union representatives continued to be close, with health and safety, staff development, employee benefits, employee training, and more recently Covid-protection ranking high among the topics discussed.

Legislation, especially in terms of sustainable development in general, and environmental protection, packaging and waste in particular was a topic of concern in our regular business meetings, where our presence indicated both high interest and appropriate support.

As a beer producer, we know that our consumers need to be aware of the quality of our products, what ingredients we use, the benefits as well as the limitations of alcohol consumption. Therefore, we continued to cooperate with social actors such as NGOs, consumer protection entities and marketing supervision bodies.

Apart of our regular efforts, for the purpose of the development of the present report we conducted a consultative process. It was built on the results of all major encounters mentioned above, doubled by one-on-one interviews with a small number of stakeholders. Given the recent online fatigue and excessive exposure to online surveys, instead of risking to register a very low response rate, we focused on qualitative interactions.

### We are grateful to all 20 proficient stakeholders representing the most significant groups: 102-42

- representatives of critical business departments in Ursus Breweries such as health, quality and employee safety; HR; procurement; internal audit; technical; trade union; sustainable development, plus a procurement representative of the Asahi Group)
- local authorities (one mayor), NGOs, packaging suppliers, transport suppliers, distributor, retailers, academia, and marketing promoter. Their concerns and subjects of interest are detailed in the following table, while the result of the materiality analysis is shown in the diagram on [page 23](#).

STAKEHOLDER GROUP	EXPECTATIONS
102-40 102-44 Influencers	All material topics covered by the materiality diagram. No additional topics were added to the list.
Partners	All material topics covered by the materiality diagram. No additional topics were added to the list.
Value makers	All material topics covered by the materiality diagram. No additional topics were added to the list.
Purchasers	All material topics covered by the materiality diagram. No additional topics were added to the list.

## Materiality analysis

There was a significant gap in our reporting practice, we are aware of that. Therefore, to update ourselves on what's new in terms of international legislation, various reporting frameworks and methodologies, and best practices across our industry, we conducted a benchmarking and gap analysis.

Another step in the process was to look into the future by checking our business processes against the UN Sustainable Development Goals (SDGs), the new environmental policies at the EU level (the European Green Deal, Fit for 55, the under-development Directives such as the supply chain and the sustainability reporting acts) and the Romanian Sustainable Development Strategy. A thorough appropriate explanation of the applicable sustainability context is inserted under most of the material topics.

The results, i.e. the social, environmental and social topics that make people react and companies revise their strategies, were matched with our business priorities at the global, regional and local level, and with our sustainable development targets. They were further discussed in our one-on-one interviews with our stakeholders, who openly provided feedback and additional inputs.

Their interests and sustainability-wise areas of concern are reflected in the list of material topics below.

Once all these steps were completed, the sustainable development team prioritized the topics in accordance with the recommendations in GRI101 Standard.

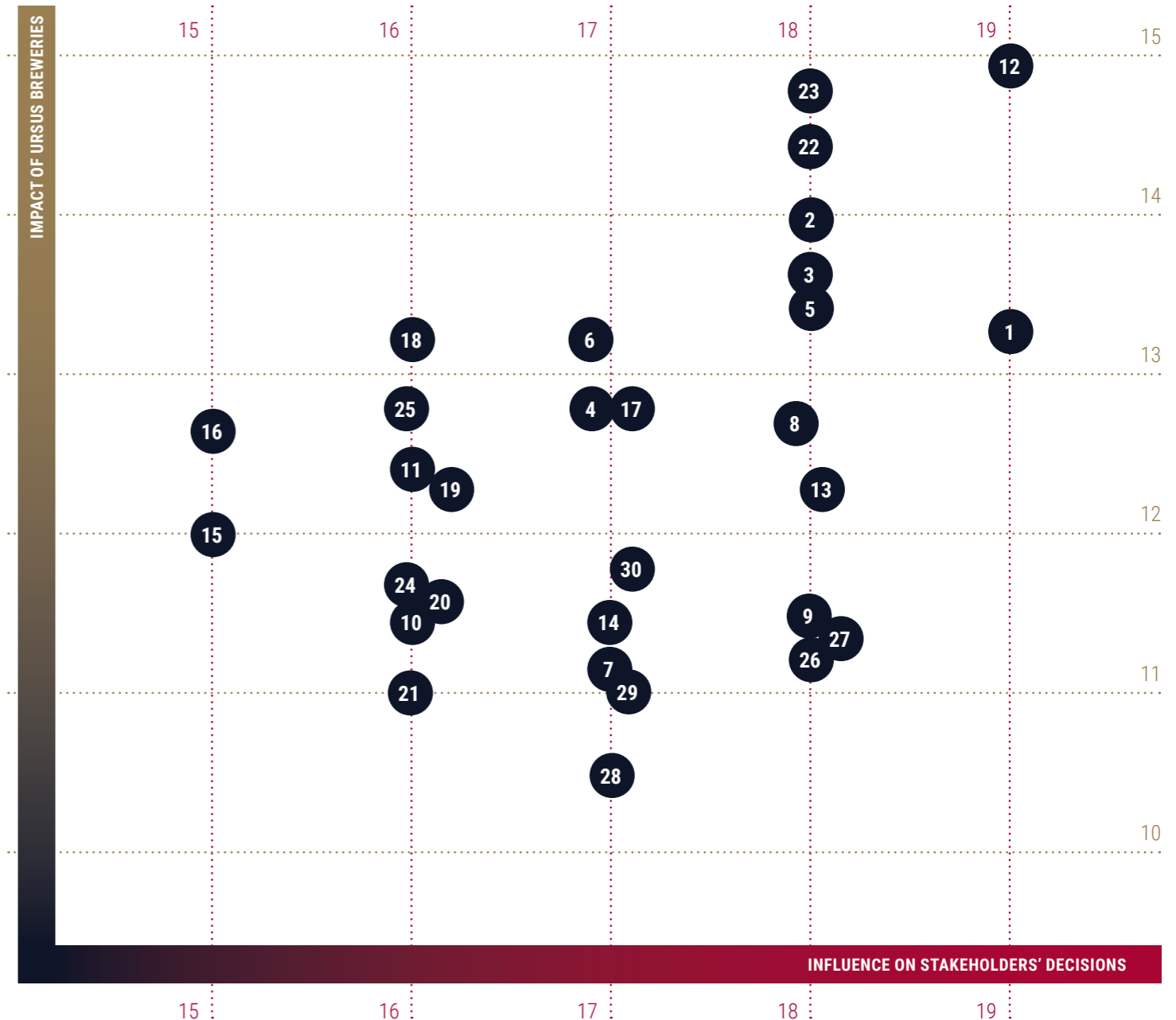
<sup>6</sup> Ursus Breweries website: [https://ursus-breweries.ro/wp-content/uploads/2020/09/Raport\\_EN\\_final.pdf](https://ursus-breweries.ro/wp-content/uploads/2020/09/Raport_EN_final.pdf)

## LIST OF MATERIAL TOPICS

102-47

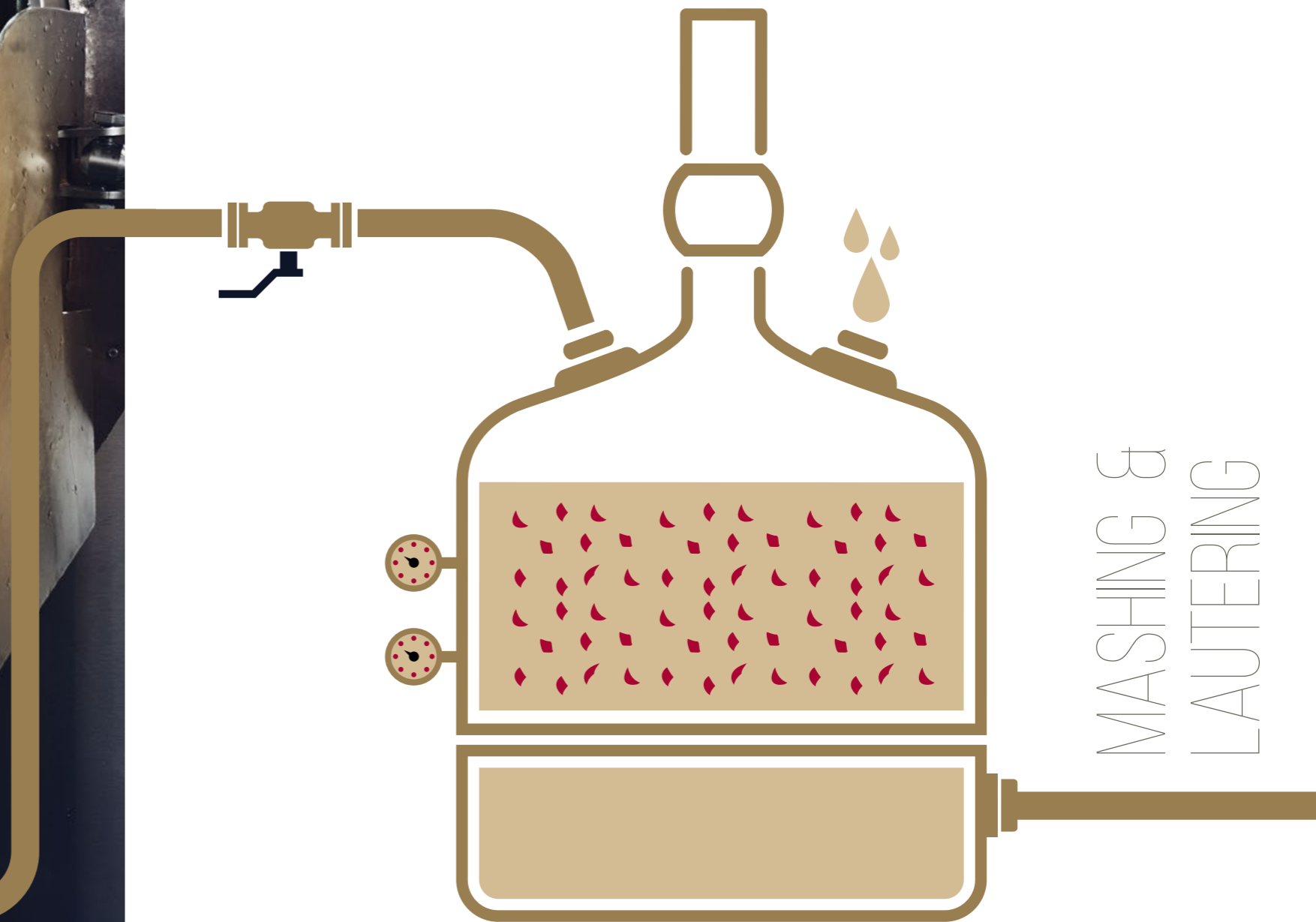
INDEX	TOPIC
<b>BUSINESS</b>	
1	Tax transparency
2	Ethics and integrity
3	Quality of ingredients
4	Traceability
5	Market presence
6	Product portfolio
7	Research and innovation
8	Respect for Human Rights (supply chain)
9	Supplier socio-economic compliance
10	Sustainable supply chain
11	Sustainable sourcing (sustainable raw materials, sustainable farming)
<b>EMPLOYEES</b>	
12	Workforce health and safety
13	Human resources development
14	Workforce training
15	Diversity (support women in their growth and development)

INDEX	TOPIC
<b>ENVIRONMENT</b>	
16	Water management
17	Circular economy (recycling)
18	Sustainable packaging (use of materials)
19	Climate change (reduce carbon emissions across the supply chain)
20	Transport and cooling
21	Emissions (operations)
<b>RESPONSIBILITY</b>	
22	Responsible drinking (consumers)
23	Responsible drinking (employees)
24	Healthy lifestyles
25	Product marketing and labeling
26	Local partnerships (with suppliers and communities)
27	Local partnerships (with farmers, cooperatives, academia)
28	Create people to people connections (community-wise)
29	Create people to people connections (within the organization)
30	Community investments



II.

# BUSINESS



MASHING &  
LAUTERING

# TAX TRANSPARENCY

It was early in our sustainability reporting journey (2013-2014) when tax transparency has been identified as a highly relevant topic. There was no specific GRI Standard we could rely on at that time, yet our reporting practice was fully aligned with the requirements of a GRI Standard that entered into force in January 2021.

It is natural for all our stakeholders (please see details at [page 21](#)) to show interest into our tax transparency: central and local authorities need to fund essential public services, therefore corporate tax is instrumental for the economic stability; our own employees and those of our suppliers need to have equal access to public services (such education, health, pension schemes, utilities, infrastructure); NGOs are keen to cooperate with a responsible, reliable partner; the consumer community is more alert than ever to responsible business practices; last but not least, we want to make any present and future employee proud of working for an accountable company. The only viable solution for a truly sustainable development of our entire ecosystem is to be extremely diligent and exceptionally transparent on tax matters.

Taxation<sup>7</sup> is also essential for the implementation of so many ambitious projects approved under the EU's Recovery and Resilience Facility<sup>8</sup>, not to mention other



## no 17

**Strengthen the means of implementation and revitalize the global partnership for sustainable development.**

EU initiatives such as the Digital Single Market, the 2030 Climate and Energy Framework or the Circular Economy. In this context, it is noteworthy that Romania has joined the Global Forum on Transparency and Exchange of Information<sup>9</sup> for Tax Purposes in 2013.

Having a wide impact on Romanian economy and society, and being an important vehicle in the market development, our disbursements to Romanian budget include: alcohol taxes, excise duties, corporate tax, or income taxes relating to our workforce.

Our tax policies are governed by a set of specific guidelines and procedures. They detail the elements of strategy, policy and operations pertaining to taxation, and include management procedures. It is mandatory for Ursus Breweries and all our employees to comply with these procedures.

Our tax strategy sets the grounds for managing the risks derived from company business operations in a healthy manner, meeting in full all requirements (including legislative compliance and reporting obligations), thoroughly documenting all tax processes, in addition to identifying and implementing the appropriate controls.

We fulfil our global tax obligations in full compliance with all local and international tax laws and Organization for Economic Co-operation and Development (OECD) guidelines. We fully comply with the tax laws in Romania (i.e., the Fiscal Code), and undertake effective planning for the conduct of the business activity.

We operate under a comprehensive Tax Code of Conduct. Its main purpose is to ensure appropriate conduct of tax affairs with regard to tax management and tax transparency, while balancing the interests of our various stakeholders.

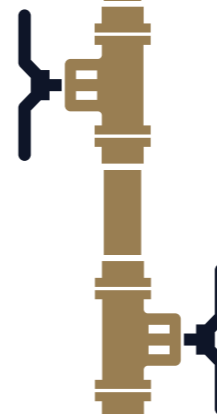
The approach to tax is embedded in every aspect within the organization through different mechanisms such as: the tax policies (e.g., Excise Manual and Environmental Policy), training and guidance provided to relevant employees on the link between tax strategy, business strategy, and sustainable development. Also, the company has succession-planning for positions within the organization that are responsible for tax and participates (through its representatives) in tax transparency initiatives or representative associations that seek to develop best practice around disclosures on tax or educate stakeholders on tax-related issues.

The Tax Code of Conduct sets out the fundamental thinking of Ursus Breweries towards the conduct of tax affairs, and its implementation is assured by a set of guidelines and procedures that apply to our company and its employees: policies, goals and targets, responsibilities, resources, grievance mechanism (e.g., Whistle-Blower Scheme), and also specific forums and projects that address Tax matters. The Tax Code of Conduct is laid down and managed by the Tax Team, that is supervised by Finance Vice President who is also a member of Ursus Executive Committee.

Day-to-day work is assigned to the Senior Tax Manager and in-house tax specialists. The

Senior Tax Manager reports directly to the Finance Vice-President. Advisory and technical tax support is provided as appropriate by major tax and legal companies, and other small firms.

The Tax Code of Conduct is constantly reviewed and revised in accordance with either the improvements at the Group level and/or in line with changes in local tax legislation. There are specific Committees and other forums that evaluate the management approach (e.g. Sustainability Task Force). Also, there is an annual external audit process that ensures the correctness and effectiveness of the management approach with regards to Tax.



<sup>7</sup> Source: Economic Commission [https://ec.europa.eu/taxation\\_customs/system/files/2019-01/15\\_01\\_2019\\_communication\\_towards\\_a\\_more\\_efficient\\_democratic\\_decision\\_making\\_eu\\_tax\\_policy\\_en.pdf](https://ec.europa.eu/taxation_customs/system/files/2019-01/15_01_2019_communication_towards_a_more_efficient_democratic_decision_making_eu_tax_policy_en.pdf)

<sup>8</sup> Source: Economic Commission [https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility\\_en](https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en)

<sup>9</sup> Source: OECD <https://www.oecd.org/newsroom/theglobalforumontaxtransparencywelcomesromaniaasnewmember.htm>

As mentioned above, we have in place mechanisms for reporting concerns about unethical or unlawful behaviour and the organization's integrity in relation to tax, and the follow the principles of Whistle blowing scheme.

This scheme has been set up to encourage early detection of risks associated with the corporate activities of the Ursus Breweries and prevent risks from developing into serious problems. Where the matter involves a breach or potential breach of the relevant laws and regulations or stipulations of the Ursus Breweries Code of Conduct, and where the matter cannot be

Anonymity is assured for all whistle-blower reports. A report can be submitted via letter, in-person and email, and can be sent 24/7.

All notifications are thoroughly investigated by Ursus Breweries with the cooperation of relevant parties. If any issue is identified, it is dealt with as appropriate, then the whistle-blower is informed of the outcome. Ursus Breweries Internal Reporting System Policies guarantee confidentiality and stipulate that no person shall suffer detrimental treatment as a result of submitting a complaint.

We have regular engagements with tax authorities that are not always characterized

(please detailed lists at [page 12](#)), all platforms for an open and transparent dialogue with the institutions with attributions in many fields, tax included. Relevant for this topic is our presence in specific Working Groups cooperating with Romanian authorities (Parliament, Government, Presidency, County Councils & City Halls/Mayors), industries' associations (Brewers of Romania, AmCham, Concordia, FIC etc.), other stakeholders (e.g. NGOs, consumers' groups/associations, key business partners, international organizations' offices – EU Commission, World Bank etc.), all interested in maintaining or improving the regulatory framework required for the accomplishment of our Licence to Trade (LTT)

resolved satisfactorily by the conventional organizational structure, the whistle-blower is encouraged to approach contacts either inside or outside the company. Members of the Internal Audit & Executive Committee, as well as the Head of Legal Affairs Department of Ursus Breweries are the internal focal points, while an outside attorney serves as the external liaison.

by convergence. However, we actively seek opportunities for dialogue and endeavours to resolve divergent opinions. One example is the double-taxation; when such issues arise, we seek to cooperate with tax authorities and address them.

We are part of a series of initiatives and members in a number of organizations

objectives – that is, our licence to operate.

In addition to other relevant KPIs (such as number of employees or sales) that have been included under the About our company -> Who we are section of this report (see [page 10](#)), we are presenting additional data to complete the overview on tax transparency as a topic material for this report.

	2018	2019	2020
Profit / loss before tax (RON)	217,751,148	309,927,161	282,135,343
Tangible assets other than cash and cash equivalents (RON)	1,084,635,777	1,233,774,548	1,328,080,918
Corporate income tax paid on a cash basis (RON)	33,217,974	47,334,660	41,649,536
Corporate income tax accrued on profit/loss (RON)	42,214,226	50,639,670	37,401,188

# ETHICS AND INTEGRITY



We consider that Ursus Breweries could not become the expression of our vision – which is to be the most admired company, helping create a better Romania, unless we conduct our business responsibly and in accordance with the highest legal and ethical standard. In addition to being diligent and transparent on tax issues, we also understand to appreciate the trust of our stakeholders by fully complying with the national laws and public regulations, company regulations and other voluntary rules of conduct.

We have zero-tolerance to bribery and corruption. Our transparency framework and substantial information on anti-corruption policies, including the Code of Business Conduct and Ethics, and the Anti-Bribery Policy, which supplements it, are available to all our staff via the internal platform.

## The internal transparency framework consists of:

### The Code of Business Conduct

### The Anti-bribery Policy

### the Whistleblowing Policy

### The Gifts and Entertainment Policy

Our Code of Business Conduct and Ethics derives from Asahi Group Code of Conduct<sup>10</sup>,

established in January 2019 as a means of achieving Group's philosophy across the entire organization. The Anti-bribery Policy is based on the relevant principles set up at Group level. Through this policy we aim to prevent employees to be involved in any way in the payment of bribes or kickbacks, whether in the public or commercial sector. Employees must understand and comply with applicable anti-corruption legislation.

These are supported by the whistle-blowing policy, which is constantly communicated within the organization, giving all employees the opportunity to make confidential disclosures on suspected impropriety or wrongdoing. The contact information our employees can use is displayed in all our locations.

Additionally, we have Gifts and Entertainment Policy which sets boundaries and provides

<sup>10</sup> Source: Asahi Group Holdings website [https://www.asahigroup-holdings.com/en/company/policy/group\\_policy.html](https://www.asahigroup-holdings.com/en/company/policy/group_policy.html)

guidance for employees about giving or receiving gifts or entertainment to/from third parties connected with their business work.

We understand that our responsibility regarding ethics and integrity does not discontinue at the company's border. As such, we elaborated and apply policies that guide our relationships with all suppliers beyond the commercial aspects.

The Anti-bribery Policy for suppliers<sup>11</sup> applies to all suppliers of URSUS Breweries or its subsidiaries and sets out the minimum standards to which they must adhere at all times. It defines what bribery is and spells out all relevant situations that the supplier should not engage into related to this topic, including

what to do if becomes aware of any actual or suspected breach of the policy and the contact information.

The Code of Conduct for suppliers<sup>12</sup> also applies to all our suppliers and defines the minimum standards that these organizations are required to adhere to, and which are not negotiable. Respect for human rights and labour standards, and of the freedom of association; prohibition of forced and compulsory labour, including child labour; intolerance of discrimination; promotion of safe and fair labour conditions are some of the aspects covered by this policy.

Both these documents are communicated to all suppliers when signing the supplier agreement; the Code of Ethics is also attached to Distributors' agreements.

We are committed to respecting internationally recognised human rights as defined by the International Bill of Human Rights and the principles laid out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work and we expect our suppliers to embrace these international standards as well. We also encourage them to promote these standards and principles in their own supply chains.

Regarding the implementation of our transparency framework and related documents within the organization, the complete package of governance policies is communicated at all levels on an annual basis, including through specific training sessions.

**COMMUNICATION AND TRAINING  
ABOUT ANTI-CORRUPTION  
POLICIES AND PROCEDURES**

		2018		2019		2020	
		Number	Percentage	Number	Percentage	Number	Percentage
a. Governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region							
General Assembly of the Shareholders	Headoffice	2	66.67	2	66.67	2	66.67
	External party	n/a	n/a	n/a	n/a	n/a	n/a
Board of Directors	RO	4	66.67	5	71.43	3	50
	Outside RO	2	33.33	2	28.57	3	50
Executive Committee	Headoffice	8	100	8	100	8	100
Ethics Committee	Headoffice	5	100	5	100	5	100
Internal Audit	Headoffice	3	100	3	100	3	100
Employee Union Leaders	TM	2	100	2	100	2	100
	BV	2	100	2	100	2	100
	BZ	2	100	2	100	2	100
Pandemic Crisis Committee	Headoffice					7	100
b. Employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region		1,441	100	1,536	100	1,611	100
Head office	Management (hay grade 14+)	130	9	113	7	118	7
	Non-Management (hay grade 8-13)	33	2	28	2	29	2
TM	Management (hay grade 14+)	46	3	47	3	54	3
	Non-Management (hay grade 8-13)	210	15	216	14	245	15
BV	Management (hay grade 14+)	30	2	43	3	46	3
	Non-Management (hay grade 8-13)	139	10	198	13	208	13
BZ	Management (hay grade 14+)	54	4	56	4	57	4
	Non-Management (hay grade 8-13)	305	21	316	21	325	20
CJ	Management (hay grade 14+)	7	0	18	1	23	1
	Non-Management (hay grade 8-13)	11	1	30	2	38	2
Field Sales Team	Management (hay grade 14+)	133	9	132	9	131	8
	Non-Management (hay grade 8-13)	343	24	339	22	337	21

<sup>11</sup> Source: Ursus Breweries website [https://ursus-breweries.ro/wp-content/uploads/2021/01/Anti-Bribery-Policy-Supplier-Version\\_Ursus-Breweries.pdf](https://ursus-breweries.ro/wp-content/uploads/2021/01/Anti-Bribery-Policy-Supplier-Version_Ursus-Breweries.pdf)

<sup>12</sup> Source: Ursus Breweries website <https://ursus-breweries.ro/wp-content/uploads/2021/01/Ursus-Breweries-Supplier-Code-of-Conduct.pdf>

COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES		2018		2019		2020	
		Number	Percentage	Number	Percentage	Number	Percentage

c. Business partners that the organization’s anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization’s anti-corruption policies and procedures have been communicated to any other persons or organizations

	Suppliers’ contracts managed by Procurement	1,042	100	1,038	100	1,055	100
--	---	-------	-----	-------	-----	-------	-----

d. Governance body members that have received training on anti-corruption, broken down by region

Head office	Headoffice	2	66.67	2	66.67	2	66.67
	External party (data not available for external parties)	n/a	n/a	n/a	n/a	n/a	n/a
Board of Directors	RO	4	66.67	5	71.43	3	50
	Outside RO	2	33.33	2	28.57	3	50
Executive Committee	Headoffice	8	100	8	100	8	100
Ethics Committee	Headoffice	5	100	5	100	5	100
Internal Audit	Headoffice	3	100	3	100	3	100
Employee Union Leaders	TM	2	100	2	100	2	100
	BV	2	100	2	100	2	100
	BZ	2	100	2	100	2	100
Pandemic Crisis Committee	Headoffice					7	100



COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES		2018		2019		2020	
		Number	Percentage	Number	Percentage	Number	Percentage

e. Total of employees that have received training on anti-corruption, broken down by employee category and region

Head office	Management (hay grade 14+)	130	9	113	7	118	7
	Non-Management (hay grade 8-13)	33	2	28	2	29	2
TM	Management (hay grade 14+)	46	3	47	3	54	3
	Non-Management (hay grade 8-13)	210	15	216	14	245	15
BV	Management (hay grade 14+)	30	2	43	3	46	3
	Non-Management (hay grade 8-13)	139	10	198	13	208	13
BZ	Management (hay grade 14+)	54	4	56	4	57	4
	Non-Management (hay grade 8-13)	305	21	316	21	325	20
CJ	Management (hay grade 14+)	7	0	18	1	23	1
	Non-Management (hay grade 8-13)	11	1	30	2	38	2
Field Sales Team	Management (hay grade 14+)	133	9	132	9	131	8
	Non-Management (hay grade 8-13)	343	24	339	22	337	21

All employees are required to sign a declaration of compliance with company’s ethics and integrity policies. This annual process implies the acknowledgment by all employees of the Code of Ethics, the Anti-Bribery Policy, the Gifts and Entertainment Policy, and the declaration of full compliance with all of these. These declarations provide the management with an overview regarding the degree of knowledge and understanding about the ethics requirements at the company level.

An additional layer for ensuring the adherence to these policies is ensured by the local Executive Committee that makes representations regarding the compliance with the ethics policies in the Letter of Representation, document signed twice a year. These representations refer to awareness programmes within the organization, and

provide for disclosure of any ethics related incidents, investigation thereof and measures taken with respect to such investigations.

The body in charge with the investigation of ethics related incidents is the Ethics Committee. This convenes approximately every two months to discuss all whistleblowing reports received, no matter the channel. The Ethics Committee decides upon investigations and on remedies, including disciplinary action, supplier contract termination, or any other legal remedies, where necessary. Besides continuously monitoring of the reports that appear to be grounded following an investigation, we also analyse the data collected through the Ethics Compliance Survey, performed at Group level, to measure the effectiveness of our existing policies on ethics and integrity.

# QUALITY OF INGREDIENTS, TRACEABILITY

The UN Sustainable Development Goal no. 12<sup>13</sup> is about doing more (value) with less (resources). In our business, every effort towards a circular economy starts with the ingredients. This is the first step we consider before developing a product, designing the portfolio or packaging our products, a pace that is also necessary for understanding how to prevent and reduce the emissions or how the waste has to be managed.

Ingredients and their quality are essential for our business. When we look into this topic, we also need to take into account how the yields or the quality of raw materials could be affected by climate change. Further on we would introduce you into our policies that govern the production and the product safety. By the end of this chapter, you will also understand the link between the quality of the products, our product portfolio, and our procurement practices, pressed to secure grains in the most sustainable possible way.

From the reception of raw materials and their processing to packaging the finished product, all activities are aligned with our sustainability performance and meet the changing needs of all parties involved.

Our management teams are in charge with ensuring all material and human resources required to develop, maintain and improve the Quality Management System implemented in full accordance with ISO9001:2015. The QMS is aligned with additional policies, such as the Food Safety or the Environmental, Health and Occupational Safety System. Some of the procedures and measures aimed at translating the QMS into practice are:



no 12

Ensure sustainable consumption and production patterns

- detailed description of the processes and key responsibilities
- communicating our quality policy to all our employees
- objective evaluation of the QMS
- constant training, education and performance evaluation of our employees on matters related to quality management
- ensuring full compliance with the legislation and regulations related to quality, applicable in Romania and the European Union
- a transparent and constructive approach in our interactions with suppliers, authorities and other interested parties
- building a partnership with our suppliers
- ensuring that the product quality and safety has a natural flow downstream, throughout the food chain to consumers



We are committed to producing high quality products, safe for consumption. In demonstrating our commitment, we operate with an internationally renowned food management system that enhances product safety: our beers comply with the Codex Alimentarius Commission's recommended code of practice of the Good Manufacturing Practice (GMP) and the Hazard Analysis and the Critical Control Point (HACCP) aligned with ISO22000:2018

and the Technical Specification ISO/TS 22002-1 requirements.

The overall principles, procedures and practices listed above also apply in the case of the food management system, yet particular consideration is given to the specifics (i.e., manufacturing practices, food safety risks, food safety requirements, hygiene). All our employees play a fundamental role in achieving our

<sup>13</sup> Source: United Nations Sustainable Development Goals <https://www.un.org/sustainabledevelopment/sustainable-consumption-production/>

commitments by taking ownership of food safety programme.

The Quality and Food Safety Management Systems are evaluated on yearly basis by an external ISO certification body; no nonconformities were raised over the reporting period. The management systems are also audited internally every year, according to our Internal Audit Procedure.

In addition, our breweries are audited on regular basis according to Asahi's Group Production Risk Management audit. The performance is monitored on quarterly basis, while action plans are in place to ensure the full compliance.

Assessment of health and safety impacts

Percentage of product categories for which health and safety impacts are assessed for improvement	100%	100%	100%
	compliant with the requirements of ISO 9001:2015, ISO 22000:2018, ISO TS 22002-1 and FSSC additional requirements.	compliant with the requirements of ISO 9001:2015, ISO 22000:2018, ISO TS 22002-1 and FSSC additional requirements.	compliant with the requirements of ISO 9001:2015, ISO 22000:2018, ISO TS 22002-1 and FSSC additional requirements.

2018

2019

2020

Traceability is another important part of our Quality and Food Safety Management System, giving us the possibility of a fast feedback in case of any quality complaint or quality accident (an open recall caused by a food safety problem of the product). Our goal is to maintain the performance of having zero nonconformities related to traceability, raised by external auditors or by authorities.

To meet this goal, all our suppliers are technically accredited, according to our Group standard methodology, which includes the assessment of aspects related to process, quality and food safety management, raw materials purchasing and storage, finished goods delivery. We expect and require our suppliers to abide by the same strict rules that we apply, so that the raw materials and other materials we purchase from them meet our quality standards.

In order to ensure that our products preserve the same quality and food safety with which they were delivered from the breweries, our distributors are informed and required to apply the necessary rules and applicable law requirements in terms of beer storage and delivery. Regular audits are performed by the technical team in order to assess the compliance. Furthermore, the customers (bars, restaurants, key accounts) are trained on how to store and serve the beer in order to preserve its quality, and are audited to assess the compliance.

We are ready to respond to any quality issue whenever one may occur. In any such unfortunate incident, we take immediate measures to identify the cause and quickly and properly solve it. Within our breweries, we share the expertise gained from such actions, and leverage it to prevent the

recurrence and lead towards continuing quality improvement

All necessary financial resources are ensured by company management, through annual budgeting exercises. The competent human resources are ensured by running complex training and awareness programs developed by the company.

As a company with a strong focus on customer needs, our grievance mechanism is developed in such a manner to provide our customers fast and professional feedbacks to their claims.

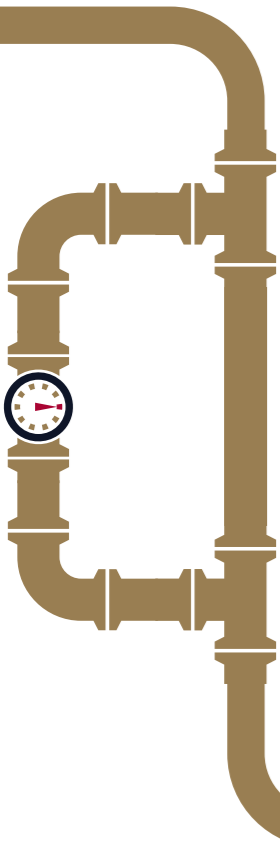
As a strong proof of our client orientation, part of our operations "9000" vision for 2030 (9000 = 9 mil. HI packaged, 0 work accidents, 0 quality claims, 0 CO2 emissions) is reducing the quality claims to zero.



TRACEABILITY KPIs	2018	2019	2020
Valid trade complaints (Defects per Million)	-	-	0.2
Number of quality accidents (no. of open recalls)	0	0	0
Number of traceability nonconformities	0	0	0

# MARKET PRESENCE, PRODUCT PORTFOLIO, RESEARCH AND INNOVATION

We are the largest beer producer in Romania, therefore our role on this market and our impacts are significant.



A study by the Brewers of Europe<sup>14</sup> indicates that Romania was among the top 10 beer producers in Europe (with 16.6 million hl in 2018), and ranked 5th in terms of beer consumption (with 85 l per capita in 2018). The most significant part of the beer produced in Romania was consumed within the country, exports being almost negligible. The same study indicates that the sector created 5,973 direct jobs and was responsible for 133.44 million of euro in excise duties (Romania, 2018).

The total investment in upgrading all beer production facilities in Romania exceeds 1.5 billion euro, shows the Brewers of Romania Association<sup>15</sup>. A substantial percentage of this investment was directed towards technology aimed at better management of water consumption, wastewater treatment, energy efficiency, renewable energy and cutting CO2 emissions. Although the beer industry is responsible for the largest quota of reusable packaging voluntarily placed on the market, the same source admits that only 20% of the overall packaging is reusable. Nevertheless, our packaging waste footprint is managed to ensure that

our environment commitments and legal requirements are observed, while being fully compliant with Romania's legislation in the field.

It is as natural as the ingredients we use in our products to manifest both a high interest and willingness to manage wisely and reduce as much as possible our negative impacts, while maximizing the positive ones. Throughout this report we have extensively presented how we embarked in this journey, what goals we have, how we measure the performance and the progress we made.

The following chapters are abundant in relevant information, yet we describe here the data that documents why market presence is a material topic.

Our considerable number of employees has an impact on the local communities surrounding our breweries. Wages are important for our workers, for their families, and for the ecosystems where they live and relax. Our employees and workers are not compensated based on wages subject to minimum wage rules.

To ensure that the wages contribute to the employee wellbeing, we have an internal reward policy that includes annual salary revisions and internal promotions. Some of the services and/or activities are run through third parties: private sector high quality

medical services, wellbeing workshops, vacation vouchers, investigations refund and glasses lenses. Please see the Employees chapter of this report for in-depth information.

## Proportion of senior management hired from the local community

	2018	2019	2020
Percentage of senior management (Hay Grade 19+) at significant locations of operation (breweries, deposits, head office, sales field representatives) that are hired from the local community (Romania)	66.6% (2 new hires) 100% (3 promotions)	33.33% (1 new hire) 100% (1 promotion)	100% (3 promotions)

Described at [page 16](#), our product portfolio is quite dynamic, innovative and challenging as it needs to incorporate new trends that generate interest and meet always higher consumer expectations. For instance, we are considering initiatives to increase the share of non-alcoholic products in our portfolio (in addition to the products already launched in 2019-2020 such as Timișoreana non-alcoholic, Ursus Cooler-

Grapefruit or Cherry). We are keen to deliver the highest quality products to our consumers with deep care for the environment. Our policies and procedures ensure a quality stream and consumer care focus across departments, building on consumer feedback (either from market research or direct interactions) and reviewing the annual progress against our strategy. Please see the Environment and

<sup>14</sup> Source: Brewers of Europe, Beer Statistics 2019 <https://brewup.eu/documents/market>  
<sup>15</sup> Source: Berarii Romaniei <https://www.berariiromaniei.ro/sustenabilitatea-prioritatea-sectorului-berii-2/>

the Responsibility chapters of this report for additional information.

Equally important, our sustainable development strategy is fully aligned with our vision to build a better Romania for future generations.

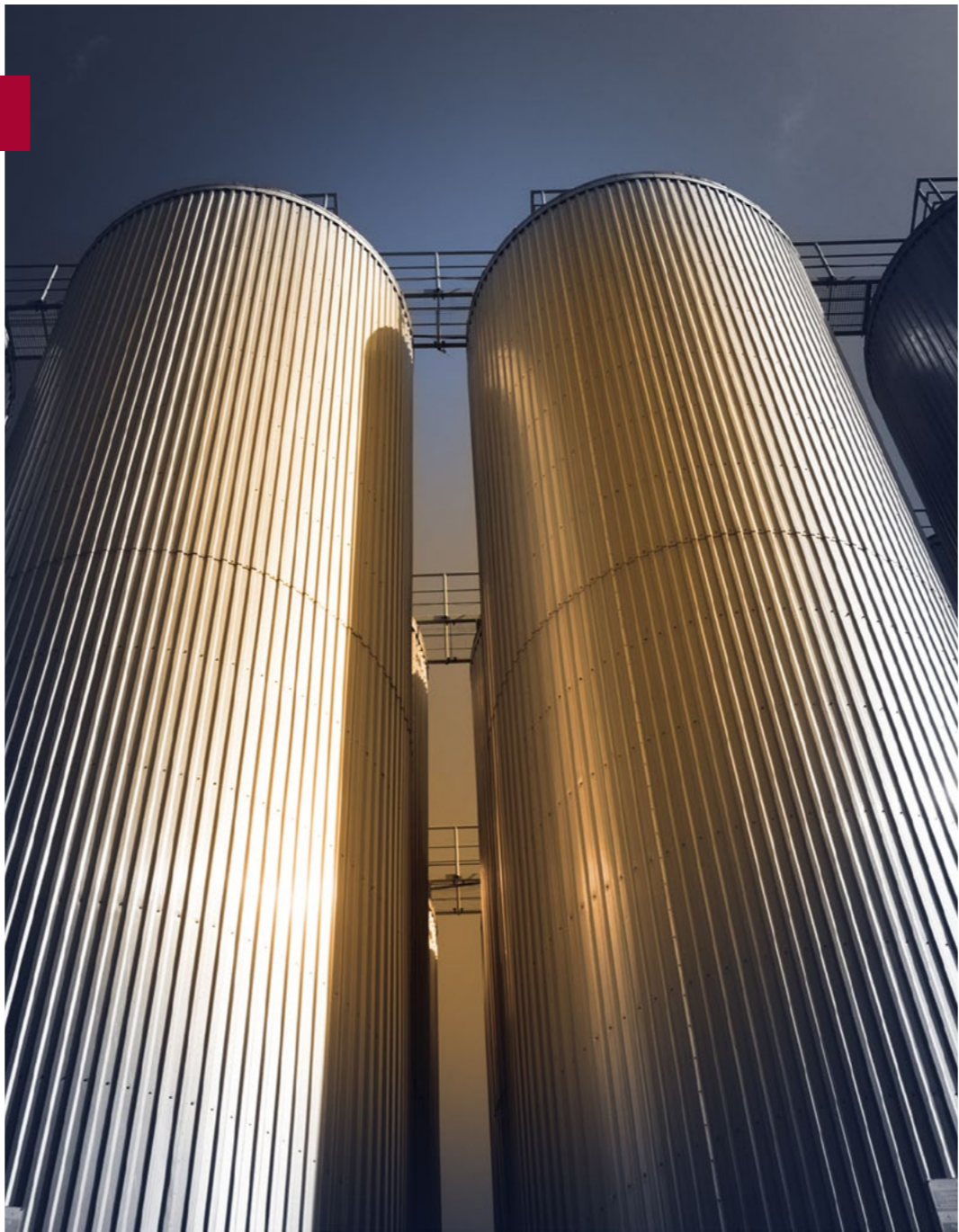
Research and innovation are critical to creating new value and delivering best experiences to our customers. At the Asahi Group, this area<sup>16</sup> is based on the following pillars: product development (where we employ unique technologies), fundamental technologies (where we look into quality assurance the development of production technologies or delivering high quality and safer products), and search for new ingredients (where we look into maximizing the potential of functional microorganisms and expand their uses).

In Romania, we have a New Product Development (NPD) strategy and an annual NPD projects agenda that are aimed at consolidating our product portfolio and ensuring it would meet the future market conditions in terms of upcoming consumer trends, competitiveness and scarcity of resources (materials and human).

The NPD strategy is integrating our Legacy 2030 agenda from a multi-dimensional perspective: consumers (preferences for diversity and wellbeing) and product impact on the environment (use of resources and waste generated).

HERE IS HOW WE DO IT:

- qualitative products means products fit to the market, ensuring legal requirements and consumers safety, with a zero complaint target (no waste, resources efficiently reach the target market)
- special focus on high value/ premium products (efficient use of resources, focusing rather on quality, not quantity)
- developing the non-alcoholic beverages portfolio and share (offering both diversity and responsible consumption)
- reducing sugars in F(N)ABs products with keeping good savoury balance
- attention to environment impact (efficient use of resources translated into less waste, no matter the types of beer we produce, process design and packaging materials).



Each new recipe / new product is jointly developed by our product development and brewing & packaging teams, with the support of our specialists in legal, tax and corporate affairs. A due diligence assessment is done along product development for the ingredients, production process, packaging materials, and also for product concept, labeling, claims, and visuals (in terms of legal compliance, adherence to internal procedures and corporate responsibility).

As the ultimate goal is the consumer safety, we invest significant resources in ensuring that product innovations are in line with global safety and quality standards while they follow the consumption trends. Product sustainability (minimum volumes, production cost, impact on existing process and products, impact in brewery efficiency and capacity) is an essential part of the multi-functional due diligence assessment performed for each product.

Apart of the commercial benefits that a new product brings to our product portfolio, it also impacts the existing operations: the production lines need to integrate the new products, equipment/ technology installed in the breweries, usage and availability of ingredients (water, malt, hops etc), utilities (energy - electrical, heat, cold; water), waste generated (organic, anorganic) and effluent treatment needs, availability and expertise of human resources in order to integrate the new product. All the above are considered

when assessing and deciding on the implementation of any new product.

Nevertheless, as we produce alcoholic beverages, we need special licenses to operate. They vary from tax-related (i.e., excise), quality-related (i.e. quality of ingredients, final product, process) and impacts on consumers (i.e. safety).

The NPD includes several evaluation and approval stages, as well as post-launch assessments. As a driver to continuous improvement, the lessons-learned are integrated into the NPD strategy and considered for future projects.

Lastly, working tools are in place for quick and consistent evaluation criteria and supporting objective, factual decision making. To ensure our efforts can be applied to business and to deliver high quality and safe products to our customers, we constantly develop the technical expertise of our NPD teams, which is further combined with the experience already existing in the Group or among the suppliers.

<sup>16</sup> Source: Asahi Group [https://www.asahigroup-holdings.com/en/research/pdf/pamphlet\\_2020.pdf](https://www.asahigroup-holdings.com/en/research/pdf/pamphlet_2020.pdf)

# RESPECT FOR HUMAN RIGHTS (SUPPLY CHAIN), SUPPLIERS SOCIO-ECONOMIC COMPLIANCE, SUSTAINABLE SUPPLY CHAIN

Supply-chains around the world have gained sustained importance in the last decades, mainly due to the globalisation, including the extension of trade and labour collaborations across continents. Their growing dimensions influence the significance of the effects resulted from their operations, be them positive or negative.

**Following a study commissioned by the European Commission on due diligence requirements through the supply chain published in January 2020<sup>17</sup>, the subsequent findings indicate that:**

- a bit over one third of business respondents reported that they undertake due diligence that takes into account all human rights and environmental impacts
- another third of respondents indicated that they undertake due diligence limited to certain areas.
- among those that conduct due diligence processes, the majority include only first tier suppliers.

<sup>17</sup> Publications Office of the European Union website: Study on due diligence requirements through the supply chain <https://bit.ly/3arOWGA>

<sup>18</sup> European Parliament website: <https://bit.ly/2YJBqf6>

Although the expansion of international supply-chains contributes to macroeconomic benefits, they also cause negative impacts, including violations of human and labour rights. This aspect draws increased attention on how these supply-chains function and what are their impacts not only economically, but also social (i.e., the people involved in or affected by these impacts) and environment impacts.

In the coming years, the focus on supply chains will only increase. At present, there is an EU decision to put forward specific legislation regarding due diligence of companies along the supply chains, expected to be issued late October 2021. This will require increased transparency from the business entities with regard to their operation both within the organization as such, and across the entire supply chain<sup>18</sup>.

The emphasis we put regarding our responsibility on the impacts we directly cause or contribute to within our supply chain is based on the policy framework elaborated at

***"We are a part of a group of companies that has a long- standing commitment to human rights, including labour rights and the fight against modern slavery and human trafficking."***

## 2020 Anti-Slavery and Anti-Human Trafficking Statement

### New suppliers that were screened using social criteria (%)

2018	2019	2020
100%	100%	100%

the Group level described earlier in this chapter. Please see the section Ethics & Integrity, [page 29](#).

Regarding the respect for human rights in the supply chain, we guide our actions observing the Asahi Group Human Rights Principles<sup>19</sup> as a fundament to all our operations.

These Principles apply to all officers and employees of each Asahi Group company<sup>20</sup>.

concerning fair competition; 3/ prohibition of inappropriate entertainment of gifts and 4/ prevention and elimination of relationships with organised crime elements.

Ursus Breweries strives for building strong business relationships with responsible suppliers that share the same business principles and commitments towards sustainability, including respect for human and labour rights as we do.

They also apply to our suppliers. The overall responsibility of complying with our human rights commitments stands with the Board of Directors of Asahi Group Holdings, Ltd. As of 2017, Asahi Europe & International (AEI) issues an annual Anti-Slavery and Anti-Human Trafficking Statement which spells out the commitments, the policy framework, and the roles and responsibilities that derive from these commitments and policies. It also reflects on the progress registered at this level with regarding to the commitment to human rights, including labour rights and the fight against modern slavery and human trafficking. The latest one was issued at the end of 2020<sup>21</sup>.

Point 6 of the Group Code of Conduct<sup>22</sup> focuses on fostering fair and healthy relationships with the business partners. This implies the overall commitments towards: 1/ healthy business relationships by placing safety and trust of customers and consumers as outmost priority; 2/ fair business relationships by making sure to always follow the laws and regulations

Being compliant with our Ethics Policy and Supplier Code of Conduct is critical for qualifying as our supplier and we ensure this through our objective of having one hundred percent acceptance of these requirements from the suppliers' side. Verifications can be done by our Audit Department or a third party if we suspect a violation. Our contracts with suppliers give us the right to conduct an audit. In 2019 we ended collaboration with 3 contractors following their breach of the Ethics & Integrity Policy requirements.

Prior initiating any collaboration with a potential supplier, we provide the respective entity with our Policy for their information and action. Upon signing the contract, the new supplier is informed about our Ethics Policy and the Supplier Code of Conduct requirements, which become part of the contract they have to comply with. Subsequent Purchase Orders and Terms & Conditions for Purchase make reference to the Ethics Policy.

<sup>19</sup> Asahi Group website: [https://www.asahigroup-holdings.com/en/company/policy/humanrights\\_principles.html](https://www.asahigroup-holdings.com/en/company/policy/humanrights_principles.html)

<sup>20</sup> Excerpt from the Asahi Group Human Rights Principle: <<"all officers and employees of each Asahi Group company" means Asahi Group board members, executive officers, those involved in the execution of business related to its management or their supervisors, and others who carry out their duties based on employment contracts with each Asahi Group company.>>

<sup>21</sup> Asahi Group website: [https://www.asahiinternational.com/media/1275/aei\\_msa\\_statement\\_2020\\_final.pdf](https://www.asahiinternational.com/media/1275/aei_msa_statement_2020_final.pdf)

<sup>22</sup> Asahi Group website: [https://www.asahigroup-holdings.com/en/company/policy/group\\_policy.html](https://www.asahigroup-holdings.com/en/company/policy/group_policy.html)

# SUSTAINABLE SOURCING

Most of the 11 million farmers in the EU<sup>23</sup> operate as small family businesses and they operate independently of each other. This is particularly valid in Romania, and it comes with significant risk in terms of constant supply, quality of ingredients and quantity. Moreover, in such a fragmented set-up, climate change is just another burden on farmers, hence on our entire supply chain.

To ensure a long-term high-quality supply of ingredients, we strive to source raw materials sustainably across Europe, and work closely with growers and all impacted partners to encourage the development and implementation of sustainable agricultural practices.

Quality hops are needed for good beer and the project “WATER FOR HOPS” was created to support our hops suppliers in Czech Republic and ensure the sustainability of their farming in the best quality and volume. The project includes brewers, hop growers, hydrologists, biologists, programmers and experts on new information technologies. It was based on installation of small meteostations in selected hop gardens, measuring precipitation, temperature and humidity. This project started in 2019, under

the name “Smart Hopgarden”, with first 45 devices installed for 2020 growing season. In 2020 it has extended into 63 locations.

In Italy, from which we purchase part of our raw materials, several programs like “Campus Peroni” bring together various stakeholder groups within the supply chain to share good practices. “XFarm” is a technology solution using satellite images and various sensors (IG humidity temperature) to determine the current status of crop and enabling precision-farming approach.

We leverage existing best practices, local partnerships with farmers, co-operatives and academia in this transition in a way that allows them to stay viable (we further build on this topic in the Responsibility chapter). To address key challenges for the agriculture sector in the supply of sustainable raw materials, in 2020 we have developed the Sustainable Procurement Principles that go beyond our responsible sourcing policies.

Further refinement of priority areas will be done jointly with our suppliers. We want to ensure that safety, quality and a long-term focus with respect to the environment are

values that our partnership is built on. We also encourage and support our suppliers to embed sustainability in their operations. Some of the actions we are planning to take are related to the type of products we buy from them. For example, starting with 2021 we will only buy refrigerators with a certain energy efficiency class - lower limit is class

D (lowering the impact of freon emissions). In 2019 we started the discussions for renewable energy purchase and reached 50% acquisition in 2020. Furthermore, we launched discussions with some of our suppliers in order for them to switch to green energy.

**Procurement budget allocated to products and services purchased for all our activities from suppliers based in Romania:**

2018	2019	2020
76%	75%	71%

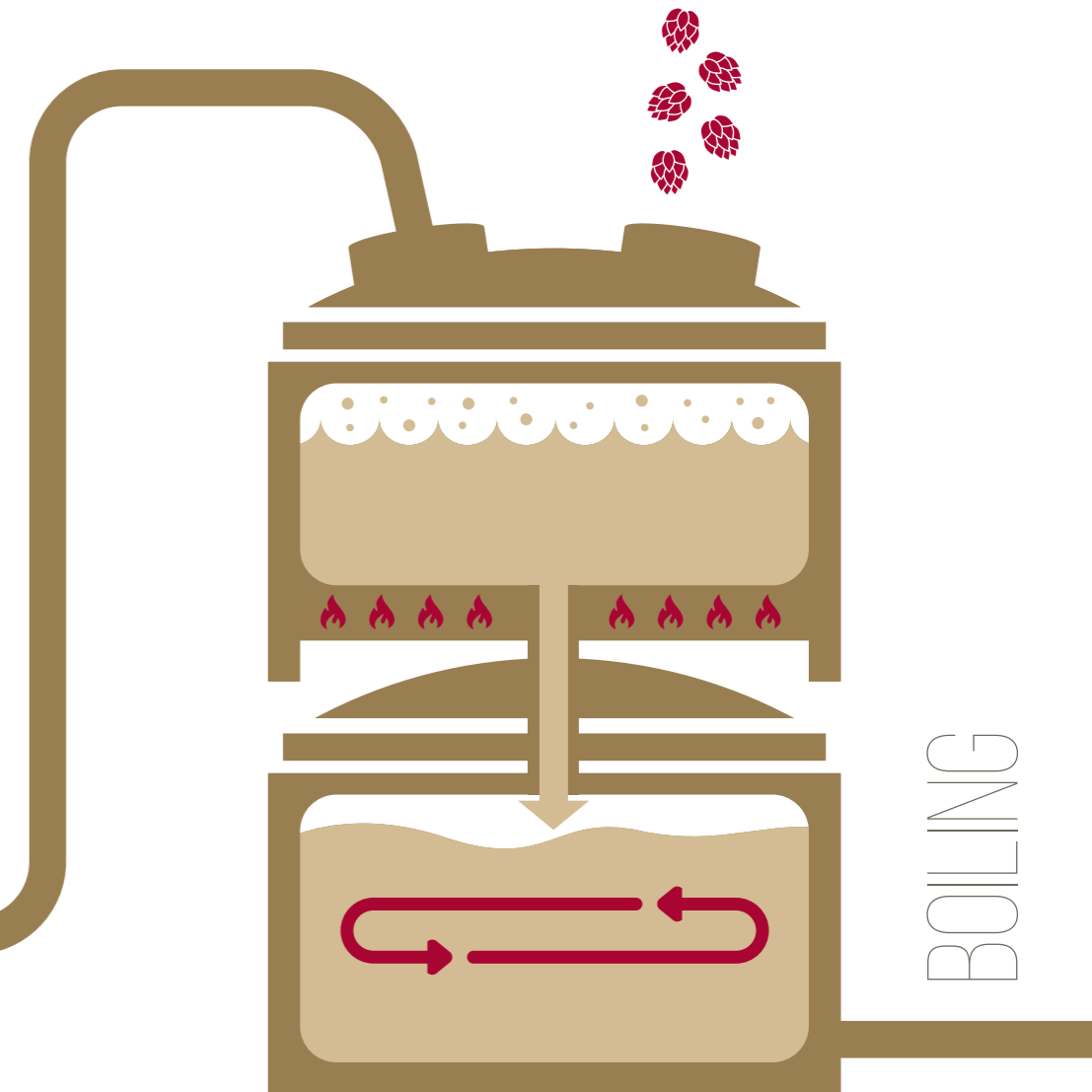


<sup>23</sup> Source: EU Commission [https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/market-measures/agri-food-supply-chain/producer-and-interbranch-organisations\\_en](https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/market-measures/agri-food-supply-chain/producer-and-interbranch-organisations_en)



III.

# EMPLOYEES



Romanian labour market has confronted these challenges even before the breakout of the COVID-19 pandemic, being adversely

Compared to the indicators' trends monitored at the EU level for the achievement of the SDG 8 (Decent Work and Economic Growth), Romania's performance presents itself as follows:

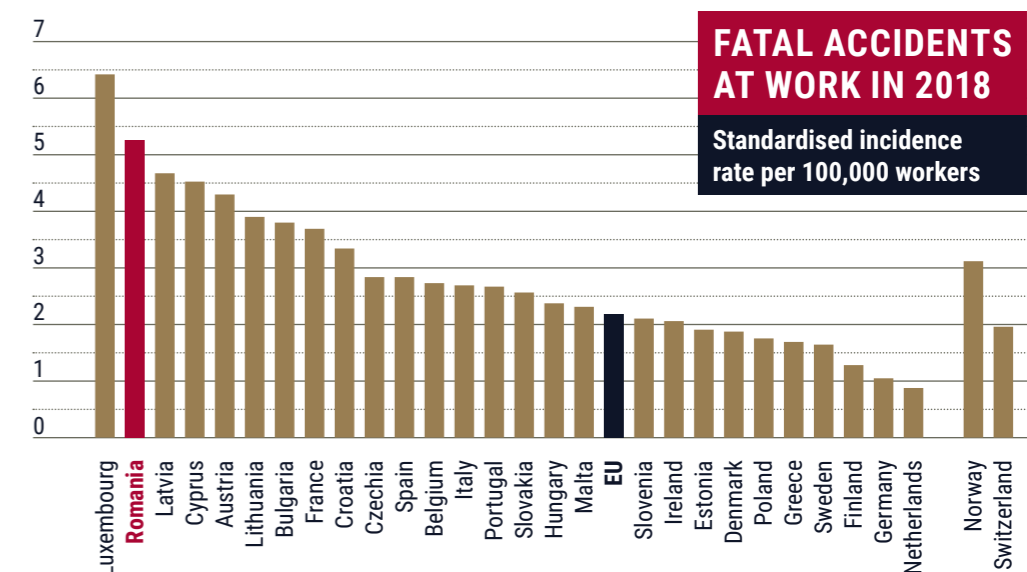
- the national gross domestic product (GDP) shadows the EU trend, although it still amounts for around 1/3rd of the GDP at EU level<sup>26</sup>
- the national employment rate registered a steep increase between 2016 and 2019, compared to the increase registered at the EU level<sup>27</sup>
- the percentage of active population in Romania continues to be less than the median registered at the EU level<sup>28</sup>



<sup>28</sup> Eurostat website: <https://bit.ly/3DaeWTb>

# WORKFORCE HEALTH AND SAFETY

EU data available for 2018 shows almost 2.4 million non-fatal work accidents and 2,954 fatalities. Although the standardized incidence rate of fatal accidents<sup>30</sup> at EU level has declined to 2.21 fatal accidents per 100,000 workers in 2018, compared to 2.87 in 2010, Romania ranks the second among the EU member states with the highest rates (i.e. a rate of 5.27<sup>31</sup> as reflected in the infographic below):



<sup>31</sup> Eurostat website: <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/edn-20210428-1?redirect=%2Feurostat%2F>

The concern for workforce health and safety was reflected by the results of our consultation with stakeholders, where the internal focus on these aspects was also voiced out by our external stakeholders.

In Ursus Breweries, we have a deep understanding that we would never be able to thrive as a business without our employees as well as the people enjoying our products. For our company, ensuring each employee's wellbeing, as well as their safety and security is at the center of all the efforts put into creating and maintaining a healthy and safe working environment, identifying and reducing as much as possible all potential risks.

The responsibilities regarding these aspects lie with the Health & Safety (H&S) team, which activates based on the applicable legal requirements supplemented by the non-mandatory initiatives followed by the organization, including group guidelines, and H&S and ISO standards.

Since 2005, we have continuously implemented the H&S Management System as per OHSAS 18001 criteria, undertaking the series of recertification and surveillance audits for conformity. In 2020, our H&S Management System was upgraded to fit the ISO 45001:2018 requirements. Consequently, Ursus Breweries has acquired the ISO 45001 certification, valid until 2024, for the following operational sites: Buzău brewery, Braşov

brewery, Timișoara brewery, and the four distribution centers located in Timișoara, Buzău, Braşov and Cluj-Napoca.

The H&S Management System covers actions, people and processes involved in production, packaging and storage of beer, meaning all activities carried and controlled on our sites. The management system is coordinated by Ursus Breweries internal H&S professionals. Additionally, we work along an external contractor specialized in H&S services that provides relevant support to our offices across the country, especially our commercial offices.

The overall H&S objective aims at achieving zero work related accidents, and our approach towards this objective applies beyond our premises, to partner companies contracted for various production services.

Apart from the above-mentioned H & S approach, the following ones are being implemented within Ursus Breweries: the 5S activities<sup>32</sup>, Behavior Based Safety program, compliance with the safety rules, risk management, strengthening of training and support, and the effective execution of the Plan-Do-Check-Act (PDCA) cycle.

Risk management is a step-by-step process for managing H&S risks caused by hazards in the workplace. Ursus Breweries has developed a risk assessment methodology that allows for: (1) identification of hazards,

(2) identification of who may be harmed and how, (3) assessment of risk and the measures in place to control it, (4) recording of findings, (5) reviewing & implementing new controls. Risk assessments are conducted considering normal operational situations as well as non-standard events such as maintenance, shutdowns, power outages and emergency situations.

**Usually led by the person that manages the operational process with support from an H&S professional, the risk assessment process is performed every time one of the following situations occurs:**

1. Before new processes or activities are introduced.
2. Before changes are introduced to existing processes or activities, including when products, machinery, tools, equipment change or new information concerning harm becomes available.
3. When hazards are identified.

**The completion of such processes, when work-related hazards are identified, result in specific control methods, which frequently fall into one of the following categories:**

- Elimination of hazard
- Substitution
- Engineering controls
- Administrative controls
- Personal protective equipment

The risk assessment outcomes follow the PDCA cycle. Action plans are developed to implement control/ mitigation measures and are reviewed regularly. Audits are conducted annually for progress and status monitoring.

All safety incidents are reported according to the internal policy and descriptive regulations. The procedure, which applies to all incidents<sup>33</sup> occurring in the work place, describes the activities deployed, the responsibilities for internal and external reporting of work-related incidents, and the activities deployed and responsibilities for registration and reporting of incidents, in order to identify the causes that contributed to their occurrence and to set out appropriate preventive and corrective actions.

**The following principles are observed in the internal reporting:**

- Any H&S incident is reported by the involved employee(s) and/ or witness(es) to their direct supervisor.
- Incident reporting shall be done immediately, without unjustified delays, by the end of the shift in which the incident occurred at the latest.
- Internal notification of an incident must be done in any form, email or phone. After the occurrence of the event, its status quo shall not be changed.
- In case of an accident/ incident involving a contractor, the supervisor of the working site and/ or the witness shall report to the contracting company's responsible manager and the work responsible from Ursus Breweries, respectively.



<sup>32</sup> The 5S workplace organizational and housekeeping methodology refers to five steps – sort, set in order, shine, standardize and sustain.

<sup>33</sup> Incidents refer to: incidents causing fatality or injuries, professional illness, damages to property, damage to the environment.



affected by their actions or omissions during the work process. Such general obligations are stated in the employee's job description form. They are also presented to each employee during the induction training on employment and furthermore during regular H&S training courses at workplace.

Ursus Breweries collaborates with a qualified occupational health service provider to conduct health care program for employees. Part of the prevention program for the workforce, these initiatives address the identified risks for each workplace and role of our employees. Data is collected and processed by the health care service contractor in line with the GDPR and other regulations regarding data privacy. Employees have access to the medical provider in all our sites across the country.

**The Safety Steering Committee (SSC) represents another means of employees' involvement in the development and implementation of H&S decisions. SSC's main responsibilities cover the following aspects:**

- Compliance with legal and internal rules
- Information about H&S incidents
- Follow-up on H&S action plans
- Selection and maintenance of PPE (personal protective equipment)
- Employees' complaints and requests
- Analysis of activities conducted by internal and external H&S providers
- Contribution to working conditions improvement
- Raising awareness on H&S rules and importance of compliance
- Support to the risk assessment team

All incidents reported are recorded in the Incident database and are followed up with specific action plans, when necessary. Depending on the severity of the incident, the procedure describes precise flows of communication for major to minor incidents. In case of disabling injuries, a formal report of investigation is prepared and submitted to the Local Labor Inspectorate in due legal term.

Each Ursus Breweries employee must immediately inform the head of workplace and stop the work upon occurrence of a work accident imminent hazard. All Ursus Breweries employees have to behave in full accordance with the mentioned procedure, including providing support to the investigation team, as needed. The investigation team is appointed by the

decision of the site official representative.

H&S event investigation is conducted according to the legal requirements in force at the time of the incident occurrence. Based on three levels of investigation depending on the severity of the event (i.e. from major to minor incidents), the process is described by internal regulation. All incidents are communicated thorough safety alerts to the employees for shared learnings and further actions, if needed. Action plans are monitored regularly.

Employees are encouraged to report all minor incidents and near-misses events using a specific form. These types of incidents are recorded and discussed with the management team on a quarterly basis to find appropriate solutions for improvement and prevention of serious events. A scheme of

reward and recognition is applied for reporting of near-misses.

The Behavior-Based Safety program provides management and employees with an additional opportunity for reporting on unsafe behavior and conditions at workplace. Employees have access to a reporting tool (BBS e-tool) designed for such purpose. These reports are monthly monitored along with the action plans and targets set to complete the actions.

As per internal regulations and the legal requirements, all employees have the general obligation to conduct their work in accordance with their professional background, training, and instructions provided by employer, so as not to expose themselves to risk of injury or occupational disease, and others who may be

The communication (internal and external) procedure describes the means of employees' involvement in H&S communication. All necessary information related to H&S is delivered through internal communication campaigns, such as the Covid-19 communication campaign initiated in 2020. Among other functions, our intranet serves as a repository of all relevant communications, policies, procedures, guidelines and work instructions that cover H&S area. This ensures free access to such information for all our employees.



As legally required, such committees are constituted in each business unit having at least 50 workers, with the following mandatory management and non-management membership: employer; employer's representative; employees' representatives (equal number with the employer's representatives); representatives of workers with specific responsibilities in SSH for workers; occupational therapist (Labor Medicine).

The SSC operates on the basis of appointment decision and follows its own rules. The employer or its legal representative (local director) acts as the chairperson, while the secretariat is covered by the H&S specialist (H&S Manager on site). The employees' representatives are members of the Trade Union, selected according to the law as well as internal regulations of the union. The Trade Union is also involved in the annual negotiation process for the establishment of the collective labour agreement at the company level.

The Committee meets quarterly and whenever necessary. The SSC Secretary convenes the meetings by informing in writing the SSC members at least 5 days prior the date of the meeting. The SSC meeting is considered to be legally constituted when at least half plus one of its members are present. Each meeting ends with a formal minute taken by the SSC Secretary and signed by all present members. The SSC's decisions are



considered valid with the vote of at least two-thirds of the members present. Copies of the minutes are displayed in visible places for all employees and are circulated to the local Territorial Labor Inspectorate within 10 days from the date of the meeting.

To ensure continuous training of the employees on H&S topics, a series of specific Occupational Health & Safety and Emergency Situations (OHS & ES) training courses were elaborated and are carried out during working hours (by law, their duration counts as working time). OHS & ES training includes four main modules:

1. General induction training
2. Training at the workplace
3. Recurrent (regular) training
4. Additional training (only for specific cases according to the procedure)

At the level of branches and registered offices of Ursus Breweries there are responsible persons mandated to elaborate the training program for all above-mentioned training modules, which is later approved by the head of workplace. The training program document contains: (a) period of time when training is planned, (b) title of training

materials, (c) list of training materials, (d) the specification of the job for which the training is addressed. The finalized document is also signed by the person who designed it and stays with the trainer/ person entitled to deliver the training. The trainers/ persons entitled to deliver the training in all modules and for all working places must be also nominated by decision at level of branches and registered offices of Ursus Breweries.

The course result is recorded in each employee's OHS personal training record, indicating the training content, duration and date of training. This procedure is done immediately after the training and the record is signed by the trainee, the trainer and the person who checked the training.

To test the employees' level of knowledge on H&S, a questionnaire is distributed among the employees. The test results are also included in the personal training record. The personal training record is kept by the head of the workplace, accompanied by the latest capability record issued by the occupational therapist. The document is kept in the company from the employment until termination of services.

### Types of OHS & ES training courses conducted within the organization:

#### INDUCTION TRAINING (AT MOMENT OF EMPLOYMENT)

Occupational health & safety training on employment (OHS training)  
The purpose of this training is to provide general information about specific activities on Ursus Breweries sites, risks to safety and health at work, fire prevention procedures as well as measures and activities for prevention and protection at the site level.

The training is conducted either by the SHE officer (for the employees who activate mainly at branch level or within other departments), or by a representative of the external prevention and protection service contractor (for the registered offices where valid contracts between company and contractor are available).

#### TRAINING AT THE WORKPLACE

OHS and ES training at the workplace is carried out to present H&S risks at work, preventive and protective measures and activities for each job, workstation and/ or function performed. The duration of OHS &ES training at the workplace is minimum 8 hours.

All new employees, no matter the type of contract (permanent, temporary, outsourced), participate in OHS & ES training courses, as well as those employees who change their working

place within the company. The head of the workplace, appointed by decision, is responsible for conducting this type of training. 100% of the permanent contractors working on sites which are under ISO certification are mandatory to observe the same guidelines as Ursus Breweries employees.

No employee is allowed to start working unless their knowledge on OHS & ES topics was verified by the superior of the person who delivered the training.

RECURRENT (REGULAR) TRAINING

OHS & ES recurrent training courses are delivered to all employees and permanent contractors with the aim at refreshing information and knowledge about health, safety and emergency situations at the workplace. Recurrent training must be delivered by the head of the workplace who is appointed in this regard by decision.

The duration of recurrent OHS & ES training is minimum 2 hours per session, the timing of recurrent sessions is decided by the employer, yet has to comply with the minimum requirements listed below:

- for breweries – on a monthly basis
- for distribution centers – on a monthly basis
- for activities carried out by draught technicians – on a quarterly basis
- for office activities – on a bi-annual basis
- for activities carried out by the sales force – on a bi-annual basis

ADDITIONAL RECURRENT TRAINING

This type of training, with a duration of minimum 8 hours per session, is conducted for specific cases detailed as follows:

- in case of absence from work for more than 30 working days;
- whenever OHS & ES changes occur with regard to specific working places/ jobs/ functions or to the working instructions caused by evolution of risks or emergence of new ones upon resuming work after a disabling injury;
- on performing special works;
- when introducing a new work equipment / making change(s) to an existing one
- when changing existing technologies or work procedures;
- when introducing new technology or new work procedures.

VALIDATION OF TRAINING

Verification of knowledge is conducted in writing based on questionnaire forms and is performed in the following situations:

1. Upon completion of induction training in case of new employees, to validate knowledge about the training performed;
2. At the end of each calendar year (during December) to validate knowledge acquired during regular trainings;
3. On the occasion of verifications during internal audit related to H&S.

Verification of knowledge conducted through discussions and/ or practical tests between trainee and trainer is performed in the following conditions:

1. Upon completion of training at the workplace in case of new employees;
2. Upon completion of regular training of staff.

The functional managers identify all work instructions and training needs related to health & safety, environment, food safety and quality for all subordinated staff and send them to the Head of Food Safety Team and SHE Officer. Hazards and risk assessments related to activities, services and products specific to the function are the basis for identifying of training needs.

The training needs matrix is developed on an annual basis, updated monthly, and describes the training needs of the staff for each function and department. It represents the annual training planning related to the SHEQ management system. The training

needs matrix related to H&S, environment, food safety and quality is developed by the Head of Food Safety Team and SHE Officer at the beginning of each calendar year and is communicated to department managers and HR Business Partners.

The on-site Training responsible delivers the monthly/quarterly/ annual training depending on the type of training and the frequency established, according to the training matrix needs. The training must be recorded in the H&S records and/ or the specific training courses participation form. Ursus Breweries collaborates with qualified occupational health services to provide

health care programs for its employees. All UB employees have access to:

- prevention medical subscription granted to management and non-management staff starting 2018
- detailed brochure about current medical plan(s), which explains the coverage of a specific package
- two additional medical plans dedicated to prevention at a preferential cost for both the employee and their family

The situation of the work-related injuries at the level of the workforce as well as other workers registered during the reporting period is presented in the tables below:

WORK-RELATED INJURIES FOR ALL EMPLOYEES	2018	2019	2020
i. The number and rate of fatalities as a result of work-related injury;	0	0	0
ii. The number and rate of high-consequence work-related injuries (excluding fatalities);	0	2	0
iii. The number and rate of recordable work-related injuries;	5 DIFR <sup>34</sup> =0.29	8 DIFR=0.45	2 DIFR=0.11
iv. The main types of work-related injury;	slip & fall, contact with chemicals, injuries during maintenance activities	slip & fall, leg injury, contact with chemicals, injuries during maintenance activities	forklift handling, maintenance activity injury
v. The number of hours worked.	3,402,477	3,536,662.5	3,581,918.5

<sup>34</sup> DIFR (Disabling Injury Frequency Rate) and DISR (Disabling Injury Severity Rate) are important indicators for the work place safety and health system. All functions of the organization will include these performance indicators in their activities. Calculation formula used: DIFR = (number of cases) x 200,000 / (number of hours worked in the last 12 months).

WORK-RELATED INJURIES FOR ALL WORKERS WHO ARE NOT EMPLOYEES BUT WHOSE WORK AND/OR WORKPLACE IS CONTROLLED BY THE ORGANIZATION	2018	2019	2020
i. The number and rate of fatalities as a result of work-related injury;	0	0	0
ii. The number and rate of high-consequence work-related injuries (excluding fatalities);	0	1	0
iii. The number and rate of recordable work-related injuries;	0	0	0
iv. The main types of work-related injury;	n/a	leg injury during waste handling	n/a
v. The number of hours worked	61,168	63,342	66,439

THE WORK-RELATED HAZARDS THAT POSE A RISK OF HIGH-CONSEQUENCE INJURY, INCLUDING:	2018	2019	2020
i. how these hazards have been determined;	n/a	during the occurrence of the incident (handling waste - big piece of metallic sheet fell over)	n/a
ii. which of these hazards have caused or contributed to high-consequence injuries during the reporting period;	n/a	<ul style="list-style-type: none"> <li>intentional misuse of wheel loader (use for other purposes than intended use)</li> <li>unsafe behaviour of contractor team &amp; team work coordinator</li> <li>wrong safety behaviour – worker presence around front loader in operation/ with a load</li> <li>capability of contractor task coordinator/ front loader driver to coordinate &amp; control work environment</li> <li>inadequate risk management process/ lack of risk assessment per activity – contractor safety procedures</li> </ul>	n/a
iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.	n/a	<ul style="list-style-type: none"> <li>on site contractors training about risk associated with actual on-site activity</li> <li>increased operational contractors activity control on site</li> <li>practical Safety training for Ursus team tasks owners – to be competent to evaluate &amp; communicate the risks at task/workplace handover</li> </ul>	n/a

All rates reported in this section have been calculated based on 200,000 hours worked and no exclusions have been made.

During the reporting period we did not register any fatalities as a result of work-related ill health or cases of recordable work-related ill health nor among our employees, nor the workers who are not employees but whose work and/ or workplace is controlled by our organization.



FOR ALL EMPLOYEES:	WORK-RELATED ILL HEALTH		
	2018	2019	2020
i. The number of fatalities as a result of work-related ill health;	0	0	0
ii. The number of cases of recordable work-related ill health;	0	0	0
iii. The main types of work-related ill health.	n/a	n/a	n/a

FOR ALL WORKERS WHO ARE NOT EMPLOYEES BUT WHOSE WORK AND/OR WORKPLACE IS CONTROLLED BY THE ORGANIZATION:	WORK-RELATED ILL HEALTH		
	2018	2019	2020
i. The number of fatalities as a result of work-related ill health;	0	0	0
ii. The number of cases of recordable work-related ill health;	0	0	0
iii. The main types of work-related ill health.	n/a	n/a	n/a



Following the hazard identification processes conducted during the reporting period work-related hazards that pose a risk of ill health were determined and mitigated.

When the COVID-19 pandemic broke out, we reacted quickly to adjust as much

as possible to the surrounding reality so that, on one hand, make sure that all our colleagues were protected and, on the other hand, ensure business continuity. Consequently, we initiated the following actions immediately after the declaration of the pandemic:

a)	risk assessment
b)	elaboration of prevention and protection plan
c)	development of our own instruction on measures to prevent and limit the spread of SARS-CoV-2 virus infection. We ensured that a health check protocol is followed before coming to work, that an epidemiological screening is performed, and the access rules are followed on each of the company's premises.
d)	establishing a work schedule in telework regime for the categories of employees where the program allows for the entire duration of the state of emergency and alert weekly communications through the internal communication messages "Brewers' News" regarding the prevention measures taken at the level of Ursus Breweries and other general and specific communications regarding COVID-19
e)	meetings with union members
f)	presentations within the local and national H&S committees
g)	establishing a partnership with the medical services provider for performing RT-PCR tests
h)	purchase of protective equipment from local manufacturers authorized by the National Medicines Agency for medical masks and hand and surface disinfectants; purchase of protective gloves; inventory tracking and placing quarterly orders
i)	installation of thermographic cameras and purchase of medical thermometers for the epidemiological screening at the entrance of each of our sites.
j)	

**To carry out on-site activities in safe conditions, we applied the following rules:**

- wearing a medical mask
- physical distance >1.5m
- usage of disinfectant for surfaces and hands
- organization of jobs in receptions, offices, dining rooms, smoking rooms, locker rooms, meeting rooms
- rules regarding the relationship with raw material suppliers
- additional specific rules for the forklift operation activity
- isolation room
- rules for the management of COVID-19 cases
- return of persons who were ill/ quarantined/ isolated: disinfection of the space and surfaces; ventilation system; waste management (potentially contaminated masks and gloves); monitoring of compliance with the rules.



During 2020, we registered 105 cases of COVID-19 among our employees. Unfortunately, during his vacation, one of our colleagues got infected with the virus and later died in the hospital.

The restriction period has posed various challenges to each and every one of us, depending on our particular circumstances, and because we wished for our colleagues to feel supported at all levels where they might have felt vulnerable, we facilitated their access to specialized counselling in various areas. Complementary to the workplace prevention measures against

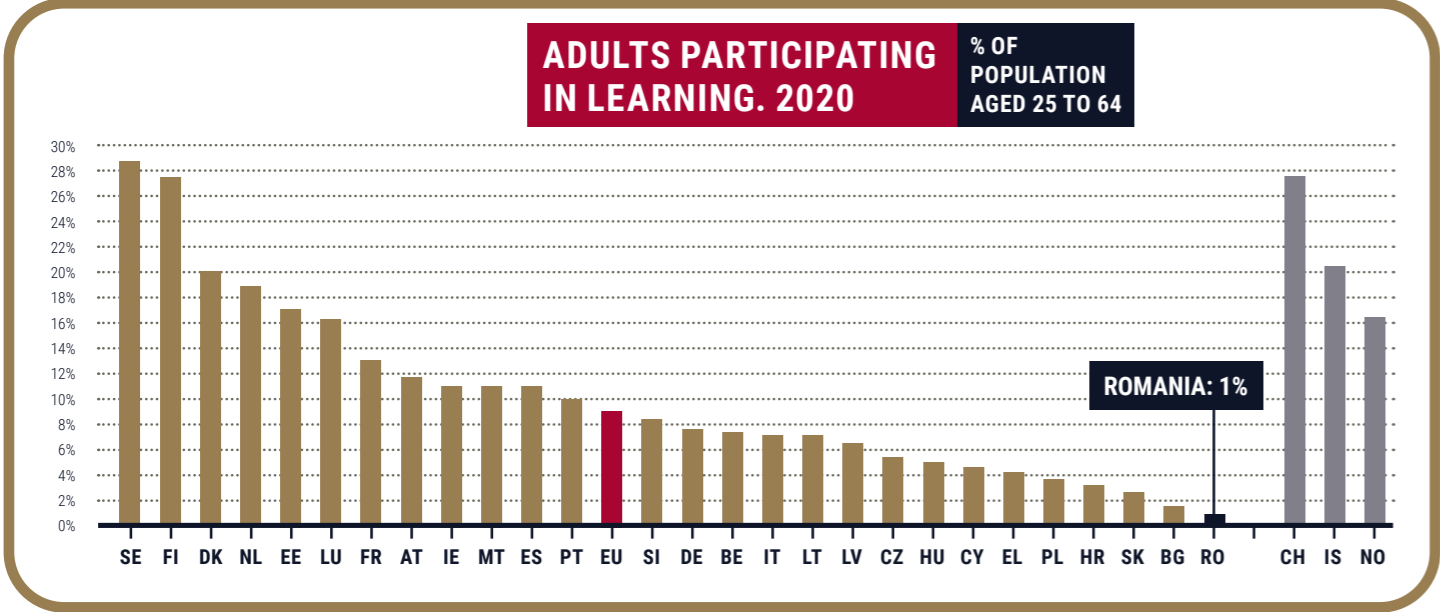
COVID-19, we offered continuous access to professional counselling through an online/ phone service provided by specialists in the following fields: psychological counselling, legal counselling, financial counselling.

We aim at continuing to strengthen the hazard awareness among our workforce in the coming years. We plan to continue the BBS program to built-in expected safe behaviors in each employee. We will also continue with the implementation of the C21-C23 H&S CAPEX plans to minimize the identified risks at the workforce.

# HUMAN RESOURCES DEVELOPMENT & WORKFORCE TRAINING

Skillful and educated workforce is a prerequisite to sustain high levels of productivity and innovation in any economy and providing learning opportunities for adults becomes essential. At the EU level, the percentage of population aged 25 to

64 years old that participated in learning in 2020 was 9.2, lower than in 2019, when 10.8% of adults aged 25-64 y.o. reported that participated in a learning activity<sup>35</sup>. The same indicator for Romania is illustrated below<sup>36</sup>:



We consider growth to be our magic ingredient and the key for success. Thus, we are devoted to the personal and professional development of our colleagues, striving to bring out the best in people through every training event or education initiative. Being one of the pillars of our People Strategy, the Training and Education area impacts the entire organization, at all

employee-levels: staff, management, full or part- timers, extending its effects to our outsourced employees as well. The way we understand to manage this topic enables us to ensure our sustainable growth as a business and achieve our ambitions. The learning and development stream is one of outmost importance as our business



strategies and objectives aim at the continuous development and growth of our people both professionally and personally, looking to maintain an appropriate work and life balance.

We strongly believe that wholesome leadership derives from wholesome individuals and we aim to grow and develop our people to achieve excellence in this area. We believe and encourage continuous development, through lifelong learning, and we aim to offer all our colleagues opportunities to grow.

The Organizational Development (OD) department consists of 2 OD specialists under the coordination of the Leadership & Development (L&D) and Talent Manager who further reports to the Human Resources

(HR) Vice President. The L&D budget is annually built by the respective department in collaboration with the Finance department, based on the identified development and training needs within the organization.

We aim at becoming a “learning organization” that constantly learns from each experience, whether successes or failures, at individual or collective levels. By doing so, we intend to upgrade and strengthen our tools and practices, making use of new agile methodologies and approaches that would also contribute to the empowerment of our people, helping them become accountable for their own development. We aspire to reach as many of our colleagues as possible, by offering tailor-made learning experiences.

In planning the training and learning

programs, we follow the 70:20:10 principle: 70% learning from experience, 20% learning from others, 10% formal learning.

To identify the most relevant and needed topics for these programs, we conduct training needs assessments and analyses throughout the organization, which then are aligned with our regional, local and business goals. Thus, the programs cover a wide range of topics that address the variety of our colleagues’ professional and personal development needs, whether they are new employees, non-managers or senior and executive managers. These include: onboarding aspects, managerial and leadership skills, digital and functional abilities, and well-being topics.

The programs are delivered through face-to-face interactions, eLearning platforms, self- study, or short video pills. Depending on the type of program, employees are either invited to participate in trainings specifically designed for them, or they can opt in for certain programs with general access. The majority of our initiatives – well-being sessions, digital upskilling, certain workshops related to leadership – are open to all employees who are free to register and participate without prior approval from their manager.

<sup>35</sup> Eurostat [https://ec.europa.eu/eurostat/cache/digpub/sdgs/index.html?country=EU27\\_2020&goal=SDG4&ind=3&chart=line](https://ec.europa.eu/eurostat/cache/digpub/sdgs/index.html?country=EU27_2020&goal=SDG4&ind=3&chart=line)  
<sup>36</sup> Eurostat, SDGs <https://ec.europa.eu/eurostat/cache/digpub/sdgs/index.html?country=RO&goal=SDG4&ind=3&chart=bar>

Some of the programs we conduct throughout the year are:

- Our regional leadership framework which consists of diverse Leadership programs tailored to meet the training and education needs of various categories of employees:
  - Leading Self for all individual contributors – available as eLearning module for all employees
  - Leadership Fundamentals – available to all newly appointed managers
  - Leading Managers – available to all leading managers
- The graduate trainee development program – especially designed to foster the progress of our trainees and high potentials into the organization’s future leaders
- “Grow the Leader Within” – a cutting-edge program dedicated to our senior leaders, which mixes several topics of leadership, personal growth and emotional intelligence. Its main message is that a well-balanced individual makes into a well-balanced team member and leader.

All our employees have free access to a mentoring program. They also benefit from English classes to strengthen their foreign language skills. The course is available to all employees as long as the request is backed by a business reasoning.

In terms of personal well-being and growth we have a deep-rooted well-being program which is ongoing in the organization since 2017. It has continuously developed over time and it has been adapted to fit the evolving well-being needs of our colleagues. Starting 2021, we went a step further and developed a regional well-being strategy which is expected to start being implemented locally in 2022.

Another long-term program refers to our community of internal trainers. Initiated in 2017, the community kept expanding,

proving to be an important resource in delivering training within the organization. The internal trainer role is voluntarily covered by colleagues from various departments that have the required skills gained through participation in Train the Trainers programs. Between 2018 to 2020 the internal trainers’ community has been indispensable to the organization and has received great feedback from our employees.

Feedback is collected at the end of each training session. Overall feedback regarding our employees’ learning and training experiences is collected annually through the Employee surveys conducted locally as well as globally. Results show a slight increase in the employees’ satisfaction with regard to the learning and growth opportunities within the company, from 75% in 2019 to 81% in 2020.

The feedback is also a means to collect comments and suggestions from employees regarding the adjustments of our initiatives. Other ways to register any complaints or comments are through the managers and HR Business Partners or via specific training email address. All inputs are reviewed and the training initiatives are adjusted accordingly. For example, starting end of 2019 until 2020, the content of the leadership training program was revised to integrate the feedback from managers, internal trainers and employees. Internal trainers are fully involved in the review and revise process.

Professional and personal development is deeply embedded within the organization through the yearly career development discussions. These are another way to monitor and maintain up-to-date skills of our employees. All employees and their managers follow this process to identify future career and development aspirations, and the steps required to achieve that objective.



PERCENTAGE OF TOTAL EMPLOYEES WHO RECEIVED A REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW DURING THE REPORTING PERIOD	2018		2019		2020	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
Management (%)	53.65	46.35	52.97	47.03	53.86	46.14
Non-management (%)	77.52	22.48	77.63	22.37	77.04	22.96

The challenges that came in 2020 with the Covid pandemic underlined once more the importance of caring for our colleagues' mental health and well-being. Consequently, these aspects played an important part in our L&D topics as well as approaches.

Thus, to support our colleagues to work remotely/ online, we increased the number of learning initiatives, our e-learning curricula on Learning Management System (LMS) was extended during 2020, which allowed us to broaden the range of topics of interest for our colleagues, making the best use of the LMS tool (the platform is live as of mid-2021). All these efforts generated a higher participation and involvement among our workforce and resulted in positive feedback.

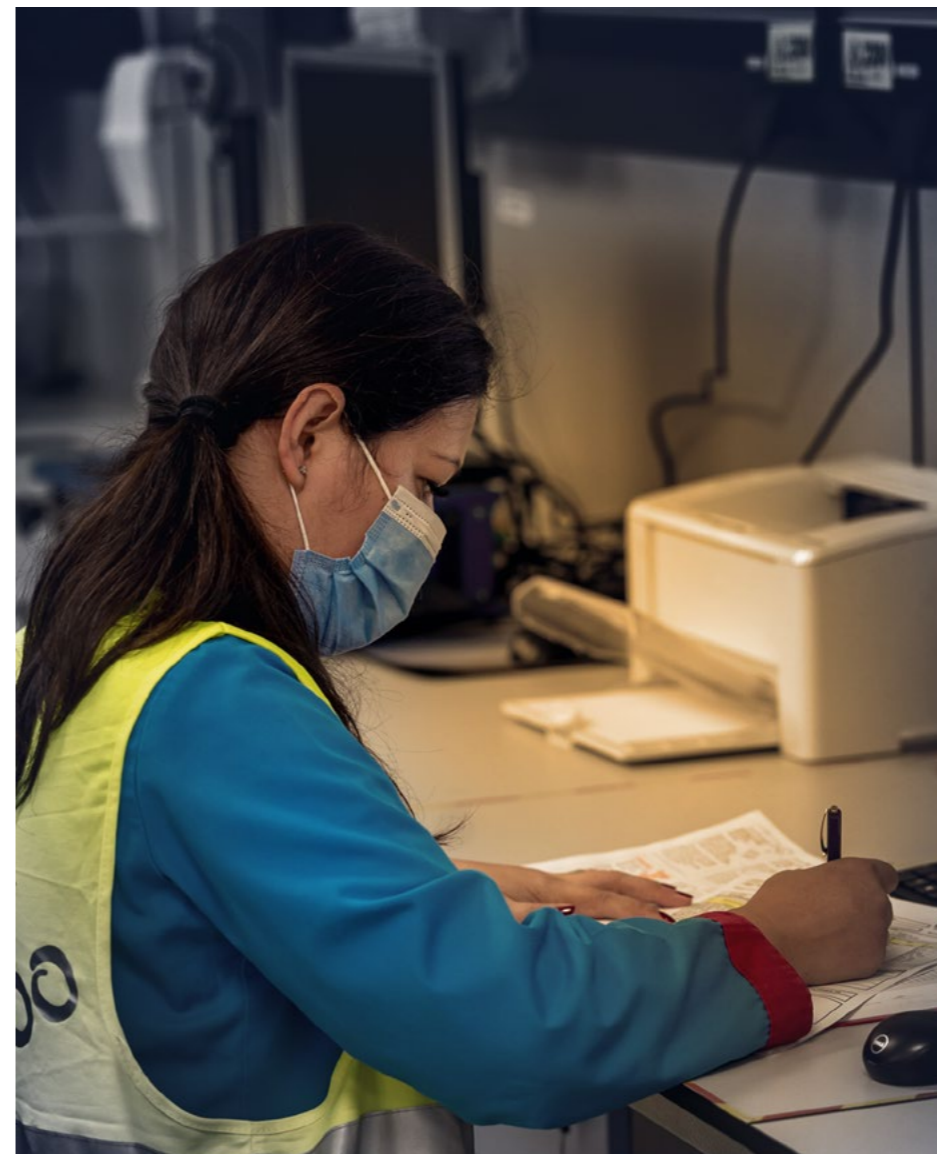
These initiatives were possible due to the partnership concluded in 2020 with a local eLearning provider that supports our progress towards a more digitalized approach and development of the appropriate eLearning materials. The L&D module in our HR platform (HOPS) is a

great resource for managing the training processes, making materials available for our employees and also for monitoring, follow-up and reporting.

No matter the context, the health and safety of our employees is of outmost importance. During the reporting period we organized defensive driving trainings for all our colleagues driving company cars, both online as well as face-to-face, regular health and safety sessions and Alcohol Behavior and Communication (AB&C) training courses. For more information regarding this topic, please go to Responsibility chapter, section Responsible drinking, [page 87](#).

We also address specific individual development needs expressed by our employees, such as coaching or other types of requests that reach our L&D team through the HRBPs and managers. In managing these needs, we have a flexible and open approach, trying to find ways to accommodate those as long as they fit into our strategy and budget.

## DIVERSITY



The UN Sustainable Development Goal 5 focuses on gender equality and shows a slight improvement globally regarding gender parity in decision-making, with only 25.6% women in national parliaments seats, 36.3% in local governments, and 28.2% in managerial positions<sup>37</sup>.

Although much progress has been registered across the EU in this area<sup>38</sup>, there is still work to be done so that women and men are enjoying the same rights and opportunities regarding employment, pay and family/ care responsibilities. Compared to the EU levels, Romania lags behind on the gender employment gap (with a disparity of 19.3% registered in 2020 compared to 11.1% at EU level), and women in senior management positions (with only 12.8% women in senior management roles in 2020, compared to the EU level of 29.5%)<sup>39</sup>.

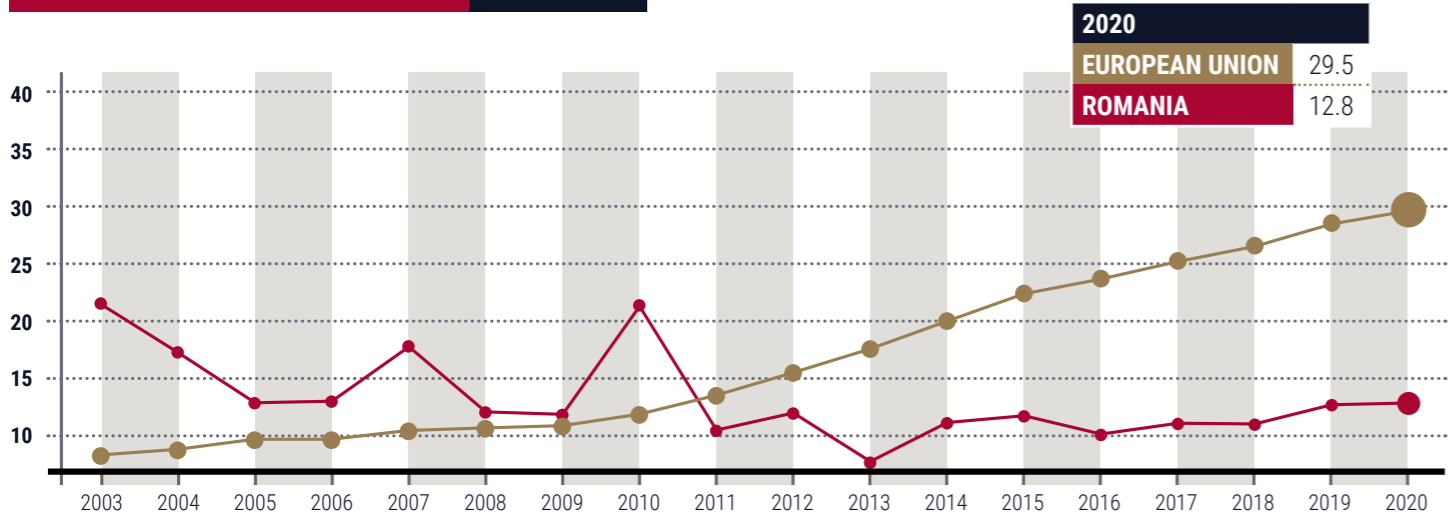
<sup>37</sup> United Nations, Department of Economic and Social Affairs <https://sdgs.un.org/goals/goal5>

<sup>38</sup> European Commission [https://ec.europa.eu/info/policies/justice-and-fundamental-rights/gender-equality/gender-equality-strategy\\_en](https://ec.europa.eu/info/policies/justice-and-fundamental-rights/gender-equality/gender-equality-strategy_en)

<sup>39</sup> Eurostat [https://ec.europa.eu/eurostat/cache/digpub/sdgs/index.html?country=EU27\\_2020&goal=SDG5&ind=5&chart=line](https://ec.europa.eu/eurostat/cache/digpub/sdgs/index.html?country=EU27_2020&goal=SDG5&ind=5&chart=line)

WOMEN IN SENIOR MANAGEMENT POSITIONS

% OF BOARD MEMBER POSITIONS



Operating in a still male-dominated industry, we understand our role and responsibility in promoting diversity, especially in providing women with the same rights and opportunities as their male colleagues. These are crucial in advancing an inclusive organizational culture, rooted in strong business values and principles.

In Ursus Breweries, we are proud to have a diverse and inclusive pool of employees of several nationalities, various ages and of many professional specializations. Our diversity and inclusion principles are embedded in the way the HR team operates, to attract to and retain people in Ursus Breweries. We continuously invest in the development of our entire workforce, without discrimination. More

details on these efforts are described in the present report, under HR Development and Workforce Training section, [page 62](#). Through our internal Diversity Policy, and core business beliefs we support non-discrimination. The purpose of the Diversity Policy is to provide awareness on equality and fairness for all our employees and not to discriminate on grounds of gender, race, disability, religion or beliefs, sexual orientation or age. Through this policy we inform employees that our company opposes all forms of unlawful and unfair discrimination and adopts a zero tolerance approach to harassment or bullying of any kind, either in or outside the workplace. To make sure that we offer equal opportunities and support diversity, gender balance and equal opportunities

throughout our organization, we put in place HR best practices addressing all levels and functions. We regularly reinforce transparent communication (to all employee groups) about the organizational strategy through face to face meetings and various media channels. We inform employees well in advance of implementation about organizational and/or high-impact changes. We have defined our desired performance development culture (including required behavior of employees and managers). The time horizon for objective setting is flexible to allow alignment with business dynamics and/or type of work. Our learning & development framework has been designed to meet the needs of different job roles and levels. Our leadership team supports an inclusive working environment in which all

our employees are treated equally, enjoying equal development opportunities and fair performance management. Leaders are trained to act as role models and inspire others to take individual responsibility in our diversity & inclusion initiatives. Inclusive leadership is part of our core competency model and is part of our required competencies, such behavior is a part of advertised job descriptions, assessed during performance reviews, is supported by learning and development, role-modelled by management. Transparent goal setting is part of our standard performance management approach. This includes sharing individual performance goals with peers as well as individuals' direct reports. Senior managers drive the change towards a performance development culture (e.g. continuous alignment on performance expectations and goals, ongoing informal performance conversations/ feedback)

For the first time, we were certified as Top Employer in Romania in 2020, being the first brewer in Romania to obtain this certification.

Our continuous endeavors are focused on ensuring a safe and inclusive work environment, so that each employee feels that is treated with respect and care. We listen to the voice of our employees through specific surveys conducted annually among all colleagues. Follow-up actions are taken to address the topics identified as a result of these assessments.

Another way to ensure that our people work in a non-discriminating and equitable environment is our whistleblowing policy, which represents a nonstop tool for employees to report any complaint on non-ethical behavior in complete anonymity. We take immediate follow-up actions, making sure their grievances are listened to and addressed. This way, we assure that dialogue is always opened and any issue is identified and resolved.

During 2020, a Diversity & Inclusion agenda was included in our mid-term integrated business planning at the group as well as local levels. As a result, in the next financial year we expect to start implementing specific actions by signing the CEO pledge within LEAD network, setting clear targets for the next years on Diversity and Inclusion. By 2030, we aim at 50-50% male and female top executives at both local and group levels as well as the CEOs of the Asahi group and Ursus Breweries as active supporters of gender balance.

Starting 2021, every two years we will run a Global Employees Engagement Survey, with clear targets to address the findings and engage with our employees in identifying the right solutions.

Diversity of governance bodies and employees in Ursus Breweries, 2018-2020

PERCENTAGE OF INDIVIDUALS WITHIN THE ORGANIZATION'S GOVERNANCE BODIES IN EACH OF THE FOLLOWING DIVERSITY CATEGORIES		2018		2019		2020	
		MALE %	FEMALE %	MALE %	FEMALE %	MALE %	FEMALE %
General Assembly of Shareholders	30-50 years old	66.67		66.67		66.67	
	N/A (no age data for non-employees)		33.33		33.33		33.33
Board of Directors	30-50 years old	66.67		71.42	14.29	83.33	
	over 50 years old	33.33		14.29		16.67	
Executive Committee	30-50 years old	83.33	16.66	87.5	12.5	87.5	12.5
Ethics Committee	30-50 years old	40	60	40	60	40	60
Internal Audit	Under 30 years old	33.33	33.33		33.33		
	30-50 years old	33.33		33.33	33.33	66.67	33.33
Employee Union Leaders	30-50 years old	66.67		66.67		50	16.67
	over 50 years old	33.33		33.33		33.33	
Pandemic Crisis Committee	30-50 years old					57.14	42.86
Other indicators of diversity where relevant (such as minority or vulnerable groups)		Legal prohibition – the law does not allow for data collection based on ethnicity/ minority groups					

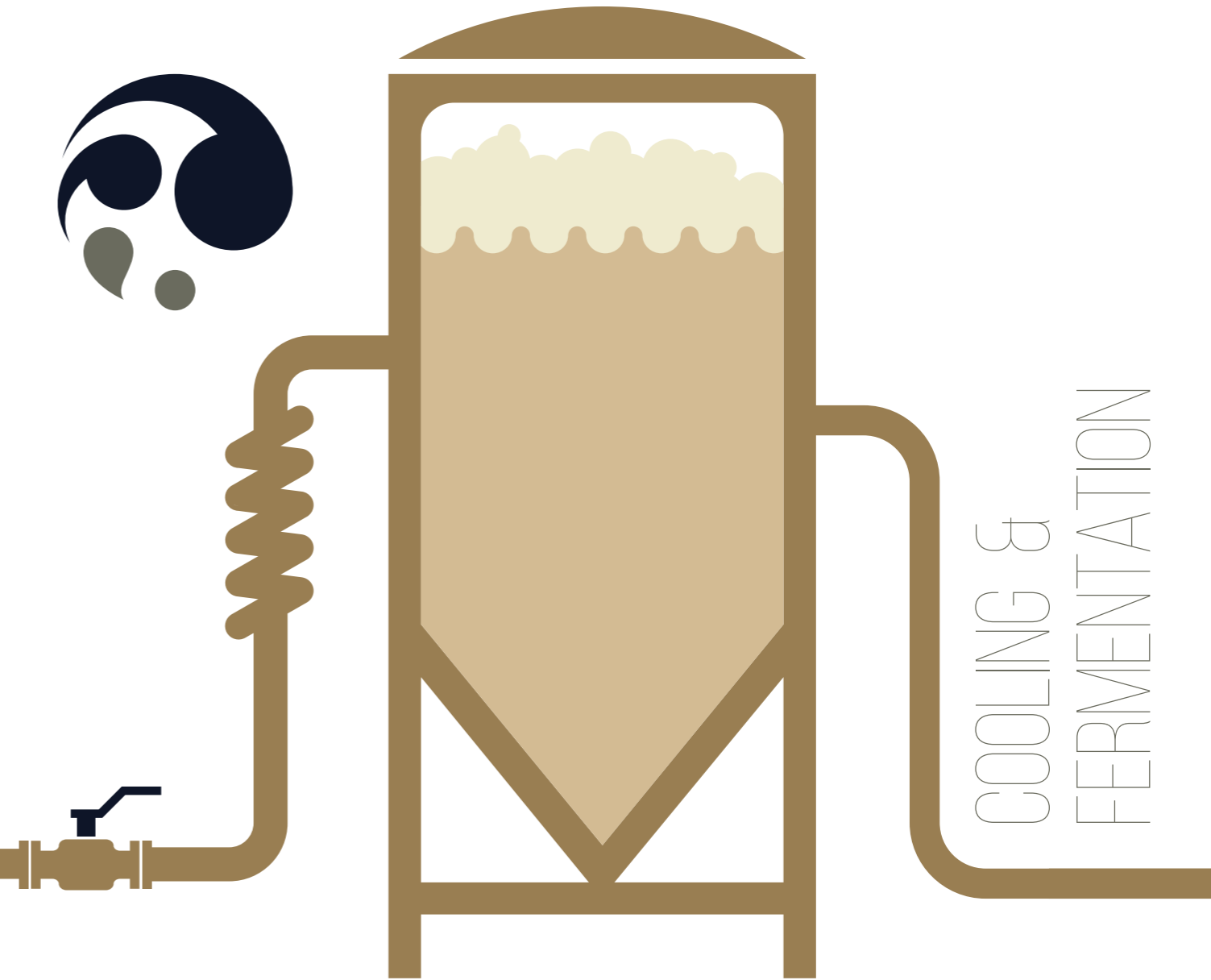
PERCENTAGE OF EMPLOYEES PER EMPLOYEE CATEGORY IN EACH OF THE FOLLOWING DIVERSITY CATEGORIES		2018		2019		2020	
		MALE %	FEMALE %	MALE %	FEMALE %	MALE %	FEMALE %
MANAGEMENT (HAY GRADE 14+)							
Age group	Under 30 years old	3.51	5.04	4.39	4.39	3.70	4.09
	30 - 50 years old	39.91	34.87	38.08	35.56	38.99	34.31
	over 50 years old	9.65	7.02	10.25	7.32	10.92	7.99
Other indicators of diversity where relevant (such as minority or vulnerable groups)		Legal prohibition – the law does not allow for data collection based on ethnicity/ minority groups					
NON-MANAGEMENT (HAY GRADE 8-13)		MALE %	FEMALE %	MALE %	FEMALE %	MALE %	FEMALE %
Age group	Under 30 years old	11.80	4.70	10.78	4.57	9.60	4.62
	30 - 50 years old	50.86	11.80	51.14	12.05	51.48	12.39
	over 50 years old	14.88	5.95	15.34	6.12	15.88	6.02
Other indicators of diversity where relevant (such as minority or vulnerable groups)		Legal prohibition – the law does not allow for data collection based on ethnicity/ minority groups					

Data calculated as of December the respective year.



IV.

# ENVIRONMENT



We are committed to run our business in harmony with nature, which provides some of its most valuable gifts, such as the water or the crops we use. To bring moments of joy to our customers and satisfaction to our employees, we need to care for the Planet and make every effort to pass on the same nature's gifts to the generations that come after us. Our ambition is that, by 2030, our breweries will be carbon neutral, the packaging we use will be recyclable, the ingredients we rely on will come from sustainable sources, and we shall continue to be the best in

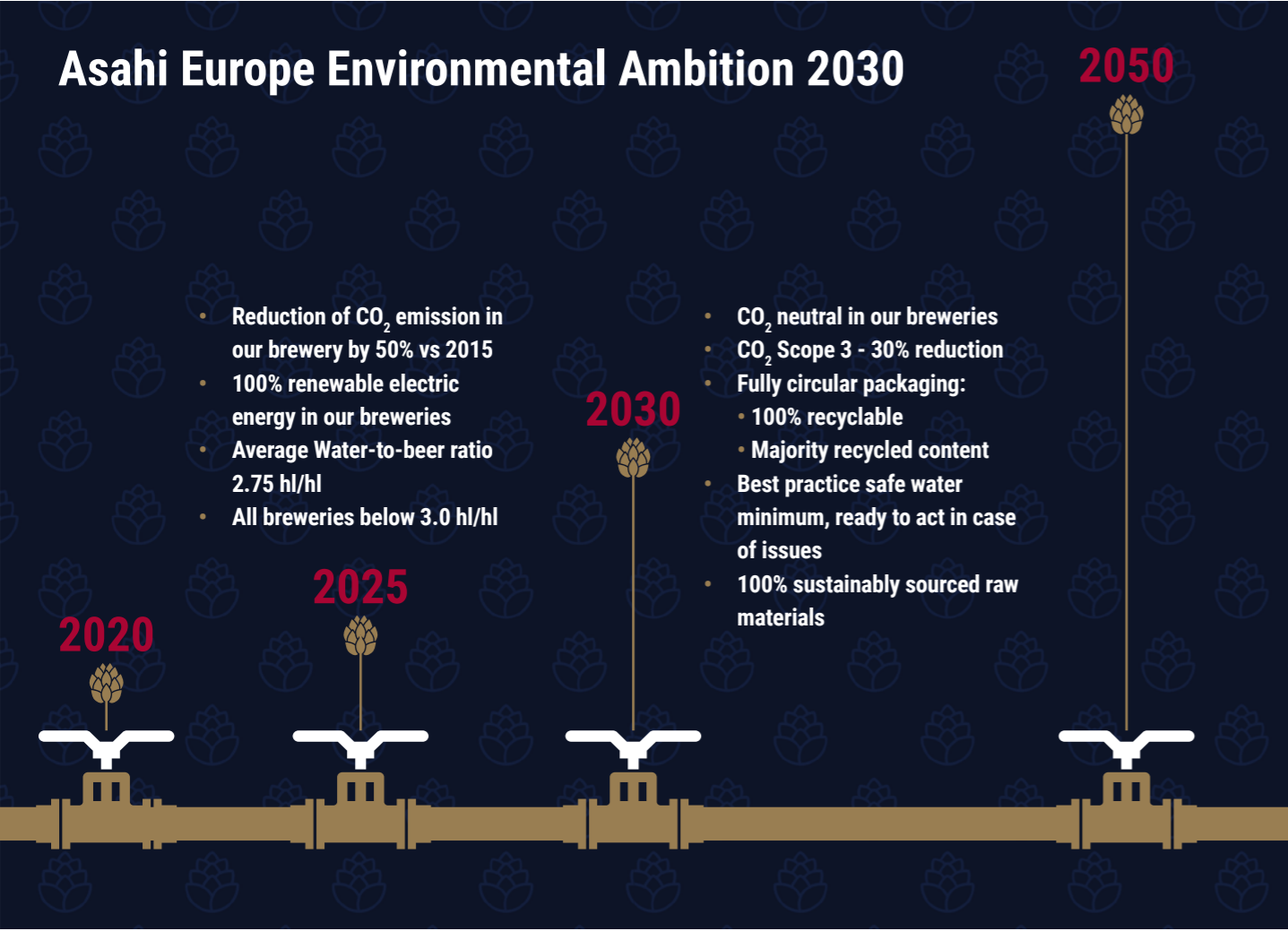
class in terms of water consumption. These aspirations have been checked against the expectations of our stakeholders (please see [page 21](#) of this report), and they confirmed our focus. In the same time, they voiced that our responsibility over emissions exceeds our own operations and expands across the supply chain. Therefore, since transport & cooling are activities we should also consider when assessing our overall impacts, we added them to our list of material topics.

As per Asahi Group's policies, all environmental-related matters are dealt with by an environmental management committee led by our Technical Vice-President. The Committee advances the activities in line with the PDCA cycle (Plan-Do-Check-Act) and runs environmental management programs in full compliance with ISO14001 and other regulations. The final aim is to reach the environmental goals and Asahi's environmental vision by 2050. Any successful action turns into a case study that is shared within the Group.



All company sites have stable Waste Water Treatment Plants and rely on biogas produced on anaerobic reactor to partially replace the natural gas used in the boiler house. In order to significantly save energy and prevent any risk of fire events, we currently evaluate thermal insulation options for all our buildings. ISO 50001 is implemented in all our breweries (Brasov, Buzau, Timisoara), and the system

will be maintained in the years to come. All our sites operate based on ongoing plans aimed at increasing the processes efficiency and loss elimination. The LPG-fueled forklifts will be gradually replaced with electric ones. In 2020 we started to replace lighting bulbs with LED-solutions, and the programme will continue until all lighting will be LED only.



This chapter is an open invitation for you to discover how we managed the following topics throughout the reporting period:

- Water management
- Circular economy
- Sustainable packaging
- Climate change (reduce carbon emissions across the supply chain)
- Transport & cooling
- Emissions (operations)

To keep these concerns consistent with our Sustainable Development strategy, we organized them around four focus areas:

- Water management
- Circular economy
- Sustainable packaging
- Carbon neutrality (emissions in our own operations and the supply chain; transport and cooling)



# WATER MANAGEMENT

Access to water has been recognised as a human right in 2010. Nevertheless, there are regions where this right is limited as water is scarce, and this tends to become a concern even in areas where this was never an issue.

Considering the above, the European Commission proposed a recast of the Drinking Water Directive<sup>40</sup> that was adopted by the European Parliament at the end of 2020. Although the provisions have no significant direct impact over our activity, we understand that the availability and the quality of the water represent an increasing concern to both public and private actors. To keep ourselves up-to-

worldwide. That doesn't stop us. On the contrary, we plan to go even further: by 2025, we aim to reach an average consumption of 2.75 litres of water per litre of packed beer.

In our breweries (Buzău, Braşov and Timișoara), water is sourced from on-site wells and municipal network, while the mini-brewery in Cluj-Napoca relies on the municipal network. Water usage targets are set for each brewery. Performance is reported and managed on a monthly basis considering continuous improvement to meet the targets. In order to reach our quality standards, before flowing into internal reticulations, water is treated within

environmental management procedures aligned with the provisions of voluntary standards that have higher requirements than the legal limits. These apply to the entire water management system, from water supply to wastewater processing and boiler equipment. Referring to effluents, before discharging them into Buzău, Braşov and Timișoara municipal sewerage systems they are treated in our on-site wastewater treatment plants in order to comply with the environmental permits.

We focus on the operational efficiency, as well as invest into new technologies that keep water consumption to the minimum, while

date with such matters, we participate in local water initiatives, and build partnerships with communities and other stakeholders in the supply chain.

We are fortunate to operate in areas with no water stress<sup>41</sup>, therefore there is no immediate risk for the communities to lack access to quality water. However, as water is an absolutely crucial ingredient to brew beer, our aim is to make sure that we secure plentiful water of a good quality, both for our breweries and the communities where we operate.

We have already done a lot in this area. Over the past decade, we have cut our water consumption to a level which is considered as best in class not only in Europe, but also

our Water Treatment Plants.

Our breweries comply with environmental-related laws and regulations, and have their

maintaining the quality and top-notch hygienic standards of our products. We shall continue to be involved in local water initiatives in our communities and supply chain.

## Water consumption in Ursus Breweries over the reporting cycle

Water consumption (ML)	2018		2019		2020	
	All areas	Areas with water stress	All areas	Areas with water stress	All areas	Areas with water stress
	1,976	0	1,973	0	1,985	0

The volumes reported above are calculated based on the values indicated by water meters installed in each of our breweries. Further measurements are implemented and used to manage water usages per areas.

<sup>40</sup> Source [https://ec.europa.eu/environment/water/water-drink/legislation\\_en.html](https://ec.europa.eu/environment/water/water-drink/legislation_en.html)  
<sup>41</sup> Source <https://www.eea.europa.eu/countries-and-regions/romania>

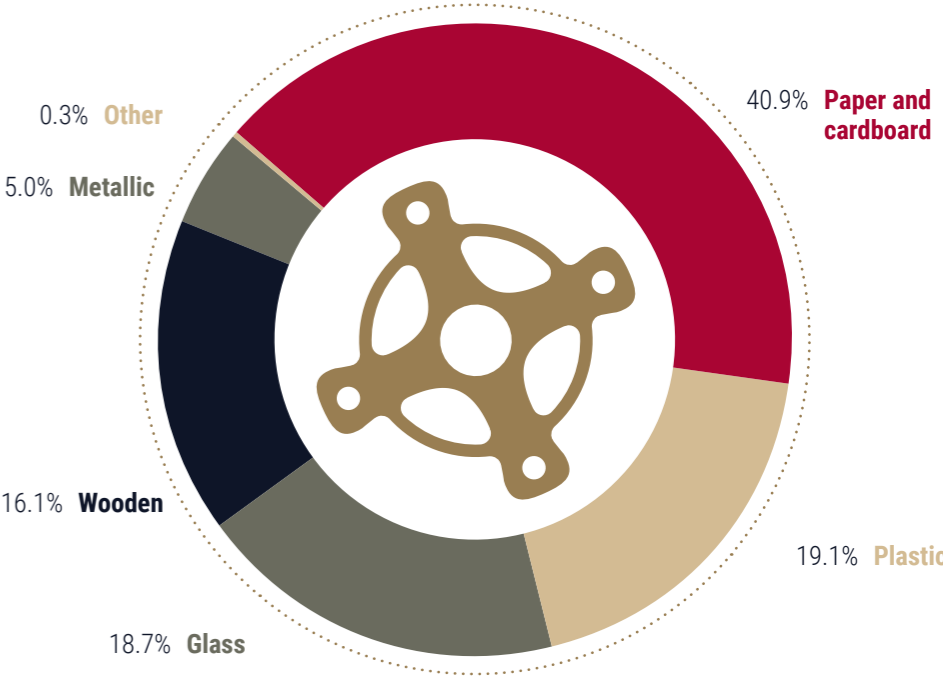
# CIRCULAR ECONOMY (RECYCLING), SUSTAINABLE PACKAGING (USE OF MATERIALS)



Packaging in general and packaging waste in particular have been subject to regulations for decades. The more packaging entered the market, the largest the waste management problem; the highest the pollution, the clearer need to take drastic measures by all actors involved. The EU Directive 2018/852<sup>42</sup> adopted by

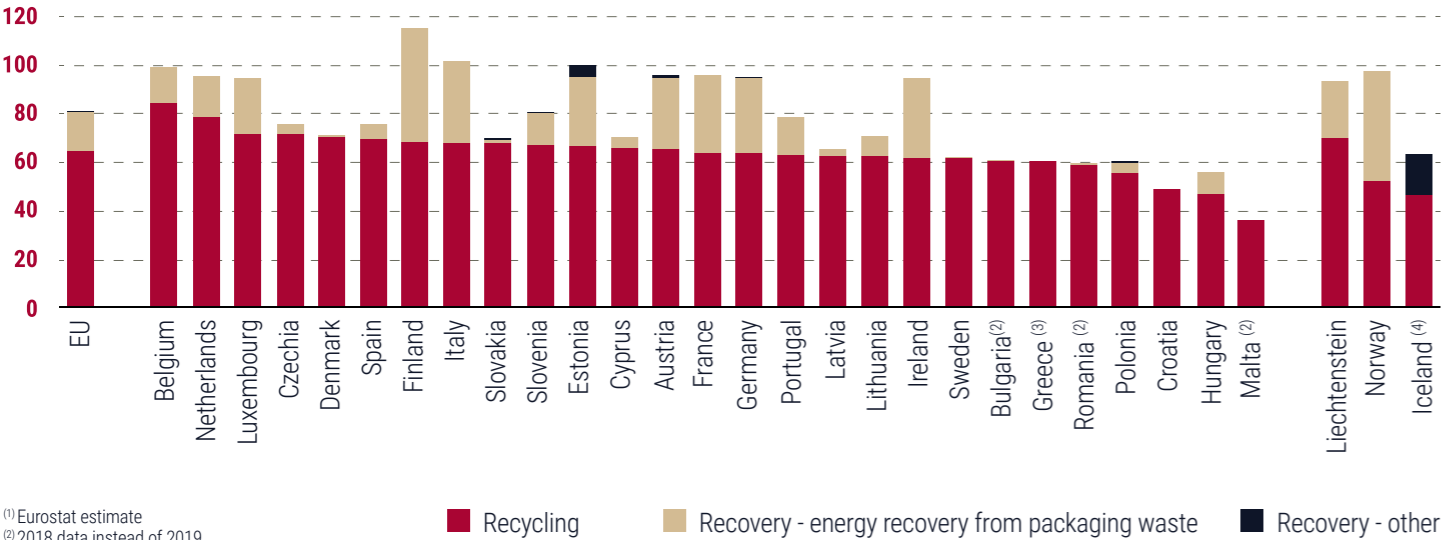
the European Parliament and the European Council in mid-2018 makes clear that the targets "for the recovery and recycling of packaging and packaging waste" should be improved, and the recycling of packaging waste should increase to "better reflect the Union's ambition to a more circular economy."

## Packaging waste generated by packaging material, EU, 2018 (%)



<sup>42</sup> Source: <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32018L0852&from=EN>

RECOVERY OF PACKAGING WASTE, 2019 (%)



<sup>(1)</sup> Eurostat estimate  
<sup>(2)</sup> 2018 data instead of 2019  
<sup>(3)</sup> Estimate  
<sup>(4)</sup> 2017 data instead of 2019

The Directive included clear targets: a minimum recovery rate of 60% (waste incineration included); and between 55% and 80% of packaging waste to be recycled, with minimum rates of 60% for glass, 50% for metals, and 22.5% for plastics, considering the total amount of packaging waste generated.

In 2018, the recovery and recycling rates<sup>43</sup> of all packaging waste in Romania were 60%

(recovery) and 57.9% (recycling).

Packaging is an essential element for consumers to enjoy beer of the highest quality. We want to create a future in which we will sell our products in packaging without compromising on the environment, and are proud of the journey we have taken so far in this direction.

Our key focus is on the circularity of beer

packaging, in order to reduce the impact within their life cycle and effectively use the resources needed for their production. By 2030, we will use only containers, as well as secondary packaging that are reusable or fully recyclable, and made in majority from recycled inputs.

We are looking for new solutions to reduce the amount of packaging used. We will continue to focus on increasing the share of

<sup>43</sup> Source: [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Packaging\\_waste\\_statistics#Recycling\\_and\\_recovery\\_targets\\_and\\_rates](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Packaging_waste_statistics#Recycling_and_recovery_targets_and_rates)

MATERIALS		MATERIALS USED (WEIGHT)		
		2018	2019	2020
Total weight of materials used to package and produce our beer (kg)	Non-renewable materials			
	Packaging (glass, pet, aluminium)	47,581,454.0	58,870,506.0	70,361,595.0
	Raw materials	110,756,910.1	106,899,579.8	101,439,921.3
	Materials (eg. cleaning materials)	13,887,835.7	11,099,485.3	9,878,266.7
Renewable materials		0	0	0

reusable packaging. And last but not least, our goal is to achieve 100% recyclability of our one-way packs, both by choosing the right materials, increasing the use of recycled materials and supporting research to find innovative technology solutions.

Active cooperation with waste collection and recycling systems is also crucial to achieve better collection and recycling efficiency. We also educate our consumers in order to achieve maximum recyclability within the life cycle. Some initiatives are the recycling campaigns carried out at large festivals we are part of or through recycling symbols placed on primary packaging.

Starting with 2019 together with the other members of Brewers of Romania Associations and some of the key players in the Romanian Soft Drinks Association we started the work for implementation of Deposit Refund System. Such a system, addressing primary packaging, will complement existing efforts in

the management of packaging waste and will ensure that the responsible industry of which we are part, will meet its responsibilities and commitments as envisaged by the Green Deal.

Total waste generated by Ursus Breweries

Waste is monitored and reported according to regulatory requirements by admin managers following the Monthly Technical Report template developed by Asahi. Quantities are monitored and each type of waste that goes to landfill or recycling is reported. The reported waste comes from our own activities

from all 4 breweries' operational activities. Waste generated within Ursus Breweries sites are managed towards reduction per hectolitre of packaged beer.

Waste generated within Ursus Breweries: Buzău, Braşov, Timișoara and Cluj-Napoca are related to beer production and are regulated within Environmental Permit for each site. Integrated Pollution Prevention and Control Directive 96/61/CE (IPPC) permit for Buzău, Braşov and Timișoara and simple permit for Cluj Napoca. The specific types of waste the breweries are disposing are managed by third parties authorised for waste management by Romanian regulatory.

WASTE GENERATED		2018	2019	2020
Total weight		120,317.9	115,273	115,895
By type	Landfill	11,784.8	7,187	9,070
	Recyclable	108,533.1	108,086	106,825

# CARBON NEUTRALITY

## (Emissions in our own operations and in the supply chain, Transport and Cooling)

We witnessed an increased interest of the international community towards reducing emissions at large. The most significant ones are the United Nations’ universal call for action on climate<sup>44</sup>, and the European Climate Law<sup>45</sup>, that sets the framework for reducing net greenhouse emissions and achieving climate neutrality.

The EU legislation will translate into new management rules, such as stricter corporate measuring and monitoring requirements, control systems, transparent estimates of climate-related impacts on expenditures, and remediation measures.

Furthermore, the most recent IPCC report<sup>46</sup> that was launched in the summer of 2021 includes solid evidence and explains what are the consequences of global warming for people (risks to health, risk of food availability), environment (risk to water, risk of net reductions in crops, increased need for efficient irrigation and disaster risk management) and economies (risk to value erosion, need for rapid and effective

adaptation). The Summary for Policymakers<sup>47</sup> includes some available options for adaptation to a projected global warming increase of 1.5 Celsius degrees, and a further increase of 2 Celsius degrees.

Climate change is an indisputable phenomenon, affecting our lives. As the emissions in the atmosphere are the main source of that, we feel the need to reduce our carbon footprint, with the aim to become fully carbon neutral. This is our top priority, in order to create a positive legacy for future generations.

By 2030, we intend to become carbon neutral within our breweries. We cannot fulfil this aspiration by ourselves. Therefore, we intend to actively engage suppliers and partners in reducing carbon emissions across the whole supply chain by 30% in the same period. Our ultimate goal is to become carbon neutral across the supply chain by 2050.

One key commitment in reaching these targets is to focus on green sources of energy. By



<sup>44</sup> Source: <https://sdgs.un.org/goals>  
<sup>45</sup> Source EN: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020PC0080&from=EN>  
Source RO: <https://eur-lex.europa.eu/legal-content/RO/TXT/PDF/?uri=CELEX:52020PC0080&from=EN>  
<sup>46</sup> Source: <https://www.ipcc.ch/sr15/chapter/spm/>  
<sup>47</sup> Source: [https://www.ipcc.ch/site/assets/uploads/sites/2/2019/05/SR15\\_SPM\\_version\\_report\\_LR.pdf](https://www.ipcc.ch/site/assets/uploads/sites/2/2019/05/SR15_SPM_version_report_LR.pdf)

EMISSIONS	2018	2019	2020
Direct (Scope 1) GHG emissions in metric tons CO <sub>2</sub> -e	18,705	19,209	18,867
Gases included in the calculation;	CO <sub>2</sub> (from fossil fuels - natural gas, LPG, diesel - burned on breweries sites)		
Biogenic CO <sub>2</sub> emissions in metric tons of CO <sub>2</sub> equivalent.	0 (total biogas emitted by Waste Water Treatment Plants in Buzau, Brasov and Timisoara were 26,077,876 Mj, but emissions factor for biogas is 0)		
Biogenic CO <sub>2</sub> emissions in metric tons of CO <sub>2</sub> equivalent.	2019 designated as the base year as the data have been validated by a third party and are thus considered transparent		
Energy indirect (Scope 2) GHG emissions in metric tons CO <sub>2</sub> -e	17,683	14,831	14,569

Operational control in place focused on fossil fuel emissions reduction. Calculation of CO2 emissions resulted from the activity of Ursus breweries in Buzău, Braşov, Timișoara, Cluj Napoca was performed based on Ursus Breweries Energy and Emissions Reporting Procedure. Timișoara and Buzău factories

operated under EU-ETS regulations. The value of the emission factors used for reporting of Scope1/ Fossil fuels emissions related to Ursus Breweries (Buzau, Brasov, Timisoara and Cluj Napoca breweries) were communicated by the National Environmental Protection Agency.

<sup>48</sup> Source: <https://data.worldbank.org/indicator/EN.ATM.CO2E.PC?locations=RO>  
<sup>49</sup> Source: [https://ec.europa.eu/clima/index\\_en](https://ec.europa.eu/clima/index_en)  
<sup>50</sup> Source: <https://aqicn.org/map/romania/>

The total electricity consumption within Ursus Breweries (Buzau, Brasov, Timisoara and Cluj Napoca breweries) was supplied via national grid, and the CO2 emissions for Scope 2 were calculated based on the emission factors provided by our electricity supplier.

There are estimates indicating an 0.8% increase of transport emissions<sup>51</sup> across the European Union (shipping excluded). Although there are significant measures to limit emissions or, even better, to reduce the volumes, the projections show there will be a slight decrease of emissions from transport

by 2030. The European Environment Agency warns that “all transport sub-sectors will need to be more ambitious if the sector as a whole is to contribute to the goals set out in the European Green Deal.”

Our products travel from breweries to deposits, in between deposits and then from depos to modern trade destinations. Although such movements are necessary, they are a cause of direct and indirect emissions, hence an impact we need to consider.

Currently, such activities are carried out by

suppliers, i.e. carriers relying on their own fleet or booking independent transporters. They are identified, selected and contracted by our Purchasing Department, in charge with defining technical criteria and contract management. In addition, our National Distribution team manages the overall transportation activity (product movement between breweries and depos, financial aspects, route optimization, truck loading and fill rates, plus KPI setting and monitoring).

We take active measures towards performance improvements, based on our action plan and performance indicators.

TRUCK WEIGHT	2018	2019	2020
	YTD LOAD FACTOR (%)		
3,5 t	53.44	48.1	48
10 t	58.13	59.4	66
24 t	92.43	92.99	91

Our transport impact is directly influenced by the performance of means of transports available in our contractors fleet. We actively work with our transport suppliers to move towards trucks with lower emissions.

On the other hand, we are directly responsible for our employee fleet, where the impact is also significant. Our marketing teams need to travel around the country to promote our products, participate in events, work along retailers and support their trading efforts.

To limit the negative impacts, our fleet (managed as operational leasing) is exclusively equipped with Euro 5 Diesel engines having an emission standard below 138g CO2 / km. The average number of cars in our fleet was 510 (financial years 2018 and 2019). In 2020, out of the 508 cars in our fleet, 212 run on gasoline (97% of which were 0,999-L cylinder, while the rest of 3% were 1.5L-cylinder). Provided the national infrastructure required by electric cars would expand, our future plan is to replace Diesel with gasoline/hybrid cars.

TYPE OF FUEL (LITERS)	2018		2019		2020	
	GASOLINE	DIESEL	GASOLINE	DIESEL	GASOLINE	DIESEL
	924,024	2,624	925,464	2,485	805,680	9,170
Total	926,648		927,949		814,950	

Cooling is key in maintaining the quality and freshness of our beers. The impact occurs in our deposits and in the distribution channels (shops, HoReCa and events). Although we can manage the direct impacts, we need to tighten the cooperation with and support to our business partners in order to make them aware of their own impacts.

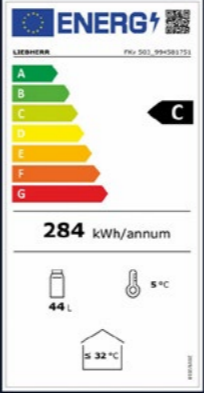
Over 73% of the fridges and draught coolers in the premises where our beer is sold are owned by our company. The equipment is free to be used, yet the running costs (such as electricity) are covered by customers. At this moment, it is almost impossible for us to collect reliable information related to energy consumption, and estimating data based on the chilled beer volume could be far from reality.

However, we have developed a Commercial Asset Management Policy, aimed at reducing our footprint by purchasing modern equipment that operate on HC refrigerants and LED lightening. Our sales, trade marketing, procurement and finance/ accounting departments are pro-active and select suppliers able to deliver new-age coolers, repair the existing ones or replacing those that no longer meet the efficiency criteria. As of 2021, our efforts are directed towards purchasing coolers with Energy Efficiency Index class D, progressively improving by 2030 towards Energy Efficiency Index class A, if available. We are currently performing an inventory of low performance units that will be followed as appropriate by replacements. Additionally, all newly contracted locations will be equipped with energy efficient cooling units.

TRANSPORT AND THE EU GREEN DEAL:

Today, transport emissions represent around 25% of the total GHG emissions, and these emissions have increased over recent years. Our goal of being the first climate-neutral continent by 2050 requires ambitious changes in transport.

<sup>51</sup> Source: <https://www.eea.europa.eu/data-and-maps/indicators/transport-emissions-of-greenhouse-gases-7/assessment>



### A/ ENERGY EFFICIENCY

Buy Only Fridges with energy efficiency classes

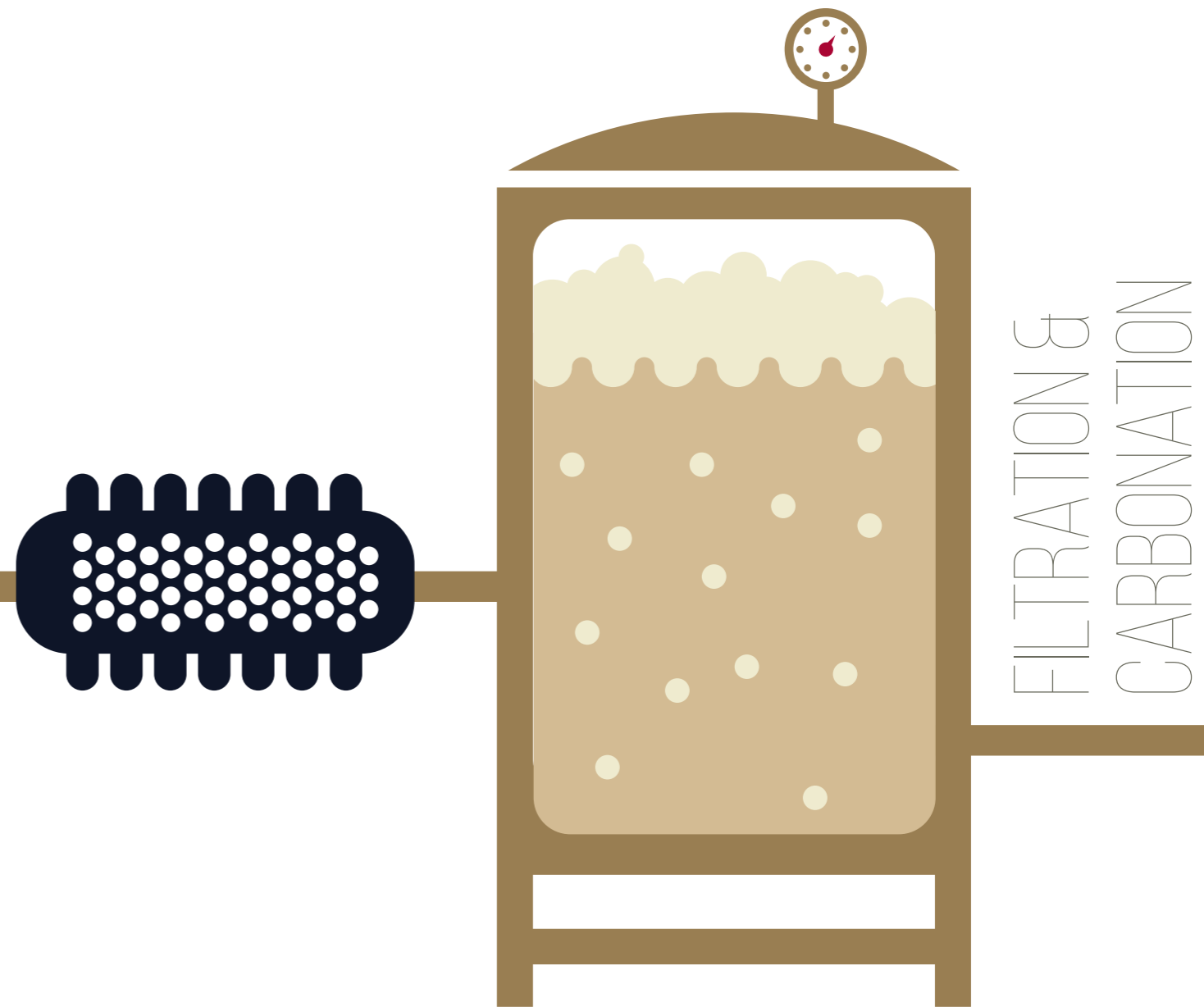
2021-23	D
2023-26	C
2027-30	B
from 2030	BAT (A)

KPI	2021-2023	2023-2026	2027-2030	2030 ->
100% of the refrigerators purchased have energy efficiency classed as follow:	D	C	B	BAT (A)



V.

# RESPONSIBILITY



Being fully aware of our responsibility as a market leader to lead by example, we already made sustainability the core of our Group strategy and are ready to intensify our efforts as we go further. We have to act responsibly as a reliable business in all our operations and along the value chain, as well as a trusted actor nationally and within the communities where we activate.

Our way towards sustainability is bolstered by the Asahi Group vision. Based on the Sustainability Principles<sup>52</sup>, the vision guides us towards creating value everywhere we operate by considering and addressing the impacts we create or contribute to on the environment, the people and communities, including their health and responsible drinking.

# RESPONSIBLE DRINKING, HEALTHY LIFESTYLES

Besides the proportion of overweight and obese population, the lack of physical activity and tobacco intake, alcohol consumption is one of the health determinants with major implications on the overall wellbeing of individuals. Both

the volume and the pattern/ frequency of drinking have health and social outcomes, and a major public health concern is currently harmful drinking.

In 2019, at the EU level, one in twelve people consumed alcohol on a daily basis and almost one in five had an episode of heavy drinking at least once a month. At the same time, slightly over ¼ of the EU population did not consume any alcohol<sup>53</sup>.



Under this chapter of the report, we grouped the topics that resulted as material for our organization, and where responsibility is a crosscutting dimension:

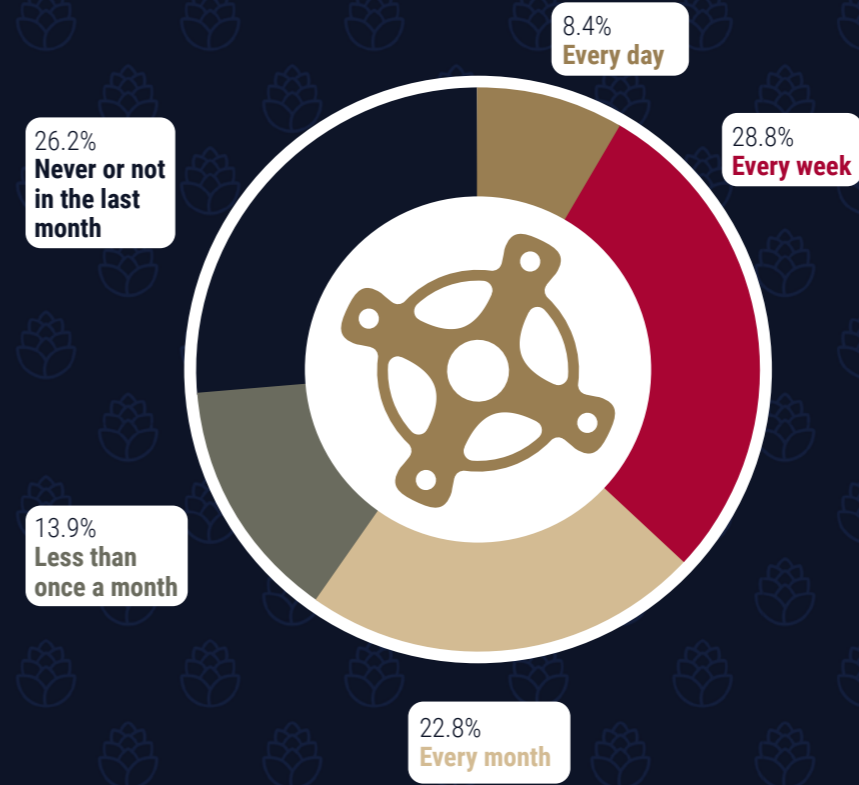
- Responsible Drinking (consumers, employees), Healthy Lifestyles
- Product Marketing and Labeling
- Local Partnerships (suppliers, communities, academia)
- Create People to People Connections (community-wise and within the organization)
- Community Investments



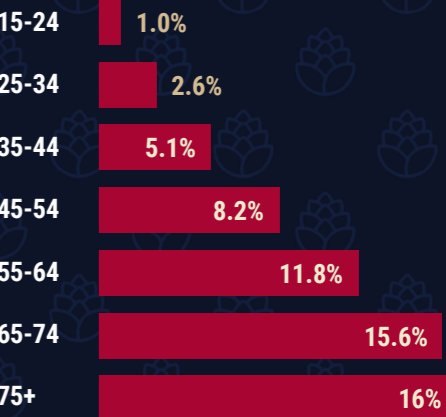
<sup>52</sup> Asahi Group website: [https://www.asahigroup-holdings.com/en/company/policy/sustainability\\_principles.html](https://www.asahigroup-holdings.com/en/company/policy/sustainability_principles.html)

<sup>53</sup> Eurostat website: <https://bit.ly/3oJe9Va>

## Frequency of alcohol consumption in the EU, 2019



## Daily alcohol consumption in the EU by age



## Daily alcohol consumption in the EU by gender



As a company that produces alcohol beverages, we are aware that our products can bring people together and create memorable social occasions , and at the same time can contribute to irresponsible behaviours. Considering all social and medical worries regarding the impact of excessivedrinking, our direct responsibility is to reduce harmful drinking habits and promote a healthy lifestyle among customers, perceived as such and expressed by our

stakeholders during the internal and external consultations.

We comply with relevant regulations, policies, industry standards and international commitments to make sure that we have responsible marketing and commercial communication activities and we disclose appropriate information, as well as responsible messages to our customers regarding alcohol consumption. Our approach

to responsible marketing and commercial communication conduct is described later on in this chapter, under the section “Product Marketing and Labeling” at [page 93](#).

We follow the Asahi Group Responsible Drinking Principles and Policies, available on the company’s website<sup>54</sup> to ensure transparency and awareness among employees and consumers. The policies cover the following aspects: 1/ Awareness

To prevent underage alcohol consumption, we partnered with the Nongovernmental Federation for Children (FONPC) and Step by Step Centre. Within the “Efficient parents, happy children” programme, parents benefited from counselling and parenting advice from experts in child psychology. The teachers involved in the programme learned how to support parents in tackling underage alcohol consumption. We collect feedback from participants via feedback forms and reshape our trainings’ content

accordingly. To meet the parents and teachers’ specific needs, the topics of the workshops are updated yearly. In 2019, to prevent drinking and driving, we developed a new version of Zero la Mie Application, which allows users to estimate the time required for their blood alcohol level to reach 0 ‰ after alcohol consumption. We decided to relaunch the app based on the results of “2018 Social Attitudes Regarding the Risk in Traffic” carried out together with the Crime Research and Prevention Institute within the General Inspectorate of the Romanian Police. The study revealed that a significant share of drivers was still driving after they consumed alcohol.

Our dedicated website [www.desprealcohol.ro](#) is a constant source of information about responsible alcohol consumption. The website is also a resource that encourages a healthy lifestyle offering nutrition and mental health advice from experts.

We continuously monitor the download and utilisation rate of the Zero la Mie app and the key performance indicators established for our responsibility drinking platform [desprealcohol.ro](#). We evaluate the quality of app content based on people’s reactions, reach and engagement. For everyone wishing to contact us on our approach to responsible alcohol consumption, we have an e-mail contact available on our website.



and actions of employees; 2/Reduction and prevention of issues caused by inappropriate drinking habits; 3/ Responsible marketing activities; 4/ Appropriate information disclosure; 5/ Collaboration with stakeholders; 6/ Development of innovative products.

We focus on alcohol consumption prevention programmes, transparent and responsible communication towards our customers and creation of new healthier drinking options through low-alcohol or non-alcohol products. Among the prevention programmes the most significant are those aimed at preventing drink driving and under-age drinking. We also conduct campaigns to discourage harmful alcohol drinking that can be an aggravating factor to health problems or can lead to negative social behaviours.

<sup>54</sup> Asahi Group website: <https://www.asahigroup-holdings.com/en/csr/alcohol/policy.html>

desprealcohol.ro	KPIS DESCRIPTION		
	2018	2019	2020
Alcohol prevention programs & communication reach (users reached on owned digital assets - <a href="#">www.desprealcohol.ro</a> website, Despre Alcohol social media)	> 3.6 mil.	> 3.2 mil.	> 4.4 mil.

Responsible marketing activities are equally important when it comes to our responsibility regarding responsible drinking and healthy lifestyles. Currently, 100% of our labels and brand communication of alcohol products bare responsibility messages to address underage drinking, drinking while

driving or drinking during pregnancy. Also, all our labels include information regarding the calories’ intake for the respective product, while on the secondary packaging we have included all the nutrition information. The same information is publicly available online on [desprealcohol.ro](#).

Positive results in the reduction of inappropriate drinking habits and promotion of healthy consumption are amplified as a result of joint efforts. Therefore, we cooperate with other companies in the alcohol beverage industry and trade associations.

As members of the International Alliance for Responsible Drinking (IARD), we act and we are committed to do so on the five IARD commitments on reducing harmful drinking<sup>55</sup>:

- 1. We will introduce a clear age-restriction symbol or equivalent words on all of our alcohol brand products – including alcohol-free extensions of alcohol brands – sending a clear message to all communities that our beer, wine, and spirits should not be bought or consumed by minors. We will start to roll this out immediately, where legally permissible, with compliance across all markets by 2024.
- 2. We do not want minors to drink alcohol. We do not, and will not, market alcohol-free extensions of alcohol brands to minors.
- 3. The digital sphere is the arena where our consumers increasingly want to engage with us. We will do more to build on the progress we have made, working with leading digital platforms, to implement rigorous online safeguards in our ongoing efforts to prevent minors from seeing or interacting with our brands online. Safeguards will be in place for at least 95% of our online alcohol marketing by 2024, with an objective to reach complete compliance at the earliest opportunity.
- 4. We will invite retailers, wholesalers, and distributors to intensify their work with us to determine how best-practice initiatives relating to age verification can be implemented globally, while taking account of local differences.
- 5. Recognizing the growing role of online retail, we will specifically invite online retailers, postal services, and delivery companies to join us in developing global standards for the online sale and delivery of alcohol, where such sales are legal.

<sup>55</sup> IARD website: <https://iard.org/getattachment/9d63609c-71a2-4f57-97d3-a39b20463b81/actions-to-accelerate-reductions-in-underage-drinking.pdf>



Together with the Brewers of Romania Association we carried out several projects for preventing underage drinking and driving under alcohol influence. In 2018 and 2019, under the slogan “A mom in need is a mom indeed - Be like a mother to your friends and tell them - No alcohol when driving!” the campaign informed on the drinking and driving risks mainly through the online media and offline activations organised by Romanian Police. The campaign also had a Christmas edition in 2018 when users were encouraged to download a “mom filter” and

tell their friends not to drive after drinking alcohol. In 2019 in an integrated educational campaign “Alcohol doesn’t make you big”, the beer industry, public authorities, school and family work together to fight against underage alcohol consumption. The project consisted of several meetings with a psychologist held in 7 high schools in the country and reached 735 students directly. Educational messages of the campaign are available on the [www.alcoolulnutefacemare.ro](http://www.alcoolulnutefacemare.ro) website.

By inspiring our customers to drink less, but better, we help them in making responsible choices and using our products as an enjoyable part of life. Therefore, we continue to innovate and further develop our low and non-alcoholic part of portfolio, offering our consumers more options that suits different consumption tastes and patterns. More information regarding our plans related no non-alcoholic beers are provided in Business chapter, section Market presence, [page 38](#), and later on in this chapter, section Product marketing and labeling, [page 93](#).

Healthy Lifestyle - Community wise

KPIS DESCRIPTION	2018	2019	2020	COMMITMENTS
Percent of non-alcohol sales composition ratio	3.1	3.8	4.4	Achieve 20% non-alcohol sales composition ratio by 2030

Our products are addressed to all adults; thus, our responsibility in promoting a responsible drinking behaviour does not stop with our clients. We also focus on our employees, addressing them with specific messages and assisting them in developing specific behaviours. When joining the organization, all our new employees attend the Alcohol Behaviour and Communication Training (ABC) regarding responsible drinking. All employees get through a refresher training every three years via eLearning, the latest being conducted in 2019.

All employees have access to the Alcohol and Drugs Policy on the Intranet, which sets an expected behaviour framework towards alcohol consumption both inside the company and during business relations conducted on behalf of the company. Moreover, the policy also includes a self-assessment tool developed by the World Health Organization for identifying alcohol-related disorders. For those engaging in marketing-related work we carry out an Alcohol Intelligence Quotient Policy (AIQ) training, which includes guidelines about the responsibility messages that should be included in our communication.

Responsible Drinking - Within the organization

KPIS DESCRIPTION	2018-2020	COMMITMENTS
Percentage of employees trained on ABC of Alcohol	In 2019 we carried out the training through a third party and covered 73.6% of our employees. KPIs not available for 2018 and 2020, due to the lack of an internal training system that could record the data. The numbers can be tracked starting with mid 2021 when the Learning & Development module will be integrated in our new HR platform – HOPS.	2022 – 75% 2023 – 100%

PRODUCT MARKETING AND LABELING

Labeling<sup>56</sup> has been subject to EU regulations since 2011. Although these requirements are not mandatory for producers of beer and other alcoholic beverages that contain over more than 1.2% ABV, they are encouraged to voluntarily provide information such as energy or nutritional values.

Under the EU Alcohol and Health Forum, brewers<sup>57</sup> in Europe committed themselves to implement ingredient listing and nutrition information, thus responding to consumer expectations and, by self-regulation, go beyond the legal obligation.

As a market leader, with distribution channels that cover the whole country and having national visibility, we know our impacts are significant. To be fully accountable for these impacts, we abide by the highest rules of responsible conduct that also reflect on matters related to product labeling and advertising.

Any of our marketing activities has an impact on our customers, therefore we make all efforts to gain their trust by

having a transparent and responsible communication. Besides complying with local laws and regulations, we follow the Policy on Commercial Communication<sup>58</sup> developed by Asahi Breweries Europe Group which establishes consistent standards for the marketing activities of our brands. We also contribute to the development of new initiatives and work along peer companies and alcohol trade associations.

Our actions are aimed at ensuring an informed decision of our consumers, influence their responsible consumption and contribute to a low number of non-compliance incidents regarding communication.

The pillar of our self-regulatory system is the group's Policy on Commercial Communication, which we continuously improve by consulting the market stakeholders or anytime new regulations become applicable to the market. The Policy was updated in late 2018 and included recommendation on non-alcoholic beverages.



<sup>56</sup> Source: Economic Commission [https://ec.europa.eu/food/safety/labelling-and-nutrition/food-information-consumers-legislation/alcohol-labelling\\_en](https://ec.europa.eu/food/safety/labelling-and-nutrition/food-information-consumers-legislation/alcohol-labelling_en)  
<sup>57</sup> Source: Brewers of Europe [https://ec.europa.eu/food/system/files/2018-03/fs\\_labelling-nutrition\\_legis\\_alcohol-self-regulatory-proposal\\_brewers\\_en.pdf](https://ec.europa.eu/food/system/files/2018-03/fs_labelling-nutrition_legis_alcohol-self-regulatory-proposal_brewers_en.pdf)  
<sup>58</sup> Source: Asahi Group <https://www.asahiinternational.com/media/1049/pocc.pdf>

The implementation of the policy is checked by our Sales and Marketing Compliance Committee in their weekly meetings, and is doubled by a dedicated online system for approvals of marketing communication and trade marketing materials. The Committee includes employees with different expertise such as Legal, Corporate Affairs, Sustainable Development, Marketing.

Our communication activities are aligned with the International Alliance for Responsible Drinking (IARD) Principles, and the newly released Digital Guiding Principles. IARD's commitments include recommendations related to responsible marketing, packaging, production, sales and actions to prevent harmful drinking.

As mentioned above, we go beyond legally required information on labels and voluntarily

plan, starting 2021, to place not just one, but all three warnings against harmful drinking on alcoholic drink packages. Moreover, as of 2016, the nutritional information and the ingredients are available both on all labels and online (<https://desprealcool.ro/totul-despre-bere/>), a voluntary act aimed at complying with Proud to be Clear Commitment on labeling of the Brewers of Europe: <https://beerwisdom.eu/>

Other voluntary acts we comply with are the Commercial Communication Code of Brewers of Romania Association and the "Rules on Responsible Commercial Communication for Beer", integrated in the Code of Practice in Advertising developed by the Romanian Advertising Council<sup>59</sup> (RAC). Lastly, we have a Social Media Policy that establishes rules for responsible actions and activities in this area.

In order to minimize the risks related to marketing communication<sup>60</sup>, we carry out an Alcohol Intelligence Quotient (AIQ) training to employees and business partners engaging in marketing-related work for a better understanding of the company's marketing policies and codes, as well as an ABC training for all new employees in our company or our agencies.

The effectiveness of our measures is reflected in the number of complaints regarding marketing communication.

Ursus Breweries has proven over the past 15 years that it is a responsible advertiser, and we are further committed to respect the beer industry and our own Group Policy on Commercial Codes of Commercial Communication.

# COMMUNITY INVESTMENTS & LOCAL PARTNERSHIPS



## Total number of incidents of non-compliance with regulations and/or voluntary codes by:

	2018	2019	2020
Incidents of non-compliance with regulations resulting in a fine or penalty	1*	0	0
Incidents of non-compliance with regulations resulting in a warning	0	0	0
Incidents of non-compliance with voluntary codes	0	0	0

\* In 2018 we had a complaint regarding inconsistency of information in the Rules of a marketing campaign contest. We were sanctioned following this complaint.

<sup>59</sup> By voluntary Codes we refer to the Romanian Advertising Code & Brewers of Romania Code on Commercial Communication. The self-regulatory body is the Romanian Advertising Council (RAC).  
<sup>60</sup> The legislation that governs this topic is the Audiovisual law no. 504/2002 & The Regulatory Code Regarding Audiovisual Content. The authority that controls & applies sanctions is The National Audiovisual Council of Romania.

As a company that strives for sustainable development, we must pay attention to all our stakeholders and the communities in which we operate make no exception. What we do for the society goes beyond the commercial interest, our vision being to support long-term impact initiatives. Therefore, besides the value we bring through the jobs created and the contributions to the local budgets of the communities where we operate, we put effort in meeting the expectations of the society at large.

We believe that initiatives built with people in mind and for the benefit of society at

large are the ones that last over time. Thus, we take into consideration community's needs and act as a partner for the local authorities, NGOs and community members in order to contribute to a sustainable development for all parties.

The causes we support represent solutions to local community issues identified and solved by its own members, sometimes with our employees' voluntary contribution. At the same time, the activities we choose to get involved in are relevant to the identity of both our business and the respective community.

Being part of the communities where we conduct our business operations, we try to contribute to people's wellbeing and development by supporting local initiatives. At the same time, we also get involved in national campaigns, especially when there is a major and urgent need for help.

Such an example is the 2020 pandemic crisis. As a response to a worldwide crisis that had effects at all levels, including national and local ones, we launched a partnership with the Romanian Red Cross, powered by Timișoreana brand. Through the partnership we donated 1 million RON for medical equipment in an effort to fight the pandemic. At the same time, the Timișoreana brand launched the “#SeparatiDarImpreuna” (#SeparatedButTogether) initiative, which encouraged citizens to donate via SMS for the same cause. Romanians contributed with almost 200.000 RON through our campaign.

Health issues were also addressed through sponsorships for “Daruieste Viata” Association (2019) that carried out projects to rehabilitate oncology centers and “Hospice Casa Sperantei” Foundation (2020) to provide

free palliative care services for patients.

We are partners for the community in times of crisis but also in good times. We support emblematic events and make celebration possible by partnering with local authorities. Such examples are the partnerships with Brasov city from 2018 to 2020 for local festivities or the partnership with the “Cultural Brewery” in Cluj-Napoca where we supported local cultural debates and conferences.

Our preoccupation for the protection of environment and promotion of recycling is also reflected in on-the-side projects we support. Through our innovative recycling programmes at the largest music festivals in the country, such as UNTOLD, Neversea, Oktoberfest or other local events, we find ways to turn fun into an opportunity to learn about the environment and recycling (over 2.000 kg of aluminium collected). To further bring people closer to the nature we created 12 “Ciucas Relaxation Areas” within several local communities, where people can enjoy outdoor moments of relaxation together with their families and friends.



Community investments during the reporting cycle

KPIS DESCRIPTION	2018	2019	2020
Community spending: sponsorships, donations, community projects (amount in RON)	844,666	1,060,305	2,813,172

The present we are facing poses larger challenges than ever, thus while doing our part to contribute to the sustainable development in Romania, we need to engage better with our partners: suppliers, customers, local authorities, communities, but also academia for accomplishing positive outcomes.

Building on our culture of bringing people together, we are involved in several strategic partnerships built over the years. One such partnership focuses on education, an area that needs continuous support at all levels and in all communities where we are present.

The tertiary education attainment in Romania (one of the progress indicators monitored under SDG 4 - Quality Education) continues to be lower than the median registered in the EU. In 2020, 24.9% of the Romanian population aged 25 to 34 had tertiary education attainment, compared to 40.5% at EU level<sup>61</sup>. This aspect is key for employment in jobs that require specialised skills and competences gained only through higher education.

In response to the expectations of the local communities where we operate, we decided to get involved mainly at this level of the education system. We also saw the potential of such involvement in fostering the preparedness of students and fresh graduates as potential employees for our company.

The flagship programme of our involvement in education is the Ursus Breweries scholarship programme. Called "Students for Communities", the programme started with a partnership with the Babes Bolyai University in Cluj-Napoca and gradually extended to other universities in the country. We selected universities considering the cities where we were present and which had the technical profiles that could provide a potential pool of candidates for our company, especially for the

manufacturing and commercial business unit. Thus resulted partnerships with universities in Bucharest, Timișoara, Cluj, Galați and Buzău, and also with technical profile high-schools in Buzău.

We yearly offered around 40 scholarships for the universities and 10 scholarships for high-schools. All scholarships are offered for a 9-month period. The annual overall budget is around 155,000 RON.

The selection process of the candidates is conducted yearly by the university/ high-school independently from Ursus Breweries and is based on the following eligibility criteria: students in the 1st year of masters (for 2-year master programs) and students in 2nd year or 3rd year of studies (for 4-year specializations), high school students; only students with annual average grades of minimum 8; students involved/ registered in NGOs; students involved in projects that benefit the community; students with good academic record proven by recommendation letter from a teacher.

The final list of the students that are granted scholarships is provided to Ursus Breweries with the purpose of recruiting them in the

Graduate Trainee Programme. This is a programme focused on final year students, fresh graduates and master students. Its overall objective is to provide training for young people at the beginning of their careers for a potential future role in the company.

Besides the scholarships, throughout the years, part of the programme was the organization of series of events dedicated to students and/ or teachers. Be them career talks or exchange of experience, the students and teachers had the occasion to interact with specialists and top managers from Ursus Breweries and ask for or share knowledge and know-how from practice that could improve their performance as students or teachers.

Feedback channels with our partners under these programmes are continuously opened, so that we can adapt to the circumstances, if changed, and maintain the programmes relevant. Our projects will continue to focus on our home markets and all other relevant communities for the overall sustainability of our business.

# CREATE PEOPLE TO PEOPLE CONNECTIONS



Apart from our ambitions regarding environment protection, safeguarding and developing our workforce, protection and promotion of human rights along the supply chain, we also committed ourselves to contribute to the development of local communities in which we operate and to strengthen our collaboration with local partners.

Our business plays an important role in bringing customers together and creating enjoyable moments for them. We carry this philosophy further by bringing people together to help each other and one way of doing it is through volunteering initiatives that complete our efforts in community involvement. Both people from the community and our employees benefit from these activities.

## Value of funds allocated to local partnerships with Academia

	2018	2019	2020
Number of scholarships	48	48	48
Overall budget in RON	155,000	155,000	155,000

<sup>61</sup> Eurostat website: <https://bit.ly/3oRewNR>

As a company interested in sustainable growth in relation to the people and the environment, our goal is to find ways to solve local issues by using our employees' knowledge and civic spirit. Therefore, the volunteering activities are designed to meet the needs identified in the community by our employees.

In 2018, our colleagues participated in various volunteer actions:

- they donated blood for the Blood Transfusion Centres in Bucharest and Buzau,
- together with the Edulier Association, they prepared winter supplies for elderly,
- offered Christmas gifts for children,
- donated books,
- redirected 2% from their income tax to various NGOs,
- planted trees,
- rehabilitated the centres of "Pentru Voi" Foundation in Timișoara, where people with disabilities live,
- offered hot meals in a centre for elderly and vulnerable people in Cluj-Napoca.

In 2019, our employees offered their support to a night asylum in Timișoara and helped

serve hot meals to the beneficiaries. In Cluj-Napoca they also cooked for people in need alongside the "O masă caldă" Foundation. Our colleagues in Brasov weeded seedlings in a mountain area. Our employees in Bucharest contributed to conserving nature by planting trees in Tinosu, Prahova County, and waste cleaning the Vacaresti National Park. They also donated blood and offered gifts for children in the ShoeBox campaign.

In 2020, due to the pandemic, we chose to put the safety of our employees first. Some of the projects involving large groups of people were put on hold, while trying to identify ways to volunteer remotely. With the support of ViitorPlus Association through their "Adopt a tree" project, our employees had the possibility to order and plant trees from the comfort of their home. As a result, 110 colleagues planted over 750 trees.

We constantly collaborate with relevant stakeholders from the communities where we are present to identify new volunteering opportunities and reshape the ongoing ones. Our partners' feedback helps us improve our volunteering work and make it more valuable

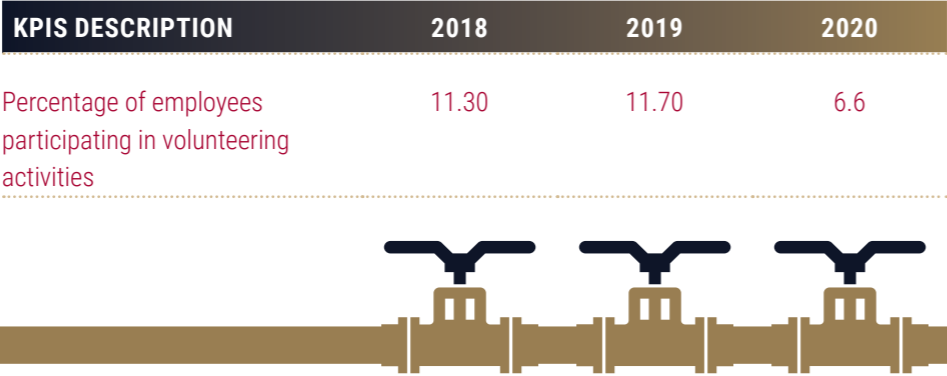
to the community. As an organization, we value the power of staying connected and we put great emphasis on creating opportunities for our people to come together, share experiences, best practices and have fun together.

In 2018 and 2019, before the pandemic, our people had many opportunities of face-to-face interaction through conferences, monthly town halls in the head office, quarterly town halls in the breweries, yearly Christmas parties in all locations, as well as Family Picnics organized by Ursus Breweries, volunteering activities and many more. They could also enjoy a beer and a snack after work, during our regular Happy Pubs.

In 2020, the context of the pandemic brought new challenges, so that we created opportunities for our people to stay connected online through online Town Halls, broadcasts, sales conferences, using our intranet for regular interaction, celebrating achievements through our reward & recognition programs.

Starting 2021 we will follow the group's volunteering strategy RE:CONNECTION<sup>62</sup>. The approach will assist us to make a difference and help people and communities to reconnect at different levels, while engaging employees. The main focus areas will be "Food" and "Environment", where the organization can effectively contribute through its knowledge and experience, and "Disaster relief", an urgent matter in case of emergency situations.

<sup>62</sup> ASAHI Group website: <https://www.asahigroup-holdings.com/en/csr/re-connection/>

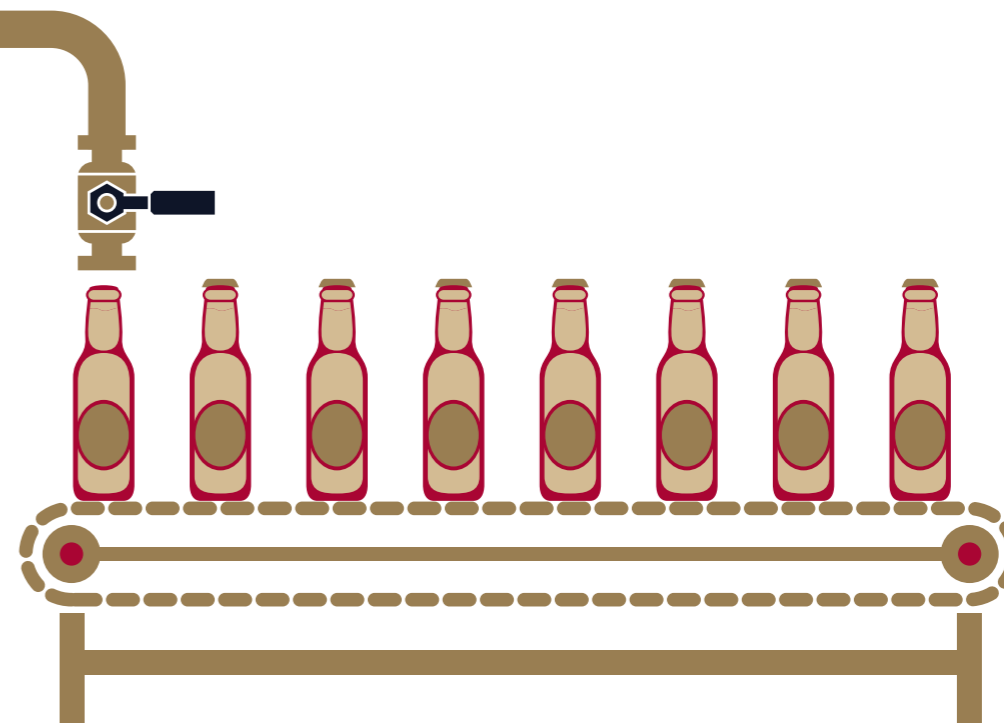


VI.

# ABOUT THIS REPORT



BOTTLING



## OVERVIEW

Our first sustainable development report was published in 2013, followed by annual reports. Given the major changes Ursus Breweries had gone through from the 2017-2018 reporting cycle onwards, we decided to cease the reporting and focus on the strategic and operational management.

However, sustainable development continued to be a priority: our performance was constantly monitored and reported internally against sustainability goals; our management implemented initiatives aimed at assessing, monitoring and reducing negative impacts; our sustainable development teams worked hard to translate the Asahi Group's vision into local targets and specific measures.

As our sustainable development strategy is still unfolding, we consider that a biennial reporting cycle would both serve the expectations of our stakeholders, and would allow us to adapt our data management systems to the new sustainability reporting requirements.

Nonetheless, we fully complied with the new non-financial reporting legislation. All those interested in discovering how the major environmental and social aspects were managed in our company over the past two years (2019 and 2020), are invited to read through our annual non-financial statements, available at <https://ursus-breweries.ro/en/dezvoltare-durabila/#rapoartele-de-dezvoltare-durabila>

From now on and until the EU Corporate Sustainability Reporting Directive enters into force, we will publish sustainability reports on a 2-year basis.

The structure of this report defines us and our activity, and is unique across our industry: BEER. It is fully aligned with our four pillars of the sustainable development strategy (Profit = Business, People = Employees, Planet = Environment, Responsibility = Portfolio). We make BEER.

This is our 6th sustainable development report and, as always, we have extensively engaged our stakeholders, giving them an open floor for expressing their views and expectations, paying attention to both risks and opportunities, and reporting back to them on how we plan to implement their recommendations.

## PURPOSE

The main purpose of this document is to update Ursus Breweries' stakeholders on how we continued to manage sustainability in the past years, and take responsibility over our economic, social and environmental impacts.

Developed in accordance with the GRI Standards, Core option, the report covers the activities of Ursus Breweries headquarters in Bucharest, our breweries in Buzău, Braşov in Timișoara, as well as the craft brewery in Cluj-Napoca.

We are committed to running our business in harmony with nature not only for us, but for the generations that come after us, thus playing our role in meeting the Sustainability Legacy 2030, the sustainable development roadmap of Asahi in Europe.

## REPORTING PERIOD

This report presents the performance of Ursus Breweries' management team and the actions towards sustainable development taken from January 1st, 2018 to December 31st, 2020.

Where relevant, we have referred to initiatives developed in 2021. Such mentions are clearly indicated.

For comparability reasons, we hereby include a link to our last sustainability report covering 2016 and 2017: [https://ursus-breweries.ro/wp-content/uploads/2020/09/Raport\\_EN\\_final.pdf](https://ursus-breweries.ro/wp-content/uploads/2020/09/Raport_EN_final.pdf)

## REPORTING STANDARDS

This report has been prepared following the requirements outlined by the GRI, in accordance – Core option.

The stakeholder consultation process was developed based on AccountAbility's AA1000 Stakeholder Engagement Standard.

Where appropriate, we also refer to ISO Standards and other internal or international methodologies.

## CREDITS

The present report has been developed by Ursus Breweries SA management team who has been assisted by CSR BootIQ, a Romanian-based consultancy highly experienced in sustainability reporting.

We would also like to honour every single Ursus Breweries employee. Their daily contribution makes our company

better every day and substantially influences Ursus Breweries sustainability performance.

We would like to praise our stakeholders for their contribution, active participation and constructive feedback. Their inputs were instrumental in defining the content of this report.

### Ursus Breweries project team:

- Robert Uzună, VicePresident Corporate Affairs
- Alina Cişmaş, Sustainable Development Manager
- Ioana Stoica, Sustainable Development Specialist

## ACCESSIBILITY AND FEEDBACK

The report is published in English and Romanian. A copy of this report is available on Ursus Breweries website.

We welcome your feedback via e-mail ([comunicare.responsabila@asahibeer.ro](mailto:comunicare.responsabila@asahibeer.ro)), social media ([LinkedIn](#)), or by other appropriate means of communication.

GRI CONTENT INDEX

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions
GRI 101: Foundation 2016			
GENERAL DISCLOSURES			
GRI 102: General Disclosures 2016	102-1 Name of the organization	10	
	102-2 Activities, brands, products	14, 16	
	102-3 Location of headquarters	11	
	102-4 Location of operations	11	
	102-5 Ownership and legal form	10	
	102-6 Markets served	10	
	102-7 Scale of the organization	4	
	102-8 Information on employees and other workers	10, 49, 62, 67	
	102-9 Supply chain	15	
	102-10 Significant changes to the organization and its supply chain	15	
	102-11 Precautionary principle	17	
	102-12 External initiatives	12	
	102-13 Membership of associations	12	
	102-14 Statement from senior-decision maker	8, 9	
	102-16 Values, principles, standards and norms of behaviour	11, 14, 29	
	102-18 Governance structure	12, 13	
	102-40 List of stakeholder groups	21	
	102-41 Collective bargaining agreements	10	
	102-42 Identifying and selecting stakeholders	20	
	102-43 Approach to stakeholder engagement	20	
	102-44 Key topics and concerns raised	21	
	102-45 Entities included in the consolidated financial statements	10 Financial information related to our performance in the reporting period (2018-2020) is publicly available and can be accessed at <a href="https://mfinante.gov.ro/domenii/informatii-contribuabili/persoane-juridice/info-pj-selectie-dupa-cui">https://mfinante.gov.ro/domenii/informatii-contribuabili/persoane-juridice/info-pj-selectie-dupa-cui</a> using the Company Registration Number (CUI).	
	102-46 Defining the report content and topic boundaries	20	
	102-47 List of material topics	22	
	102-48 Restatements of information	Given the ongoing adjustment of our sustainability strategy, we opted to report for 3 years (2018-2020).	
	102-49 Changes in reporting	The results of the most recent materiality analysis is available at pg. 20.	
	102-50 Reporting period	1 January 2018 - 31 December 2020	
	102-51 Date of the most recent report	2018	
	102-52 Reporting cycle	3-year	
	102-53 Contact point for questions regarding the report	105	
	102-54 Claims on reporting in accordance with the GRI Standards	105	
	102-55 GRI Content Index	106	
	102-56 External assurance	The present report has not been externally assured.	

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions
Material topics			
CHAPTER: BUSINESS			
TAX TRANSPARENCY			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	26-28	
	103-2 The management approach and its components	26-28	
	103-3 Evaluation of the management approach	27, 28	
GRI 207: Tax 2019	207-1 Approach to tax	26	
	207-2 Tax governance, control and risk management	26, 27	
	207-3 Stakeholder engagement and management of concerns related to tax	28	
	207-4 Country reporting	28	
ETHICS AND INTEGRITY			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	29, 30	
	103-2 The management approach and its components	29, 30, 33	
	103-3 Evaluation of the management approach	33	
GRI 205: Anticorruption 2016	205-2 Communication and training about anti-corruption policies and procedures	31-33	
QUALITY OF INGREDIENTS, TRACEABILITY			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	34, 35	
	103-2 The management approach and its components	34-36	
	103-3 Evaluation of the management approach	36, 37	
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	36	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	37	
MARKET PRESENCE, PRODUCT PORTFOLIO, RESEARCH AND INNOVATION			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	38	
	103-2 The management approach and its components	39-41	
	103-3 Evaluation of the management approach	41	
GRI 202: Market presence 2016	202-2 - Proportion of senior management hired from the local community	39	
	non-GRI Measures taken to adapt the product portfolio to the local market	39, 40	
RESPECT FOR HUMAN RIGHTS (SUPPLY CHAIN), SUPPLIER SOCIO-ECONOMIC COMPLIANCE, SUSTAINABLE SUPPLY CHAIN			
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	42	
	103-2 The management approach and its components	42, 43	
	103-3 Evaluation of the management approach	43	
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	43	

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions
<b>SUSTAINABLE SOURCING (SUSTAINABLE RAW MATERIALS, SUSTAINABLE FARMING)</b>			
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	44	
	103-2 The management approach and its components	44, 45	
	103-3 Evaluation of the management approach	44, 45	
<b>GRI 204: Procurement practices 2016</b>	204-1 Proportion of spending on local suppliers	45	

CHAPTER: EMPLOYEES

<b>WORKFORCE HEALTH AND SAFETY</b>			
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	49, 50	
	103-2 The management approach and its components	50-61	
	103-3 Evaluation of the management approach	53, 57	
	403-1 Occupational health and safety management system	50	
	403-2 Hazard identification, risk assessment, and incident investigation	50, 51	
	403-3 Occupational health services	53	
<b>GRI 403: Occupational health and safety 2018</b>	403-4 Worker participation, consultation, and communication on occupational health and safety	52, 53	
	403-5 Worker training on occupational health and safety	54-57	
	403-6 Promotion of worker health	57	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	60, 61	
	403-8 Workers covered by an occupational health and safety management system	55	
	403-9 Work-related injuries	57	
	403-10 Work-related ill health	58, 59	
<b>HUMAN RESOURCES DEVELOPMENT, WORKFORCE TRAINING</b>			
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	62, 63	
	103-2 The management approach and its components	62-66	
	103-3 Evaluation of the management approach	66	
<b>GRI 404: Training and education 2016</b>	404-3 Percentage of employees receiving regular performance and career development reviews	65	
<b>HUMAN RESOURCES DEVELOPMENT, WORKFORCE TRAINING</b>			
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	67, 68	
	103-2 The management approach and its components	68, 69	
	103-3 Evaluation of the management approach	69	
<b>GRI 405: Diversity and equal opportunity 2016</b>	405-1 Diversity of governance bodies and employees	70	

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions
<b>CHAPTER: ENVIRONMENT</b>			
<b>WATER MANAGEMENT</b>			
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	76	
	103-2 The management approach and its components	76	
	103-3 Evaluation of the management approach	76	
<b>GRI 303: Water and Effluents</b>	303-1 Interactions with water as a shared resource	76	
	303-2 Management of water discharge-related impacts	76	
	303-5 Water consumption	76	
<b>CIRCULAR ECONOMY (RECYCLING), SUSTAINABLE PACKAGING (USE OF MATERIALS)</b>			
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	77, 78	
	103-2 The management approach and its components	78, 79	
	103-3 Evaluation of the management approach	79	
<b>301-1 Materials used by weight or volume</b>	301-1 Materials used by weight or volume	79	
<b>306-3 Waste generated</b>	306-3 Waste generated	79	

<b>CARBON NEUTRALITY (EMISSIONS IN OUR OWN OPERATIONS AND IN THE SUPPLY CHAIN, TRANSPORT AND COOLING)</b>			
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	80, 81	
	103-2 The management approach and its components	81-83	
	103-3 Evaluation of the management approach	82	
<b>GRI 305: Emissions</b>	305-1 Direct (Scope 1) GHG emissions	81	
	non-GRI: Truck load factor	82	
	non-GRI: Fuel consumption, employee fleet	83	

CHAPTER: RESPONSIBILITY

<b>RESPONSIBLE DRINKING (CONSUMERS, EMPLOYEES), HEALTHY LIFESTYLES</b>			
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	86-88	
	103-2 The management approach and its components	88-92	
	103-3 Evaluation of the management approach	89	
	non-GRI: Initiatives aimed at promoting responsible drinking	88-91	
	non-GRI: Percentage of non-alcohol sales composition ratio	91	
	non-GRI: Percentage of employees trained in ABC responsible drinking	92	
<b>PRODUCT MARKETING AND LABELING</b>			
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	93	
	103-2 The management approach and its components	93, 94	
	103-3 Evaluation of the management approach	93, 94	
<b>GRI 417: Marketing and Labeling</b>	417-3 Incidents of non-compliance concerning marketing communications	94	

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omissions
<b>LOCAL PARTNERSHIPS (WITH SUPPLIERS AND COMMUNITIES), LOCAL PARTNERSHIPS (ACADEMIA), COMMUNITY INVESTMENTS</b>			
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	95, 96	
	103-2 The management approach and its components	96-98	
	103-3 Evaluation of the management approach	98	
	non-GRI: Value of funds allocated to local partnerships	98	
	non-GRI: Community spending	96	
<b>CREATE PEOPLE TO PEOPLE CONNECTIONS (COMMUNITY-WISE AND WITHIN ORGANISATION)</b>			
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	99	
	103-2 The management approach and its components	100, 101	
	103-3 Evaluation of the management approach	100, 101	
	non-GRI: Percentage of employees participating in volunteering activities	100	

**Homepage:**  
[www.ursus-breweries.ro](http://www.ursus-breweries.ro)

**Address:**  
Bucharest, Romania  
Șoseaua Pipera nr. 43,  
Floreasca Park, corp A, et. 2

**Email:**  
[contact@asahibeer.ro](mailto:contact@asahibeer.ro)

**Phone:**  
0372 858 300