



LEGACY  
2030

# JOURNEY TO 2030

SUSTAINABLE DEVELOPMENT REPORT  
2021-2022

URSUS  
*Breweries*



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# KEY RESULTS 2022



**2,77 hl water/ hl beer**  
(water used/ beer unit produced)

**>567 mil. RON**  
Taxes

**69%**  
Budget spent with local suppliers



**100%**  
Contracts with business conducts and ethics clauses

**~900.000 RON**  
Spending for community benefit: sponsoring, community projects etc.

**100%**  
recycled material for carton multipacks and trays of cans



**~50%**  
decrease in carbon dioxide emissions (Scope 1 & 2) compared to the reference year 2019



**100%**  
electricity purchased from suppliers with production from renewable sources

**>4.800 refrigerators**  
replaced with more energy-efficient ones ('21-'22)

**100%**  
electric forklifts

**24%** less plastic used in packaging compared to the reference year 2019



**100%**  
products assessed for safety and quality risks

**100%**  
Labels and communication materials with responsible drinking message

**>8 mil. views**  
of the communication messages related to responsible drinking

**2.800**  
direct beneficiaries of the underage drinking prevention program ('21-'23)

**0 incidents**  
related to alcohol commercial communication

**100%**  
of products have nutritional and ingredient information

**80%**  
of employees attended the Alcohol Behaviour and Communication training (AB&C)

**>46%**  
women in management positions





# OPENING MESSAGES



In the last few years, we have crossed unusual times during which we have faced multiple challenges that we have managed to overcome by being flexible and by quickly adapting to changes. To achieve results with significant impact, it is essential that people are united around a common goal that they strive to accomplish. Together we are stronger, that's why we want to create meaningful connections with our people, partners and customers and contribute to the development of a favorable context for the sustainable development of the planet, people and communities.

Thanks to our team, Ursus Breweries is the leader of the beer market in Romania, and it puts on us responsibility to be leading example of strengthening our sustainable business model, both out of concern for future generations and for everyone who is part of our community today.

Our actions cover several areas: reducing the consumption of resources, such as water or energy, reducing our carbon footprint, using raw materials from sustainable sources, promoting responsible choices and a diverse and inclusive social environment.

Through the partnerships we've built we have managed to contribute to the well-being of the entire community by using the voice of our brands to carry out responsibility and involvement messages to as many Romanians as possible. Thus, Ursus brand redirected to Conservation Carpathia Foundation 1% from the sales of URSUS Premium limited edition. Through this partnership, we contributed to restoring the bears' natural habitat, but also to protecting people from bears that would leave their habitat in search of food.

Ciucăș brand also encouraged its consumers to behave more responsibly towards the environment. As a result of reconstructing some relaxation areas - Ciucăș Meadows - people can spend their time outside in a responsible manner. They have the necessary infrastructure and setup to enjoy nature, but keep it clean. Moreover, Ciucăș carries out a series of cleaning actions of several green spaces together with community volunteers and Ursus Breweries employees.

During UNTOLD, Neversea and Oktoberfest festivals, our Peroni Nastro Azzuro, Ciucăș, Ursus and Kozel brands promoted responsible behavior in terms of selective collection of waste, but also in terms of alcohol consumption. We always promoted the responsible consumption of alcohol, and what's more, we've expanded the number of non-alcoholic drinks in our portfolio to give our consumers as many options as possible.

Equally important is the welfare of our employees, which is why we invested in development programs tailored to their needs and interests, especially in well-being initiatives.

Moreover, one of our goals is to create an inclusive culture and promote gender diversity. Thus, we are the first brewer in Romania to sign the commitments of LEAD Network (Leading Executives Advancing Diversity), whose mission is to facilitate the attraction, retention and promotion of women in the retail and consumer goods industry.

We also signed the Romanian Diversity Charter, a collaborative platform for action, debate and exchange of best practices around diversity management. And last but not least, Ursus Breweries is the first beer producer in Romania certified as Top Employer by the Top Employers Institute.

We are proud of our achievements so far, we will continue to act responsibly and pursue our vision of being the most admired company, building a better Romania!

**MICHAŁ MROWIEC**  
Ursus Breweries President



Our sustainable development journey is a long-term commitment. Every step we take is guided by Ursus Breweries' purpose to create meaningful connections with all partners in the public or private sector, with the communities in which we operate and with our colleagues.

The main focus areas that we analyse and optimize year by year are: neutrality of the carbon footprint, reduction of water consumption, acquisitions from sustainable sources, inclusive work environment, circularity of packaging and promotion of responsible alcohol drinking. We have made significant progress in each of these areas and aim to achieve specific targets by 2030 and 2050.

Among our achievements in the last two years, with a positive impact on the environment, are the reduction of materials used in the packaging, such as plastic and glass, the reduction of the amount of water per hectolitre of beer produced and the purchase of green energy. At the same time, we are happy to have contributed to the first important step towards a circular economy in Romania by supporting the implementation of the Deposit Return System.

Another significant and beneficial achievement for the whole society is carrying out the study "Social attitudes to road traffic risks 2022", in partnership with the General Inspectorate of the Romanian Police, through the Traffic Police Directorate and Research and Crime Prevention Institute. With this study we contributed to a better understanding of the evolution and status of road discipline at the national level. Also, together with the Federation of Non-Governmental Organizations for Children, we continued organizing workshops for parents and teachers, to help them prevent underage alcohol drinking.

In terms of gender diversity, we are proud of the fact that we are close to achieving an equal share of women and men at management level. Having women representativity in the company is part of our diversity, equity and inclusion strategy, thus we implement various dedicated initiatives such as mentoring or leadership programs.

Last but not least, in line with changing consumer preferences and our long-term goals to increase the share of non-alcoholic beverages in our portfolio, we have launched new beers or non-alcoholic beer mixes with juice, offering options for various consumption occasions.

We invite you to discover our progress in the last two years by going through this report, which is made with reference to the standards of the Global Reporting Initiative (GRI).

Thank you for your support and I invite you to give us your suggestions on the report so that we can ensure that together we succeed in this beautiful journey towards the most important destination – the sustainable future we all want for ourselves and the following generations.

**ROBERT UZUNĂ**  
Corporate Affairs  
Vicepresident





# WHO WE ARE

**Ursus Breweries S.A. is a closed joint-stock company and the largest beer producer in Romania. Our head office is located in Bucharest, Romania, 43 Soseaua Pipera, Floreasca Park, building A, 2nd floor, district 2.**

The shareholders' contributions to the company capital are as follows: 98,68% of the share capital held by Asahi Europe and International Ltd., a British limited liability private company, registered with the Trade Register Office in England and Wales under no. 10609034/08.02.2017 and 1,32% of the share capital held by other shareholders (Romanian individuals and legal entities in Romania).

Our products are available throughout Romania and outside the country we only export directly the Timișoreana brand. Our consumers are people above the minimum drinking age. In addition, we do business with the following types of customers: dealers, traditional trade, retail chains, companies across the hotels and restaurants chain and others.

We operate in our headquarters in Bucharest, our administrative centre in Cluj-Napoca, 3 large breweries located in Buzău, Brașov and Timișoara, a mini production unit in Cluj-Napoca and in 8 warehouses (inside the breweries or separate). The sustainability reporting refers to the activities of the entity Ursus Breweries S.A.



	2021	2022
Number of employees	1696	1638
Net turnover (RON)	2.143.594.942	2.279.620.820
Gross profit (RON)*	305.126.360	116.991.157
Taxes (RON)**	549.970.805	567.678.063
Profit tax (RON)	43.227.193	19.933.750
Employees covered by the collective agreement	100%	100%
Product quantity (million hl)	7,19	6,68
Water used/unit of beer produced (hl/hl)	2,83	2,77
Budget allocated to suppliers in Romania	72%	69%
Rate of fatal accidents at work	0	0
Recycled waste out of total waste	~29%	~43%

\* In full accordance with the Romanian fiscal legislation. Source: <http://www.mfinante.ro/infocodfiscal.html>  
 \*\* The figure includes payments and contributions to national and local budgets (such as excise duties, VAT, income tax, and contributions to social security funds.)



# OUR 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 and General Manager.





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. Moreover, at local level (our operations across Romania) the President of the Board of Directors is the head of the Executive Committee that ensures the business management locally. In 2021, the Executive Committee was comprised of a President and 7 Vice-Presidents of the company coordinating the main strategic departments: Finance, Sales, Marketing, Corporate Affairs, Supply Chain, Technical, Human Resources. In 2022, Strategy & Insights Vice President also joined them.

At the local level (operations across Romania), the percentage of senior management, i.e. members of the Executive Board, that were locally hired (Romanians) was 50% in 2021, namely 44,4% in 2022.

All members' work location was in Romania. During the reporting period, 100% of our brewery General Managers were Romanians.



Two management systems and two additional committees have been in charge with or played 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, that has in place a fully-fledged internal control system that works to enhance corporate governance and to maintain a harmonious development together with our stakeholders
-  Employee Union
-  Pandemic Crisis Committee, that was fully functional throughout the entire state of emergency and ceased its operation once the Covid-related restrictions were lifted

We are affiliated with, work closely with or follow and respect the values and principles of the following entities:

- 🍷 Brewers of Romania Association
- 🍷 Romanian-American Chamber of Commerce (AmCham)
- 🍷 British Romanian Chamber of Commerce (BRCC)
- 🍷 Romanian-German Chamber of Industry and Commerce (AHK)
- 🍷 Foreign Investors Council (FIC)
- 🍷 Romanian Association of Packaging and Environment (ARAM)
- 🍷 Employers Organization of Romanian Hotels and Restaurants (HORA)
- 🍷 Romanian Advertising Council (RAC)
- 🍷 International Advertising Association Romania (IAA)
- 🍷 Employers' Confederation Concordia (through Brewers of Romania Employers' Association)
- 🍷 Coalition for the Development of Romania
- 🍷 Brewers of Romania Association for Environment
- 🍷 Romanian Beverage Producers Alliance (through Brewers of Romania Association)
- 🍷 The Romanian Food Industry Employers' Federation - Romalimenta
- 🍷 The Diversity Charter
- 🍷 LEAD Network (Leading Executives Advancing Diversity)
- 🍷 International Alliance for Responsible Drinking (IARD)

**MEMBERS OF THE EXECUTIVE COMMITTEE**  
at the time of the report launch (2023)



**Michal Mrowiec,**  
Ursus Breweries  
President



**Alina Bulgariu,**  
Finance Vice  
President



**Duncan Crow,**  
Integrated Supply  
Chain Vice  
President



**Gabriela Crețu,**  
Sales Vice  
President



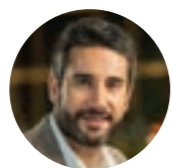
**Iulia Andreșoiu,**  
Marketing Vice  
President



**Richard Heerink,**  
Strategy & Insights  
Vice President



**Robert Uzună,**  
Corporate Affairs  
Vice President



**Roberto Follachio,**  
Human Resources  
Vice President

**MEMBERS OF THE EXECUTIVE COMMITTEE**  
in the reporting period 2021-2022

**Ursus Breweries President**

Paul Barnett, June '21 – December '22  
Dragoș Contantinescu, February '19 – May '21

**Finance Vice President**

Alina Bulgariu, October '21 - present  
Lorant Kovacs, July '20 – August '21

**Technical Vice President**

Duncan Crow, November '21 - present  
Guy Van Geel, February '19 – July '21

**Sales Vice President**

Gabriela Crețu, April '21 – present  
Tiarnan Ó hAimhirgín, June '16 – April '21

**Supply Chain Vice President**

Glenn Burgess, entire reporting period

**Marketing Vice President**

Iulia Andreșoiu, April '21 - present  
Marek Dvorak, February '19 – March '21

**Corporate Affairs Vice President**

Robert Uzună, entire reporting period

**Human Resources Vice President**

Zuzana Balejova, entire reporting period





# HOW WE OPERATE

## INTERNAL ETHICS POLICIES

**We have zero-tolerance to 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 an 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 is displayed in all our locations.

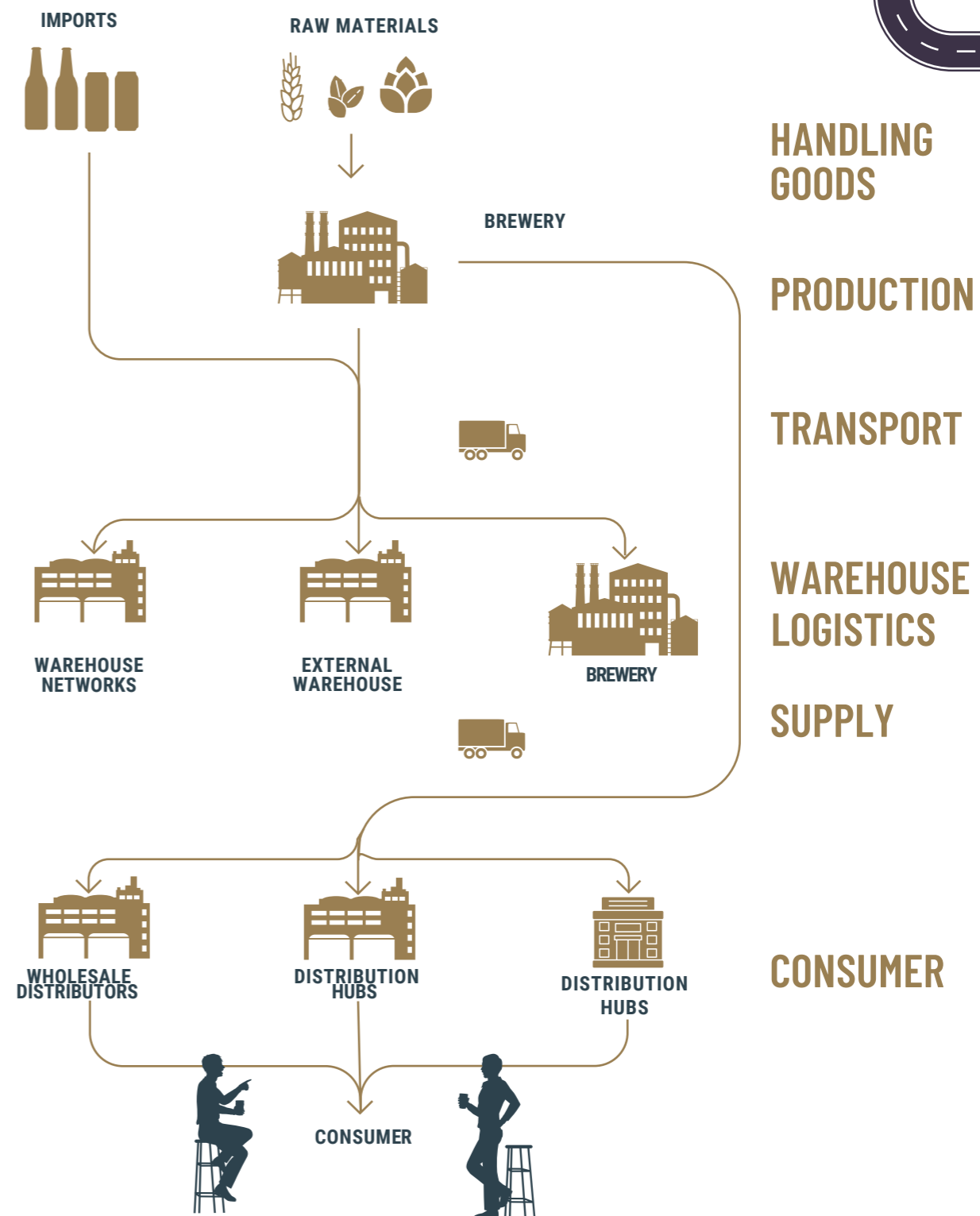
## SUPPLIER POLICIES

Our business relationships are governed by two supplier policies, both public and mandatory for any of our suppliers: **Anti-bribery policy for suppliers & Supplier Code of Conduct.**

## SUPPLY CHAIN

Handling of incoming goods, production, the inter-depot movement, warehouse operations, supply and consumers are the six pillars of our value chain which maintained its structure presented in our previous reports.

# SUPPLY CHAIN





# OUR BRANDS 2021-2022

## LOCAL BRANDS

CIUCAȘ, TIMIȘOREANA, URSUS, URSUS COOLER, STEJAR, AZUGA, BÂRLOG



## INTERNATIONAL BRANDS

KOZEL, PILSNER URQUELL, PERONI NASTRO AZZURRO, GROLSCH, EFES, ASAHI SUPER DRY, ST. STEFANUS, KINGSWOOD, CAPTAIN JACK, VIPER



The following brands are no longer in Ursus Breweries's portfolio: Stejar, Bârlog, Grolsch, Efes, St. Stefanus, Kingswood, Captain Jack, Viper

### 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 internal auditors covering the main business processes. 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.



### STAKEHOLDER DIALOGUE AND MATERIALITY ANALYSIS

We are involved in a number of initiatives and members of various associations (see page 8) through which we actively interact with stakeholders.

We are committed to working and communicating effectively with them to ensure that their views and concerns are expressed and their needs are taken into account in our decisions and actions.

Through these interactions we seek to understand stakeholder perspectives and build relationships based on transparency, trust and mutual respect.

We conduct annual employee satisfaction surveys and measure our progress in priority areas such as sustainability, diversity and inclusion, health and well-being, operational efficiency, ethics and integrity. We also organise thematic focus groups and discussions with union representatives to collect the views of our colleagues and to support them.

More details on these studies in People chapter (page 69).

In terms of consumer consultation, we conduct ongoing market research and marketing analysis of two types: continuous analysis, which aims to understand the performance of our beer brands, both in terms of consumption and notoriety among consumers and their perception of our products) and ad-hoc analyses that have specific objectives (e.g. communication testing, product evaluation, packaging choice). These analyses help us to have a good understanding of consumers, consumer trends and perceptions of our brands.

When it comes to consumer attachment, our Romanian brands - Ursus, Timișoreana and Ciucaș - rank in the top 5 favorite Romanian beer brands.

In top 5 beer brands preferred by Romanians



We also carry out specific studies to monitor consumer perceptions of sustainability issues and initiatives in order to make better and more effective decisions with a relevant impact on society.



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

As a beer producer, we know that the people using our products need to be aware of their quality, what ingredients we use, 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.

In 2021, to identify stakeholder interests and concerns about the company's business, we conducted a thorough review of industry practices and reporting legislation and methodologies. This analysis was complemented by dialogues with various stakeholders, both internal and external.

The list of groups we consulted, relevant aspects and stakeholders' interest, as well as the materiality matrix and details of the methodology used to create it are available in our previous report on pages 22-23. The current report, covering the 2021-2022 reporting period, addresses the same themes identified in the 2021 materiality analysis as there have been no substantial changes in the company's activities or business relationships.

Access the materiality matrix 2021



# OUR SUSTAINABLE DEVELOPMENT STRATEGY



To ensure the sustainable development of our business, we have a sustainability strategy that focuses on four pillars: environment, people, portfolio and profit. The 2030 Legacy strategy guides our actions and investments so that we can responsibly respond to social, economic and environmental challenges.

For us, sustainability is also an opportunity for growth and innovation.

We analyse our long-term impact and strive for continuous improvement in everything we do - from the way raw materials for our products are sourced, to our production processes and responsibility towards consumers.

Our ambitions respond to the demands of society and lead us to find solutions that use fewer or renewable resources, make our products as environmentally neutral as possible and meet the needs of our customers in a responsible way.

More details on each pillar and key areas of the Ursus Breweries sustainability strategy can be found in the Legacy 2030 brochure.



Access the Legacy 2030 brochure



# OUR SUSTAINABILITY TARGETS

## SCOPE

Nature's gifts are essential to making great tasting beer, so we're committed to operating in harmony with nature. Not just for ourselves, but for future generations as well.

Carbon neutrality

Inclusion & wellbeing

Water

## OUR SUSTAINABILITY STRATEGY PILLARS

Responsible choices

Circular packaging

Sustainable sourcing

2025

- 100% electricity purchased from renewable sources
- Zero waste sent to landfill
- 2.75 liters of water per liter of beer brewed

2030

- 100% carbon neutral within our breweries
- 30% reduction of carbon emissions across supply chain
- 100% ingredients from sustainable sources
- 100% reusable, recyclable or using recycled material (at least 50%) packaging
- 50% women in leadership positions
- 20% share of non-alcoholic products in our portfolio

2050

Carbon neutral across our value chain



# TAX TRANSPARENCY

**Having a broad impact on Romanian economy and society, and being an important actor in the market development, our disbursements to Romanian budget include: excise duties, profit 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 related 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 Cooperation 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-Blowing policy), 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 the company's 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).



# GOVERNANCE



Also, there is an **annual external audit process** that ensures the correctness and effectiveness of the management approach with regards to Tax. As mentioned above, we have mechanisms for reporting concerns about unethical or unlawful behavior and potentially affecting the organization's integrity with regards to tax matters, and are abiding by the principles of the **Whistle-blowing policy**.

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 turning 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 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.



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

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 engage regularly with tax authorities and actively seek opportunities for dialogue. We are part of a series of initiatives and members in different organizations (see page 8), and 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 our goals related to our license to operate.

In addition to other relevant key performance indicators (such as number of employees or sales volume) that have been included in the section Who we are (page 6), we are presenting additional on tax transparency:

	2021	2022
Profit / loss before tax (RON)	305.126.360	116.991.157
Tangible assets other than cash and cash equivalents (RON)	1.314.976.393	1.619.178.029
Corporate income tax paid per year (RON)	48.764.301	20.529.582
Corporate income tax for the year (balance sheet) (RON)	43.227.193	19.933.750

## ETHICS AND INTEGRITY

We are 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. Our Code of Business Conduct and Ethics derives from Asahi Group Code of Conduct, established in January 2019 as a means of submitting the Group's philosophy across the entire organization.

### The internal transparency framework consists of:



Internal regulation



The Code of Business Conduct



Anti-bribery policy



Gifts and entertainment policy



Harassment, intimidation and victimization policy



Policy on the Protection and Processing of Personal Data



Governance rules for investigations



Whistle-blowing policy



The **internal regulation** is based on the provisions of the Labor Code, other legal provisions in force, as well as company policies and procedures, including the company position on issues related to employee rights, discrimination, equal opportunities.



The **Code of Conduct** covers compliance, ethics and our commitments to partners and stakeholders and is based on several principles: satisfying customers by providing quality products, developing employees and creating a pleasant working environment, contributing to a sustainable society, increasing organizational value and protecting company assets, developing fair relationships with business partners.





**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.

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** 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 the contact details and the steps to be performed in the event of any actual or suspected breach of the policy noticed.

**The anti-bribery policy and suppliers' code of conduct**



**The code of conduct for suppliers** 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 labor standards, and of the freedom of association; prohibition of forced and compulsory labor, including child labor; intolerance of discrimination; promotion of safe and fair labor 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' contracts.



**The gifts and entertainment policy** sets boundaries and provides guidance for employees about giving or receiving gifts or form of entertainment to/from third parties connected with the business.



**Harassment, intimidation and victimization policy** was designed to create and maintain a cooperative, enjoyable and non-harassing work environment. Acts of harassment or serious intimidation will not be allowed, tolerated or forgiven and will be interpreted as serious disciplinary misconduct, and the guilty employee is liable to immediate dismissal.



**Personal data processing and protection policy** was prepared to ensure compliance with EU data protection regulations, an important component of the company's core values and its commitment towards the rights of customers, suppliers, employees, seconded staff, trainees and internal contractors.



**The governance rules for investigations** define the responsibilities and duties in relation to the investigation of incidents or allegations involving potential misconduct within Asahi Europe International group companies. It complements the Group's Governance Policies and other compliance-related policies.



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.

We are committed to respecting internationally recognized human rights as defined by the International Bill of Human Rights and the principles laid out in the International Labor 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.

Employees were required to sign a declaration of compliance with company's ethics and integrity policies in 2021, as well. 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.

In 2022, the Asahi Group Code of Conduct, Ursus Breweries Code of Business Conduct and Ethics, Anti-Bribery and Anti-Corruption Policy, Internal Regulation were communicated to employees. Employees were then required to complete the online course 'Business Conduct and Ethics' and obtain a passing score.

As of 2022, employees with email access declare conflicts of interest in the online HR management system HOPS and the manager is informed of their existence/non-existence. Employees without email access make a statement on a physical form, which the local HR administrator then enters into the centralized HOPS system.

An additional layer for ensuring the adherence to these policies is ensured by the local Executive Committee that states the compliance with the ethics policies in the Letter of Representation, document signed twice a year.

These statements refer to awareness programs within the organization and provide for the 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 analyze the data collected through the Ethics Compliance Survey, performed at Group level, to measure the effectiveness of our existing policies on ethics and integrity.

Governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region		2021		2022	
		Number	Percentage	Number	Percentage
General Assembly of the Shareholders	Romania	N/A (comprising of a legal entity and more than five thousand individuals as shareholders)			
Board of Directors	Romania	3	100%	3	100%
	outside Romania	n/a	n/a	n/a	n/a
Executive Committee	Head office	8	100%	9	100%
Ethics Committee	Head office	5	100%	5	100%
Internal audit	Head office	3	100%	3	100%
Employee union leaders	Timișoara	2	100%	2	100%
	Brașov				
	Buzău				
Pandemic Crisis Committee	Head office	8	100%	9	100%
	Buzău	1	100%	1	100%

**Employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region**

		2021		2022	
		Number	Percentage	Number	Percentage
Head office	Management (hay grade 14+)	163	9,8	167	10
	Non-Management (hay grade 8-13)	13	0,8	8	0,5
Timișoara	Management (hay grade 14+)	73	4,4	74	4,4
	Non-Management (hay grade 8-13)	231	13,9	236	14,1
Brașov	Management (hay grade 14+)	59	3,5	63	3,8
	Non-Management (hay grade 8-13)	218	13,1	203	12,1
Buzău	Management (hay grade 14+)	73	4,4	80	4,8
	Non-Management (hay grade 8-13)	317	19	325	19,4
Cluj	Management (hay grade 14+)	27	1,6	28	1,7
	Non-Management (hay grade 8-13)	37	2,2	38	2,3
Field sales team	Management (hay grade 14+)	126	7,6	127	7,6
	Non-Management (hay grade 8-13)	329	19,8	326	19,5

Business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region

	2021		2022	
	Number	Percentage	Number	Percentage
Suppliers' contracts managed by Procurement	1093	100%	1192	100%

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

		2021		2022	
		Number	Percentage	Number	Percentage
General Assembly of the Shareholders	Romania	N/A (comprising of a legal entity and more than five thousand individuals as shareholders)			
Board of Directors	Romania	3	100%	3	100%
	Outside Romania	n/a	n/a	n/a	n/a
Executive Committee	Head office	8	100%	9	100%
Ethics Committee	Head office	5	100%	5	100%
Internal audit	Head office	3	100%	3	100%
Employee union leaders	Timișoara	2	100%	2	100%
	Brașov	2	100%	2	100%
	Buzău	2	100%	2	100%
Pandemic Crisis Committee	Head office	8	100%	9	100%
	Buzău	1	100%	1	100%

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

		2021		2022	
		Number	Percentage	Number	Percentage
Head office	Management (hay grade 14+)	184	10,6	115	6,6
	Non-Management (hay grade 8-13)	17	1	9	0,5
Timișoara	Management (hay grade 14+)	72	4,2	50	2,9
	Non-Management (hay grade 8-13)	106	6,1	63	3,6
Brașov	Management (hay grade 14+)	55	3,2	46	2,6
	Non-Management (hay grade 8-13)	99	5,7	170	9,8
Buzău	Management (hay grade 14+)	63	3,6	63	3,6
	Non-Management (hay grade 8-13)	41	2,4	234	13,4
Cluj	Management (hay grade 14+)	21	1,2	16	0,9
	Non-Management (hay grade 8-13)	18	1	13	0,7
Field sales team	Management (hay grade 14+)	73	4,2	50	2,9
	Non-Management (hay grade 8-13)	260	15	201	11,6

## QUALITY OF INGREDIENTS & TRACEABILITY

Ingredients and their quality are essential for our business.

When we look into this topic, we also 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.

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 (QMS) implemented by Ursus Breweries, based on the ISO9001:2015 and FSSC - Food Safety System Certification scheme (ISO 22000:2018, ISO/TS 22002-1, FSSC additional requirements).

Quality Management Systems (QMS) are aligned with Occupational Health and Safety, Environment and Energy Management Systems. Some of the procedures and measures aimed at translating the QMS into practice are:

detailed description of the processes and key responsibilities

communicating our quality and food safety 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 and food safety

ensuring full compliance with the legislation and regulations related to quality and food safety, applicable in Romania and the EU

a transparent and constructive approach in our interactions with suppliers, authorities and other stakeholders

building a partnership with our suppliers

ensuring a natural flow in terms of product quality and safety, throughout the food chain to consumers



We are committed to producing high-quality products, safe for consumption. To prove our commitment, 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 additional FSSC requirements.

All our employees play a fundamental role in achieving our commitments by internalizing the food safety program.

**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.

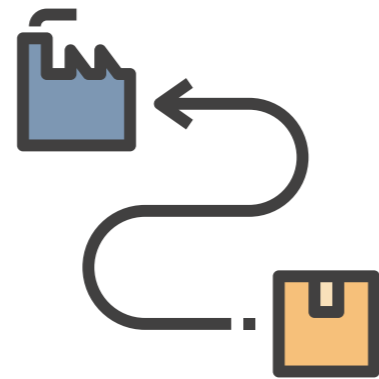
In addition, our breweries are audited on regular basis through the Asahi's group production risk management audit. The performance is monitored on quarterly basis, while action plans are in place to ensure the full compliance.

**Consumer health and safety impact assessment 2021-2022**



**of our products are assessed for safety and quality risks, to meet the requirements of ISO 9001:2015, ISO 22000:2018, ISO TS 22002-1 and FSSC additional requirements.**

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 (a 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 level of quality and 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 case of an 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 or 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 clients fast and professional feedbacks to their requirements. As strong evidence of our customer orientation, part of our factories' vision - '9000' for 2030 (9000 = 9 million HI packaged, 0 accidents at work, 0 quality problems, 0 CO2 emissions) - is to reduce quality complaints to zero.

Performance indicators on traceability	2021	2022
Valid commercial complaints (defects per million)	42,06 dpm	0,7 dpm
Number of quality accidents (no. of recalls)	0	1
Number of traceability nonconformities	0	0





# MARKET PRESENCE, PRODUCT PORTFOLIO, RESEARCH AND INNOVATION

According to the 2023 annual report of the Romanian Brewers Association, **our country is the 8th largest market for beer production in Europe.** Of all the beverages and food products produced in Romania, beer generates the highest added value in the economy, i.e. € 1,1 billion annually.

Although the volume of the beer market in Romania has decreased by 5% in 2022, the beer sector continues to be an important contributor to the Romanian economy. **The beer industry directly and indirectly provides more than 61,000 jobs throughout the country and covers about 97% of domestic beer consumption exclusively from local production.** Rising inflation and costs for energy and fuel, raw materials or packaging have led to a cumulative increase of more than 60% of costs for beer production.

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

Despite the unfavorable context and tax pressure, we continued to follow our commitments to sustainable development by reducing negative environmental impacts, responsible management of social issues and economic development. Our considerable number of employees has a direct impact on the local communities surrounding our breweries.

Our employees and workers are not compensated based on wages subject to minimum wage rules. As benefits, some of the services or activities are run through third parties: private sector medical services, wellbeing workshops, holiday vouchers, medical investigations refunds. Other employee benefits include access to company products, life insurance with a medical component, medical discounts (e.g. optical), support in case of serious/incurable illness.

We monitor market evolution in the salary and benefits area to ensure that we offer appropriate packages to our employees. See People chapter (page 49) for other aspects related to our human resources.



Proportion of executive managers employed from local community 2021-2022



**percentage of executive managers (Hay Grade 19+) in significant locations of operation (breweries, warehouses, headquarters, sales field representatives) that are hired from the local community (Romania)\***

\*employees not allocated to the Romanian pay system excluded

## PORTFOLIO

Ursus Breweries has a broad portfolio of brands, including a wide range of beer types for different consumer segments and tastes, as well as for different drinking occasions, from super-premium to economy brands. Ursus Breweries uses innovation to continually improve and strengthen its offers to respond quickly to market demand and preferences. Innovations in recent years have been launched in response to the high interest of Romanian consumers for new beer varieties and new ways to experience beer in retail locations.

For example, in 2022, as part of the company's sustainability strategy, but also to meet consumer demand, we added a new non-alcoholic beer to our portfolio, Peroni Nastro Azzurro 0.0% alcohol, thus taking another step towards the goal that **20% of sales to be of non-alcoholic products by 2030.**



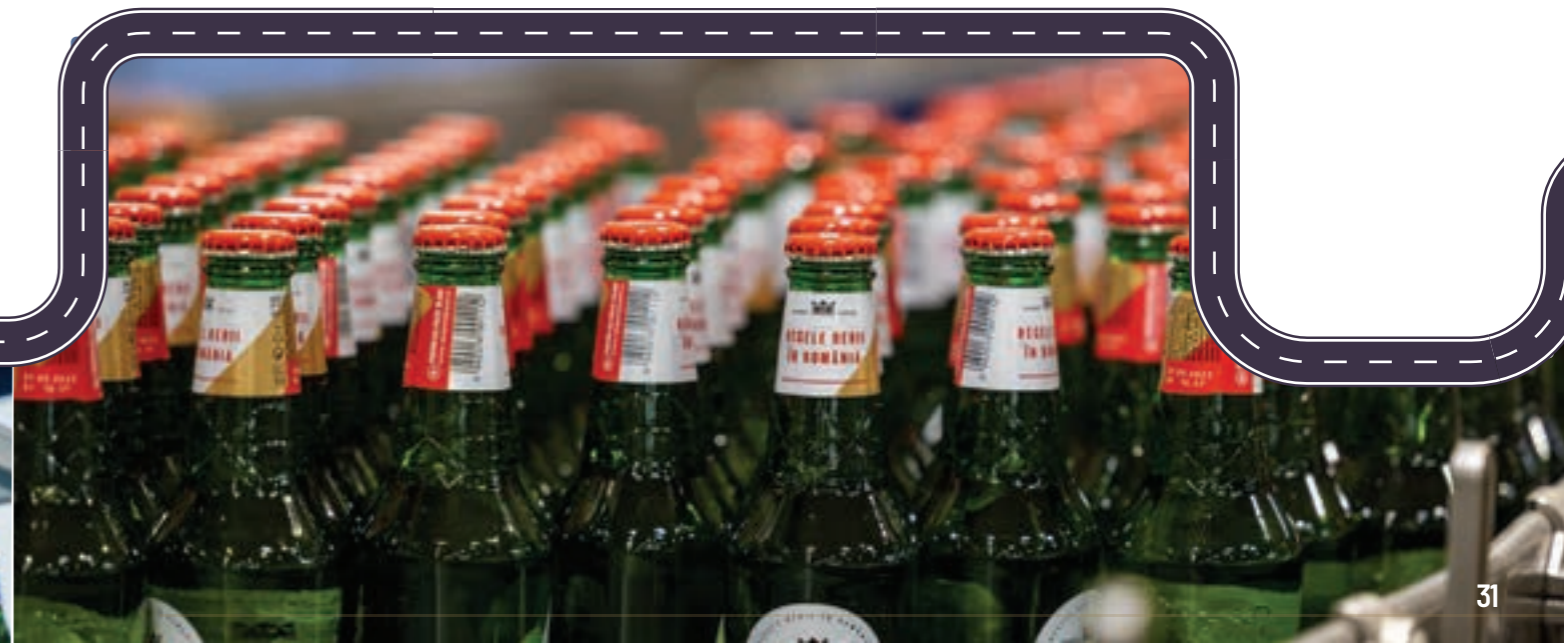
**of sales from non-alcoholic drinks until 2030**



The year 2022 also marked the launch of Kozel beer in Romania, with Kozel Premium and Kozel Dark. The innovation in Kozel beers also comes from the unique rituals of serving draft beer, one of these rituals, for example, is even combining the two beers in equal proportions in the same pint, giving consumers a different serving experience.

We are keen to deliver the highest quality products to our consumers with deep care for the environment. Policies and procedures within Ursus Breweries departments ensure quality and focus on caring for consumers, even relying on their opinions (either from market research or direct interaction). The high quality of our beers is primarily reflected by consumer preferences, as all three traditional Romanian brands - URSUS, Timișoreana and Ciucaș - are leaders in their segments.

See chapters Environment (page 37), People (page 49) and Responsibility (page 72) for more information.



**RESEARCH & INNOVATION**

Research and innovation are critical to creating new value and delivering best experiences to our consumers. At the Asahi Group, this topic is based on the following pillars: product development (where we use 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 project agenda aimed at strengthening our product portfolio and ensuring that it will meet future market conditions in terms of consumer trends, competitiveness and resource shortages (material and human).

The strategy integrates 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'S 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)

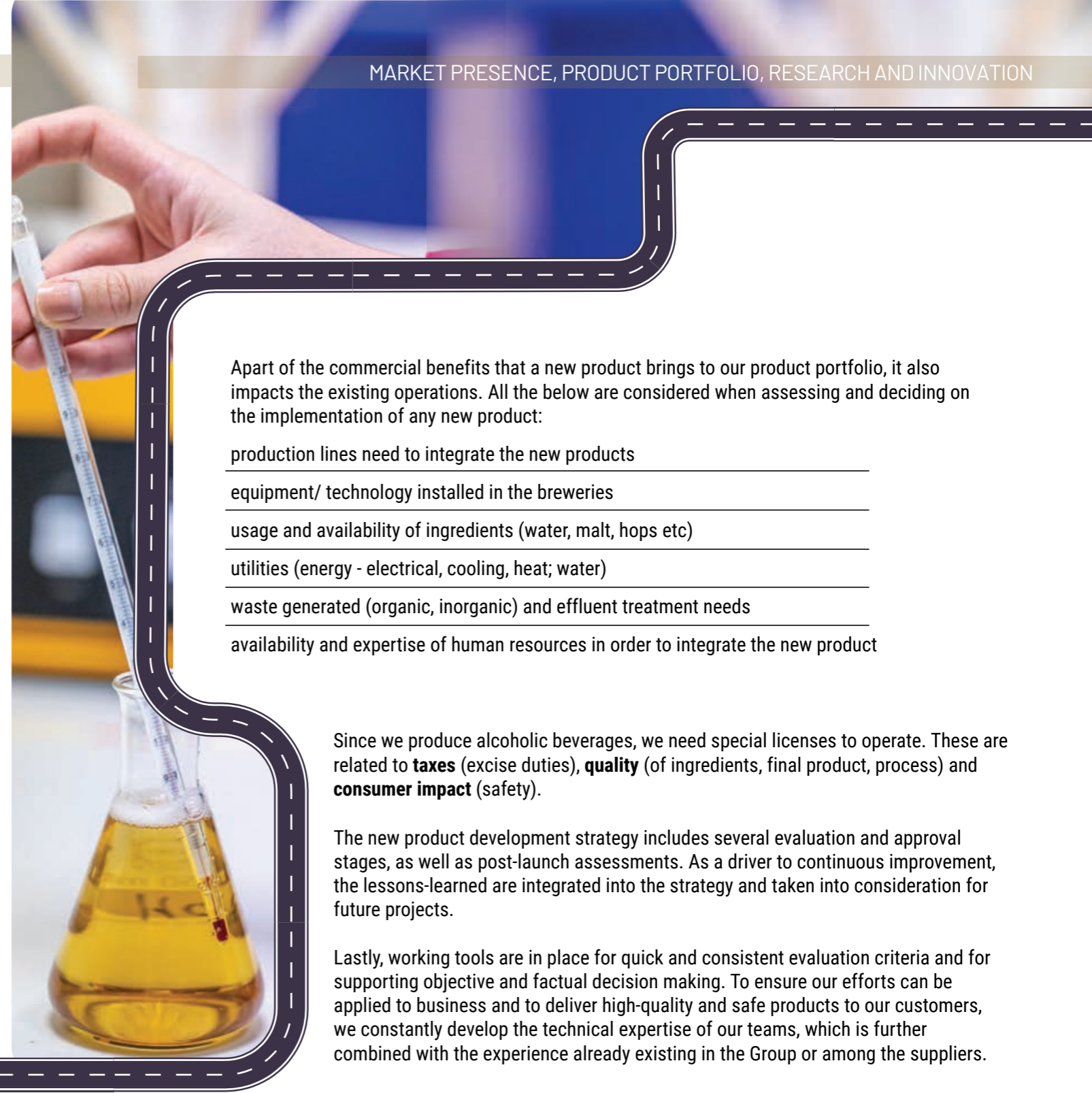
developing the non-alcoholic beverages portfolio and share (offering both diversity and responsible consumption)

reducing sugars in alcohol-free flavors products with keeping good savory balance

attention to environment impact (efficient use of resources resulting in less waste no matter the types of beer we produce, process design and packaging materials).

Each new recipe/product is jointly developed by our product development and brewing & packaging teams, with the support of our specialists in legal, tax and corporate affairs. The due diligence assessment is done along product development for the ingredients, production process, packaging materials, and also for product concept, labelling, 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 also 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 prior multi-functional due diligence assessments performed for each product.



Apart of the commercial benefits that a new product brings to our product portfolio, it also impacts the existing operations. All the below are considered when assessing and deciding on the implementation of any new product:

- 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, cooling, heat; water)
- waste generated (organic, inorganic) and effluent treatment needs
- availability and expertise of human resources in order to integrate the new product

Since we produce alcoholic beverages, we need special licenses to operate. These are related to **taxes** (excise duties), **quality** (of ingredients, final product, process) and **consumer impact** (safety).

The new product development strategy 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 strategy and taken into consideration for future projects.

Lastly, working tools are in place for quick and consistent evaluation criteria and for supporting objective and 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 teams, which is further combined with the experience already existing in the Group or among the suppliers.

In the Responsibility chapter (page 72), under Responsible Alcohol Consumption and Healthy Lifestyle, you can find the results of our activities in terms of portfolio development of non-alcoholic beverages, as well as achievements in reducing sugars in non-alcoholic flavored products.

At the same time, our research and innovation also considers the environmental impact of packaging. **Over the past two years we have managed to reduce the weight of our packaging and the quantities of raw materials used, thereby reducing their CO2 footprint.** We also use recycled content materials for some packaging.

More details on these achievements can be found in Environment chapter, under Circular economy and packaging (page 41).



# RESPECT FOR HUMAN RIGHTS & SOCIO-ECONOMIC COMPLIANCE OF SUPPLIERS

Supply-chains around the world have gained importance in the last decades, mainly due to the globalization, including the extension of trade and labor collaborations across continents.



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 labor rights.

Their growing dimensions influence the significance of the effects resulted from their operations, be them positive or negative.

Although the expansion of international supply-chains contributes to macroeconomic benefits, due to their complexity, certain aspects of compliance can be lost sight of, including violations of human rights and labor law. Thus, attention needs to be paid to how these supply chains work and what are their impacts not only economically, but also socially (i.e. the people involved in or affected by these impacts) and environmentally.

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 the Group level described earlier in the Ethics and Integrity section (page 21).

Regarding the respect for human rights in the supply chain, we guide our actions observing the Asahi Group Human Rights Principles in all our operations. These principles apply to all officers and employees of each Asahi Group company. It also applies to our suppliers.

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 regarding the commitment to human rights, including labor rights and the fight against modern slavery and human trafficking. The last statement was issued in 2021.

Point 6 of the group's code of conduct focuses on fostering fair and healthy relationships with the business partners. This implies the overall commitments towards:



1. healthy business relations by making customer and consumer safety and trust a top priority;
2. fair business relations by complying with laws and regulations on fair competition;
3. banning and preventing inappropriate gifts and entertainment;
4. avoiding relations with organized crime elements.

**Being compliant with our Ethic Policy and our Code of Conduct - the supplier version - is critical for qualifying as our supplier.** Our goal is to get 100 percent acceptance of these requirements from suppliers. 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 audits to check compliance.

Prior to initiating any collaboration with a potential supplier, we provide our policies 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. Moreover, subsequent purchase orders and terms & conditions for purchase also make reference to the Ethics Policy.

New suppliers are not screened using social criteria but once they are selected they are all contractually bound to accept our terms of business conduct and ethics.



**suppliers accepted our business conduct and ethics clauses in contracts**

## SUSTAINABLE SOURCING

**Our target is that, by 2030, our beers will be produced only with ingredients from sustainable agriculture.** Global climate change can lead to changes in average temperatures, precipitation patterns, humidity levels and frequency of extreme weather events.

These changes can influence agricultural production and have significant effects on crops. That's why we work closely with growers and partners to encourage the development and implementation of sustainable farming practices.

The Czech Republic is one of the world's leading hop producers and one of the countries where Asahi Europe & International operates. It is also one of the countries from which we import hops for beers produced in Romania. Over the last ten years, hop production has been very unstable due to changing weather and insufficient water. Therefore, in order to support hop suppliers the project 'For HOPS' was launched.



Using state-of-the-art technology, hop growers are helped to map crop conditions using weather stations and soil sensors.

Based on the information gained over the past two years, a pilot application will be developed in 2023 which will provide growers with detailed information for optimal plant cultivation, including when, where and how much to irrigate hop crops so that plants thrive and growers don't waste water.

Together with 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 upon.

Details about  
"For HOPS" project



We also encourage and support our suppliers to embed sustainability in their operations. Some of the actions carry out are related to the type of products we buy from them. For example, in 2021 we purchased 50% renewable electricity and, following negotiations with suppliers, we continued with the purchase of 100% green electricity in 2022. We have also started purchasing commercial refrigerators with a higher energy efficiency class, reducing the impact of carbon dioxide emissions.

More details on these initiatives in Environment chapter (page 38).



Video: About our ingredients

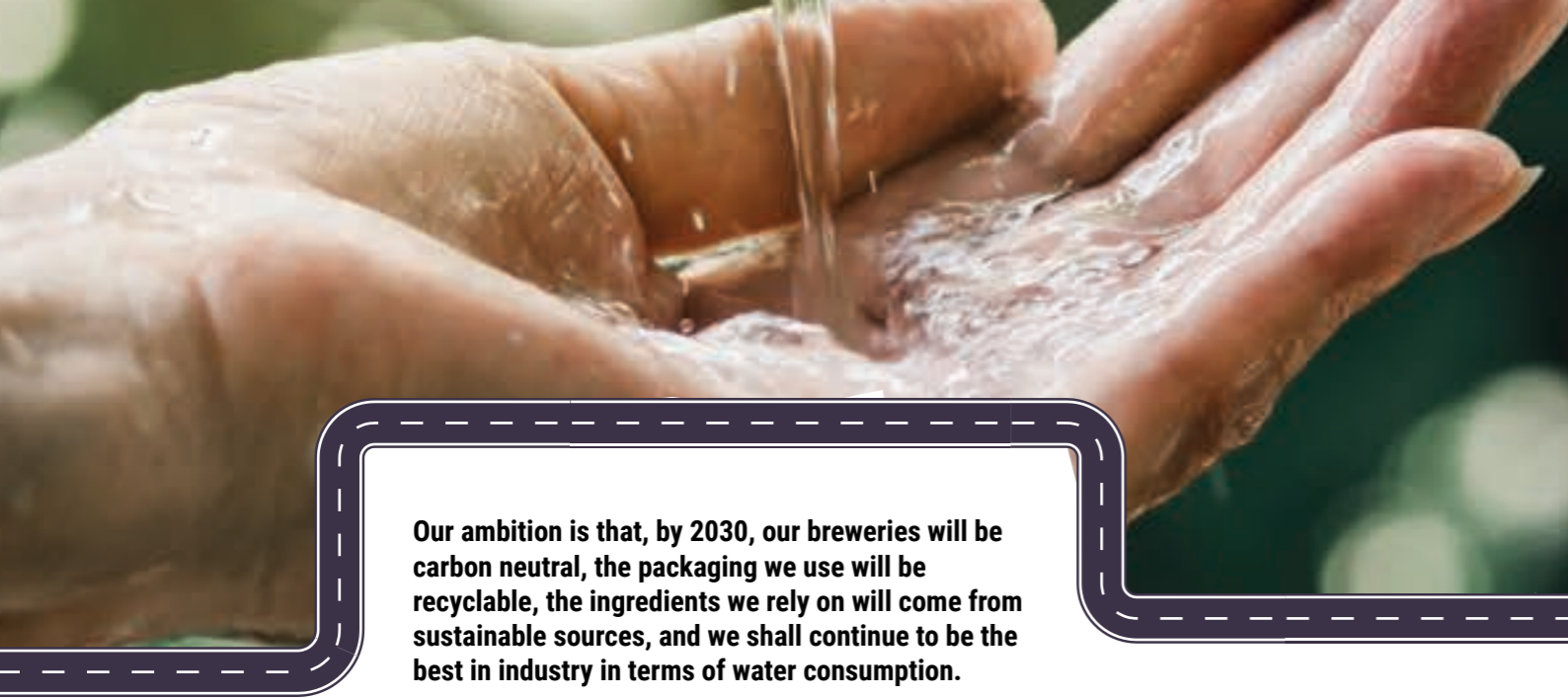
**Budget allocated to products and services purchased from suppliers in Romania (%)**

2021	2022
72%	69%



# ENVIRONMENT





**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 industry in terms of water consumption.**

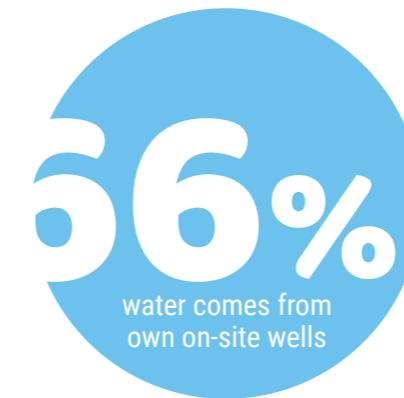
As per Asahi Group's policies, all environmental-related matters are dealt with by an environmental management committee led by Technical Vice-President. The Committee advances the activities in line with the Plan-Do-Check-Act (PDCA) cycle and runs environmental management programs in full compliance with ISO14001 and ISO50001 and other regulations, as well as those included within the environmental permits for each location. All our sites operate based on ongoing plans aimed at increasing the processes efficiency and loss elimination. The ultimate goal is to achieve the environmental goals by 2050.

## WATER MANAGEMENT

Water is one of the most important natural resources, essential for survival, and risks to water quality and quantity are increasing. According to the European Environment Agency's (EEA) 2020 report, **only 40% of Europe's surface waters have good or high ecological potential.**

Moreover, extreme water-related events, such as floods or droughts, have become increasingly frequent, with a significant impact on people's economy, health and well-being.

The EU has developed a number of directives and policies to address water issues, including the Water Framework Directive, the Drinking Water Directive and the Industrial Effluent Directive. It is important to protect water resources and the environment to ensure that we can continue to use them sustainably and leave them in good condition for future generations.



Approximately **66% of the water used in breweries in Buzău, Braşov and Timișoara comes from their own on-site wells** and the rest from the municipal network. At the mini-brewery in Cluj-Napoca, water is supplied exclusively by the municipal network.

To ensure responsible use of water resources, each brewery has its own consumption targets.

In order to track and meet targets, water use performance is monitored on a monthly basis to achieve continuous improvement. Water volumes are measured using flow meters installed in each plant. In addition, measurements are also carried out on specific areas within the breweries.

**By 2025, our target is to lower the average consumption to 2,75 liters of water per liter of packed beer.**

We comply with environmental protection legislation and regulations, and our environmental management procedures also follow voluntary standards that impose more stringent requirements than those required by law. These apply to the entire water management system, from water supply to wastewater processing.

Water quality can influence the quality of our products, which is why we use our own water treatment plants before the water enters the internal circuit to ensure that it is properly purified and meets our high-quality standards.

As for effluents, they are treated in our wastewater treatment plants, according to environmental permits, before being discharged into municipal sewage systems. Following effluent treatment, we obtain biogas which is then used in some of our production processes to reduce gas consumption.



Video: Biogas from wastewater treatment

To make water consumption more efficient, in the reporting period, we continuously monitored consumption, compared optimal consumption, applied a Kaizen approach to manage water losses and streamlined processes to achieve our targets. In addition, we have promoted a water-saving culture among employees and we have reused/recirculated water in various production processes. Following the consumption assessment processes, we continue our improvement and operational efficiency processes, ensuring the same high level of quality of our processes and products.

Throughout the reporting period there were no complaints from the community or sanctions related to water management. To contribute to the responsible use of water resources, we are planning a water risk audit in Ursus Breweries in 2023.

**Water consumption in breweries 2021-2022 (ML)**

	2021	2022
All areas	1980	1852
Water stress areas	0	0

## CIRCULAR ECONOMY & PACKAGING



In order to promote recycling and waste reduction, EU Directive 2018/852 on waste management and recycling has been transposed into Romanian law. Thus, specific rules and obligations on packaging waste management have been established, including the introduction of a system of selective waste collection and recycling of packaging waste, involving the extended responsibility of packaging producers and suppliers.

Also, Law 211/2011 on the waste regime continued to be the main legislative framework for waste management in Romania. Moreover, the National Circular Economy Strategy was adopted in 2022 to support the country's transition to a circular economy model. Together with an action plan, they will contribute to achieving the overall objectives of the European Green Pact and the objectives of the EU Circular Economy Action Plan.

The importance of this topic is given by numerous regulations and our strong interest in managing these issues is directly reflected in the company's actions. It is important that the packaging provides consumers with the desired quality of our product and that it is as environmentally friendly as possible. Thus, we focus on the life cycle of beer packaging and the efficient use of resources used in its production.

During 2021-2022 we have succeeded in reducing the amount of materials used in packaging and continue to focus on promoting the use of reusable packaging.



Video: Weight lighting glass bottles

By 2030, our objective is to use only primary and secondary packaging that can be reused or fully recycled and mostly made of recycled materials (at least 50%).





**One of our specific targets is to reduce plastic used for packaging by 25% until 2030 compared to the baseline year 2019.**

In the last two years, we carried out actions to reduce the amount of raw materials used, particularly as for the glass and plastic used. Some examples of initiatives are: reducing the weight of PET or glass primary packaging and weight of plastic lids, changing the specification of shrink films and stretch foils or using other solutions to replace them at certain stages of packaging (e.g. adhesive).

We also discontinued PET packaging for the URSUS brand in 2021 and removed paper labels from the neck of PET packaging.

Such actions brought a reduction of plastic use by approx. 24% compared to the reference year.



Video: Reducing plastic use

Beyond actions to reduce the materials used for packaging, we also focus on the use of recycled content materials. Thus, during 2022, we were able to switch to 50% recycled content for shrink foils for certain packaging (up from 0% in 2021), and our six packs and carton trays for cans are now made of 100% recycled material. Around 66% recycled material is used for the glass bottles.

**Total weight of materials purchased for packaging and producing our beer 2021-2022 (tons)**

		2021	2022
Non-renewable materials <small>(limited reserves, risk of exhaustion if used)</small>	Packaging (glass, pet, aluminum)	~ 85.100	~ 84.900
	Raw material (ingredients)	~ 1.700	~ 1.500
Renewable materials <small>(regenerates naturally, can be reproduced, is inexhaustible)</small>	Raw material (ingredients)	~ 107.600	~ 96.000

## WASTE MANAGEMENT

We continued to fulfil our responsibilities for the recovery of packaging/ packaging waste generated from the consumption of products placed on the national market through organizations implementing extended producer responsibility obligations. Thus, the annual legal targets have been fully met by recycling of packaging waste, recovery or incineration in energy recovery incineration plants.

In order to promote a circular economy, we informed and encouraged consumers to collect waste selectively, either during the big festivals we attended (UNTOLD, Neversea, Oktoberfest) or through dedicated campaigns such as 'Keep nature clean' in Ciucaş Relaxation Areas.

Details of these can be found in the Responsibility chapter, Investments in community and local partnerships section (page 81).

Together with the other members of Brewers of Romania Associations and Romanian Soft Drinks Association members, reunited in the Beverages Producers Alliance Romania, we continued to contribute to the implementation of Deposit Return System in Romania.

The system will complement existing efforts in packaging waste management and support the achievement of the collection and recycling targets set at European level by the European Union's circular economy strategy.

**The launch of the national Deposit-Return System in Romania is planned for November 2023.**

In 2022, the RetuRO company operating the system obtained the license to operate and started the procedure of organization and construction.

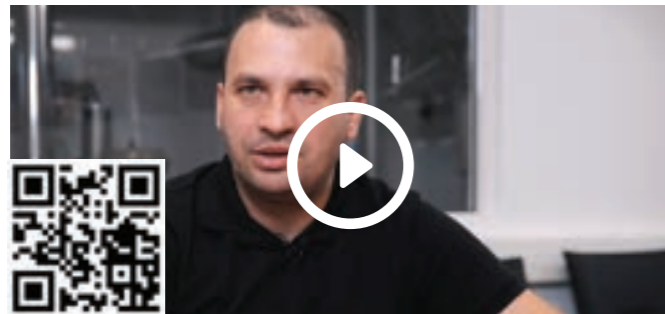
Waste from our production activities is monitored and reported according to regulatory requirements by executive managers following the monthly technical report format developed by Asahi. The reported waste comes from the brewery activities in Braşov, Buzău and Timișoara and is monitored in order to reduce the amount of waste per hectoliter of beer produced.

**By 2025, Ursus Breweries' target is to reduce the amount of production waste sent to landfill to zero.**





In 2022, a best practice example is the brewery in Braşov, where we have achieved **the performance that 90% of the waste to be recycled**, thanks to the reuse of two types of residues in agriculture, resulting from the treatment and filtration processes. Glass, wood, cardboard and plastic waste are collected separately and sent for recycling.



Video: Waste management in breweries

Waste generated within Ursus Breweries: Buzău, Braşov, Timișoara and Cluj-Napoca are related to beer production and are regulated within the 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 authorized for waste management by Romanian regulatory.

We strive to increase the amount of waste recycled every year. To achieve this, we follow plans to prevent and reduce the amount of waste generated. The plans were first developed in 2022 based on an external audit and will be updated year by year.

Plans to prevent and reduce waste



These are available on [www.ursus-breweries.ro/media/materiale/](http://www.ursus-breweries.ro/media/materiale/).

Waste generated 2021-2022 (tons)	2021	2022
Total Weight	~12.700	~11.500
Weight of waste by type of destination*	Landfill	~9.000
	Recycled	~3.700

\*During the reporting period we did not collect data on the volume of recyclable waste but on the volume of recycled waste



## CARBON DIOXIDE EMISSIONS' MANAGEMENT

There is an increased interest of the international community towards reducing CO2 emissions. The most significant ones are the UN's call for action on climate, and the European Climate Law, that sets the framework for reducing net greenhouse gases and achieving climate neutrality.

Through the Paris Agreement, there is a global commitment to limit the average global temperature increase to 1,5 degrees Celsius, which is considered crucial to avoid serious consequences of climate change.

As the main contributor to global warming and climate change are carbon dioxide emissions, one of the main directions of Ursus Breweries' sustainability strategy is to reduce them so that the negative impact on people, the environment, the economy and including our business is minimized.

Asahi Group's initiatives towards climate change



The importance of these issues, as well as the Asahi Group's view on environmental challenges, are described in detail in the 2022 report of the task force on climate-related financial disclosures (TCFD).

By 2030, we intend to become carbon neutral within our breweries.

Moreover, we intend to actively engage suppliers and partners in reducing carbon dioxide 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.

A key commitment to achieving these goals is the one made by the Asahi Group by joining the global RE100 initiative to use only renewable energy for its operations. We are fully aware that the overall impact of our products is not just in breweries, this is why we aim at initiating partnerships and cooperating with our suppliers and customers to accelerate reductions of emissions, especially in the area of packaging, transport and cooling of beer.





**ENERGY CONSUMPTION**

The operational control in place is focused on fossil fuel emissions reduction. Calculation of CO2 emissions resulted from the activity of Ursus breweries in Buzău, Braşov, Timișoara was performed based on Ursus Breweries energy and emissions reporting procedure. The value of the emission factors used for reporting of Scope 1 emissions related to Ursus Breweries were communicated by the National Environmental Protection Agency. The total electricity consumption within the three factories of Ursus 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.

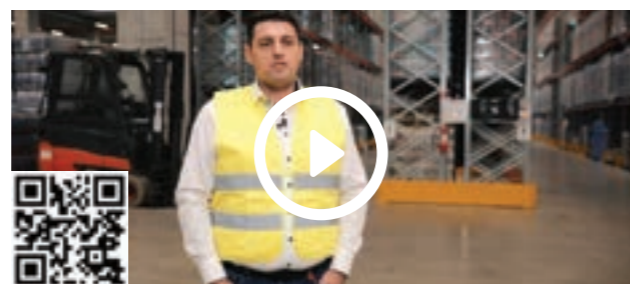
To reduce energy consumption, both electrical and heat, each brewery has a plan to increase the efficiency of the production process based on the elimination of losses and uses the ISO 50001 energy management system. Also, the energy management aiming to reduce carbon emissions also takes place through actions, such as: installing equipment to reduce consumption (e.g. LED lighting), automating processes, replacing natural gas used for certain processes with biogas produced in the wastewater treatment plants, implementing heat recovery systems, replacing condensate recovery systems with improved versions in terms of performance, etc.

	2021	2022
Direct (Scope 1) GHG emissions in metric tons CO2-equivalent	18.919	17.061
Gases included in the calculation	CO2 (from fossil fuels - natural gas, LPG, diesel - burned on breweries sites)	
Biogenic CO2 emissions in metric tons of CO2 equivalent	0 (biogas emitted by wastewater treatment plants in Buzău, Braşov and Timișoara has emission factor 0)	
Base year for the calculation and rationale for choosing it	2019 designated as the base year as the data have been validated by a third party	
Energy indirect (Scope 2) GHG emissions in metric tons CO2-equivalent	6.715	0



Video: Heat energy consumption optimization

In 2022, another specific initiative was the replacement of the dye used for PET preforms with another one that allows faster energy absorption and, implicitly, the reduction of dioxide carbon emissions. To reduce carbon emissions, we also use fully electric forklifts, instead of LPG powered ones.



Video: Electric forklifts use

**TRANSPORT**

Currently, transport emissions represent about 25% of total EU greenhouse gas emissions. Due to the drastic drop in transport activity during the COVID-19 pandemic, emissions are estimated to have fallen by 13,6% between 2019 and 2020, then increased by 7,7%, in 2021, as the economy recovered.

Our products are transported from breweries to warehouses and from there to trade destinations. These routes are necessary and are a cause of our indirect emissions, an impact that must be taken into account. Currently, these activities are carried out by suppliers (transporters) using their own fleet or contracting independent transporters.

They are identified, selected and contracted by the procurement department, which is responsible for setting technical criteria and managing contracts. In addition, the national distribution team manages the entire transport activity: transferring products between breweries and warehouses, financial aspects, route optimization, truck loading and loading rate, and setting and monitoring key performance indicators. We take active steps to improve performance, based on the local action plan and performance indicators. The impact of our transport is directly influenced by the performance of the transport means available in the contractors' fleet.

The efforts we make through the distribution and purchasing teams are to optimize transport, reduce the number of kilometers travelled by optimizing the volume loaded and raising awareness among customers to issue orders that allow fewer truck trips to be used for the same volume of product. We are also working hard to increase the percentage of direct brewery loads and to reduce the short runs between the brewery and the warehouse, which were made to avoid a possible saturation of brewery space.



Video: Transport efficiency

In 2022, thanks to a pilot transport project, we were able to deliver the same volumes to customers using up to 150 fewer trucks than in normal operation, reducing carbon dioxide emissions and achieving the best delivery performance in recent years.

On the other hand, we are directly responsible for the fleet of our own employees. Our marketing and sales team travels the country to promote products, attend events, work with retailers and customers and support them in their business efforts. To limit the negative impacts caused by transport, during 2021-2022, we have increased the share of gasoline cars to 68% from 1% in the old fleet in 2020 and purchased lower carbon vehicles. Old fleet cars now account for only 5% of the total and we will continue to replace them with more emission-efficient ones. During the same period, we bought 3 plug-in hybrid cars, which are 2,2l/100km more fuel efficient than other gasoline cars. Hybrid car purchases will continue in 2023.

Also, to reduce fuel consumption, the cars are equipped with a GPS module to better map the routes and optimize the reporting activity (kilometers driven, average consumption).

	2021		2022	
	Diesel	Gasoline	Diesel	Gasoline
Fuel type (liters)	499.371	443.669	272.170	708.679
<b>Total</b>	<b>943.040</b>		<b>980.850</b>	





## COOLING

Cooling is a key factor in maintaining the quality and freshness of our beers. The impact takes place in our warehouses and distribution channels (stores, HoReCa locations, events). It is not enough just to manage direct impact, we need to strengthen cooperation with business partners and support them in order to become aware of their own impact. Over 73% of the beer fridges and draught coolers (pint, glass) in locations where our beer is sold are owned by the company.

The equipment is offered free of charge, but operating costs (such as electricity) are borne by customers. Currently, we cannot collect valid energy consumption data, and estimating data based on cooled beer volume would be inaccurate. However, we have developed a commercial asset management policy with the aim of substantially reducing our environmental footprint by purchasing modern equipment that operates with modern cooling agents and is fitted with an operating control system (day/night, summer/winter) as well as LED lighting.

Our purchasing departments are proactive in choosing suppliers capable of delivering high tech coolers, and colleagues in operations and sales are working to replace those less energy-efficient.

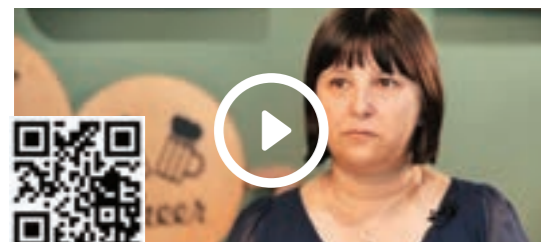
As of 2021, our efforts have been directed towards purchasing class D energy efficiency index commercial fridges, gradually improving their performance to class A energy efficiency index by 2030 if technology becomes available.

We are ahead of schedule by purchasing, as early as 2021, refrigerators with EEI=C performance, not 100%, but only on models for which better performance was available for purchase (the performance scale for commercial refrigerators is different from the scale used for household equipment).

So far, we have inventoried the lower-performing units (E, F, G) and started the process of their phased replacement in 2021. In addition, all new locations are equipped with energy efficient cooling units as per the yearly chart below.

Between 2021 and 2022, more than 5.500 old refrigeration units with lower cooling efficiency technology have been removed from Ursus Breweries' ownership. With the new purchases we managed to replace more than 4.800 coolers, some of which were still functional but energy inefficient. In doing so, we have also registered a loss of previous investments in order to increase the speed at which we decrease our carbon dioxide footprint.

In 2022, replacement plans were affected by the conflict situation in Ukraine as deliveries of coolers were delayed. However, by 2030, we continue to aim to have only the highest energy-efficient fridges available in the year of purchase.



Video: Product cooling optimization

2021-2023 2023-2026 2027-2030 2030 -->

The energy efficiency classes that 100% of the purchased refrigerators will have

D	C	B	BAT (A)
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# PEOPLE





## EMPLOYEE HEALTH AND SAFETY

From discussions with external and internal stakeholders we observed a shared interest in how we address employee health and safety in the workplace. As a result, we have continued to place great emphasis on these issues in the workplace, because the success of our business depends fundamentally on our employees. So we focus **on the wellbeing and health of every employee, ensuring a safe working environment and minimizing any potential risks.**

The Occupational Health & Safety (H&S) team is the primary responsible for managing these issues in accordance with applicable legal requirements and voluntary initiatives implemented by the organization, including group guidelines and standards of OHS and International Standardization Organization (ISO). **The overall aim is to achieve zero accidents at work,** and our principles and rules apply to our own sites and to partner companies with whom we collaborate for various production services.

Since 2005, we have been continuously implementing the H&S management system as per OHSAS 18001 (Occupational Health and Safety Assessment Series) criteria, undertaking the series of recertification and surveillance audits for conformity. Our H&S management system meets the ISO 45001:2018 requirements. This certification is valid until 2024 for the following locations of operation: the breweries in Buzău, Braşov, Timișoara and the four distribution centers 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 in our locations. The management system is coordinated by Ursus Breweries internal H&S professionals. Additionally, we work along an external business partner specialized in H&S services that provides relevant support to our offices across the country, especially our commercial offices.

Apart from the above-mentioned H&S approach, the following ones are being implemented within Ursus Breweries:

the 5S methodology (a 5 rules Japanese space organization system for efficiency and effectiveness: Sort - Set in order - Shine - Standardize - Sustain)

behavior-based safety program

compliance with the safety rules

risk management

strengthening of training and support

effective execution of the Plan-Do-Check-Act (PDCA) cycle.

In 2021-2022 we continued to strengthen safety awareness among our workforce and incorporate Behavior-Based Safety (BBS) for every employee. We have focused on key programs and initiatives that have contributed to significant improvements in our safety performance in recent years.

We still face challenges in achieving our vision of 'zero accidents' in operations, which requires sustained employee engagement and initiatives to achieve these results. **These initiatives and efforts to improve capabilities, technology, accountability, communication are common to all employees.** Here are only a few examples:

- ♥ "I Care", the program under which Ursus Breweries' safety, health and security initiatives take place
- ⬢ "Safety Week", an intensive awareness-raising program on relevant health and safety issues
- 🔒 The Lock-out/Tag-out safety program on maintenance machines
- 🧪 Programs to improve working conditions for the storage and handling of chemicals
- 🚗 For drivers, level 1 and level 2 defensive driving courses (Titi Aur Academy as partner), practical blind spot awareness workshops for forklift and truck drivers, demonstrations using glasses simulating alcohol or drug use
- ☀️ Stress management courses and practical courses on office ergonomics (Regina Maria medical network as partner)

### I CARE CULTURE

At Ursus Breweries we care about all our employees. 'I care' is a conversation, a time to connect with employees on their health and safety journey, with the goal of taking care of themselves and others, at work and beyond. 'I Care' is a new cultural stage that Ursus Breweries is developing together with its employees.



# SAFETY WEEK



## SAFETY WEEK

In November 2022, in breweries and distribution centers, employees were able to participate in various awareness workshops on:

- hazards related to working at height and confined spaces
- emergency situations and fire fighting
- first aid
- safety during maintenance interventions
- behavioral safety
- risks related to internal traffic and forklift handling
- choice and selection of protective equipment according to the activity performed

In addition to practical workshops, online sessions on:

- mental health
- ergonomic principles
- preventive driving principles

A key role in managing H&S risks from workplace hazards is played by the **risk management process**. Ursus Breweries has developed a risk assessment methodology that allows for:

identifying hazards

identifying people and how they may be harmed

assessment of the risk and the measures to control it

recording findings

reviewing and implementing new checks

**Risk assessments are conducted considering normal operational situations as well as non-standard events such as maintenance, shutdowns, maintenance activities and emergency situations.**



Usually, the person who manages the operational process with the support of an H&S professional handles **the risk assessment process**, which is performed every time one of the following situations occurs:

Before new processes or activities are introduced

Before certain changes are made to existing processes or activities, including when products, machinery, tools, equipment change or new information concerning harm becomes available

In the initial and regular identification of hazards

Upon completion of such processes, when work-related hazards are identified, then specific control methods occur, which frequently fall into one of the following categories:



**Elimination of hazards**



**Risk substitution/ replacement**



**Technical controls applied to risk**



**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 monitoring. All safety incidents are reported according to the internal policy and regulations.

The procedure, which applies to all incidents occurring in the workplace, describes **the activities deployed, the responsibilities for internal and external reporting of work-related incidents, and the 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 to the direct supervisor by employees involved and/or witnesses

Incident reporting shall be done immediately, without unjustified delays, at the latest by the end of the shift in which the incident occurred

Internal notification of an incident must be made 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 also to the responsible person from Ursus Breweries



**All incidents reported are recorded in the incident database and are followed up with specific action plans.** Depending on the severity of the incident, the procedure describes precise flows of communication for major to minor incidents. In case of disabling injuries, an official 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 event 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 hazardous events using a specific reporting 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 dangerous situations.**

The Behavior-Based Safety program provides management and employees with an additional opportunity for reporting on unsafe behavior and workplace conditions. 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 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 are related to 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 (General Data Protection Regulation) and other regulations regarding data privacy. Employees have access to the medical provider in all our locations across the country.

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.** Among other functions, **our intranet serves as library of all relevant communications, policies, procedures, guidelines and work instructions that cover H&S area.** This ensures free access to such information for our employees.

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



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

As legally required, such committees are constituted in each business unit having **at least 50 workers** and 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 H&S responsibilities for workers

occupational medicine representative.



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 president, while the secretariat is covered by the H&S specialist (H&S Manager).

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 labor agreement at the company level.

**The Committee meets quarterly and whenever necessary.** The SSC secretary convenes the meetings by written informing 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 members who are present. **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 (H&S) and Emergency Situations (ES) training courses were elaborated and are carried out during working hours (by law, their duration counts as working time).

**H&S & ES training includes four main modules:**

General  
induction  
training

Training  
at the  
workplace

Recurrent  
training

Additional  
recurrent training  
(only for specific cases  
according to the  
procedure)

At branches and registered office level 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:

- period of time when training is planned,
- title of training materials,
- list of training materials,
- 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 training result** is recorded in each employee's H&S personal training record, indicating the training content, duration and date. This procedure is done immediately after the course 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 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 H&S & ES training courses conducted within the organization:****INDUCTION TRAINING, AT MOMENT OF EMPLOYMENT**

**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.**

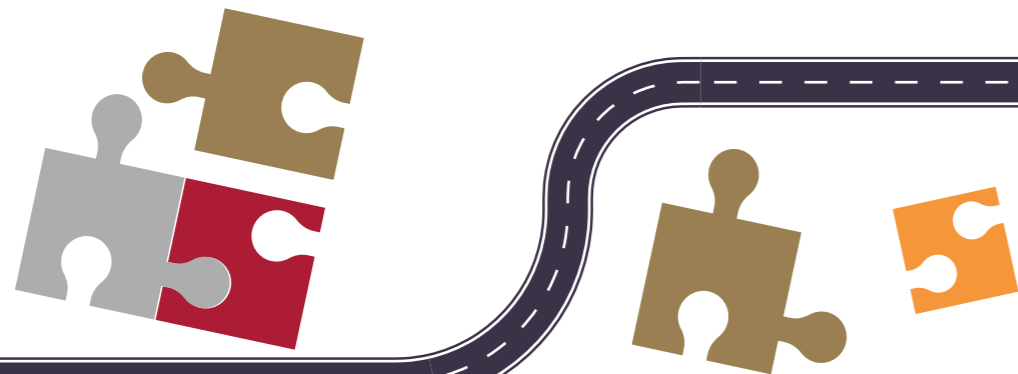
The training is conducted either by the SHE officer (for the employees who activate mainly at branch level or within other departments), or by a representative of the external prevention and protection service contractor (for the registered offices where valid contracts between company and contractor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

**TRAINING AT THE WORKPLACE**

H&S and ES training at the workplace is carried out to present **health and safety 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), participate in H&S & ES training courses, as well as those employees who change their working place. 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 H&S & ES topics was verified by the superior of the person who delivered the training.**

**RECCURENT TRAINING**

H&S & ES recurrent training courses are delivered to all employees and permanent contractors with the aim to refresh 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 H&S & 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 RECCURENT 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 H&S & ES changes occur with regard to specific working places/ positions/ 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 changes 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 questionnaires and is performed in the following situations:**

- Upon completion of induction training in case of new employees, to validate knowledge about the training performed;
- At the end of each calendar year (during December) to validate knowledge acquired during regular trainings;
- 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:**

- Upon completion of training at the workplace in case of new employees;
- Upon completion of regular employee training.



**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 quality and H&S 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 (Safety Health Environment) coordinator, 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.** Thus, all employees have access to:

- medical prevention subscription
- detailed brochure about current medical plan(s), which details a specific package offer
- two additional medical plans dedicated to prevention at a preferential cost for both the employees and their family

Reports in this section have been calculated based on 200.000 hours worked.



**WORK-RELATED INJURIES FOR ALL EMPLOYEES**

	2021	2022
The number and rate of fatalities as a result of work-related injury	0	1*
The number and rate of high-consequence work-related injuries (excluding fatalities)	0	1
The number and rate of recorded work-related injuries	2	3
The main types of work-related injury	Disabling injuries	

\* Road accident caused by a third party

**WORK-RELATED INJURIES FOR ALL WORKERS WHO ARE NOT EMPLOYEES BUT WHOSE WORK AND/OR WORKPLACE IS CONTROLLED BY THE ORGANIZATION**

	2021	2022
The number and rate of fatalities as a result of work-related injury	0	0
The number and rate of high-consequence work-related injuries (excluding fatalities)	0	0
The number and rate of recorded work-related injuries	0	0
The main types of work-related injury	n/a	n/a
The number of hours worked	n/a	n/a

**THE WORK-RELATED HAZARDS THAT POSE A RISK OF HIGH-CONSEQUENCE INJURY**

	2021	2022
<b>How these hazards have been determined</b>	Risk assessment procedure	
<b>Which of these hazards have caused or contributed to high-consequence injuries during the reporting period</b>	<ul style="list-style-type: none"> <li>• Unintentional human error</li> <li>• Failure to use protective equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Unintentional human error</li> <li>• Reduced handling area</li> <li>• Failure to use protective equipment</li> <li>• Unclear work instructions</li> </ul>
<b>Actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls</b>	According to the action plans developed for each case	
<b>Actions taken or underway to eliminate other workplace hazards and reduce risks using the hierarchy of controls</b>	Actions to improve working conditions and risk awareness training	Actions to implement specific standards and involve people in complying with H&S conditions in the workplace

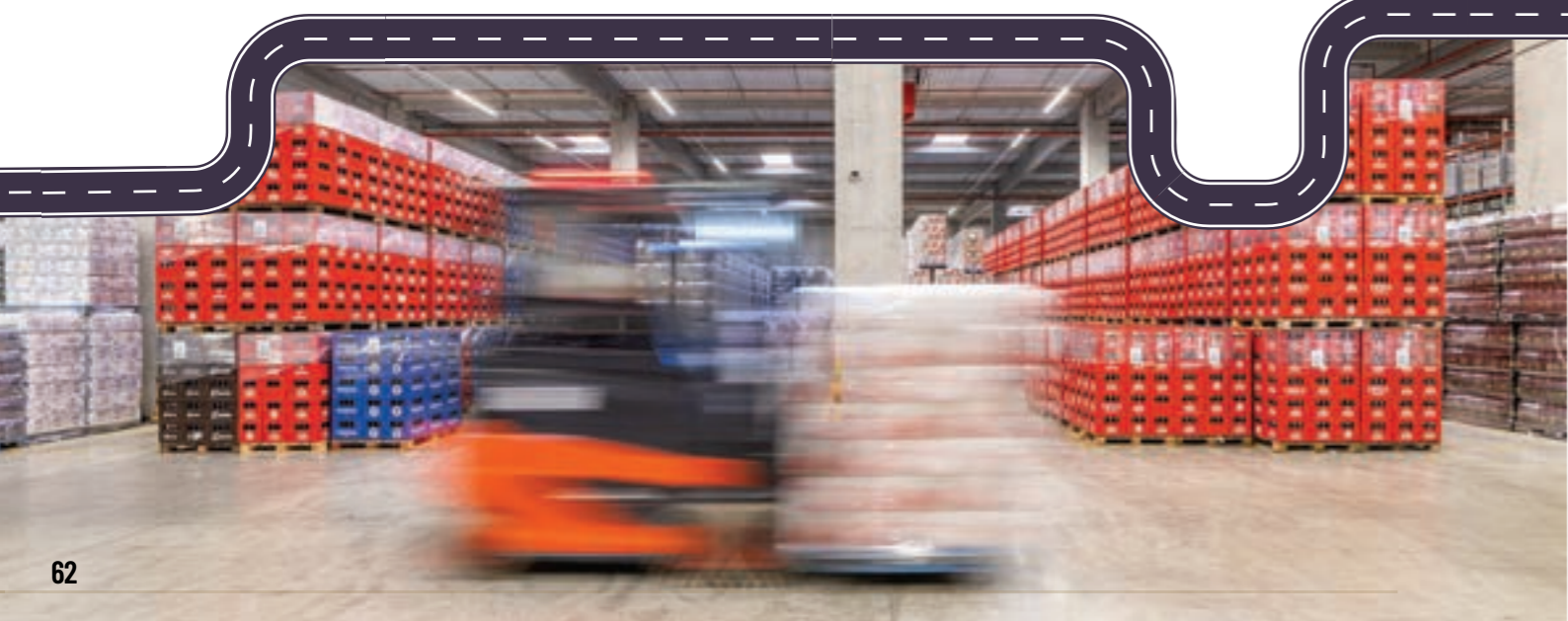


During the reporting period we did not register any fatalities as a result of work-related ill health or cases of recordable work-related ill health nor among our employees, nor the workers who are not employees but whose work and/ or workplace is controlled by our organization.

Following the hazard identification processes carried out during the reporting period, situations posing a risk of illness in the workplace were identified and managed.

FOR ALL EMPLOYEES	2021	2022
The number of fatalities as a result of work-related ill health	0	0
The number of cases of recordable work-related ill health	0	0
The main types of work-related ill health	Not applicable	

FOR ALL WORKERS WHO ARE NOT EMPLOYEES BUT WHOSE WORK AND/OR WORKPLACE IS CONTROLLED BY THE ORGANIZATION	2021	2022
The number of fatalities as a result of work-related ill health	0	0
The number of cases of recordable work-related ill health	0	0
The main types of work-related ill health	Not applicable	



## HUMAN RESOURCES DEVELOPMENT & WORKFORCE TRAINING

To maintain high levels of productivity and innovation in the company **it is essential to have an educated and skilled workforce**, and providing adult learning opportunities plays a crucial role. **A well-trained workforce ensures business continuity and growth**, so the way we develop employee learning and evaluation programs can have a major impact on business performance.

**Through our training programs and education initiatives we are committed to developing the skills and knowledge of our employees to reach their full potential.** Education and training is central to our strategy, impacting the entire organization, from full-time and part-time employees to management and even our outsourced employees.

**Continuous development, both personally and professionally, is a priority for us**, and the flow of learning and development is crucial to achieving our business goals and strategies. We are committed to maintaining a healthy work-life balance for our employees and helping them discover and develop their strengths by providing lifelong learning opportunities. This way, we offer our colleagues a development framework to help them grow and develop in their careers.

The training activities are managed by the **Learning & Development (L&D) team** within Human Resources department and the plans are developed annually, based on development and training needs identified within the organization.

We aim at becoming a 'learning organization' that constantly values each experience, whether it's a success or a failure, at individual or group level. By doing so, we intend to upgrade and strengthen our tools and practices, making use of new agile methodologies and approaches that may also contribute to the empowerment of our people, helping them become responsible for their own development. We aspire to reach as many of our colleagues as possible, by offering tailor-made learning experiences.



In planning training and learning programs, we rely on 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 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 wellbeing topics.**

The programs are delivered through face-to-face or virtual interactions, e-learning platforms, self-study or short videos. In order to monitor and keep up to date the skills of our employees, starting in 2021, all learning and development opportunities in digital/e-learning format have been integrated in a dedicated module within the **HOPS human resources platform**. This platform includes, among other things, a goal setting system, performance management and evaluation, continuous feedback, career opportunities, employee information etc.

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 – wellbeing sessions, professional upskilling, certain workshops related to leadership – **are open to all employees who are free to register and participate without prior approval** from their manager.



The development strategy has three lines of action:

1

**Leadership**

Our leadership skills development program, consisting of various courses tailored to the training and education needs of different categories of employees:

- **'Leadership Fundamentals'**- available to all newly appointed managers
- **The graduate trainee development program** – especially designed to foster the progress of our trainees and of those with high potential into the organization's future leaders
- **'Grow the Leader Within'** – a program dedicated to our senior leaders, which mixes several topics of leadership, personal growth and emotional intelligence.

2

**Business skills**

Sessions through which we developed interpersonal skills related to working in a business context, topics related to change, relationship management, efficient communication, time management, presentation skills etc.

3

**Wellbeing**

Wellbeing sessions for all colleagues, thus providing them with tools to increase mental, physical and social wellbeing.



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. The feedback is also a way to collect comments and suggestions from employees regarding the adjustments of our initiatives.

**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 grounded by a business reasoning.



In terms of personal wellbeing and growth we have a well-designed program which is ongoing in the organization since 2017. It has continuously developed over time and it has been adapted to fit the evolving wellbeing needs of our colleagues. **Starting with 2021, we went a step further and developed a regional wellbeing strategy which started to be 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.

Other ways to register comments are through the managers and HR Business Partners or via the specific training email address. All opinions are reviewed and the training initiatives are adjusted accordingly. 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.





**100% OF EMPLOYEES RECEIVED A REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEW DURING THE REPORTING PERIOD**

The percentage of employees who received a performance evaluation and the category they belong to	2021		2022	
	Men	Women	Men	Women
Management %	16,84 %	13,79 %	16,80 %	14,65 %
Non-management%	53,93 %	15,44 %	53,47 %	15,08 %

**In 2021-2022 we continue to give importance to mental and emotional health of our colleagues.** We have supported them to work remotely/ online during the pandemic, we increased the number of learning initiatives, and our e-learning curricula on Learning Management System (LMS) was extended, the integrated online platform being live as of mid-2021.



**These initiatives were possible due to the partnership started in 2020 with a local e-learning provider** that supports our progress towards a more digitalized approach and development of the appropriate e-learning materials. The training and development 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 utmost 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 on these topics go to the Employee Health and Safety chapter (page 50) and Responsible alcohol drinking and healthy lifestyle (page 73).



We also address specific individual development needs expressed by our employees, such as coaching or other types of requests that reach our learning and development team through the HRBPs and managers. In managing these needs, we have a flexible and open approach, permanently trying to find ways to accommodate them.

The time for employee goal setting is flexible to allow alignment with business dynamics and/or type of work. Our learning and 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 and inclusion initiatives. Inclusive leadership is part of our core competency model and of our required competencies, such behavior is a part of advertised job descriptions, assessed during performance reviews, 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). Moreover, to encourage performance and increase motivation, we have developed a recognition program, through which any employee has the opportunity to propose for awarding team colleagues they admire, who proved exemplary behavior and whose involvement has led to exceptional achievement of objectives. Through this program, every month, colleagues are rewarded both individually and as a team.



# DIVERSITY

We face a diversity challenge in our industry because it is less attractive to women. For this reason, one of our sustainability goals at company and group level is to promote gender diversity.

**Thus, by 2030, we aim to have an equal share of women and men in the management team.**

Diversity is important at Ursus Breweries because when we bring together people with different backgrounds and perspectives we stimulate creativity and innovation in the company.

A diverse workforce brings with it different perspectives on business issues and situations, improves decision-making and therefore leads to better performance, including reputational.

The way our HR team operates is based on our principles of diversity and inclusion, which aim to attract and retain talented employees within Ursus Breweries. We strive to develop our entire workforce without any kind of discrimination, support gender balance and equal treatment at all levels and functions in the organization.

We have an internal diversity policy that is based on our company's core values and promotes non-discrimination. The purpose of this policy is to raise awareness of the equal and fair treatment of all our employees and to prevent discrimination of gender, race, disability, religion or belief, sexual orientation or age.



**We have zero tolerance to harassment or bullying of any kind, as well as to all forms of unlawful and unfair discrimination, either inside or outside the workplace.**

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).



Thanks to the attention we pay to our employees, we have managed to get the **Top Employer Romania** certification for three years (2021, 2022, 2023).

We were the first Romanian brewer to obtain this certification offered by the independent organization 'Top Employers Institute' in the Netherlands, which has developed a complex process of auditing companies to identify the opportunities and experience they offer to their employees.

Our continuous efforts 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.

At Asahi Group level, every two years, we conduct a Global Employee Satisfaction Survey and in the years without this survey, we have a Global Pulse Survey. There are also various focus groups with brewery employees and the sales force or discussions during the collective labor contract negotiations.

In 2021, the **Global Employee Satisfaction survey** was dedicated to all members of Asahi Europe and International group and implied consultation on 18 topics (e.g. leadership, communication and collaboration, talent and performance management, health and wellbeing, innovation, sustainable involvement, operational efficiency, ethics and integrity, strategic approach etc.).

**In Ursus Breweries, the survey had a response rate of 69%.**

The **2022 Pulse Global survey** contained 16 questions, was anonymous and provided valuable insights into how employees perceive company progress in four priority areas: sustainability, diversity and inclusion, health and wellbeing, and operational efficiency. **The response rate in Ursus Breweries was 77%.**

The biggest improvement since 2021 is in the **area of health and wellbeing**, where employees feel their personal wellbeing (both mental and physical) is supported and **where 72% of responses were favorable.**

Following the responses received, various working groups have been set up within the departments to identify suggestions for action in areas that have been identified for improvement.



**37% of employees believe we are a company that treats all employees fairly, regardless of age, race, ethnicity, gender, religion, sexual orientation or disability.**



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.

We have been the first beer producer in Romania to sign the **LEAD Network (Leading Executives Advancing Diversity)** commitment for building an inclusive work environment and organizational culture based on diversity and gender equality.

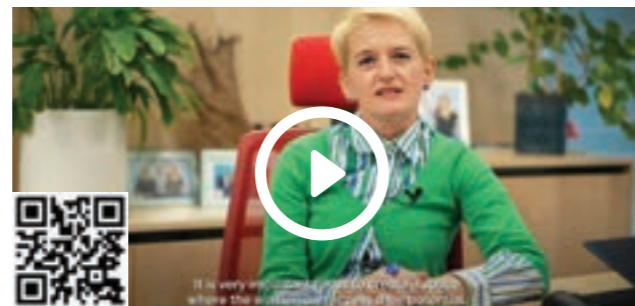


The LEAD organization aims to facilitate attracting, keeping and promoting women in the retail and consumer goods industry, through education, leadership and professional development.

Also, in 2022, we signed the **Romanian Diversity Charter**, a collaborative platform for action, debate and exchange of best practices related to diversity management.

A Diversity, Equity and Inclusion Committee has also been set-up, a multi-disciplinary working group dedicated to best practices and exploring initiatives to raise awareness of diversity, equity and inclusion issues within the company.

As active advocates of gender balance, **our target is to have 50-50% men and women in top management at local and group level by 2030.**



Video: 50% women in management

**As of 2020, a Diversity & Inclusion agenda was included in our mid-term integrated business planning at the group as well as local levels.**

**DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES IN URSUS BREWERIES**

PERCENTAGE OF INDIVIDUALS WITHIN THE ORGANIZATION'S GOVERNANCE BODIES IN EACH OF THE FOLLOWING DIVERSITY CATEGORIES		2021		2022	
		Men	Women	Men	Women
<b>General Assembly of the Shareholders</b>		N/A (comprising of a legal entity and more than five thousand individuals as shareholders)			
<b>Board of Directors</b>	30-50 years old	60%	-	20%	-
	over 50 years old	20%	20%	60%	20%
<b>Executive Committee</b>	30-50 years old	50%	-	44%	33%
	over 50 years old	38%	13%	11%	11%
<b>Ethics Committee</b>	30-50 years old	40%	40%	40%	40%
	over 50 years old	-	20%	-	20%
<b>Internal audit</b>	under 30 years old	-	33,3%	-	-
	over 50 years old	33,3%	33,3%	67%	33%
<b>Employee union leaders</b>	30-50 years old	33%	17%	17%	17%
	over 50 years old	50%	-	67%	-
<b>Pandemic crisis committee</b>	30-50 years old	44%	44%	40%	40%
	over 50 years old	11%	-	10%	10%
<b>Other indicators of diversity where relevant (such as minority or vulnerable groups)</b>		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		2021		2022	
		Men	Women	Men	Women
<b>MANAGEMENT (HAY GRADE 14+)</b>					
<b>Age group</b>	under 30 years old	1,8%	1,8%	1,6%	2,6%
	30-50 de ani	12,2%	9,8%	12%	9,7%
	over 50 years old	2,9%	2,2%	3,2%	2,4%
<b>Other indicators of diversity where relevant (such as minority or vulnerable groups)</b>		The law does not allow for data collection based on ethnicity/ minority groups			
<b>NON-MANAGEMENT (HAY GRADE 8-13)</b>					
<b>Age group</b>	under 30 years old	8%	3,5%	8,2%	3,1%
	30-50 years old	35,5%	8%	34%	7,9%
	over 50 years old	10,5%	4%	11,2%	4,1%
<b>Other indicators of diversity where relevant (such as minority or vulnerable groups)</b>		The law does not allow for data collection based on ethnicity/ minority groups			

\*Data calculated for December the respective year







# RESPONSIBILITY

## RESPONSIBLE ALCOHOL CONSUMPTION AND HEALTHY LIFESTYLE

Europe is the region with the highest alcohol consumption in the world, with an average consumption of more than twice the global average. At the same time, according to the World Health Organization, alcohol is among the leading risk factors for disease and mortality in Europe. Both the volume and frequency of consumption can be a concern for health, but also for the well-being of social relationships.

Our products can bring people together and provide the experience of great social gatherings, but this is possible as long as alcohol is consumed responsibly and in moderation.

We closely follow new regulations and experts' research on alcohol consumption and try at all times to address concerns and help reduce the impact of irresponsible drinking.

This is why one of the key pillars of our sustainability strategy refers to the responsible choices of our consumers or employees.

In Romania, alcohol consumption has declined over the last two decades, but half of all drinkers are at risk and the rate of binge drinking is one of the highest in Europe (INSP, June 2022). The rate of alcohol consumption and unhealthy eating reported among Romanians is also higher than the EU average.

Given the social and medical concerns associated with excessive alcohol consumption, our responsibility is to reduce harmful drinking habits and promote a healthy lifestyle among our consumers.

We comply with relevant regulations, policies, industry standards and international commitments to ensure that our marketing and business activities are responsible, and we provide our customers with appropriate information and messages of responsibility regarding alcohol consumption.

Our approach to responsible marketing and commercial behavior is described in the Marketing and Product Labelling section (page 78). We follow Asahi Group's principles and policies on responsible drinking to ensure transparency and awareness among employees and consumers.

Our responsible consumption principles cover the following aspects:

- 1 Employee awareness and action
- 2 Reducing and preventing situations caused by inappropriate drinking habits
- 3 Responsible marketing activities
- 4 Conveying appropriate information
- 5 Collaboration with stakeholders
- 6 Developing innovative products



**We focus on alcohol prevention programs, but also on creating new opportunities for responsible drinking.** To this end, we have continued to innovate and develop our portfolio of alcohol-free and lower-alcohol products, giving our consumers the opportunity to make responsible choices.



**By 2030, our target is that 20% of sales will be from non-alcoholic drinks.**

Non-alcoholic products share from total sales	
2021	2022
~6%	~6,5%

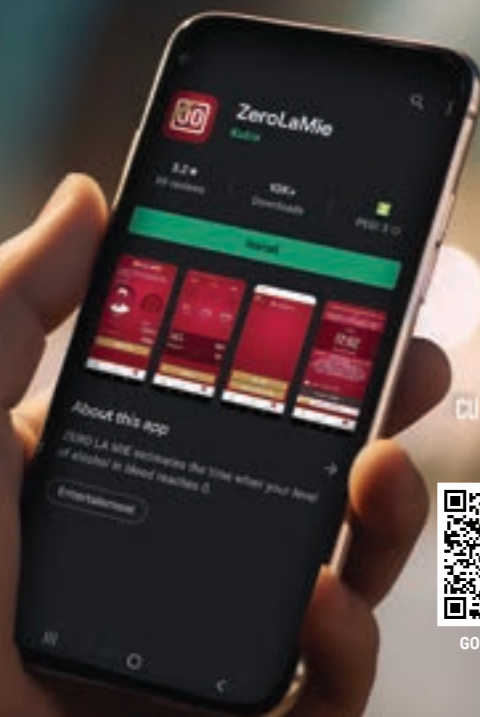
**According to the annual report of the Romanian Brewers Association, the non-alcoholic category had the most spectacular evolution, exceeding 5% market share in 2022.** Our portfolio development efforts followed the same direction as we launched new non-alcoholic products, both in the beer and flavored beer categories.



The market is also growing for low alcohol beverages, so we have moved closer to consumer demand by launching in 2022 Kozel Dark beer with 3,7% alcohol.

At a time when obesity and diabetes are becoming global issues, our goals are also to have zero sugar products or reduce the amount of sugar used. As a result of our research over the last two years, we have succeeded in reducing the amount to below 5 g/100 ml for all our products containing sugar.

We also run campaigns to discourage harmful alcohol consumption which can be an aggravating factor for health problems or lead to negative social behavior. **Our programs are dedicated to reducing irresponsible drinking among adults and preventing underage drinking.**



PORNEȘTE LA DRUM  
cu ZERO LA MIE



GOOGLE PLAY



APP STORE



APPGALLERY

In 2021-2023 we continued our long-standing partnership with the **Federation of Non-Governmental Organizations for Children (FONPC)**, thanks to which during this period, **over 2.800 parents and education professionals received training, counselling and parenting advice from child psychology experts, including information to prevent harmful alcohol use in the family and alcohol use among teenagers.**

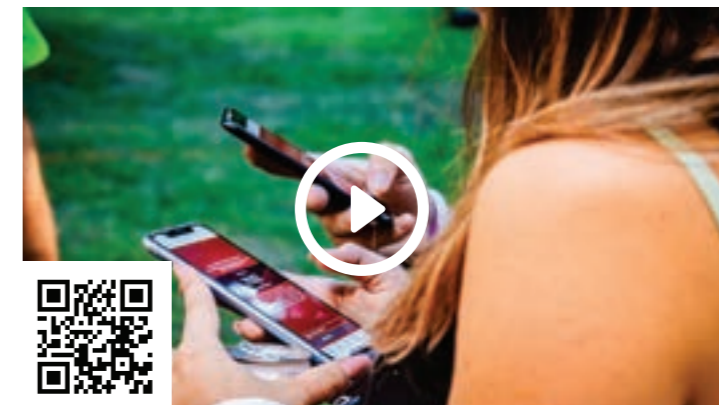


We have developed the Facebook page **'Efficient Parents, Happy Children'**, which acts as an information platform for parents, teachers and other education professionals, we have promoted online several videos with information and tips for those who face or want to prevent underage drinking, and at the end of 2022 we have launched a series of webinars for parents and face to face workshops for teachers.

Another project took place in the fall of 2021, when we updated the mobile application Zero la Mie, by which users can find out the estimated time in which their blood alcohol level returns to zero. In order to cover a wider audience, the updates involved developing an English version for the application, introducing the imperial data calculation system, and offering rules for legal alcohol consumption in more than 50 states.

In order to prevent alcohol consumption while driving, as well as to promote the Zero to Me application, we carried out an awareness campaign within the UNTOLD festival, supported by local partner Napoca Rally Academy who interacted directly for 4 days with the people present at the festival.

**As results, over 5.000 people received our awareness message via text messages, 1.200 people installed the application, the message for preventing drinking and driving was broadcast on TV, reaching an estimated audience of over 1 million people, and we have reached over 300.000 people through our own communication channels.**



Video: Responsible drinking campaign at UNTOLD 2021

In 2022, together with the General Inspectorate of the Romanian Police, through the Traffic Police Directorate and Research and Crime Prevention Institute (ICPC), we carried out the study 'Social attitudes to road traffic risks'. The study was conducted for the second time with the support of Ursus Breweries, after taking place for the first time in Romania in 2008, upon the initiative of ICPC, then resumed in 2010, 2014, 2018. The research presents the behaviors and attitudes that favor traffic violations by drivers and the occurrence of road accidents, and a chapter of this study was dedicated to perceptions of drinking and driving.

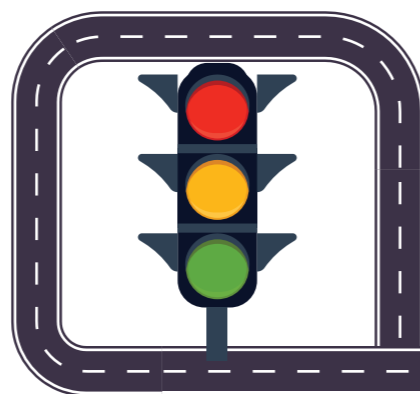
'Social attitudes to road traffic risks' study results



The results of the study 'Social attitudes to road traffic risks' are available on [www.desprealcohol.ro](http://www.desprealcohol.ro) in the drinking and driving prevention programs section.

Our website [www.desprealcohol.ro](http://www.desprealcohol.ro) is a constant source of information on responsible drinking. What's more, the page is also a resource that encourages a healthy lifestyle by offering nutrition and mental health tips from experts.

Those wishing to contact us about our approach to responsible drinking can do so via the contact email available on the website.



	2021	2022
Number of views of communication messages related to alcohol prevention (on own digital assets: <a href="http://www.desprealcohol.ro">www.desprealcohol.ro</a> website, About Alcohol social media)	~ 6,33 mil.	~ 8,32 mil.



of our labels and communication about alcoholic drinks include the responsibility message

Responsible marketing activities are equally important when discussing responsible drinking and healthy lifestyles. **Currently, 100% of our labels and communication about alcohol products include responsibility messages about underage drinking, drinking and driving or drinking during pregnancy.** All our labels also include information on the calorie intake of the product and nutritional information. The same information is publicly available online at [www.desprealcohol.ro](http://www.desprealcohol.ro).



In our efforts to reduce inappropriate drinking habits and promote a healthy lifestyle we also cooperate with other companies and trade associations in the alcoholic beverage industry.

As members of the International Alliance for Responsible Drinking (IARD), we respect the principles and are committed to engage in any of the 5 action lines to reduce harmful alcohol consumption:

- Preventing and reducing underage alcohol consumption
- Strengthening and extending codes of good marketing practice
- Providing consumer information and responsible product innovation
- Reducing drinking and driving
- Developing partnerships with retailers to reduce harmful alcohol consumption

Together with the Brewers of Romania Association, we have carried out several projects to prevent excessive alcohol consumption and drinking and driving.

In 2021, with the message 'Beer. The sparkling drink of the new relaxation!', a campaign celebrating the summer season was run that also encouraged responsible beer drinking and a lifestyle without any excess. Also, together with the Romanian Police, the association continued the information and awareness campaign 'No alcohol while driving!', aimed at drawing attention to the risks associated with driving under the alcohol influence.

Our products are aimed at all adults, so our responsibility to promote responsible drinking behavior does not stop with our customers. We also focus on our employees, targeting them with specific messages and supporting them in developing responsible behaviors. **When joining the organization, all new employees go through the Alcohol Behavior and Communication (AB&C) training on responsible drinking. All employees take refresher training every three years.** In 2022, the course has been updated in a more engaging and interactive format and tailored to employees by area of operation.

	2021	2022
Percentage of employees who have completed the Alcohol Behavior and Communication (AB&C) training	Target: 50% Achieved: 79%	Target: 75% Achieved: 80%

All employees have access to the Intranet Alcohol and Drug Policy, which defines the framework of behaviors we expect with regards to alcohol use, both at the workplace and in business relationships, on behalf of the company.

For the parties involved in marketing activities, we run the **Alcohol Intelligence Quotient (AIQ)** training, which includes guidelines on awareness raising messages to be included in our communication. In 2021, 13 types of training sessions were carried out for our own employees or those of our collaborators and, in 2022, 3 types of training sessions were carried out with 100% participation of the target group: training on commercial communication, digital guiding principles, as well as training on promotions and regulations (legal and tax perspectives).



# PRODUCT MARKETING AND LABELLING

Labelling has been subject to EU regulations since 2011. Although these requirements are mandatory for producers of beer and other alcoholic beverages containing more than 1,2% ABV, they are encouraged to provide different information on a voluntary basis, such as energy or nutritional values.

According to the EU Alcohol and Health Forum, Europe's brewers have committed to listing nutritional information, thereby meeting consumer expectations and, through self-regulation, going beyond the legal obligation. **As a market leader, with distribution channels that cover the entire country and national visibility, we know our impact is significant.**

In order to be fully responsible for this impact, we comply with the most restrictive rules of responsible behavior, which is reflected in the labelling and advertising of our products.

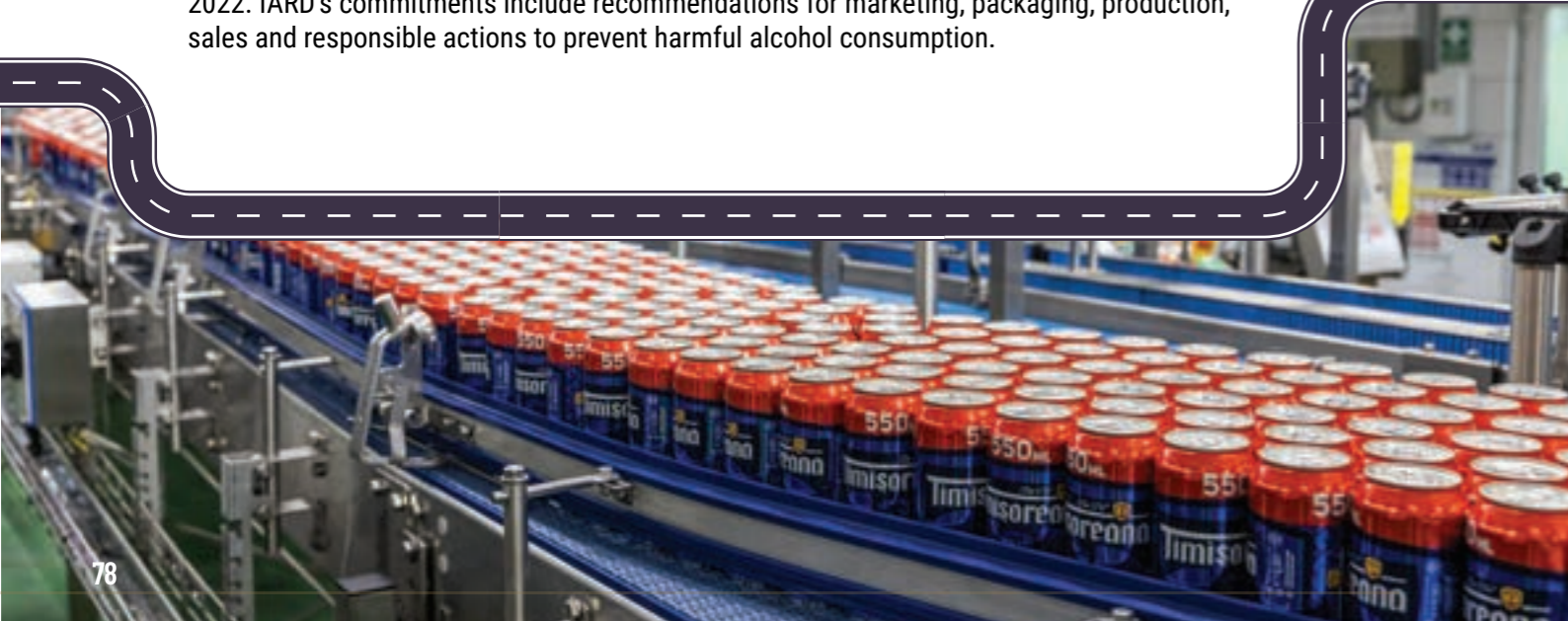
All our marketing activities have an impact on our customers, so we strive to earn their trust through transparent and responsible communication. In addition to complying with local laws and regulations, we follow the Policy on Commercial Communication developed by Asahi Europe and International which sets consistent standards for the marketing activities of our brands.

We also contribute to new initiatives and cooperate with other companies in the industry and trade associations of alcohol producers. Our actions are aimed at ensuring an informed decision of our customers, influencing responsible consumption and avoiding non-compliance incidents in communication.

The pillar of our self-regulatory system is our **Policy on Commercial Communications**, which we continually improve in consultation with market stakeholders or whenever new regulations become applicable to the market.

The implementation of the policy is verified by our **Sales and Marketing Compliance Committee**, in weekly meetings, and it is backed by an online approval system for marketing communication and commercial marketing materials. The committee includes employees with different expertise such as Legal, Technical, Corporate Affairs, Sustainability, Marketing.

Our communication activities are aligned with the International Alliance for Responsible Drinking (IARD) principles, including the Influencer Guiding Principles and the Digital Guiding Principles, which we set out to adopt up to 95% by 2023, but we already reached this target as of 2022. IARD's commitments include recommendations for marketing, packaging, production, sales and responsible actions to prevent harmful alcohol consumption.



In addition to the legally required information on labels, **as of 2021, we have been voluntarily placing three warnings about alcohol consumption on the packaging of our alcoholic beverages. Nutritional information and ingredients of our products are available both on labels and online on [www.desprealcool.ro/totul-despre-bere](http://www.desprealcool.ro/totul-despre-bere).**

Other documents that we voluntarily comply with are the Commercial Communication Code of the Brewers of Romania Association and the Rules for responsible commercial communication for beer, integrated in the Code of Advertising Practice developed by the Romanian Advertising Council (RAC). Finally, we have a Social Media Policy that sets the rules for responsible social media actions and activities.

To minimize the risks associated with marketing communication, we conduct the Alcohol Intelligence Quotient (AIQ) training with employees and business partners involved in marketing activities to better understand company policies and codes, as well as the Alcohol Behavior and Communication course for company employees.

The effectiveness of our measures is reflected in the lack of sanctions on marketing communications. **We are constantly undertaking responsible advertising and are committed to complying with the beer industry's and our Group's policy on Commercial Communications Codes.**



Video: Actions for responsible drinking

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



- Incidents of non-compliance leading to fines or penalties
- Incidents of non-compliance leading to warnings
- Incidents of non-compliance with voluntary codes



## COMMUNITY INVESTMENT & LOCAL PARTNERSHIPS

We strive for sustainable development and pay attention to all stakeholders, and the communities in which we operate are no exception. As a result, in addition to the value we bring through the jobs we create and the contributions we make to the local budgets of the communities in which we operate, we strive to meet the expectations of society as a whole.

We believe that initiatives built with people in mind and for the benefit of society as a whole are the ones that stand the test of time. In doing so, we take into account the needs of the community and act as a partner for local authorities, NGOs and community members to contribute to the sustainable development of everyone involved.

Being part of the communities where we operate, we try to contribute to people's wellbeing and development by supporting local initiatives.

At the same time, we also get involved in wider causes, especially when there is a major and urgent need for help.

One such example is our support to Ukraine, consisting of RON 500.000 that the Romanian Red Cross has used for humanitarian transports, providing food or medicine and assistance in refugee camps in the country. Furthermore, with the support of the Beard Brothers Association, we have been involved in supporting the serving of over 1.000 hot meals for Ukrainian refugees.

At the same time, we also turned our attention to the local community. In 2022 we supported the project 'Treasure games in the park' to promote the traditional and cultural heritage of 'Buzău County', an area that received the status of UNESCO International Geopark. As a key economic agent in Buzău County, beyond the economic contribution we generate through our business, we have indirectly supported community development by enhancing the tourism potential of the area.

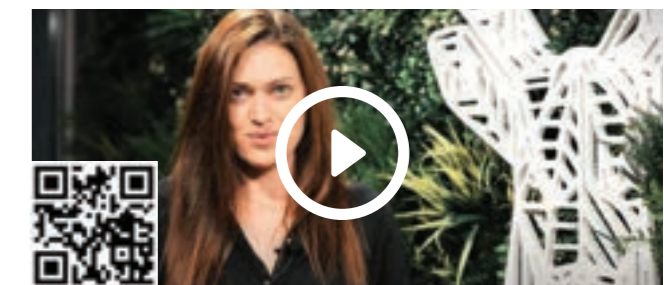


Also, in order for people in the community to enjoy relaxation in nature, we inaugurated two more **Ciucăș Relaxation Areas (currently 17 in total)**. These are picnic areas specially designed or rehabilitated by Ciucăș, equipped with the necessary infrastructure for having outdoor picnics but also keeping the nature clean.

Moreover, in 2022, through the 'Keep nature clean' project, visitors in 8 Ciucăș Relaxation Areas were informed, encouraged and rewarded for selective waste collection.

In order to encourage nature-friendly behavior, we continued to encourage consumers to practice selective waste collection at some of the biggest festivals in Romania - UNTOLD, Neversea, Oktoberfest. Thus, we installed ECOCAN collection systems for aluminum cans and the festival-goers were rewarded with different prizes according to the number of cans collected.

As a result of the actions in Ciucăș Relaxation Areas, during the big festivals, as well as the volunteer actions dedicated to cleaning, about 3 tons of waste were collected and sent for recycling.



Video: Social responsibility actions of Ciucăș



The Ursus brand has also taken important steps in terms of social responsibility with the 'Listen to your inner bear and do good' campaign, launched at the end of 2022 in partnership with the Conservation Carpathia Foundation. Through this initiative, 1% of the sales value of URSUS Premium limited-edition products went to actions of protecting the bears in the Făgăraș Mountains, but also the local communities in the area. Together with Ursus consumers, we supported this cause with about RON 600.000 (in January 2023).

	2021	2022
Spending for the benefit of the community: sponsorships, donations, community projects	~ 487.000 RON	~ 900.000 RON

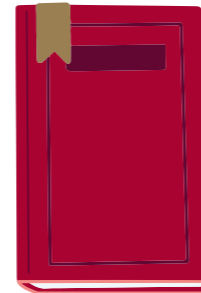






## FACILITATING PEOPLE-TO-PEOPLE CONNECTIONS

Building on our culture of bringing people together, we are involved in many strategic partnerships developed over time. One of these partnerships focuses on education, an area that needs continued support at all levels and in all communities where we are present. In order to encourage the education of students and fresh graduates we have continued the Ursus Breweries scholarship program.



These are dedicated to high schools and universities taking into account our presence in those cities and according to technical profiles that could provide a potential candidate base for our company. The scholarship program is aimed at students in their final year of study and master's students.

The selection process is carried out annually by the university or high school and, in addition to academic results, students are also assessed on their involvement in extracurricular activities or community benefit projects. In partnership with 11 educational entities in Bucharest, Cluj, Timișoara, Buzău and Galați, we offered 50 study scholarships annually, including two practice scholarships in 2022. Scholarships are offered for a period of 9 months. The total annual budget amounts to over 160.000 RON.

**We were also among the 9 business operators that formed the 'Consortium for Dual and Higher Technical Education'**, together with 'Dunărea de Jos' University of Galați, 'Dimitrie Filipescu' Technological High School and Buzău City Hall. The aim of this partnership is to obtain funding through the National Recovery and Resilience Plan to build an educational campus with modern facilities, both for students who want to become highly skilled workers and for students who want to become engineers after high school graduation.

	2021	2022
Amount of funding allocated to local partnerships with academia		322.800 RON
Number of study and practice scholarships	50	50

At the same time, we also focused to the development of students and graduates through **the Ursus Breweries internship program**. Their structure gives participants the opportunity to be part of an international community of trainees from all countries where Asahi Europe & International operates. Participants are remunerated and have the same benefits as Ursus Breweries employees, as well as access to trainings, mentoring, departmental rotations. During 2021, in the "Brew your future" internship program there were 17 beneficiaries (11 from the edition started in 2020 and 6 from the edition started in 2021), and during 2022, in the internship program "Go Graduates" there were 11 beneficiaries.

In addition to our stated ambitions to protect the environment, protect and develop our people, protect and promote human rights throughout the supply chain, **we are committed to contributing to the development of the local communities in which we operate and to strengthening collaboration with local partners.** We want to play an important role in bringing customers, employees and public and private partners together to add value to society.

One way we do this is through volunteer initiatives that complement our community engagement efforts. Both people in the community and our employees benefit from these activities. **They are part of a broad volunteer program called RE:CONNECTION, through which we aim to support communities in three main areas: environment, food and disaster relief programs.**



In 2021, still under restrictions and social distancing, we tried to find an innovative way for employees to get involved in volunteering and at the same time be safe from pandemic risk.

**This is how the 'URSUS Orchard' project was born, through which registered employees had the opportunity to receive two fruit trees**, one to plant personally and the second to give to a loved one to restore, through a symbolic gesture, the human interaction affected by the period of restrictions. The planting action, carried out simultaneously in Bucharest, Cluj, Timișoara, Brașov and Buzău took place with the support of Viitor Plus Association and registered a record result, **with almost 750 employees involved.**



Cleaning action in Valea Doftanei, Prahova

In 2022, in terms of environmental actions, **more than 100 Ursus Breweries employees carried out an extensive waste clean-up near the Doftana Valley river in Prahova county.** For this action we have ensured not only the cleaning but also the recycling of waste. 30 employees were also in charge of cleaning and marking the hiking trail to the eternal Fire (Focul Viu) tourist objective in Lopătari commune, Buzău county. This area has a huge touristic potential, being included in the Buzău Land, declared UNESCO International Geopark as of 2022.



Among the company's ongoing concerns are also issues of diversity, equity and inclusion. In this direction, employees have contributed through volunteering to support people with disabilities and other vulnerable groups. In Timișoara, they carried out activities with adults with disabilities who are beneficiaries of the 'Together on the labor market' program, run by United Way and 'Speranța' Foundation. In order to ensure basic needs, during the volunteering action we also prepared packages of food and hygiene products for the beneficiaries. In Cluj, together with the association 'A warm meal' (O masă caldă), Ursus Breweries volunteers cooked and served food to disadvantaged people coming to the city's social canteen.



Also, because Romania is constantly facing a shortage of blood and many surgeries are postponed for this reason, we organized two blood donation campaigns in May and December, to which more than 50 employees participated at.

2022 was the year that volunteering was formally recorded into the company's policies and internal digital reporting systems. Thus, each employee is entitled to 2 paid days off per year to dedicate to volunteering actions organized by the company or other organizations or institutions.

As an organization we value the power of staying connected and place great emphasis on creating opportunities for our people to come together, share experiences and have fun together. With the lifting of pandemic restrictions, we have gradually reopened many opportunities for face-to-face interaction with employees through conferences and training, monthly Town-Hall meetings, Christmas parties, Ursus Breweries family picnics, Happy Pub after working hours, volunteer activities and more.

	2021	2022
Number of hours dedicated by employees to participation in volunteering activities	>750 hours	> 1.900 hours
Percentage of employees who volunteered	~44% <small>(remote volunteering through individual planting of fruit trees)</small>	~14% <small>(face-to-face volunteering through direct interactions with beneficiaries and involvement in cleaning activities)</small>



"Eternal flames" hiking trail marking

# ABOUT THE REPORT

This is the 7th Ursus Breweries sustainability report and it follows Global Reporting Initiative standards. We are among the first companies in Romania to adopt these sustainability reporting standards. In addition, we have complied year after year with European non-financial reporting legislation on environmental, social and personnel issues, respect for human rights, the fight against corruption and bribery. We will continue both types of reporting until the new EU Directive on Corporate Sustainability Reporting becomes available.

The main purpose of this document is to keep stakeholders informed about how we have continued to manage sustainability over the past years and take responsibility for our economic, social and environmental impact.

Developed with reference to the Global Reporting Initiative standards, the report presents Ursus Breweries' sustainability performance and actions achieved between January 1st 2021 and December 31st 2022. The report follows the same structure and topics of interest as the previous one.



Sustainable Development Report 2018-2020



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### Accessibility and feedback

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# GRI CONTENT INDEX

Statement of use: Ursus Breweries reported the information in this GRI table of contents for the period January 1, 2021 - December 31, 2022 with reference to the GRI Standards.  
GRI used: GRI 1: Foundation 2021

GRI Standard	Disclosure title	Page number(s) and/or URL(s)
	2-1 Organisation details	6
	2-6 Activities, value chain and other business relationships	6, 10-12
	2-7 Employees	6, 50, 63, 68
	2-23 Policy commitments	6, 10, 13, 21
	3-3 Management of material topics	13
	2-28 Membership associations	8
	2-22 Statement on sustainable development strategy	4, 5
	2-9 Governance structure and composition	7, 8, 9
	2-29 Approach to stakeholder engagement	13, 14
	2-30 Collective bargaining agreements	6
	2-2 Entities included in the organization's sustainability reporting	6 <i>(Financial information related to our performance in the reporting period is publicly available and can be accessed at <a href="https://mfinante.gov.ro/domenii/informatii-contribuabili/per-soane-juridice/info-pj-selectie-dupa-cui">https://mfinante.gov.ro/domenii/informatii-contribuabili/per-soane-juridice/info-pj-selectie-dupa-cui</a> (introduce Company Registration Number (CUI) 199095 and click View)</i>
	3-1 Process to determine material topics	14 <i>(available in the Sustainable Development Report 2018-2020, page 20)</i>
	3-2 List of material topics	14 <i>(We reported the same material topics presented in the Sustainable Development Report 2018-2020, page 22)</i>
	2-4 Restatements of information	<i>Information in the Sustainable Development Report 2018-2020: The percentage of suppliers that were screened using social criterias represents the percentage of suppliers with whom we signed contracts and accepted our business conduct and ethics clauses (page 43) The materials reported in the generated waste table are quantities recycled, not recyclable (page 79)</i>
	2-3 Reporting period, frequency and contact point	<i>Reporting period: January 1, 2021 - December 31, 2022 Publication date: August 2023 Reporting frequency: every 2 years Contact: page 85</i>
	102-56 External assurance	<i>The report was not externally assured.</i>

## CHAPTER: GOVERNANCE

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GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	20
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GRI Standard	Disclosure title	Page number(s) and/or URL(s)
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GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	28
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GRI Standard	Disclosure title	Page number(s) and/or URL(s)
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