

Everyday sustainability

Sustainable development has been the main principle of our Company's operation for more than twenty years. For us it is a harmonious and well balanced combination of economic efficiency, social responsibility and our efforts to protect the environment. We ensure this by innovative thinking, maintaining our values and traditions, as well as by our ethical conduct towards all our stakeholders.

The appreciation of our employees and ensuring them a foreseeable future is the top priority for our Company. The headcount has not changed since the previous period; occasional higher demands of manpower due to increased market demand was met by hiring people for a definite period. One of the fundamental principles of our Company is that our employees should receive a fair salary which ensures their decent standard of living and which is in proportion to their performance. We paid attention to labour market changes and also maintained the balance between lower wages and higher ones. The new measures implemented in the previous year were popular among our colleagues, so we continued the policy for non-manual workers to work from home, while the manual workers in the distilleries get a hot meal free of charge once a week. For the summer vacations of 2018 and 2019, with the help of some teachers from the Molnar Ferenc Primary School, we organized two one-week summer camps for our employees' children.

Regarding health screening, this year was an unusual year as we **organized a complex health week** from 10-14 February 2020. We picked February, being 'the month of the heart', not only because of Valentine's Day, but also because it was a week devoted to congenital heart diseases, too. It is therefore probably no surprise that the main focus of all the programs during the week was the heart and the vascular system. During the week our star performer was **Sarolta Monspart** and **people could do various sports** (yoga, jogging in the morning, aerobics, riding a bike and the rowing machine) and a menu that promotes a healthy heart function was awaiting our employees every day in the dining room. In addition, there were **lectures, autogenous training, individual counselling, blood testing and, as a screening program, ECG and heart ultrasound scans**, which was conducted by the doctors from the György Gottsegen National Institute of Cardiology.

Professional training and development of our employees is important for the Company. During the 2019/2020 business year, we announced a new sphere of focus which was environmental protection and economic operation. During the campaign we organized quarterly presentations inviting the best expert opinions in the field. This is how Diána Ürge-Vorsatz, Nobel Peace Prize winner physicist and climate researcher and Ákos Kozma, economist, sociologist, teacher, and futurist visited us. We believe that environmental education and changing attitudes have a major role in solving environmental problems. We can protect and preserve the health of our environment by steering consumer habits in a positive direction. To this end we wanted to draw the attention of our colleagues to those small things, practices, shopping awareness and usage by which we can all make our and our peers' environment more liveable in the long term.

We also organized a number of programs this year aiming to strengthen the feeling of belonging and team cohesion. For example, the trade conference which is held several times each year, the summer-farewell party, our internal Oktoberfest, as well as the joint Christmas celebration which was made special this year by the interesting presentation of nature photographer Bence Máté. We continued our internal communication on our social media platforms this year as well, sharing the most important events and data.

In the field of social and cultural responsibility we highly support the strengthening of local communities, including the development of children and the protection of their health, as well as outstanding achievements in the field of culture or sport. Thus, the Molnár Ferenc Primary School, which has achieved significant results in the differentiated development and talent management of children, was supported by us again in order to ensure continuity of the Complex Instruction Program (KIP) implemented by the school. The main aim of the program is to help social integration of underprivileged children and to help them overcome their disadvantages. Our cooperation with the Children's Clinic in Tüzoltó street also dates back many years.

Our Company is committed to support volunteering and employee initiatives, thus we provide our employees with various options, programs they can join: we raised funds within the framework of the "Christmas of 100 children" campaign of the Horizont Foundation.

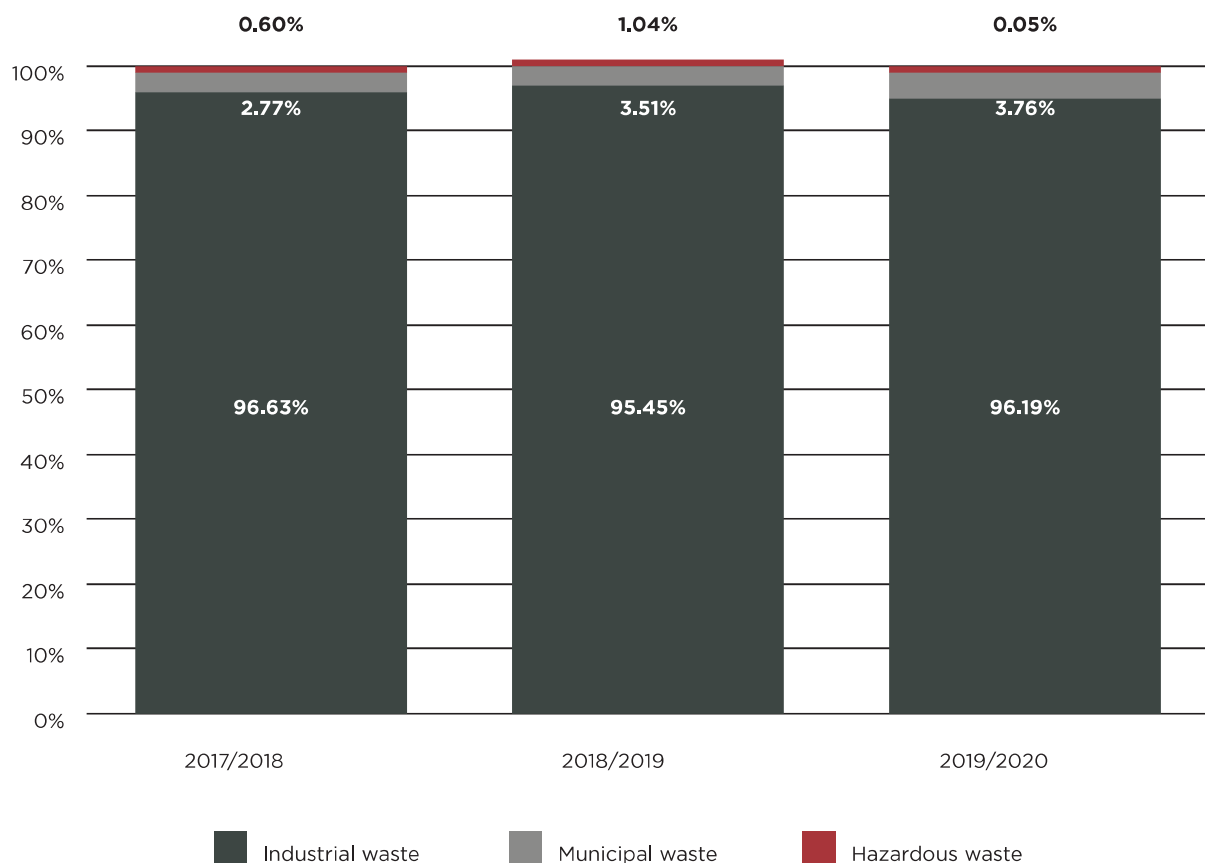
Zwack Unicum Plc., as the market leader, considers the task of popularising the notion of responsible and moderate alcohol consumption a top priority. Within the framework of various projects accomplished in collaboration with other member companies of the Moderate Alcohol Consumption Department of the Hungarian Spirit Association during the 2019/2020 business year, we also promoted the basic tenets of the campaign at the most popular festivals targeting young people. During the promotion we also devoted a lot of energy and attention to spreading the principles of moderate alcohol consumption and the prevention of underage drinking. As a common practice the catchy slogan "Zwack quality, but in moderation" is prominent on all our communication tools and our marketing activities respect the basic principles set by the Marketing Codex.

We continuously strive to ensure compliance with legal regulations. The authorities held 5 on-site inspections in areas closely related to our manufacturing activities.

The 2019/2020 business year is an important year as regards environmental protection: our certified environmental management system celebrates its 20th anniversary with a **campaign** full of interesting programs throughout the year.

The areas most affected by the Company's manufacturing activities remained waste management and the increase of energy efficiency. The amount of waste generated was comparable to the previous period. There is a slight change in the composition of waste generated as is shown on the graph below. **Utilisation of production waste has improved by 0.8%**, so its rate increased **to 96.2 %** in the 2019/2020 business year. Our constant focus on selectivity, the economical use of our packaging materials and our technical improvements enable us to generate as little waste as possible.

The proportion of generated waste by type (%)



Energy consumption is another important field for us. The energy management system (EIR) according to ISO 50001 standard has been operated, improved and certified since 2017, as the Company committed itself to continuously measuring, evaluating and developing its energy performance.

During the 2019/2020 business year the Company managed to decrease its electricity and gas consumption by **12.06%** and **8.46%** respectively. In order to achieve these results we made a number of investments to increase energy efficiency, among others the renovation of the steam pipeline network, the modernization of the lighting and heating systems. We will strive also in the future to continuously improve the efficiency of our energy management.