

ORIGINAL  
**ZWACK**



1790

REGISTERED TRADEMARK

**UNICUM**<sup>®</sup>

BUDAPEST

SUSTAINABILITY  
REPORT

**2022-2023**

The sustainable development program of the UN till 2030 is based on 17 Sustainable Development Goals. The icons indicate to which of these targets Zwack Unicum Plc. also contributed. Activities aiming to reach these goals are detailed in the relevant chapters.

<b>TABLE OF CONTENT</b>		<b>1</b>
<b>GREETINGS FROM THE BOARDS</b>		<b>3</b>
<b>GREETINGS FROM THE GENERAL MANAGER</b>		<b>4</b>
<b>THE ACTIVITY OF ZWACK UNICUM PLC.</b>		<b>5</b>
<b>OUR SUSTAINABILITY STRATEGY</b>		<b>7</b>
<b>OUR RESPONSIBILITY TO SOCIETY</b>		<b>11</b>
APPRECIATION OF OUR EMPLOYEES	  	<b>11</b>
ADVOCATE RESPONSIBLE DRINKING - “ZWACK QUALITY BUT MODERATION”	 	<b>18</b>
SOCIAL AND CULTURAL RESPONSIBILITY - STRENGTHENING OF LOCAL COMMUNITIES		<b>21</b>
<b>RESPONSIBLE COMPANY MANAGEMENT</b>		<b>24</b>
ECONOMIC EFFICIENCY - „ONLY POSITIVELY” OUR PRINCIPLES AND IMPACT		<b>24</b>
ETHICAL BUSINESS CONDUCT - FAIRNESS WORTHY OF OUR TRADITIONS		<b>28</b>
RESPONSIBLE PURCHASING ACTIVITY - OUR COMMITMENT TO OUR SUPPLY CHAIN		<b>35</b>
<b>OUR COMMITMENT TO ENVIRONMENT</b>		<b>39</b>
FIGHT AGAINST CLIMATE CHANGE AND CONSCIOUS ENERGY USE - WE ALSO THINK ABOUT TOMORROW	  	<b>39</b>
EFFICIENT WASTE MANAGEMENT - WE ARE WORKING FOR A CIRCULAR ECONOMY	 	<b>43</b>
SUSTAINABLE WATER CONSUMPTION - THERE IS NO LIFE WITHOUT WATER	  	<b>46</b>
<b>ABOUT THE REPORT</b>		<b>48</b>
<b>GRI CONTENT INDEX</b>		<b>49</b>





## GREETINGS FROM THE BOARDS GRI 2-22

Dear Reader!

The history of Zwack Unicum is in a way the history of the country, the region. The uniqueness of Unicum, the positive feelings associated with it over the centuries drives us to always offer the best of the standards of any given age - whether it's about the appreciation of our employees, the sophistication of our marketing, or the protection of the environment.

The world is changing rapidly around us, with globalization and the development of technology presenting unforeseen opportunities, but at the same time big challenges for humanity. In such situations, it is perhaps even more important to stick to principles, respect tradition, while remaining open to innovation.

Zwack Unicum Plc. is aware of its impact and does its utmost to reduce the negative effects while enhancing the positive ones, whether it is taking action against irresponsible drinking or minimizing the environmental impact of its manufacturing activities.

Sustainability requires a long-term commitment, which in the short term may even appear as an additional financial burden; being aware of this, our Company is committed to improvement and aims to achieve carbon-neutral operation in the long term.

As a good corporate citizen, Zwack Unicum Plc. was one of the first companies in Hungary to publish an environmental report in the 1990s, and then regularly published corporate responsibility and sustainability reports. ESG reporting is a natural continuation of this practice for us, and we present our activities and results in this area in accordance with current international standards. We trust that you will find the report interesting and meaningful, as a means to further strengthen the openness and transparency that characterizes all segments of the Company's operations.

It is worth living according to solid principles, always aiming for the best, and knowing that it is the forward-looking, positive thinking which will take us the furthest in the long term - this is the secret of Zwack Unicum's success.

Greetings:

**Sándor Zwack**  
Chairman of the Board of Directors

**Dr. Hubertine Underberg-Ruder**  
Chair of the Supervisory Board



Dr. Hubertine Underberg-Ruder & Sándor Zwack in Dunaharaszti with the factory's new solar-power equipment in the background



## DEAR READER! GRI 2-22

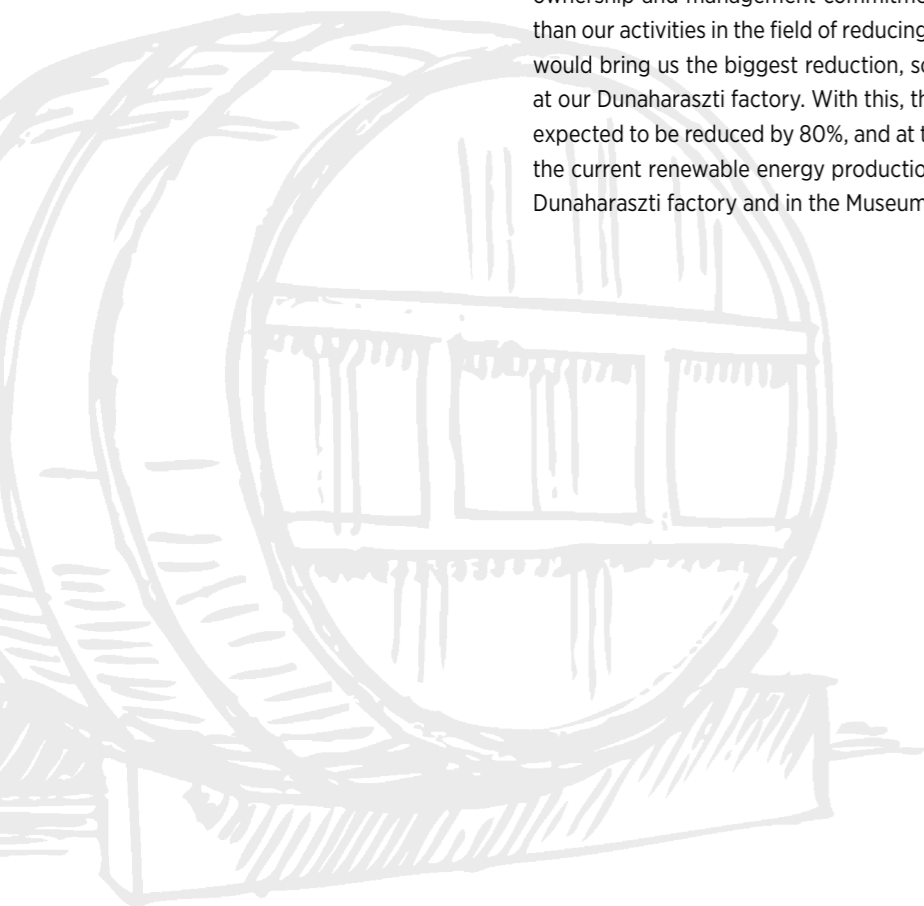
The 2022/2023 business year was a varied and challenging, but overall, a successful year for Zwack Unicum Plc., taking into consideration the external environment.

We had just put the COVID closures behind us and were happy with the results of our very successful 'month 1-4', when the effects of the Russian-Ukrainian war in Hungary's neighborhood were beginning to be felt. While purchase prices rose sharply on the one hand – glass and paper prices doubled due to their energy-intensive production and alcohol price rose by around 60% due to decreasing grain production in the war zone –, the purchasing power, on the other hand, began to noticeably decrease due to rising inflation.

To offset our costs, we were forced to raise prices twice in the year, which still lagged behind the increase in purchasing prices. The decline in sales since August was felt in each segment, but slightly less in the super-premium segment, in line with previous trends. Our goal is to maintain our market leadership in Hungary and to achieve growth in Unicum sales in our key export markets such as Italy, Germany and Hungary's neighboring countries.

There is a noticeable change in consumers' shopping habits, with the HoReCa sector stabilizing, mainly due to the revival of tourism in Budapest, and retail shopping shifting at an accelerating pace from hypermarkets to smaller discount chains. In our product and marketing communications, we always focus on conveying the message of responsible drinking, and with this aim we are running a targeted social program together with the Hungarian Spirit Association.

The secret of the successful operation of Zwack Unicum Plc. is the combined presence of the principles, the traditional values of the family Company and the long-term thinking in our everyday life. Sustainability is an integral part of our corporate culture, which is accompanied with strong ownership and management commitment. Perhaps nothing demonstrates this more authentically than our activities in the field of reducing carbon dioxide emissions. We examined which investment would bring us the biggest reduction, so we chose to install a heat pump system and solar panels at our Dunaharaszti factory. With this, the CO<sub>2</sub> emissions of the more than 10,000 m<sup>2</sup> factory are expected to be reduced by 80%, and at the corporate level by 20%. The extent of the reduction and the current renewable energy production data are continuously displayed on the LCD panel in the Dunaharaszti factory and in the Museum of the Unicum House. The experiences are currently being



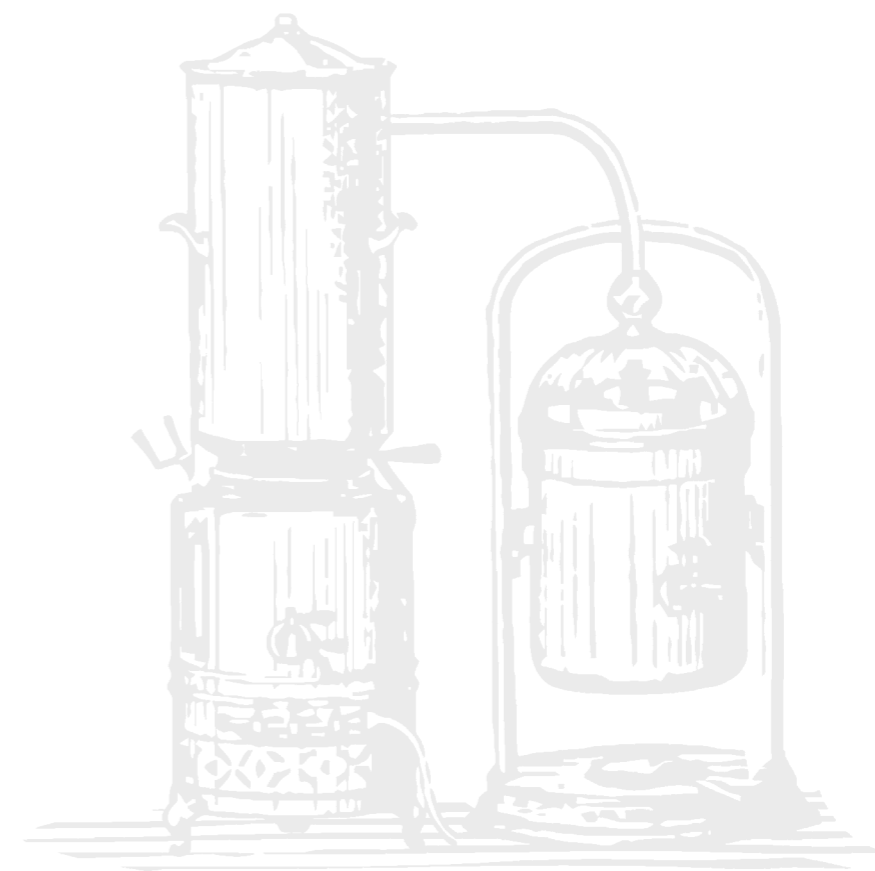
analyzed and will be used when planning the development of the sites in Kecskemét and on Soroksári street. Our long-term goal is to achieve the CO<sub>2</sub> - neutral operation. The significant investment of more than half a billion forints was launched before the energy crisis, assuming that the operation of the new system would not, or only pay off in the long term. As energy prices change, we believe that the investment can pay for itself within a few years.

In our procurement, our principle remains to choose a Hungarian supplier in case of equal conditions and availability, so for example we only buy alcohol from domestic sources. Our employees play an outstanding role in the successful operation of the Company, so their appreciation and retention are essential for us. The possibility of a home office for up to two days a week is attractive to many, especially to young people, and the turnover is low. To offset rising inflation, we have provided our staff with a one-off bonus, a six-month utility allowance, increased commuting allowances and, at the start of 2023, we also implemented an average wage increase of 15%.

Although Zwack Unicum wants to continue to set an example with its commitment to sustainability, we do not aim to be unique in this, since it is in our common interest that more and more people take the issue of our future and environmental protection strategically seriously.

I hope you find the ESG Report a good read!

**Frank Odzuck**  
General Manager





## THE ACTIVITY OF ZWACK UNICUM PLC.

Zwack Unicum Plc. is a major player on the Hungarian spirit market. Unicum has been considered a Hungarian national asset since 2015. The Company's wide product range is expanding year by year thanks to continuous innovation, and its market is significant not only in Hungary, but also in its neighboring countries, as well as in Italy and Germany:

# 230 years



UNICUM IS MORE  
THAN 230 YEARS  
OLD

### PRODUCTS AND MARKET TRENDS

GRI 2-6 The brand portfolio of our Company can be divided into two main segments: premium and value-for-money products. Apart from the beverages produced by us, we also distribute international premium brands. In the 2022/2023 business year, two major trends could be observed in the changes of consumer habits. The longer-term trend is the increase and spread of demand for quality beverages. In the consumption of alcohol, traditions and distinctive, high-quality production methods become more valuable. Specialties, high-value ingredients and unique flavors are becoming increasingly important for consumers. This is bringing premium and super-premium products to the fore. In addition, we could observe the impact of war and inflation in the short term. Because of these, and with the reduction of purchasing power, impulse purchases decreased, with consumers buying in a more planned manner and searching for retail promotions.

#### OUR FLAGSHIP PRODUCTS

<b>SUPER PREMIUM</b>	<p><b>Own production</b></p> <p>Unicum Riserva, Lánchíd Brandy</p> <p><b>Distributed</b></p> <p>Singleton, Zacapa, Ciroc, Talisker, Tanqueray 10</p>
<b>PREMIUM</b>	<p><b>Own production</b></p> <p>Unicum, Fűtyülős, Vilmos, Kalumba, Maximilian, Kosher, Hírös Kecskeméti product family</p> <p><b>Distributed</b></p> <p>Johnnie Walker, Baileys, Baileys Light, Captain Morgan, Tanqueray, Gordons, Evian</p>
<b>VALUE-FOR-MONEY</b>	<p>St. Hubertus, Kalinka, Óbester Marine Dry, Trois Tour, Portorico, Casino</p>

### OUR MARKET SHARE

Zwack Unicum Plc. had a market share of 32.8% in the Hungarian retail market for premium and medium-priced (VFM) products in 2022/2023.

### PRODUCT DEVELOPMENT

We consider our brands the most valuable commodity of Zwack Unicum Plc. In order to maintain and strengthen them, innovation and product development are priorities for us. We constantly and extensively monitor market trends and consumer habits to develop our product range in response to or even ahead of them. We believe it is important to involve all the relevant fields in product innovation, and to validate and develop ideas in a sound way.

In the 2022/2023 business year, we expanded the range of flavored gins in our Kalumba brand with the introduction of two new flavors (mango and blood orange), in line with the tropical flavors of the brand's signature Madagascan spices. The new flavor of the Fűtyülős brand introduced this year was watermelon, which proved extremely popular with consumers.

# 32,8%



OUR PREMIUM  
AND VFM RETAIL MARKET  
SHARE IS 32.8% IN HUNGARY

# 130 years



THE COMPANY IS AN ORGANIC PART  
OF THE COMMUNITY OF THE  
9TH DISTRICT SINCE 130 YEARS

GRI 2-1 The Company is operating at three locations in Hungary with unchanged focus:



#### • Budapest Main Office and Unicum plant:

Location for the Main Office and production site of Zwack Unicum herb liqueur, as well as of extracts and distillates for other beverages with a herb base. Bottling does not take place here, beverages are transported by tanker trucks to Dunaharaszti for bottling.



#### • Dunaharaszti plant:

production and ageing site of high-scale products. Hubertus, Kalinka and our other products are also made here. 90% of our products are bottled and packaged here.

#### • Zwack Palinka Distillery in Kecskemét:

One of the most up-to-date distilleries in Europe, production site of our niche brands requiring manual work. Our fruit distillates and gins are produced and bottled here.

An overview of the history of the Company and the Zwack family is available on our websites: (<http://www.zwackunicum.hu/> [hu/cegunk/zwack-tortenet/](http://hu/cegunk/zwack-tortenet/), and <https://unicum.hu/>).

## A ZWACK UNICUM PLC. AS A COMPANY GRI 2-6, 207-4

### ZWACK UNICUM PLC. IN FIGURES

	2020 / 2021	2021 / 2022	2022/2023
Market share of Zwack Unicum Plc. in the premium and mid-price retail market in Hungary	33,7%	33,2%	32,8%
Quantity produced (million l)	6,0	7,2	7,0
Funding (million HUF)	33 000	33 600	37 200
Total assets (million HUF)	13 058	15 209	15 433
Net sales revenue incl. excise tax and public health product tax (NETA) (million HUF)	24 259	31 326	35 364
Proportion of exports (in the net sales revenue)	12,54%	11,96%	11,61%
Profit after tax (million HUF)	1 436	3 200	3 448
Total taxes paid (million HUF)	17 545	21 190	22 785
Number of employees (persons)	244	254	258
Percentage of fluctuation <sup>1</sup>	8%	7%	10%
Percentage of fluctuation <sup>2</sup>	16%	14%	14%
Total direct CO <sub>2</sub> emission (tons)	1198	1396	1396



<sup>1</sup> The rate applies to employees to be replaced

<sup>2</sup> The rate applies to all departing employees.



**UNICUM, AS A SENSE OF LIFE**

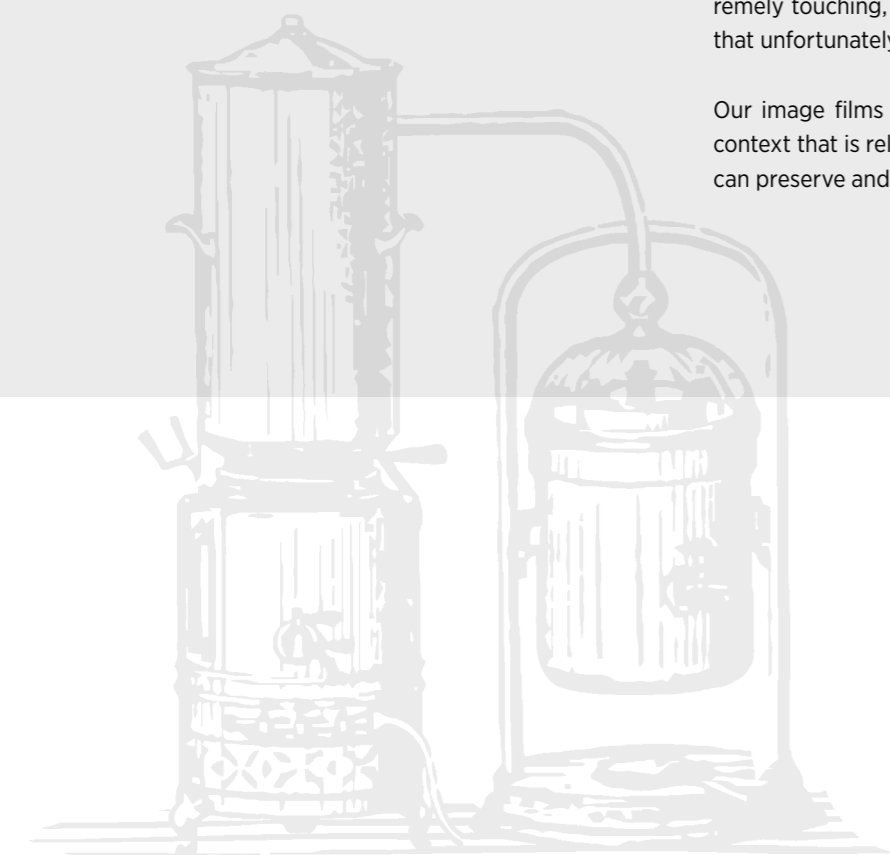
Last year we produced, in an unusual way, two image films for Unicum. Our image films always focus on conveying a sense of life that harmonizes with the values of Unicum, the herb liqueur that everyone knows and that most of us have a personal experience with. Our image films, with their presentation of Hungarian landscapes, unforgettable experiences, and human bonds, are intended to give back a special atmosphere.

Image films, which take a longer time to make as compared to commercials, are used by us for up to 3-5 years. Our hot air balloon film, which premiered in the summer of 2022, wanted to present Unicum and its meaning in a manner worthy of the history and cultural significance of the more than 230-year-old Hungarian brand. The iconic spherical glass shape takes the form of a hot air balloon and appears in various locations across Hungary, connecting moments that capture life's milestones.

The other image film was made for the Christmas period, which is unique for this reason alone, since no Unicum films had previously been made specifically focusing on this holiday. The short film highlighting the special father-son relationship, the magic and importance of our home was made at the beginning of 2022, starring Péter Haumann and Máté Haumann. The film was very positively received. According to the feedback, the film's illustration of the beautiful moments of homecoming and shared memories, as well as the relationship between generations was extremely touching, which is unintentionally reinforced by the fact that unfortunately Péter Haumann is no longer with us.

Our image films present the traditional values of Unicum in a context that is relevant to the present, as this is the only way we can preserve and strengthen the brand.

**Dávid Gábor Kovács**  
Marketing Director



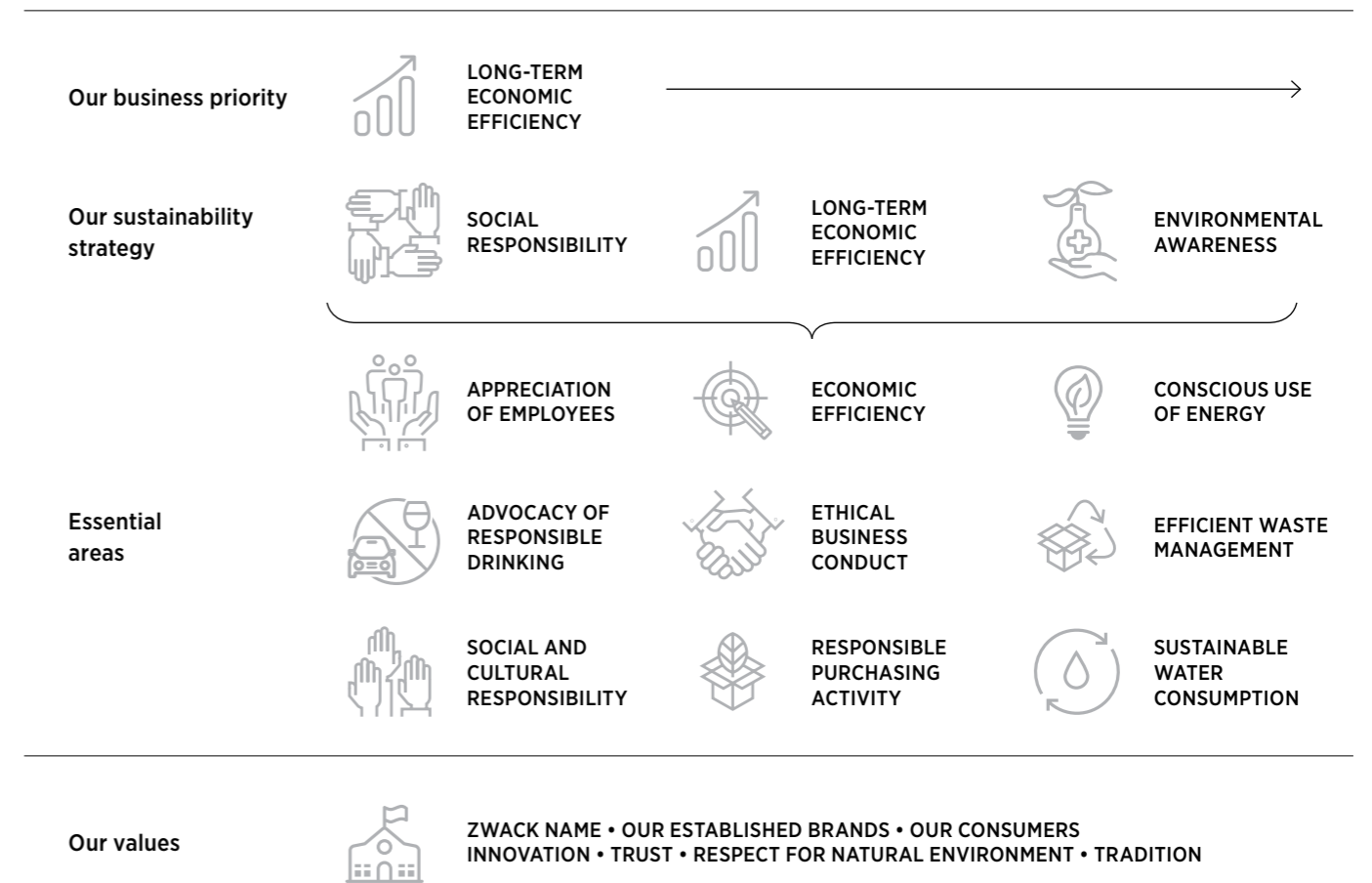
**SUSTAINABILITY AND ZWACK UNICUM PLC.**

**OUR SUSTAINABILITY STRATEGY**

*The sustainability strategy of Zwack Unicum Nyrt. is based on the three pillars of economic performance, environmental protection efforts and social responsibility; the properly balanced combination of which can be achieved through innovative thinking, the preservation of our values and traditions, and by acting ethically towards all our stakeholders.*

GRI 2-12 The materiality analysis carried out in the context of ESG (Environmental, Social, Governance) reporting confirmed the nine essential (material) areas in our strategy. The strategy was approved by the Company's senior management.

**STRATEGY AND ESSENTIAL AREAS**



Zwack Unicum Plc. is committed to achieving the 17 Sustainable Development Goals that underpin the United Nations 2030 Agenda for Sustainable Development. The activities contributing to the achievement of each of the Goals are described in the relevant chapters of this report.

Zwack Unicum operates a process-oriented, integrated management system combining the requirements of ISO 9001:2015, ISO 22000:2018, ISO 14000:2015 and ISO 50001:2018 stand-

ds. The Integrated Management Policy covers all the elements of the sustainability strategy, committing to their implementation and defining the principles to be applied in operations, thus strengthening their integration into operations.

The materiality analysis carried out for the preparation of this report and our performance according to the material topics are contained in the following chapters of the report.



## MATERIALITY ANALYSIS

GRI 3-1, 3-2 A materiality analysis was carried out to identify the topics to be covered by the ESG report. From the point of view of ESG/sustainability reporting, topics that represent the most significant economic, environmental and social (including human rights) impacts of the Company are considered essential. Essential impacts were identified in advance through an internal workshop with the support of RTG Corporate Responsibility Consulting Ltd. as an external professional advisor. The workshop was attended by the majority of the Company's Board of Directors, management and senior employees in key ESG areas, so that participants were able to gain insights from the Company's key stakeholders (owners, employees, customers and suppliers).

In compiling the list of potentially relevant topics, we took into consideration the range of topics identified in the previous materiality analysis, the industry benchmark studies, SASB's industry indicators and the topics of GRI Standards 2021. When identifying actual and potential impacts, we took into account the Company's activities and processes, and when assessing the extent of impacts, negative and irreversible impacts were given greater weight in accordance with the expectations of the GRI Standards, and their individual effects on each other were also measured from the perspective of Zwack Unicum Plc. The workshop evaluated the issues on a qualitative scale, and the topics with a score of at least 4 on a scale of 1-5 were preliminarily considered essential.

Applying the principle of double materiality, we also identified the sustainability topics that may have a significant impact on the Company's financial performance (these are highlighted in italics below), so the analysis is also in line with the upcoming Corporate Sustainability Reporting Directive (CSRD)<sup>1</sup> of the EU.

Following the workshop, we directly involved in the materiality analysis those external stakeholders who have appropriate expertise, comprehensive knowledge of the Company's impacts, as well as industry and cross-industry experiences to provide an objective view and put the sustainability effects into context. The analysis included telephone interviews with representatives of relevant NGOs and the academic life to explore their opinions.

According to the results of the stakeholder engagement, the long-term focus of Zwack Unicum Plc. is linked to the Company's centuries-long history and its genuine commitment to sustainability. Several respondents felt that responsibility for the supply chain was not highlighted enough in the preliminary list of essential topics. On the basis of stakeholder feedback, professional considerations and benchmarking studies, the pre-defined essential topics were expanded to include the topic of Purchasing Practices.

As a result of the materiality analysis, the list of essential sustainability areas for Zwack Unicum Plc. is listed below, divided into thematic groups as follows:

### Appreciation of employees:

- ✓ Employment (including livelihood support through jobs)
- ✓ Employee-management relations
- ✓ Occupational health and safety
- ✓ Training, skills development
- ✓ Freedom of association and collective agreement (for our employees)

### Supporting responsible drinking:

- ✓ Customer health and safety
- ✓ Product information and labelling (including promotion of responsible drinking)

### Social and cultural involvement:

- ✓ Local communities

### Economic efficiency:

- ✓ Economic performance
- ✓ Tax payment

### Ethical business conduct:

- ✓ Anti-corruption
- ✓ Anti-competitive behavior
- ✓ Non-discrimination

### Responsible procurement:

- ✓ Materials
- ✓ Purchasing practices<sup>2</sup>

### Conscious energy use and climate change:

- ✓ Energy
- ✓ Emissions (climate change mitigation and adaptation)

### Efficient waste management:

- ✓ Waste (and circular economy)

### Sustainable water consumption:

- ✓ Water and wastewater

Compared to the previous essential topics of Zwack Unicum Plc. for the year 2021/22, there are no changes in the thematic groups, however, based on the materiality analysis, Market Presence<sup>2</sup>, Environmental compliance and Socio-economic compliance<sup>5</sup>, Public Policy, Personal Data Protection are not included as essential topics in this ESG report – all this helps our reporting to be focused.

<sup>2</sup> The internal workshop highlighted the importance of the topic mainly from a financial point of view

<sup>5</sup> The internal workshop highlighted the importance of the topic mainly from a financial point of view

<sup>6</sup> Interpreted as Labor Market Presence based on the indicators of the GRI Standards.

<sup>1</sup> Corporate Sustainability Reporting Directive

## OUR RESPONSIBILITY TO SOCIETY



### APPRECIATION OF OUR EMPLOYEES - WE ARE A COMMUNITY

## OUR PRINCIPLES AND IMPACT GRI 401: 3-3; 2-23, 2-24

*The corporate culture of Zwack Unicum Plc. is defined by the history and background of Zwack Unicum Plc., which started out as a family Company – determining our values, the atmosphere, our attitude towards all our staff, valuing and appreciating our colleagues.*

Our Company has a direct impact on the quality of life of more than two hundred and fifty employees and of their families. The @Code of Ethics also lays down the Company's basic principles in relation to its employees, upholding the preservation of family traditions, existential security, individual growth and development, the creation of safe and healthy working conditions, and non-discrimination. Zwack Unicum strives to create an open-minded and understanding working environment.

Our core value is: „we believe in and build on responsible, proactive people”. Our people have a crucial role in the success of our Company. We put the wellbeing of our employees at the forefront of our operations and our daily decisions in order to build a talented, satisfied and engaged team for the long term.

We believe it's important to listen to our employees' individual needs and problems and find the right solution. Our managers apply an „open door” policy, and there is an explicit expectation that the characteristics of the manager-subordinate relationship only appear in workplace tasks. We encourage our employees to take the initiative, to express their opinions and, where applicable, critical comments.

We also aim to ensure flexibility in working hours, so we offer a home office of 2 days per week for people doing office work, which makes our Company even more attractive especially among the younger age group and helps to maintain a good work-life balance.

Our Code of Ethics defines the forms of behavior expected from our employees, which are necessary for the implementation of ethical business conduct on the one hand, and for high-quality and effective individual and joint work on the other hand. The expectations of the Code of Ethics are the same as the expectations of the main owners, and every new employee gets to know them. In addition to the Code of Ethics, the principles and practices related to employees are also summarized in the Collective Agreement.

## ACHIEVING OUR TARGETS IN 2022/2023

*GRI 401: 3-3*

- ✓ Keeping fluctuation below 15%: it was 10% for positions to be replaced and 14% for total turnover
- ✓ Supporting employee volunteering: two programs were implemented in this area
- ✓ Expansion of our health care programs: implemented with laboratory testing, eye screening and ultrasound scans

## ORGANIZATIONAL RESPONSIBILITY AND REPORTING

*GRI 2-12, 2-13, 401: 3-3*

The Director of Human Resources is responsible for human policy matters related to employees. Occupational health and safety issues are partly the responsibility of the Director of Human Resources and of the Occupational Safety and Hygiene manager. The Board of Directors is informed about human resources activities by annual oral reports.

## EMPLOYMENT GRI 2-7, 2-8, 2-30

The number of employees of our Company is stable; it increased by 1.5% compared to the previous business year.

**EMPLOYEES BY GENDER (AS OF 31 MARCH) (PERSONS)**

	2020/21			2021/22			2022/23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Full-time employees	123 <sup>1</sup>	112 <sup>1</sup>	235	125 <sup>1</sup>	117 <sup>1</sup>	242	139	109	249
Part-time employees	2	7	9	1	11	12	0	10	9
<b>Total headcount</b>	125 <sup>1</sup>	119 <sup>1</sup>	244	126 <sup>1</sup>	128 <sup>1</sup>	254	139	119	258
Employees with a fix-term employment contract	1	2	3	0	9	9	6	3	9
Employees with an open-ended employment contract	124 <sup>1</sup>	117 <sup>1</sup>	241	126 <sup>1</sup>	119 <sup>1</sup>	245	133	116	249
Number and proportion of employees covered by a collective agreement	239 (98%)			249 (98%)			253 (98%)		

<sup>1</sup>GRI 2-4 Due to a calculation error, values are slightly corrected compared to last year's report (deviation: max. 6 persons)

**EMPLOYEES BY REGION (AS OF 31 MARCH 2023)**

	Budapest	Dunaharaszti	Kecskemét
Full-time employees	148	69	32
Part-time employees	9	0	0
<b>Total headcount</b>	157	69	32
Employees with a fix-term employment contract	4	2	3
Employees with an open-ended employment contract	153	67	29

Our Company has a working time frame for most employees. We strive to take individual needs into account when designing the working time frame and the multi-shift schedules.

Our Company has a slight seasonality: in summer we employ 3 more representatives at Lake Balaton, and we also use more help at the Visitor Centre during this time. In the Visitor Centre, we regularly employ students to guide individual and group visitors. The students are employed through a student union, with an average of 2.4 people per full year and per full-time equivalent during 2022/2023. Seasonality in the factories was addressed by hiring fixed-term employees for 5-6 months in 2022/2023.

The majority of our employees live close to the place of work, the travel of employees of the Dunaharaszti factory is facilitated by a Company bus service (see Conscious use of energy). Our Company does not have any preference regarding the place of residence of its employees.

GRI 401-3 Our Company employs many parents with young children, so we have been organizing summer camps for children in cooperation with the Molnár Ferenc Primary School in District 9 for several years. In 2022, 22 children attended the camp. The theme of the camp is different every year, with a variety of leisure activities, programs and competitions to attend for the children. Parental leave in our Company is mainly taken by women. Zwack Unicum Plc. supports mothers' returning to work.

<sup>2</sup> These students are considered controlled workers, only they have non-guaranteed working hours

**EMPLOYEES RETURNING FROM LONG-TERM PARENTAL LEAVE**

	2020/21			2021/22			2022/23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of returnees after parental leave	0	1	1	0	1	1	0	1	1
Number of employees not returning after parental leave	1	0	1	0	0	0	0	1	1
Returnees who were still employed 12 months after their return to work (person)	0	0	0	0	1	1	0	1	1
Return rate	0	100%	50%	-	100%	100%	-	50%	50%
Retention rate	-	-	-	-	100%	100%	-	100%	100%

GRI 401-1 One of our main objectives was to keep fluctuation below 15%. We managed to achieve this: we had a 10% staff turnover rate when taking into account positions to be replaced, and a 14.3% staff turnover rate when taking into account staff who left and were not replaced. The turnover rate in 2022/2023 was almost the same as in the previous year, that is, the last two years could already halt the increase in fluctuation that was typical of previous years. The number and proportion of new entrants in 2022/2023 was significantly lower than in the previous year.

# 14%



THE RATE OF FLUCTUATION IS 14%

**NUMBER (PERSONS) AND PERCENTAGE OF EMPLOYEES HAVING LEFT THE COMPANY**

	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
By location						
Budapest	22	15	22	14,5%	9,7%	14,0%
Dunaharaszti	17	19	9	26,2%	26,0%	13,0%
Kecskemét	0	2	6	0,0%	7,7%	18,8%
By gender						
Female	18	15	16	15,1% <sup>2</sup>	11,7% <sup>2</sup>	13,4%
Male	21	21	21	16,8% <sup>2</sup>	16,7% <sup>2</sup>	15,1%
By age group						
Under 30	16	10	14	47,1%	23,3%	35,0%
Between 30-49	9	15	16	6,6%	11,3% <sup>2</sup>	12,5%
Above 50	14	11	6	19,2%	14,1%	6,7%
<b>All</b>	<b>39</b>	<b>36</b>	<b>37</b>	<b>16,0%</b>	<b>14,2%</b>	<b>14,3%</b>

<sup>2</sup>GRI 2-4 Due to a calculation error, values are slightly corrected compared to last year's report (deviation: max 1%)



**NUMBER (PERSONS) AND PERCENTAGE OF NEW EMPLOYEES**

	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
By location						
Budapest	20	23	20	13,2%	14,8%	12,7%
Dunaharaszti	16	23	10	24,6%	31,5%	14,5%
Kecskemét	0	7	8	0,0%	26,9%	25,0%
By gender						
Female	18	27	17	15,1% <sup>2</sup>	21,1% <sup>2</sup>	15,1%
Male	18	26	21	14,4% <sup>2</sup>	20,6% <sup>2</sup>	14,3%
By age group						
Under 30	15	27	16	44,1%	62,8%	40,0%
Between 30-49	10	15	14	7,3%	11,3% <sup>2</sup>	10,9%
Above 50	11	11	8	15,1%	14,1%	8,9%
<b>All</b>	<b>36</b>	<b>53</b>	<b>38</b>	<b>14,8%</b>	<b>20,9%</b>	<b>14,7%</b>

<sup>2</sup>GRI 2-4 Due to a calculation error, values are slightly corrected compared to last year's report (deviation: max 1%).

**RECOGNITION OF PERFORMANCE, ALLOWANCES**

*Our Company believes that a fair salary is essential to ensure a decent standard of living, and we offer our staff an income proportionate to their performance.*

The average gross earnings of our employees in the last three business years were almost twice the national average. At our Company, no employee receives a salary based on the minimum wage. Our Company provides a 100% Sunday shift allowance that is twice as much as the legal requirements. In order to compensate for the outstanding rate of inflation and energy price increases typical of 2022, we introduced a uniform utility allowance and adjusted the reimbursement of commuting costs to higher fuel prices.

**GRI 401-2** In addition to the salary, we offer fixed and flexible fringe benefits under a cafeteria system. There is no difference in benefits between full-time and part-time employees. There is no cafeteria allowance for fixed-term employees with a contract of less than six months.

**GRI 2-21** In 2022/2023, the annual remuneration ratio - the remuneration of the highest paid person relative to the median employee, taking into account total annual remuneration - was 20.51. The increase in the remuneration of the highest paid person compared to the previous year was smaller than the increase in the median remuneration (increase in the remuneration of the highest paid person / increase in the median remuneration: 0.96).

**GRI 404-3** The vast majority of managers, as well as a proportion of non-manual workers, receive regular performance appraisals. Managers are encouraged to introduce this practice for all employees.

**NUMBER OF PEOPLE RECEIVING PERFORMANCE EVALUATIONS AND CAREER DEVELOPMENT REVIEWS IN 2022/2023 (PERSONS)**

	Male		Female	
	persons	rate	persons	rate
Top managers	3	50,0%	2	100,0%
Mid-level managers	17	94,4%	10	76,9%
Non-manual workers	21	45,7%	26	27,7%
Manual workers	0	0,0%	0	0,0%
<b>Total</b>	<b>41</b>	<b>31,8%</b>	<b>38</b>	<b>29,5%</b>

A certain part of manager income (bonus) is dependent on the achievement of pre-defined targets. The targets are set by line managers in consultation with the employee and are evaluated on a monthly, quarterly or annual basis. The basic salary represents at least 70% of the total monetary remuneration.

The Board of Directors operates a traditional remuneration system and a previously introduced share-based incentive scheme for its senior and other employees.

Every five years, we also provide financial rewards for employees who have worked for our Company for at least 10 years, as part of our loyalty reward scheme. In addition, we award a Lifetime Achievement Award to colleagues who retire from our Company, have worked with us for an outstanding length of time and contributed to our success. Employees with an outstanding performance receive an acknowledgement from the CEO every year. In December 2022, 10 employees received a CEO acknowledgement.

**TRAINING OF EMPLOYEES** *GRI 404: 3-3, 404-2*

*We believe that professional development and continuous learning is one of the keys to achieving our goals and to maintaining the consistently high and improving quality of our operations.*

For this reason, we provide space and opportunities for our employees to train themselves and expect them to have openness to new things and a need for development. The training of our staff is based on an annual training plan, which is designed to meet individual needs. In the case of language training, there were many cases again where interest in a training course was indicated by a staff member, and based on that the course was launched.

In 2022/2023, the increase in the number of training hours per person continued, with an increase of around 15% in total training hours.

During the year, a number of skills development programs were held, including leadership training and presentation training. We also organized team building programs and a series of other programs for the entire trade organization. In the latter, a questionnaire was used as a first step to assess the current mood in the team and then various topics were raised to identify issues causing difficulties for the employees and to find out what we can rely upon. Following this, the employees worked in small groups to process the results and develop an action plan for the next period. In addition, professional presentations (e.g. a generational workshop)

also took place. In addition to the above, English language courses and participation in professional conferences are ongoing.

Some of our recurring training courses take place through e-learning (e.g. education of new entrants, food safety). The effectiveness of training sessions is evaluated by participant interviews and evaluation discussions with trainers following the training.

# 6656 hours



**IN THE 2022/2023 BUSINESS YEAR  
OUR EMPLOYEES GOT  
6656 HOURS OF TRAINING**

**NUMBER OF TRAINING PROGRAMS PER CAPITA (HOURS) GRI 404-1**

	2020/21		2021/22		2022/23	
	Male	Female	Male	Female	Male	Female
Top managers	3,20	29,33	3,20	40,00	9,33	40,00
Mid-level managers	42,46	47,27	52,92	72,00	41,33	47,08
Non-manual workers	17,92	19,45	22,43	24,58	26,35	31,67
Manual workers	0,28	0,00	9,07	4,40	10,13	25,60
<b>Average</b>	<b>11,84</b>	<b>19,50</b>	<b>18,54</b>	<b>25,83</b>	<b>21,64</b>	<b>29,95</b>

**SAFE AND HEALTHY WORK ENVIRONMENT GRI 403: 3-3, 403-9**

*We consider a safe work environment essential. Our practices go beyond the legal requirements, both in terms of occupational health and safety and in protecting the health of our employees.*

GRI 403-6 Between 2020-2022, one of the main objectives of our human resources policy was to address the COVID situation from an employee perspective, but in the 2022/2023 business year this was no longer a major issue and did not present a challenge. Nevertheless, we continue to give priority to the preservation of health. In order to support it, in 2022/2023 we again announced screening tests for our employees. In addition to the usual laboratory testing, we organized the eye screening and ultrasound examination of employees. 164 people took part in laboratory tests, 143 in ultrasound examinations and 72 in eye screenings.

GRI 403-2, 403-3 Occupational health services are ensured in accordance with legal requirements. The services are provided by an external partner, and employee participation in the risk assessment process is ensured. The external partner was also involved in the health risk analysis, which was approved by the occupational health doctor in each case, and its results were used to carry out health fitness tests. The performance of the external service provider was monitored by the occupational safety and health officer.

GRI 403-2, 403-4, 403-5 At our Company, the identification of occupational safety hazards, risk assessment and investigation of incidents are also carried out in accordance with the legal requirements and with the frequency specified in the Occupational Safety and Health Code of Zwack Unicum Plc. The occupational health and safety risk assessment covers all sites, activities and affected employees, resulting in an action plan. The implementation of the tasks contributes to development and helps to keep risks at an acceptable level or to reduce them. The necessary resources are taken into account in the business planning process. Appropriate work clothing and protective equipment is provided for employees. Training of colleagues

is carried out regularly in accordance with legal requirements and includes both general and hazard-specific elements. Zwack Unicum Plc has a parity occupational health and safety board, which meets at least once a year. Employees are involved in risk assessment, the elaboration of regulations and the design of the working environment.

All the employees can report primarily to their superiors in case they

**2** work accidents



**2 WORK ACCIDENTS OCCURRED IN THE LAST BUSINESS YEAR**

notice a dangerous situation related to work safety or the possibility of one. In all cases, the information should be sent to the occupational safety representative, who is responsible for the investigation. This involves assessing the circumstances, analyzing the causes and, where appropriate, taking action. Documented information is available on each step. It is the basic right of all employees to refuse work if it would pose a danger to them. Employees should not suffer any disadvantage or retaliation due to this. No such case has ever occurred.

Work accidents are rare at our Company. There were two accidents in 2022/2023, and no accidents in the previous two business years. There have been no serious injuries for a number of years, nor have

our risk assessment identified any risks that would pose the risk of serious injury. One of the accidents occurred in the Kecskemét factory, and was caused by carelessness, when a worker cut his hand while opening a bag. The other incident occurred in Dunaharaszti, where the employee's leg was injured while getting dressed, without any external influence.

We organize first aid courses on a regular basis, and the names of our first aid providers are posted in the corridors of production areas. A resuscitation device (defibrillator) is available at our office reception and in our factories. We have taken out life insurance for all our employees, and accident insurance for our employees who drive cars.

**EMPLOYEE-MANAGEMENT RELATIONSHIP, COMMUNICATION**

GRI 402: 3-3, 407: 3-3, 402-1

*Openness, trustworthiness, reliability and responsibility are core values of our Company. Our aim and our expectation towards our managers and staff is that communication should be based on these values. There is a regular exchange of information between the management and our staff.*

NWe place great emphasis on communication and the internal flow of information. The Zwapp internal communication application helps to ensure a fast, efficient and extensive flow of information.

The company LinkedIn page is used to communicate company news that may be of interest both internally and externally. On the company Facebook page, we share more informal, internal news that is more relevant to colleagues.

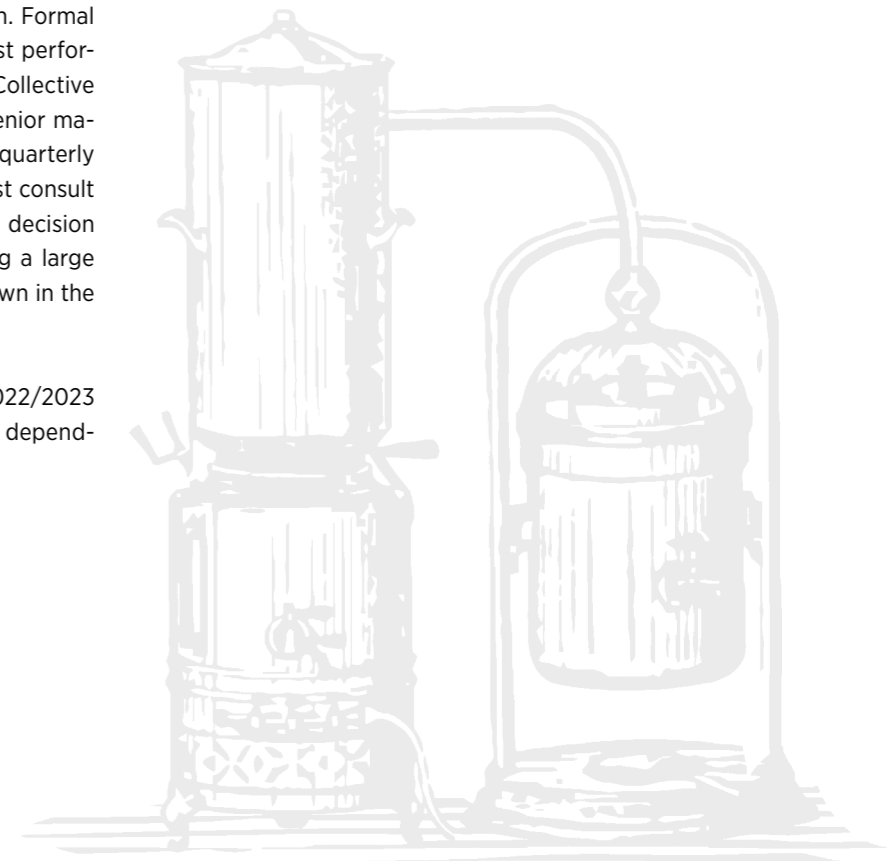
Weekly management meetings and the flow of information through direct management channels also play an important role in management decision-making.

GRI 2-30 Cooperation with the trade union is almost daily. We can approach each other with any request or question. Formal meetings are held on a quarterly basis to evaluate past performance and to formulate requests and questions. Our Collective Agreement applies to all our employees, except for senior managers. Reports are made to the Works Council on a quarterly basis. According to the Labor Code, the employer must consult the works council at least fifteen days before taking a decision on draft employer measures and regulations affecting a large group of employees, but this is not specifically laid down in the Collective Agreement.

There was no employee satisfaction survey in the 2022/2023 business year, the survey will be repeated in 3-4 years depending on management decision.

**OUR TARGETS FOR THE FUTURE**

- ✓ Continue health screenings, which are very popular among employees
- ✓ Ensure the competitiveness of wages in an environment of rising inflation
- ✓ Maintain a family Company culture, reduce staff turnover







## ADVOCATE RESPONSIBLE DRINKING - “ZWACK QUALITY, BUT IN MODERATION”

### OUR PRINCIPLES AND IMPACT GRI 3-3

*Zwack Unicum Plc. is a committed advocate of moderate and responsible alcohol consumption.*

Drinking alcohol is part of our culture, traditions, informal socializing, and entertainment for adult people, however, in certain situations and to certain extent, it can be dangerous for the consumer and the environment. The entire activity of Zwack Unicum Plc. takes a position in favor of moderate and responsible consumption of alcohol. Emphasis on high-priced and high-quality beverages is the first step in preventing excessive consumption, but our marketing communications and product information also encourage responsible consumption. In addition, we consider awareness-raising campaigns important and take an active role in them. Our marketing activity is based on the Marketing Code, which sets out the principles of responsible marketing activity.

### ACHIEVING OUR TARGETS IN 2022/2023

- ✓ Our motto „Zwack quality, but in moderation” can be seen on all our products and promotion materials
- ✓ We participated in the summer campaign of the Hungarian Spirit Association to promote moderate drinking
- ✓ We had all our advertisements and publications reviewed in advance with the Advertising Self-Regulatory Board (ÖRT)

### ORGANIZATIONAL RESPONSIBILITY AND REPORTING

GRI 2-12, 2-13 The Marketing Director is responsible for activities related to responsible drinking and marketing communication, while the Marketing Director and our product development staff

are jointly responsible for the content of product labels. We participate in campaigns related to responsible drinking through the Hungarian Spirit Association.

### MARKETING COMMUNICATION AND EDUCATION

GRI 417: 3-3 In our marketing activities we fully comply with the requirements of our Marketing Codex. In addition,

*Zwack Unicum Plc. fully complies with the basic principles of the Hungarian Advertising Code ([www.ort.hu/kodex](http://www.ort.hu/kodex)) developed by the Advertising Self-Regulatory Board (ÖRT), paying particular attention to the rules on advertising alcoholic beverages,*

which cover, among other things, the protection of children and minors, groups at high health risk (e.g. pregnant women), the incompatibility of drinking alcohol with driving or working, and the avoidance of excessive alcohol consumption. We also believe that content on responsible drinking and self-regulation are fundamentally important in our digital communications, and our social media pages fully meet the requirements of the Advertising Self-Regulatory Board. Our Company remains an active member of the ÖRT, and it is our long-standing practice to consult the ÖRT in advance on advertising and publicity. To strengthen and develop the professional expertise of our staff, a workshop was organized by ÖRT for our marketing team on responsible marke-

ting communication in early 2023. The comprehensive training covered typical marketing trends, legal requirements, and ways to comply with them, as well as responsible marketing opportunities in line with the Company's current priorities and objectives. The digital space is becoming more and more important in relation to marketing, and we covered its features in the workshop.

We believe it is essential for high quality marketing activities that the members of our marketing team are familiar with the characteristics of alcohols, which is why all our colleagues have a Level 2 qualification of the Spirit module of the Wine & Spirit Education Trust.

*Mentoring programs and professional training courses held for our own employees include the presentation of the principles and practical implementation of responsible and moderate drinking.*

GRI 417-1 Our slogan „Zwack quality, but in moderation!” is used in all our communication channels and on the labels of all our products, reinforcing the message of responsible drinking. We also fully comply with the legal requirements regarding the information shared on our products. Accordingly, the category of the drinks, the alcohol content, and possible allergenic ingredients are indicated on the labels. (In the case of spirits, giving the list of ingredients and nutritional information is optional.)



### PREVENTIVE CAMPAIGNS

*As a key player in the alcohol market, we are committed to promote responsible drinking. The awareness-raising campaigns of our Company are accomplished in cooperation with other organizations. We place particular emphasis on preventing underage drinking, prohibiting alcohol consumption when driving and promoting moderate drinking.*

Zwack Unicum Plc. is a committed member of the Hungarian Spirit Association and Product Council (MSzSzt) and considers it important to continue the prevention projects.

The Association's central program is Italmérték (Drink Measure), which provides a range of useful and important information on responsible and civilized drinking on the [italmertek.hu](http://italmertek.hu) website. The summer campaigns held yearly also help to spread the message of responsible drinking as widely as possible. In the 2022/2023 business year, the campaign focused on visitors of summer festivals, encouraging them to consume in moderation. Featuring two popular Hungarian influencers a total of three videos were produced, which were viewed by more than 40,000 people on their channels. The influencers conducted mini-interviews with the target audience



at events and festivals, while highlighting the characteristics of responsible drinking.

The message of the campaign, available on both traditional and social media (56 media in total), was that a small amount of alcohol is enough to enjoy life to the maximum, and thus the memories and summer experiences can be remembered the next day and also for a long time. At the beginning and the end of the campaign, a challenge was launched on the social media pages of Italmérték, in the framework of which participants could win festival tickets and event vouchers by commenting and using the hashtags #dominimumgetmaximum and #minimummalmaximum. Blog posts and educational quizzes were also published on the [italmertek.hu](http://italmertek.hu) website during the campaign period. The campaign was a clear success, with more than 1.1 million impressions and 571.5 thousand people reached by the message. Zwack Unicum also displays the website's availability and icons on its communication channels. The campaign was funded by several sources, with the Hungarian Spirit Association applying to spiritsEUROPE, and the association's membership fees and additional voluntary contributions from some members covering the costs. In addition to the membership fees, our Company supported the campaign with an additional financial contribution and actively participated in its development.

Our Company assists in the local implementation of Diageo's international DrinkIQ program. Contact information and attention-grabbing icons of the DrinkIQ program can be found on the Diageo brands distributed by us, and we also help Diageo to build local relationships.

## OUR GOALS FOR THE FUTURE

- ✓ Increased measurement of the effects and results of programs related to responsible drinking, reporting to the Board of Directors and the Supervisory Board.
- ✓ Develop a policy to promote responsible drinking
- ✓ Participate in the continuation of the campaign of the Hungarian Spirit Association.



## SOCIAL AND CULTURAL RESPONSIBILITY - IN CLOSE CONNECTION WITH LOCAL COMMUNITIES

### OUR PRINCIPLES AND IMPACT GRI 413: 3-3, 413-2

*Our Company has always had close links with the local community. We work together to strengthen the local community, primarily by supporting those in need. To this end, we have for many years supported children's development programs, maintained our contribution to health organizations and encouraged our employees to volunteer.*

We are convinced that without an understanding of the community and its needs, we would not be able to succeed in our main activity either. The Company and the Unicum distillery are an integral part of Ferencváros, and we expect it be like that for a long time. Our other two factories have a shorter history, but we strive for well-functioning local relations here as well. Our aim is to ensure that the impacts of our activities do not impose a burden on the community; in this area, we can talk about potential negative effects on the environment, however the local emissions from our factories are not significant (see Chapters 5.1, 5.2, 5.3 for more details).

### STRENGTHENING OF LOCAL COMMUNITIES

*Zwack Unicum Plc. aims to contribute to the development of local communities by supporting and encouraging initiatives in alignment with its values. GRI 413: 3-3, 413-1*

Since 2010, our Company has been supporting the Molnár Ferenc Primary School in the 9th district of Budapest, which aims to effectively co-educate children from different social backgrounds, with different abilities and performance levels, through its Complex Instruction Program (KIP). The program simultaneously supports the talent management of high-performing students and the catching-up of lower-performing children, providing everyone with equal chances and opportunities. The method proved to be effective, the school improved its results in terms of enrollment, dropouts and further education since its introduction. Our support helps the educational work of the Molnár Ferenc Primary School Foundation. The Foundation provides the tools necessary

Our grants are typically long-term, we want to be predictable and reliable partners to those organizations that provide help with effective, well-functioning programs. However, we are also open to new collaborations if it serves a good cause.

### ACHIEVING OUR TARGETS IN 2022/2023

- ✓ Maintain our past supports and cooperations
- ✓ Support for rescue and health organizations
- ✓ Support employee volunteering and fundraising initiatives

### ORGANIZATIONAL RESPONSIBILITY AND REPORTING

GRI 2-13, 413: 3-3 At our Company, several managers are in contact with local communities, and the Marketing Director is responsible for donation and sponsorship activities, while the implementation of volunteering is the responsibility of the Human Resources Director.

# 12 years



WE HAVE BEEN SUPPORTING THE COMPLEX INSTRUCTION PROGRAM OF MOLNÁR FERENC PRIMARY SCHOOL FOR 12 YEARS

for high-level pedagogical activities and provides children also with the opportunity to participate in cultural, artistic and sports events, class and study trips, and holidays to enrich community life. The Foundation is also involved in the education of a healthy lifestyle and its promotion within the school and at home, encourages language learning through exchanges abroad, rewards outstanding teaching activities and provides regular or occasional support for children from disadvantaged social backgrounds.



Our other long-term cooperation is the support of the Órzők Foundation for Children with Cancer and Leukemia on Tűzoltó Street. The aim was to support the air-conditioning of family apartments owned by the Foundation, where children who require a long treatment and live far from Budapest are accommodated, together with their families. Our contribution was also used for the maintenance and operation of the family apartments and the so called "baby-momma" rooms located on the premises of the Clinic. Informative events with the participation of well-known experts could also be organized.

The Ferencváros Community Foundation is dedicated to local community development, supporting initiatives in the district, connecting donors and people in need. After the death of Peter Zwack, his daughter Izabella Zwack initiated the establishment of the Zwack Fund supported by Zwack Unicum Plc. The Fund primarily supports the education of talented and disadvantaged young people.

For many years, we have been supporting the Magic Lamp Foundation's aim to fulfill the wishes of as many ill children as possible by ensuring an office place for the foundation in our Main Office.

One of the best vocational training institutions in Békés County, the Zwack József Commerce and Catering School in Békéscsaba, has also been supported by us for many years with scholarships, study trips, and the provision of further training opportunities.

In 2022, our Company financially supported the programs of the Hungarian National Museum with a financial donation and became a participant in the Patron Program of the Hungarian National Museum. In addition, our Company participated in several museum events and charity events with a tasting counter, offering participants Unicum as a Hungaricum.

Due to the reputation of our Company, we are regularly contacted by various organizations for possible material donations. If the event fits our values, we will donate a symbolic quantity of beverages. In the past year, we donated beverages mostly as raffle prizes for charity evenings, and we also supported vocational schools and smaller events with drinks for tasting. When making these donations, we always have the principles of responsible drinking in mind, so we do not send drinks to events that target families or are related to driving.

**MAIN ORGANISAIONS AND EVENTS SUPPORTED IN 2022/2023**

Molnár Ferenc Primary School
The Ferencváros Community Foundation
Órzők Foundation
Medicopter Foundation
National Ambulance Foundation
Horizon Social Foundation
Commerce, Catering and Tourism Vocational Education Foundation
The Hungarian Spirit Association
The Magic Lamp Foundation
Foundation for "Hearing Impaired Children"
Patronus House
Hiszek Benned (I Believe In You) Public Foundation



The current state of the Miyawaki Forest. May 2023

**VOLUNTEER WORK**

*As a family Company, cooperation based on mutual responsibility is part of our Company culture. We are committed to encourage volunteer work and the individual initiatives of our employees. As a rule, the help given by our employees is supplemented by a financial donation from our side.*

During 2022/2023, volunteering and donations were supported by our two programs: at the start of school, in September, we organized a collection of clothes for school-age children between 6 and 14 years. The clothes collected were donated through the Tanulj Tesó! (Learn Bro!) Foundation to a school in a disadvantaged community. The foundation helps children and young people from disadvantaged families in their learning, catching up and getting a start in the world of work.

Our second program was a charity cookie fair in December, which can now be considered traditional. As part of this, our colleagues made cakes, which could then be purchased in our Main Office on Soroksári street for a donation. The amount collected by the employees was doubled by the Company. The donation will be used for

Christmas presents for disadvantaged children in the 9th district by the local Horizon Social Foundation.

**OUR GOALS FOR THE FUTURE**

- ✓ Continue our long-term cooperations
- ✓ Strengthen our engagement with the communities of Dunaharaszti and Kecskemét
- ✓ Take up issues and employee initiatives closely related to our professed Company values and further strengthen the organizations we have been supporting for years



The moment of planting





## RESPONSIBLE COMPANY MANAGEMENT

### ECONOMIC EFFICIENCY - „ONLY BE POSITIVE”

GRI 201: 3-3

*Economic efficiency is a fundamental pillar of long-term sustainability and one of the foundations of our contribution to sustainable development.*

In order to avoid potentially negative impacts of economic performance, Zwack Unicum, as a responsible Company, strives to achieve economic performance while protecting the environment, the natural resources and acting ethically and responsibly towards its stakeholders, not overridden by short-term profit interests. The responsible decisions of our managers are supported by the commitment of the owners to sustainability and the long-term incentives set out in the Remuneration Policy.

Our successful operation enables the fair remuneration of employees, our orders to our suppliers and the financial basis for our charity work, while taxes paid to the state and local governments also contribute to the achievement of community goals.

Economic performance depends on the interaction of external and internal factors. However, efficient use of resources is key to long-term sustainable success.

### ACHIEVING OUR TARGETS IN 2022/2023

- ✓ Profit and market share targets were met (targets are not disclosed).

### ORGANIZATIONAL RESPONSIBILITY AND REPORTING

The economic goals of Zwack Unicum Plc. in terms of profit and market share are approved by the Board of Directors and the Supervisory Board. The realization of these goals is the responsibility of the General Manager of the Company. The Financial Director is responsible for tax compliance.

### ECONOMIC PERFORMANCE

The 2022/2023 business year was another very successful year economically. The Company successfully managed the challenges posed by the war, inflation and the energy crisis. Our economic and financial results are detailed in our Annual Report. Unlike the balance sheet and income statement approach of our Annual Report, data representing our economic performance in the present Report has a special focus on retained profit and the breakdown of payments to the various stakeholder groups.

# 7 million



IN 2022/2023  
7 MILLION LITRES  
BEVERAGE WAS PRODUCED

### GRI 201-1 GRI 201-1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (ACCORDING TO DATA OF IFRS FISCAL STATEMENTS, HUF MILLION)

	2020/21	2021/22	2022/23	
<b>I. Direct economic value generated</b>	<b>24 644</b>	<b>32 125</b>	<b>35 921</b>	
Revenues (gross sales revenues including excise tax + other revenues + fiscal revenues)	24 644	32 125	35 921	
<b>Stakeholders</b>	<b>II. Distributed economic value</b>	<b>24 083</b>	<b>31 330</b>	<b>35 272</b>
Suppliers	Operation costs (without depreciation charges)	7 821	10 570	12 837
Employees	Employee wages and benefits (payments to personnel)	2 993	3 150	3 685
Owners	Payment to providers of capital (dividend)	1 400	3 000	3 400
State	Payments to government (taxes without contribution and tax payments related to personnel expenses and without VAT)	11 802	14 471	15 306
Local communities, NGOs	Community investments (donations and sponsorships with TAO discount)	67	139	44
<b>All stakeholders</b>	<b>Profit retained (I.-II.)</b>	<b>561</b>	<b>796</b>	<b>649</b>

The amount of 'payments to personnel' accounts for all the payments made in recognition of performance, which increased by 17% in the 2022/2023 business year. The production and sales activity justifies the large share of material costs.

*GRI 207-1, 207-2, 207-3, 207-4* The Company is a major taxpayer both on a local and national level. Local taxes represent approximately 2% of total taxes paid by the Company. We do not have a specific tax policy and our aim also in terms of tax payment is to comply with the law, i.e. to fulfill the prescribed tax payment obligation within the deadline. Regular mandatory training and external and internal audits ensure that this is achieved in practice and that legal requirements are monitored. Tax risks are also identified, managed and monitored through audits and the use of external tax experts. Though our Company's tax practices could be subject to comments and concerns during external and internal audits, there have been no such instances. Regarding tax payment and tax disclosures, in addition to the audit of the Annual Report, an external audit is carried out at Zwack Unicum Plc. every 3-5 years.

Our Company maintains contacts with the tax authorities through tax experts and regarding taxation matters participates in interest representation activities through spirit industry organizations (the Hungarian Spirit Association and Product Council, the Hungarian Branded Goods Association). Consultations in these associations also provide an opportunity to explore views on taxation issues.

The amount of tax paid by the Company depends largely on the volume of sales. Zwack Unicum Plc paid HUF 12.4 billion in excise tax in the 2022/2023 business year, which we estimate to represent around 9-10% of the total excise tax payment to the state treasury. This item is also included in revenues.

Local taxes paid represent 3% of total tax payments.

### AMOUNT PAID IN TAXES (HUF MILLION)

	2020/21	2021/22	2022/23
Local taxes	252	335	423
Government taxes*	12 409	14 534	15 841
<b>Total*</b>	<b>12 661</b>	<b>14 869</b>	<b>16 264</b>

\* without VAT

# 60%



IN PURCHASE VALUE  
60% OF OUR PURCHASES STEM  
FROM DOMESTIC SUPPLIERS



GRI 207-4 TAX PAYMENT INFORMATION CONCERNING ZWACK UNICUM PLC.	2022/23 (million HUF)
Revenue from sales to third parties	21 215
Revenue from intra-group transactions between countries	0
Profit before tax (+) gain / (-) loss	4 160
Tangible assets and stocks	8 463
Corporate tax paid on a cash flow basis	247 222
Corporate tax liability	334 042
Statutory corporate tax rate	9%
Effective tax rate without deferred tax	9%
Justification for the difference between the effective tax rate and the statutory corporate tax rate	

GRI 201-4 Our Company did not receive any state support in the 2022/2023 business year, but received one on one occasion in the last three business years. The non-refundable amount awarded in 2021 was used for the modernization of the bottling line in Dunaharaszti in the 2021/22 business year.

204-1 The indirect economic impact of spirit drink production and distribution can be noticed mainly in Hungary, as the full production takes place in Hungary and, in purchase value, 60% of our purchases stem from Hungary, and 52% of production suppliers are Hungarian. Even with an increasing share of export sales, sales to domestic markets are still dominant (88%), so also in terms of the value chain, our Company's indirect job creation ability prevails primarily in Hungary.

## SALES

GRI 2-6 The domestic customer base of Zwack Unicum Plc. can be divided into three stable segments, where a slight shift towards the retail segment can be noticed in sales:

- retailers: nearly 55%;
- gastronomy sector: also nearly 44.3%;
- direct sales to consumers: 0.7%.

Our Company's distribution channels have not changed compared to the last period: we are in contact with the major retail networks in Hungary. Our gastronomy clients, except for our wine division, are served exclusively through wholesalers. Online retail sales strengthened slightly, but primarily within the traditional retail chains' own distribution system.

The availability of our brands abroad is very important for us, therefore we currently sell our products in almost 50 countries. There has been no significant change in the export trend last year. In 2022/2023 we had nearly 30 products available abroad, and we sold every 4th liter

of Unicum abroad. The product turnover ratio of export activity is around 12%. Priority is given to our former key markets, such as Italy, Germany, Slovakia and Romania, as well as other EU markets. We achieved significant success in these markets in recent years.

# 20 600 visitors



THE MUSEUM AND VISITORS' CENTRE WELCOMED 20 600 VISITORS

## THE UNICUM HOUSE

In the Unicum House, our visitors can learn about the more than 230-year history of the Zwack family and Unicum. The challenges of recent years proved to us that though the world is constantly changing, one thing is certain: Unicum! Positive thinking always pays off. The boom of tourism in the city and the new impetus for tourism in general also helped to boost visitor numbers, so the number of visitors to the Unicum House not only reached the pre-COVID levels, but managed to exceed it: 20.600 visitors from Hungary or abroad were curious to know the secret in 2022.

We are constantly improving our services, so the digital developments we were working on in previous years were enriched with new ones last year: the production flowchart in the old distillery was digitalized and during the tour we also show our visitors the energy investment in the Dunaharaszti factory, thus helping the Company's sustainability goals.



Ernő Szájbely,  
Visitors' Centre and Event Manager

## ACKNOWLEDGEMENTS

Our products prove their uniqueness and distinctiveness year by year, achieving outstanding results in numerous international professional competitions. The International Wine & Spirit Competition (IWSC) is a prestigious wine and spirits competition held in London annually, which receives applications from more than 90 countries around the world every year. In 2022, Unicum Barista won the silver medal in this competition.

The Inno d'Or - Innovation of the Year competition of Trade Magazine annually honors innovations that meet a specific consumer need, fit a particular trend or are the result of a development inspired by an existing need. In 2022, Unicum Barista was awarded the Innovation of the Year prize in the beverage category.

Many of the Diageo products distributed by us were recognized for their popularity and sales.

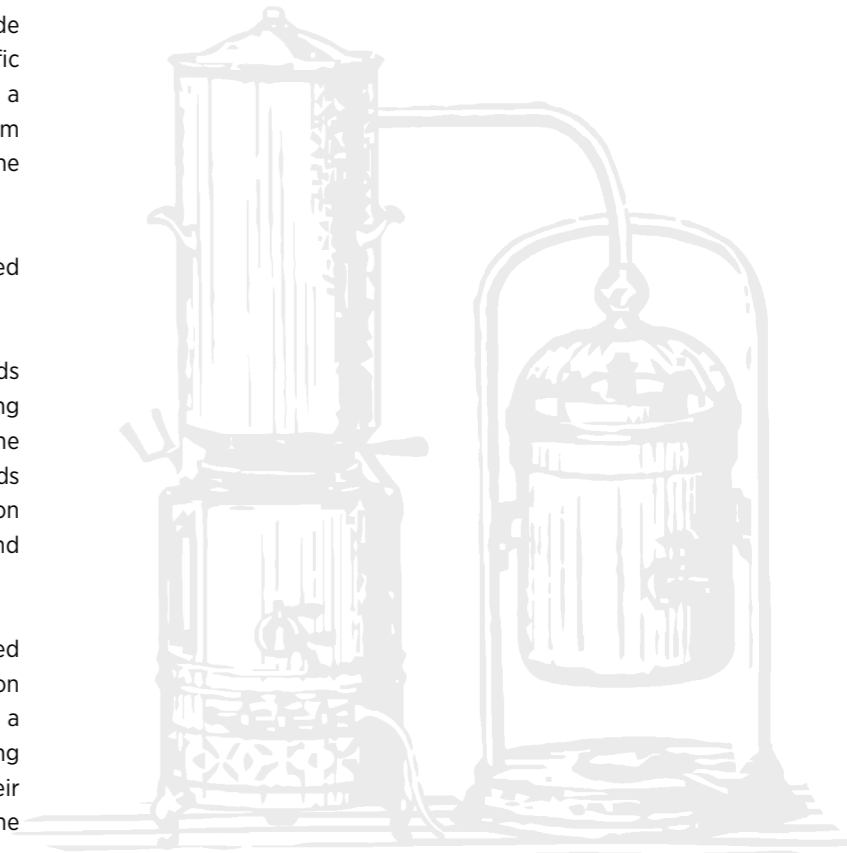
In 2022, Unicum as a brand won the MagyarBrands (HungarianBrands) award in the category of Outstanding Consumer Brand and Zwack Unicum Plc. also won it in the Outstanding Business Brand category. MagyarBrands awards Hungarian brands that achieve outstanding performance on the domestic and international markets, providing quality and reliability to customers.

Johnnie Walker's local campaigns developed in 2022 received several awards. The aim of the campaigns was to carry on the KEEP WALKING message with Hungarian artists and a message that is also relevant for domestic consumers, aiming to encourage everyone to fight for their dreams and their communities. In 2022, the film starring Bori Péterfy won the

Silver Blade award in the craft category at the idea-oriented Golden Blade Competition. The film starring Ivan & The Parazol won a silver award of Kreatív Hypnózis 2022 in the category Film direction, art direction, realization.

## OUR TARGETS FOR THE FUTURE

- ✓ Achieve our profit and market share targets



On the old telephone on the museum desk - once owned by János Zwack - visitors can listen to family stories by picking up the receiver and dialing the appropriate 'call number'.

The extremely emotive short film "Lost Budapest" (Eltűnt Budapest) of Animatiqua Studio brings the city's lost buildings to life again, even our former first factory building on Erzsébet square appears in it. This short film can already be watched in our museum.

Our focus is all about preserving traditions and giving them a modern approach, thus preserving the rich past of the family and forwarding the sustainability of the Company for the future.



## ETHICAL BUSINESS CONDUCT - FAIRNESS WORTHY OF OUR TRADITIONS

### OUR PRINCIPLES AND IMPACT *GRI 2-23, 2-24, 205: 3-3, 206: 3-3, 406: 3-3, 417: 3-3*

*Ethical business conduct is one of the Company's core values.*

Zwack Unicum is a major player in the Hungarian economy and an internationally important representative of the industry and sees itself as such. As a result of this role, we have a large number of stakeholders and we are convinced that the values and the manner in which our Company conducts its business have an impact, in addition to our value chain, on other players in the industry as well. Zwack Unicum wants to set the standards for its scope of activities in a guiding way, and intends to be the embodiment of business integrity, reliability, and predictability. Our Company operates in compliance with the laws in force at any given time and expects its employees to be aware of and comply with them. Our aim is to prevent and avoid negative effects resulting from unfair conduct and, by setting an example, encourage other market participants to do the same.

Our principles for partnerships and business relationships are set out in our Code of Ethics, which was approved by the Company's management, providing information to the Board of Directors. We also set out in our Integrated Policy that our operations are based on compliance with legal and other requirements and compliance obligations.

Effective and cooperative communication with stakeholders is important to us. Zwack Unicum values transparency and is committed to it.

### ACHIEVING OUR TARGETS IN 2022/2023

*GRI 205: 3-3, 206: 3-3, 406: 3-3, 417: 3-3*

- Review of our Code of Ethics. The review is postponed to 2023/24 so that the changes in stakeholder expectations (e.g. LkSG) can be included.
- Legitimate operation. The minimal fines and the minimal number of observations from authorities reflect our law-abiding operation. Our target of 0 HUF food authority fines was not met due to a single fine of a minimal amount.
- ✓ In our communication and activities, we take into account the results of the 2021 customer and employee satisfaction survey.
- ✓ The range of stakeholders and compliance obligations are regularly reviewed.

### ORGANIZATIONAL RESPONSIBILITY AND REPORTING

*GRI 2-25, 205: 3-3, 206: 3-3, 406: 3-3, 417: 3-3*

*GRI 2-12, 2-13* The areas of ethical business conduct are managed by different managers Typically, the senior manager (director) responsible for the specific field and the managers of the management systems are responsible for the integration and fulfillment of the legal requirements. It is the responsibility of the Director of Human Resources to investigate any observation or complaint relating to human rights (including discrimination) and to inform the person concerned in writing of the outcome of the investigation.

The Audit Committee receives an annual report on the findings of authority inspections and audits.

*GRI 2-29* The expectations of stakeholders are taken into account at management level. Within the integrated management system, processes are defined to ensure the satisfaction of external and internal stakeholders (owners, social organizations, employees, customers, etc.) in the production of products and services, and responsibilities are defined.

### STAKEHOLDERS

*GRI 2-1, 2-6, 2-15, 2-28, 2-29* Zwack Unicum Plc. has an extensive range of stakeholders, as shown in the following table. To identify the stakeholders, we take into account the Company's activities, processes, actual and potential impacts. Among the expectations, we have identified those that we wish to meet by complying with the principles of business ethics – as a quasi-compliance obligation. The characteristics of our stakeholder engagement, the purpose of which is to fulfill compliance obligations, are contained in the following table. Stakeholders and their expectations are reviewed and updated annually.

STAKEHOLDER GROUP	MAIN STAKEHOLDERS	ABOUT THE DIALOGUE	METHOD OF INVOLVEMENT	DUTY OF COMPLIANCE TOWARDS THE INTERESTED PARTY
Owners	Peter Zwack & Consorten H.AG. – the Zwack and the Underberg families (50%+1 share) Diageo Holdings Netherlands B.V. (26%) Collective ownership (24%-1 share) – owned by small shareholders and municipalities"	Yearly performance assessment, target setting Decision on the main strategic direction of the Company including sustainability Determine the elements of responsible corporate management and its daily operation Management of internal control Presentation of indicators for environmental, energy, food safety and occupational safety performance	Yearly and quarterly financial reports Responsible corporate governance report, Sustainability Report General Assembly and Shareholder Office Board and Supervisory Board meetings with defined agenda Written requests are answered by the management or the governing body according to the Basic Rules	Lawful operation Economic efficiency Innovativeness Preservation and respect of values HAVARIA-free and HS (food safety) risk managed operations Continuous improvement in energy management performance EglR (energy management information system) risk managed operation
Customers	Retail customers Wholesalers, gastronomy partners In case of export one distribution partner per country	SContractual requirements - Marketing and cooperation for sales promotion Influencing consumer habits in order to encourage proper service and diverse consumption – beverages with less alcohol content Product information Handling of comments and complaints Product recall (follow-up tests)	Customer service, corporate (domestic and export) and brand websites, Buyer-KA Manager contact Visits by regional representatives, customer meetings, discussions Joint market visits to export sales countries with key partners, Quarterly Business Review, product knowledge course, information shared on OwnCloud, export newsletter Joint development and implementation of promotions and actions Customer satisfaction survey, Handling customer complaints, Letter, e-mail, media coverage as required"	Correct partner relationship Sales promotion cooperation Safe products of good quality at reasonable prices Safe products and communicating appropriate information about products Operation of a tracking system, smooth product recall" Identify corrective-preventive measures where necessary
Consumers	Consumers of our products, participants of our market activities	Understanding consumer opinions on our products, getting to know market trends and expectations Important information about our products, taking into account labelling requirements Communication of responsible alcohol consumption to a wide range of consumers Complaints/complaint handling	Consumer queries, satisfaction surveys Sales promotion activities, presence on festivals Handling of consumer complaints Online corporate and brand webpages, interactive communication via social media Zwack Unicum Museum and Visitors' Centre Labels of our products, various marketing communication materials, information on interfaces, Letter, e-mail, personal consultations, Handling consumer complaints	Safe products of good quality at reasonable prices Providing information via online platforms Correct food labelling and product information Safe products and user instructions



<b>Employees</b>	Employees of our Company and the trade union representing them	<p>Understanding and raising awareness of the company's strategy and values, integrated policy, raising awareness of objectives, social responsibility activities</p> <p>Information flow, communication about major events, changes, achievements</p> <p>Suggestions for continuous improvement, problem solving</p> <p>Quality, environmental, energy - and food safety awareness</p> <p>Responsibilities and powers laid down in regulations</p> <p>Operational risks, their management, the obligation to comply with stakeholders</p> <p>The impact of the activity on quality, human health and the environment; environmental, energy and occupational safety performance</p> <p>Emergency procedures</p> <p>Occupational health and safety issues; health and safety protection and environmental risks of work</p> <p>Collective agreement and topics covered by it</p> <p>Description and operation of the system of social and funeral allowances</p>	<p>Employee satisfaction survey</p> <p>Intranet, ZWAPP and electronic mail system, meeting system</p> <p>Managers are available through an „Open Doors Policy” or „Welcome Hours”</p> <p>Common company events, holidays</p> <p>Works Council announcements - participation in extended monthly management meetings and quarterly written information on company affairs</p> <p>Cooperation with the local branch of the Food Workers' Union</p> <p>Education, training programs, volunteering</p> <p>Regulations, job descriptions</p> <p>Sustainability report</p> <p>Joint risk assessment</p> <p>Management review</p> <p>Participation in risk assessment visits</p>	<p>Proper flow of information</p> <p>Performance-related pay, remuneration</p> <p>Safe work environment</p> <p>Education, training and development programs</p> <p>Taking into account comments from councils representing the employees</p> <p>Food safety and EglR related training, Knowledge of the food safety system and person-related responsibilities (hygiene, emergency management)</p> <p>Knowledge of the continuous improvement of EglR</p>
<b>Suppliers</b>	Suppliers of our company	<p>Flexible, open, fair, effective cooperation</p> <p>Performance feedback</p> <p>Involvement in innovation activity</p> <p>Getting to know the values and commitment of the Company and making them known by others</p> <p>In outsourced processes, the clear presentation of requirements and the provision of supervisory activities</p> <p>Product recall, follow-up</p> <p>Food safety related information for products and services.</p>	<p>Contract – based on our quality, food and energy safety and environmental protection principles</p> <p>Promoting the Code of Conduct</p> <p>Evaluation of suppliers, audits</p> <p>Cooperation with fruit suppliers in the frames of the fruit qualification system</p> <p>Specifications</p> <p>Acceptance inspection, technical inspection, supplier evaluation, audits</p> <p>Negotiations, consultations</p>	<p>Fair partnership</p> <p>Fulfillment of additional commitments included in agreements</p> <p>Safe materials, communicating appropriate information about the products</p> <p>Operation of a tracking system, smooth product recall</p>
<b>Competitors</b>	Competitors of our company	<p>Exchange of expertise and efficient promotion of our interests – while respecting the principles of competition law</p> <p>Leading by example in responsible operations and quality beverage production</p>	<p>Cooperation with professional organizations, like for example the Hungarian Spirit Association, the Advertising Self-Regulatory Board (ÖRT) and the Branded Goods Association.</p> <p>Continuous monitoring of market processes and events</p>	<p>Compliance with business ethics</p> <p>Compliance with competition law requirements</p>
<b>Social, local communities</b>	<p>Municipalities</p> <p>Membership in the European Integration and Business Development Association of Ferencváros</p>	<p>Commitment to the company's values, presentation of its environmental and energy performance, and social responsibility activities</p> <p>In addition to managing official affairs, we strive for close cooperation through our donations, which can benefit the organisations of local communities and the events they organize.</p> <p>Information on observations received</p> <p>Information on products to supports conscious consumer behavior</p>	<p>Sustainability report</p> <p>Maintaining a cooperative relationship with local governments our company is represented at the 9th District Municipality, at the Climate Platform meeting of its Climate Strategy Planning.</p> <p>Support of programs, events</p> <p>Support of local cultural institutions, sport clubs</p>	<p>Supporting local communities, good citizenship.</p> <p>Conscious search for cooperation opportunities in climate strategy planning within the district.</p> <p>Compliance with municipal regulations</p> <p>In case of product support, product safety is essential</p>

<b>Civil organizations</b>	<p>Memberships in professional associations, bodies (e.g. the Hungarian Spirit Association, the Advertising Self-Regulatory Board ((ÖRT)), the Branded Goods Association, the BCSDH and the ISO 9000 Fórum)</p> <p>Supported organizations</p>	<p>Declaration of Zwack Unicum Nyrt.'s commitment to sustainability through the support of programs; in addition to the grants, also joint work which enables us to develop</p> <p>Information required for company advocacy</p> <p>Commitment to company values, activities for social responsibility</p>	<p>Active memberships and participation on conferences</p> <p>Occasional / regular personal and written contact</p> <p>Providing supports and sponsorships in accordance with the values and sponsorship guidelines of the Company</p> <p>Our company became a member of the Hungarian association of the World Business Council for Sustainable Development (BCSDH)</p>	<p>We are open for communication</p> <p>Maintaining continuity of support</p> <p>Conscious customer groups, adequate information about products, transparency in terms of food safety.</p>
<b>State, governmental organizations</b>	<p>National Tax and excise authority</p> <p>National Food Chain Safety Office</p> <p>National Chamber of Agriculture</p> <p>Hungarian Food Book and Spirits Committee</p> <p>National Authorities for Environment and Nature Protection</p> <p>National Authority for Climate Change</p> <p>Waste Management Directorate of the National Authority for Environment and Nature Protection</p> <p>National Authority for Labor and Occupational Safety</p> <p>National Authority for Catastrophe Management</p> <p>MOHU ( MOL Waste Management Ltd )</p> <p>MEKH (Hungarian Energy and Public Utility Regulatory Office)</p>	<p>Our company strives to develop a fair and cooperative relationship with the authorities, and our operations are based on ensuring compliance with legal requirements.</p> <p>The work of authorities is supported by professional comments on the drafts of legal regulations</p> <p>Legal compliance</p> <p>External communication of environmental and energy-related data/information prescribed as public by the domestic and EU regulatory environment (e.g. the provisions of the EHAT law and executive orders).</p> <p>National standardisation of waste management, development of concessions.</p>	<p>By fulfilling legal obligations:</p> <ul style="list-style-type: none"> <li>• mutual data and information supply</li> <li>• permission requests</li> <li>• decisions</li> <li>• official inspections</li> </ul> <p>providing documents/data in connection with inspections</p> <p>Conferences, information events</p> <p>Professional viewpoints are mostly coordinated indirectly through the Hungarian Spirits Association and Product Council, representing the whole industry on the following issues: taxes, health regulations, advertising regulations and logistics-type regulations.</p> <p>Provide energy and environmental information on a website, in the sustainability report.</p> <p>Regular and occasional data provision, Payment of fees</p>	<p>Compliance with legal and other requirements</p> <p>Active, information-sharing cooperation on EBIR issues, payment of fees</p>
<b>ÉBCS/EMCS</b>	<p>members of ÉBCS (Food Safety Group)</p> <p>members of EMCS (Energy Management and Control Working Group)</p>	<p>Review of issues related to food safety and energy management as defined in internal regulations</p>	<p>Information on performance trends, changes, compliance obligations, emergencies, incidents, risks, non-compliances and planned events.</p>	<p>Availability of information needed for decision-making</p>
<b>Experts</b>	<p>Energy specialist</p> <p>Consumer protection officer (activity outsourced for a limited period)</p>	<p>Performing tasks laid down by law</p> <p>Preparing monthly and yearly reports</p> <p>Declarations and notifications to the authorities</p> <p>Expert activity</p> <p>Performing tasks laid down by law, Expert activity</p>	<p>Ongoing data provision by contract. Member of EMCS. Issuance of ad hoc tasks</p> <p>Contractual or ad hoc tasks</p>	<p>Provision of information necessary to carry out the activity</p> <p>Provision of information necessary to carry out the activity</p>

GRI 2-25, 2-26 Customer and consumer complaints regarding products and services can be received from the customer/consumer directly, in person, in writing (letter, e-mail, message sent on the Company website or to a designated e-mail address) or by telephone, or indirectly by a regional representative and a representative of the freight forwarder. Complaints are investigated and handled according to their type, in an internally regulated manner. Consumer complaints can typically be sent to

Customer Service, the brand manager, quality control, the shop, the export manager or export coordinator, as well as to employees managing the email mailboxes specified on the Company website. The Company also has an email address specially created for handling complaints: panaszkezeles@zwackunicum.hu. We do not operate a formal whistleblowing system, employees can seek advice on responsible business conduct from their line manager or from the Human Resources Directorate.

**COMPANY MANAGEMENT**

*Zwack Unicum Plc. is stable, its ownership structure is firmly established. The framework of Company management is created by the transparent organizational structure and spheres of responsibility:*

GRI 2-9, 2-18 The Company's governing bodies, in line with legal requirements, are the General Assembly, the Supervisory Board, the Audit Committee, the Board of Directors and the management of the Company (the General Manager and the Directors). Their operation is outlined on the „Investor relations - Bodies and management” page of our website at www.zwackunicum.hu. The report on responsible corporate governance practices includes an evaluation of the work of the Board of Directors, the Supervisory Board, the management and their individual members (Investor Relations – Responsible Corporate Governance).

GRI 2-10, 2-17 The proportion of locals (Hungarian citizens) in the Company management is 100%. In the Supervisory Board, this ratio is 67%, while in the Board of Directors it is 57%. The professional background and experience of the members is extremely heterogeneous (e.g. lawyer, economist, biologist), which ensures a complex approach to sustainability. The members of the leading bodies expand their knowledge regarding sustainable development through self-education. The members of the management bodies are nominated and elected according to the rules of procedure of the Board of Directors and the Supervisory Board.

GRI 2-19, 2-20 The Remuneration Report, the Remuneration Policy and the Remuneration Guidelines provide information regarding the remuneration of the management bodies and directors (@our website Investor Relations – Corporate Governance Principles). The resolutions of the General Assembly regarding remuneration can also be found at @our website (Investor Relations - General Assemblies).

GRI 2-12, 2-18 The management bodies oversee the corporate policy and strategy for social and environmental issues related to sustainability, and the performance of the economy, while environmental and human resources areas are evaluated separately at least once a year. In addition to reviewing the results, the leading bodies also encourage the adoption of European and Anglo-Saxon good practices. The Supervisory Board and the Board of Directors do not evaluate their own performance in relation to the supervision of sustainability impacts.

External and internal risk factors affecting the Company's operation are assessed by the senior management on an annual basis. In case of extraordinary factors and events (e.g. Russian-Ukrainian war), we assess new risks and identify measures to prevent or manage them. Risk management measures are determined by the senior management. The Board of Directors is obliged to report to the Audit Committee.

GRI 2-16 The forums for communication between the management, the Board of Directors and the Supervisory Board are the board meetings (7 times a year), the supervisory board meetings (3 times a year), the audit committee meetings (3 times a year), and the General Assembly. Critical concerns regarding the operation of the Company could be communicated here, but no such complaints or concerns arose in the 2022/2023 business year.

**ORGANIZATIONAL FRAMEWORK**

The organizational framework of Zwack Unicum Plc. is stable and reflects the Company's basic operations which is strongly influenced by marketing and trade. The marketing department is organized according to brands and categories, while sales department is organized according to customer groups.

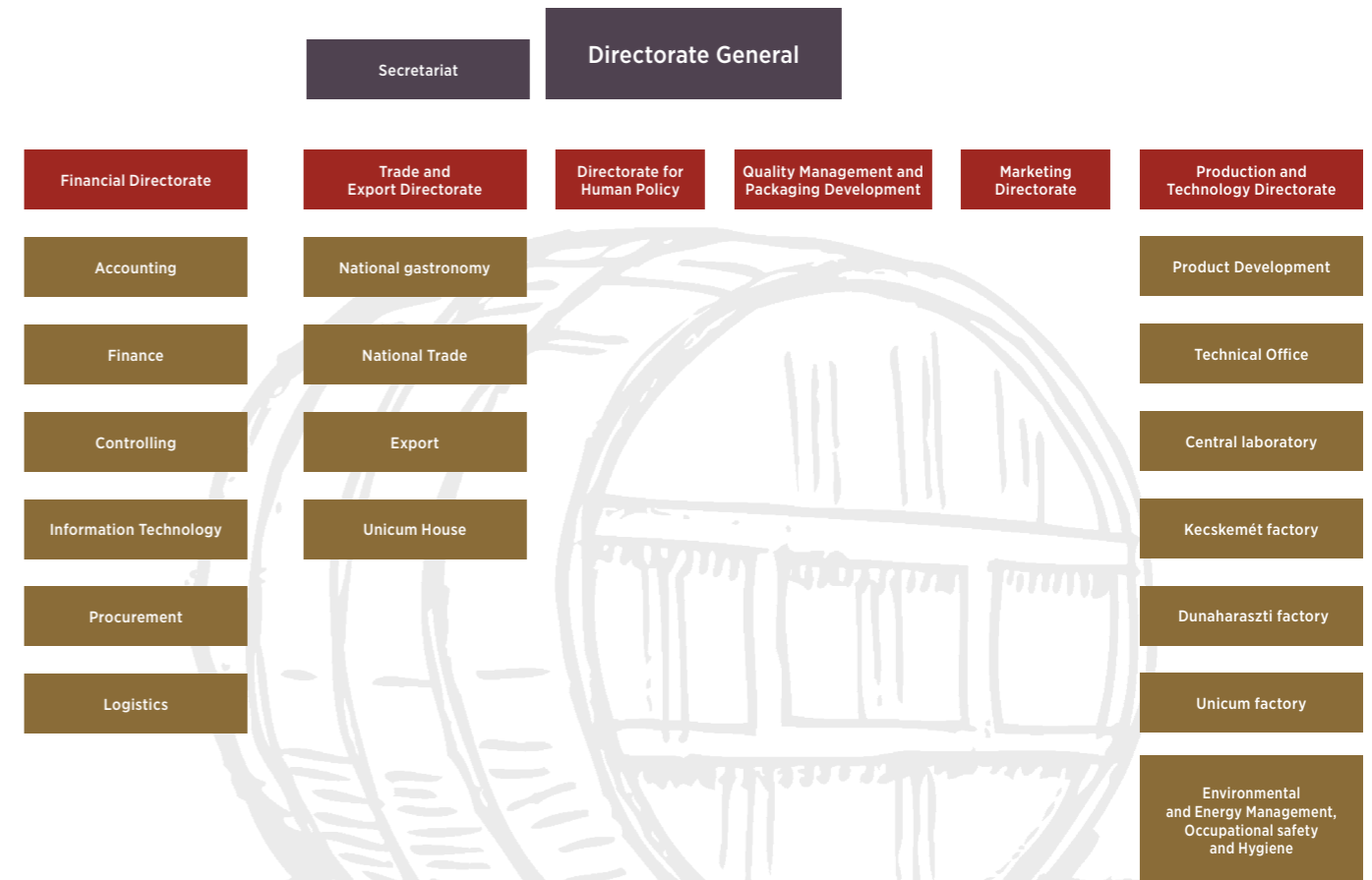
GRI 2-13 The activities and cooperation between the plants, technological fields, quality control and product development are coordinated by the Production and Technology Director.

20-35



**20-35 INSPECTIONS BY THE AUTHORITIES PER YEAR, A NEGLIGIBLE FINE**

**THE ORGANIZATIONAL CHART OF ZWACK UNICUM PLC.**



**COMPLIANCE**

GRI 205, 206, 207, 406: 3-3 Due to its activities the Company is under the supervision of more regulatory bodies and authorities. Many inspections are carried out on site or in relation to our Company's activities and products every year.

GRI 2-27 The most important indicator of our legal compliance is the feedback from interested parties - especially from the authorities and regulatory bodies. A significant proportion of inspections are carried out by the National Tax and Customs Administration (NAV), primarily in relation to compliance with excise regulations, obligations related to product fees and tax declaration and payment obligations. No significant fines have been imposed in the past three financial years.

The very low number of administrative proceedings/cases and the minor amounts of related fines we had to pay for many years back reflects our lawful conduct. We would like to place a great emphasis on compliance with legal requirements in the future as well.

GRI 2-27, 417-2 For some areas, we also defined separate KPIs (key indicators) in relation to legal compliance. In the case of food authority fines, our target value was HUF 0, which we did not manage to achieve in 100%. In November 2022,

the Food Chain Safety Department of Food Chain Safety and Animal Health Division of the Vas County Government Office for Agricultural and Environmental Protection imposed a food control fine of HUF 50.000 (the smallest amount that can be imposed) on Zwack Unicum Plc. in connection with the labeling of an imported product distributed by the Company. We do not classify the case as significant, this was the only official procedure concerning our Company that resulted in a fine during the 2022/2023 business year. Individual measures (e.g. review of labels, education) were taken by us based on this case. There was no need to change the practice of monitoring legislative changes and ensuring compliance.

**AMOUNT OF PENALTIES PAID (THOUSAND HUF)**  
GRI 2-27

	2020/21	2021/22	2022/23
NAV (National Tax and Customs Administration), Excise Dept.	125	40	-
Vas County Government Office	-	-	50



*GRI 416: 3-3, 416-1, 416-2* The National Food Chain Safety Office (NÉBIH) and the Food Chain Safety Departments of the County Government Offices regularly take samples of our products on the market. Sampling is typically aimed at checking legal compliance, including laboratory testing of products, checking the conformity of labelling and compliance with traceability requirements. During on-site inspections, the authority checks compliance with the hygiene and production requirements of the food industry, typically once a year, and this took place also in 2022/23.

In the last three business years, apart from the above small fine, our Company has not received a warning for non-compliance with the law and did not have to pay a fine or penalty for non-compliance with food quality and food safety requirements during this period.

NÉBIH conducted proceedings (2 times) against one of our suppliers due to food adulteration, but the items delivered to us are not affected by the proceedings.

*GRI 417-3* In the field of marketing communication, no legal proceedings were initiated in the past three years and there are currently no ongoing ones. In the past three years no legal case was initiated against Zwack Unicum Plc.

Our Company complied with the environmental protection requirements for the past three years as well. During this period no complaint or request was received concerning the environmental performance of our Company. The discharged wastewater was inspected at the reception point irrespective of the virus outbreak.

Regarding the distributed finished products, we did not have to apply a product recall in the last 3 financial years. In the 2022/2023 business year, one product retention or product exchange took place, and the retention or exchange was (in 98.4%) successful. We have defined preventive measures based on this case. We test our product recall process every year in order to make sure that the necessary measures and those responsible for them are well defined, and that external and internal communication works effectively. The test was successfully completed in 2022/2023.

We follow the information appearing in the common alert system of the European Union, no alerts were received during the year affecting our Company.

*GRI 206-1* During the financial year, our Company was a mandatory data provider in the sectoral investigation initiated by the Economic Competition Authority (GVH) in accordance with Section 43/D (1) of Act LVII of 1996 on the Prohibition of Unfair Market Behavior and Restriction of Competition in the Hungarian Market for the Distribution of Alcoholic and Non-Alcoholic Beverage Products in Catering Establishments. The draft report containing the results of the investigation (dated 10.02.2023) is available on the GVH website. Zwack Unicum Plc has not been involved in any court proceedings in the last three years.

*GRI 406-1* No complaints related to human rights (including discrimination) were received in the 2022/2023 business year.

*GRI 2-15, 205-1, 205-2, 205-3* Our Company complies with the legal requirements on conflict of interest to the maximum extent possible, and the requirements for avoiding conflicts of interest are also set out in the Code of Ethics and in a separate instruction (No. 13/2006). Information is publicly available on our website (<https://www.zwackunicum.hu/hu/befektetoknek/testulet-es-menedzsment/#tartalom>, <https://www.zwackunicum.hu/hu/befektetoknek/vallalatiranyitasi-elvek/#tartalom> on the curriculum vitae, other functions and the independence of members of the governing bodies and on their transactions with related parties. The prevention and consequences of corruption are strictly regulated. Anti-corruption investigations are carried out in accordance with an annual work plan, within the framework of internal audit. Our last risk-based, preventive-detective economic abuse investigation was conducted with the involvement of an external expert in 2021/22, and it highlighted that the control environment of the Company is stable and strong. There have been no cases of suspected corruption going back several years. All our supplier contracts include an anti-corruption clause. No other information share or training on anti-corruption took place in the 2022/2023 business year.

## OUR GOALS FOR THE FUTURE

- ✓ Revision of our Code of Ethics
- ✓ Law-abiding operation with minimal fines and observations from authorities
- ✓ Regular review of the range of stakeholders and compliance obligations

## RESPONSIBLE PURCHASING ACTIVITY - OUR COMMITMENT TO OUR SUPPLY CHAIN

### OUR PRINCIPLES, OUR IMPACT

*GRI 204: 3-3, 301: 3-3*

*As a manufacturing and sales company, Zwack Unicum Plc. works with a wide range of suppliers, and the success and efficiency of procurement is one of the key issues for our business success. From the point of view of the quality of our products, the sourcing of fruits and medicinal herbs is of strategic importance.*

The social and environmental impacts and events that are the challenges of our time are also affecting our supply chain to a large extent. Climate change is having an increasing impact on the availability, quality and price of our raw materials. Regarding packaging materials, the legitimate demand for a higher level of circularity and recycling is reflected in the regulation and its changes, setting new expectations for our Company as well. In 2022/2023, the Russian-Ukrainian war brought drastic price increases in almost all areas of procurement.

Our Company also acts as a market leader in procurement, in accordance with the principles of business ethics and fairness in procurement. We may come into contact with vulnerable suppliers mainly in the procurement of agricultural products, and we have the explicit objective to pay a fair price for their products. In our partnerships, we believe it is important that our suppliers adopt practices to promote sustainability, climate change mitigation and adaptation. Zwack Unicum does not wish to take part in unethical business practices in any form and expects its suppliers to comply with its Code of Ethics.

We are constantly looking for solutions that can reduce the environmental impact of our procurement and bring positive benefits to society. To this end, Zwack Unicum strives to source locally and has set itself the objective of sourcing with the shortest possible delivery distance.

The most important goal of purchasing raw and packaging materials is to ensure that the materials are available at the right time, in the right quality, and in the right quantity (at the best possible price) for the realisation of Zwack Unicum products. In order to ensure security of supply, each product group has several suppliers.

Our Company operates a strict process of requesting and evaluating offers and concluding contracts, and equal opportunities are ensured during selection. Our employees are expected to decide on the selection of suppliers based on the broadest market knowledge. Transparency of procurement is guaranteed by the e-bidding and obligo system.

### ACHIEVING OUR TARGETS

**IN 2022/2023** *GRI 204: 3-3, 301: 3-3*

- ✓ Raw and packaging materials needed for production were smoothly supplied, despite tight production capacity in supplier markets.
- ✓ During the business year, we also placed great emphasis on monitoring the environmentally conscious operation of our audited suppliers.
- ✓ In terms of purchase value, at least 70% of purchases came consistently from a maximum of 600 km, according to our set target.

### ORGANIZATIONAL RESPONSIBILITY AND REPORTING

*GRI 2-12, 2-13, 401: 3-3, 301: 3-3* Depending on the products and services to be purchased, we use central or specialized - decentralized - procurement. Basic and additional materials for the production, packaging and auxiliary materials, marketing tools and POS materials are sourced centrally. Due to the secret recipe of Unicum, as well as the special expertise needed, the purchase of herbs is exclusively in the hands of Sándor Zwack and our herb experts. The purchase of fruit, as it also requires a special expertise, is the responsibility of the manager of our distillery in Kecskemét.

The purchase of technical materials, machinery, equipment and their components, as well as other technical items is the task of the production and technology directorate, while the purchase of technological intermediates and sanitary materials, depending on their technical nature, is the responsibility of the different branches of the organization. The efficiency of purchasing in terms of costs is measured several times a year by the controlling department, while the accuracy and quality of product availability is evaluated by analyses prepared for the evaluation of the quarterly performance indicators of the distillery and of the quality guarantee. The efficiency criteria by product group are also detailed in the following sections.

## GENERAL FEATURES AND CHALLENGES OF PURCHASING

*We strive for a long-term, fair partnership with our suppliers, based on commitment to principles, values and quality. One of the secrets of a reliable business relationship is proper performance and honest and open communication on both sides.*

Transparency in procurement is ensured by an e-bidding system for requesting, evaluating and registering offers, and the mandatory system related to authorization, which is monitored from one value threshold to the next.

We are constantly striving to expand the range of suppliers. This serves both the security of supply by increasing the number of alternatives and cost efficiency. Where possible, we aim to expand our supplier base primarily with domestic suppliers. The change of suppliers or the involvement of new suppliers is preceded by careful preparation, involving the partner departments, by submitting product samples, test production, quality certificates and occasionally requesting company information. We make the decision together and among the decision criteria priority is given to quality.

We assess the performance of our significant suppliers based on purchase value at least once a year, among others through a list of accepted suppliers, a text evaluation of suppliers based on individual supplier audits, and for suppliers of raw and packaging materials, with a scoring method covering various aspects. If the assessment shows a deterioration in the supplier's performance or if the occurrence of certain problems becomes more frequent, a consultation is initiated in order to identify the causes and correct or prevent them.

**GRI 2-23** Our Code of Ethics sets out the values we believe in, which we also expect our suppliers to adhere to as part of their contracts. A significant number of our largest suppliers have their own code, so they accept our expectations as a recommendation.

A major challenge for 2022/2023 was the direct and indirect impact of the war between Russia and Ukraine. In order to secure supply, we have partially replaced bottles from Ukraine - previously purchased from resellers - with bottles from other sources due to transport uncertainties. We tried to mitigate the effects of the energy price explosion and the in general almost doubled raw material prices by switching suppliers. If a product could be obtained in the required quality at a lower price from another supplier, then we chose a new supplier.

In our opinion, the big challenge for the 2023/24 business year will be - since both domestic and foreign inflation went wild in the previous year - the continuous monitoring of raw materials used by the supplier market and, in energy-intensive industries (e.g. packaging glass production), the monitoring of energy prices, and the enforcement of relevant changes (decreases) in the purchase prices (for energy, sugar, grain, paper, etc.).

A further problem in the Hungarian market is the recent sharp depreciation of the national currency, which has led to increasingly strong efforts from suppliers to convert their prices into EUR. We are trying to counter this, while weighing up the risks.

Over the past three business years, Zwack Unicum Plc. used an average of almost 11.000 tons of materials per year. (In 2022/2023 11.378 tons.)

## PURCHASE OF RAW MATERIALS

**GRI 301-1** Looking at the average of the last three years, 46% of the Company's material consumption is raw materials incorporated into the product. 55% of the raw materials, slightly more than 1/4 of the total material used is ethyl-alcohol. 133 tons of herbs were used in 2022/2023 and 1.114 tons of fruit were purchased. Herbs, fruit and ethyl-alcohol are considered renewable materials and accounted for 35% of the total material consumption, with a total of 3.970 tons.

Purchasing is determined by the annual production plan which ensures full compliance with the constantly changing international standards, regulations and food safety aspects. The purchase of raw materials is also in line with the integrated policy of Zwack Unicum Plc. The management document defines our specific strategy, broken down by plants. The quantity of strategic stocks is also recorded in the confidential part of the document.

**1114 tons**



**IN 2022/23 WE PURCHASED  
1114 TONS OF FRUIT**

We work with agricultural products, for which the weather plays a decisive role every year, so we cannot commit ourselves exclusively to any one supplier. In addition to the weather factor, we also have to take into account general transportation problems. Finding new suppliers is one of our ongoing goals.

## QUANTITY OF FRUIT PURCHASED (TONS)

	2020/21	2021/22	2022/23
Number of fruit suppliers	246	907	1114
Quantity of fruit (tons)	2	12	21

*204: 3-3 Medicinal herbs typically come from cultivation and are bought by Zwack Unicum Plc. from suppliers able to continuously and reliably provide high quality products. The predominant part of fruit for pálinkas is purchased directly from the producers.*

Though plants come from several continents and from different climate zones in different continents, Zwack Unicum Plc's goal is to buy products from Hungarian production and from Hungarian suppliers, wherever possible. In this way, we also reduce the environmental burden caused by the transport distance and at the same time encourage the maintenance of employment opportunities in agriculture.

In addition to price and quality, we also consider sustainability as an evaluation criterion when purchasing herbs. Based on our request, we receive declarations from our suppliers about their sustainable farming, or organic production; if they also meet all the other criteria, we buy herbs from sustainable production. According to our suppliers' declarations, 70% of all purchased herbs come from sustainable (fairtrade) farming.

In addition to the fact that our aim is to achieve a higher ratio here, it is also an important goal of ours to give our domestic suppliers the opportunity to develop. We regularly consult with our current domestic suppliers and encourage them to move in the direction of sustainable production. We also aim to find new domestic suppliers.

Our purchasing is considered efficient if there is no need to restructure the production program due to difficulties in the supply of herbal raw materials and to source herbs at higher prices than planned. We evaluate our suppliers every year on the basis of quantity, quality and respecting deadlines.

In the 2022/2023 business year, we managed to ensure the continuity of production of medicinal herbs and spices even in the face of extreme drought conditions in Europe. We were able to maintain our general principle in terms of quality/price. We integrated two new suppliers into the system.

Our major suppliers have built up relationships with producers, farmers over many decades and strive to meet the criteria of sustainable/fairtrade farming. They are committed to improving the living conditions of farmers and farm workers. By concluding production contracts, they give them a secure livelihood and financial resources to improve their living conditions.

Our largest suppliers (involved in production and trade) are members of audited international sustainability platforms and meet the criteria of the so-called SMETA ethical audit. Our largest foreign trading partner is UTZ / RFA certified, proving that their products are sourced sustainably from the farm to the shelf.

One of our large Hungarian partners, involved in both the cultivation and the trade of herbs, also operates outstanding practices. In addition to ensuring annual technological upgrades, it exclusively buys, processes and supplies examined and tested products. It also provides professional supervision and advice to new farmers, producers, and ensures continuous training to its staff on new quality requirements, quality systems and new energy-saving technologies. It also ensures that poorer municipalities in Nógrád County are provided with market information and that herbal raw materials produced by public workers are purchased after inspection.

Another Hungarian trading partner has been reliably supplying one of Unicum's basic herb ingredients for decades, in good quality and from certified sustainable farming. The producer provides the seeds to the farmers. The production process (plant protection, fertilization, irrigation) is regularly checked, and the development stages of plants are monitored by our partner. Regular training is provided to the farmers on sustainability and safe and efficient crop production. Sustainability is an important element of the Company's quality policy, underlining the commitment of the management.

## PURCHASE OF PACKAGING MATERIALS

**GRI 301: 3-3** Packaging materials and advertising materials account for 56-60% of the materials used. In addition to aesthetic and functional considerations, food safety and environmental requirements play an important role in the selection of our packaging materials. We require our suppliers to provide us with an environmental declaration of conformity in line with legal requirements.

We strive to maintain a high level of recycled packaging material use and we also take circular economy into account in our purchasing.



*GRI 301-2* Packaging materials containing recycled material are mainly used in the form of glass and plastic bottles, as well as corrugated cardboard. The proportion of recycled glass (clump) in our bottles is 40% for our Hungarian suppliers and 60-80% for our German suppliers. 86% of our products are already sold in 100% recycled cartons, and 14% of our products are sold in at least 65% recycled cartons. We are testing the use of partially recycled materials for our labels.

For labels, trials are underway to test the usability of paper and plastic film with recycled content. We also investigate the availability of ECO-bottles. ECO-bottles are environmentally certified bottles which are partly produced using green energy with a smaller eco-footprint as regards both production and transportation.

For materials used in the production of food and for packaging materials that come into direct contact with food, our basic requirement for suppliers is to have a food safety system in place and to provide the declarations required by law. During the period covered by this report, there were no food safety or health problems with our products attributable to the material purchased. Thanks to effective quality control practices, defects are detected in a timely manner, and substandard raw and packaging material is either filtered out and rejected or replaced upon receipt or, if a problem arises during use, the non-conforming batch is not allowed to be released for sale.

## LOCAL SOURCING AND REDUCTION OF TRANSPORT DISTANCE

*GRI 204-1* Zwack Unicum strives to source locally and to reduce the environmental burden of transport by sourcing as close to home as possible.

Local (Hungarian) suppliers may also receive a more favorable evaluation from our Company due to their service characteristics, such as faster and more flexible services or lower prices. As part of our efforts to continuously expand our supplier base, we want to open up to domestic suppliers in particular, provided that the relevant industry exists in Hungary and there is a sufficient number of industry players in the market. We do this, if we can, not only to protect the domestic industry, but also for the pragmatic reasons stated above.

Among suppliers, the share of suppliers with a production site in Hungary is around 90%, and 60% in terms of purchase value. In the last three financial years, 70% of our purchase value came from a distance of no more than 600 km, with which we lived up to our commitment in this direction, but we were not able to improve the ratio. Both of our efforts, to source in Hungary and from the smallest possible distance, are hindered by limited sourcing opportunities.

# 70%



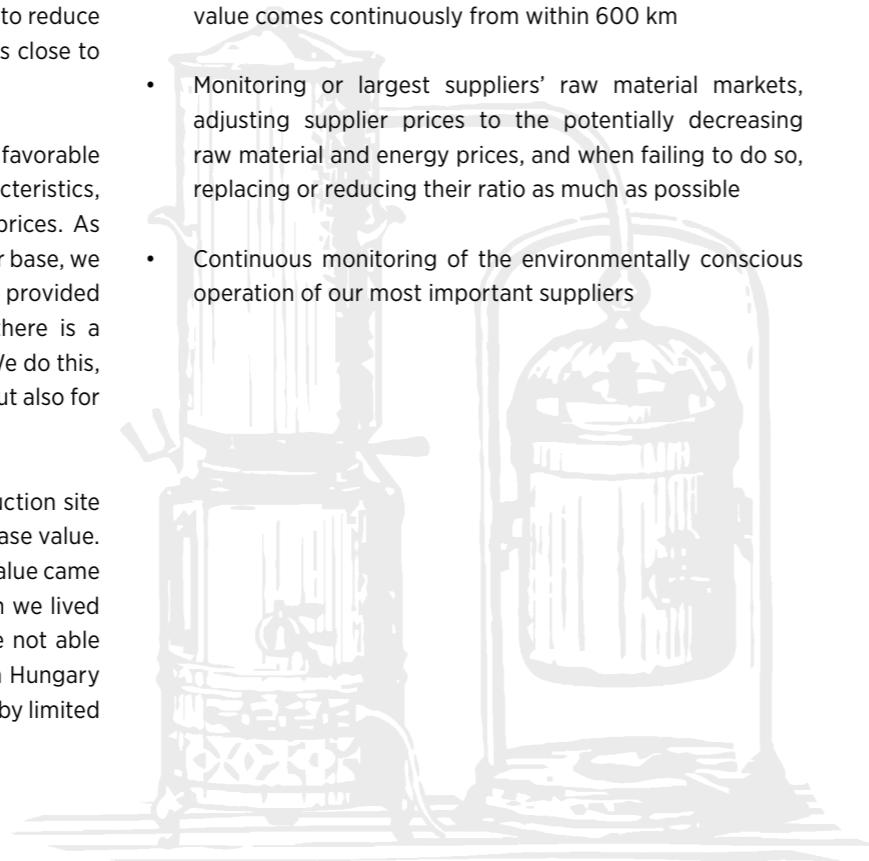
IN PURCHASE VALUE  
70% OF OUR PURCHASED GOODS  
ARRIVE FROM A DISTANCE OF  
MAXIMUM 600 KM

The competitiveness of domestic suppliers is dominant in the printing sector - labels, sleeve films, cartons, gift boxes - and also regarding ethyl-alcohol, for example, however they are still absent or limited in several other areas (e.g. glass bottles, screw caps).

In the case of machine purchases, it is also not possible to source domestically, due to the extensive renewal of the machine park of our factory in Dunaharaszti, one major machine purchase can be made each year, mainly from Italy, Slovenia and Germany.

## OUR TARGETS FOR THE FUTURE

- Finding new suppliers
- Maintaining the ratio of domestic suppliers and ensuring that at least 70% of the purchases in terms of purchase value comes continuously from within 600 km
- Monitoring or largest suppliers' raw material markets, adjusting supplier prices to the potentially decreasing raw material and energy prices, and when failing to do so, replacing or reducing their ratio as much as possible
- Continuous monitoring of the environmentally conscious operation of our most important suppliers



## OUR COMMITMENT TO ENVIRONMENT

*GRI 2-12, 2-13* We take a strategic approach to the environment and make targeted improvements to reduce our negative impacts. Our Company's results and activities prove our commitment just as much as regular high-level reporting. The directions of the environmental strategy, the measures and investments needed to achieve the objectives are presented by the owner at the Annual General Meeting. Environmental

protection is also a strategic issue in the annual reporting to the Supervisory Board, and in addition, the Board of Directors requests reports several times a year. Our employees receive annual training and, given that protecting the environment should be important to all our employees, our environmental protection results are presented at an annual conference for our sales staff.



## OUR PRINCIPLES AND IMPACT

*GRI 302: 3-3; 305: 3-3*

One of the biggest challenges of our time is climate change, which is closely linked to energy consumption. Most of the carbon emissions that our Company can directly influence are related to manufacturing, the maintenance of our buildings, or to transport. Direct polluting activities include steam production, heating; emissions from logistics activities (transportation of goods, material handling) and service routes (connected mostly to sales trips of our regional representatives). The largest proportion of direct carbon dioxide emissions related to our activities comes from the use of natural gas.

Energy management is a strategic area, efficient use of energy and the implementation of projects require a strong commitment from all the staff. At the annual training sessions, we give feedback to our colleagues with the assessment of the results of the previous year.

*Overall, our Company's activities have resulted in low levels of air pollution as a result of the measures implemented in recent years.*

We recently made a major step to reduce emissions from direct and indirect energy consumption by increasing the use of renewable energy. In most cases, these solutions require long-term thinking and commitment, as they require an initial major investment or, in the case of green electricity, more expensive procurement on a regular basis. To reduce energy use and emissions related to transport and travel, we primarily implemented optimization of processes, but we are planning further steps in this area as well.

## FIGHT AGAINST CLIMATE CHANGE AND CONSCIOUS ENERGY USE - WE ALSO THINK ABOUT TOMORROW

### ACHIEVING OUR TARGETS IN 2022/2023

*GRI 302: 3-3, 305: 3-3*

- ✓ Compliance with the 2022 legislative changes affecting the energy management of companies has been achieved
- ✓ Our target set for the end of the 2023/2024 business year - the reduction of our average specific energy consumption by another 2.5% compared to the base year - has not yet been achieved, we expect to achieve it with the geothermal energy production system established in Dunaharaszti

## ORGANIZATIONAL RESPONSIBILITY AND REPORTING

*GRI 2-12, 2-13, 302: 3-3, 305: 3-3*

Our Company employs an energy technician and, in compliance with the legal obligation, an energy expert. The Production and Technology Director is responsible for defining and prioritizing proposals and action plans to support the implementation of environmental and energy management appropriations, in collaboration with the Energy Management Systems Manager and the Energy Management Working Group (EMCS). The energy consumption data are analyzed in the form of monthly reports and annual reports by EMCS. We report to the Board of Directors annually as part of the management audit carried out within the framework of the integrated management system. The results are also presented annually to the Board of Directors and to the owners.

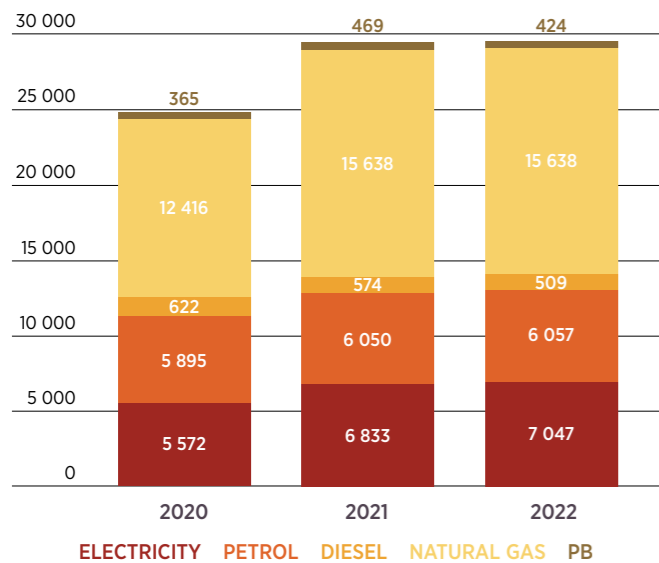
## ENERGY CONSUMPTION

*GRI 302: 3-3, 302-1, 302-4, 302-5* Supporting its energy efficiency strategy, Zwack Unicum Plc. has been operating an ISO 50001 energy management system since 2017, certified annually by SGS. The energy demand of the production of spirits is satisfied primarily by the use of electricity and gas. In 2022/2023, there was a slight increase in the use of natural gas compared to the

previous year, primarily due to an increase in production, with a slight increase in specific energy consumption compared to the previous year. Over the last 3 years, the plants in Dunaharaszti and Kecskemét operated with constant efficiency, with minimal deviations in specific values.

The lowest energy consumption in the last three-year period was in 2020/2021, largely due to the fact that the office building staff was working from home due to the pandemic. We aim to reduce energy consumption and at the same time to increase the use of renewable energy. Given that the more easily available energy is already used up and that energy consumption and carbon emissions can only be mitigated through large investments, a number of measures were taken to reduce our energy use during the 2022/2023 business year as well. In our plants on Soroksári street and in Kecskemét we replaced the cooling equipment by a more energy-efficient one, modernized the control of the cooking devices, which resulted in significant savings, in addition, the replacement of lighting fixtures with LEDs, as well as the replacement of building insulation and windows takes place continuously in several areas. Our energy-saving measures are set for the medium term.

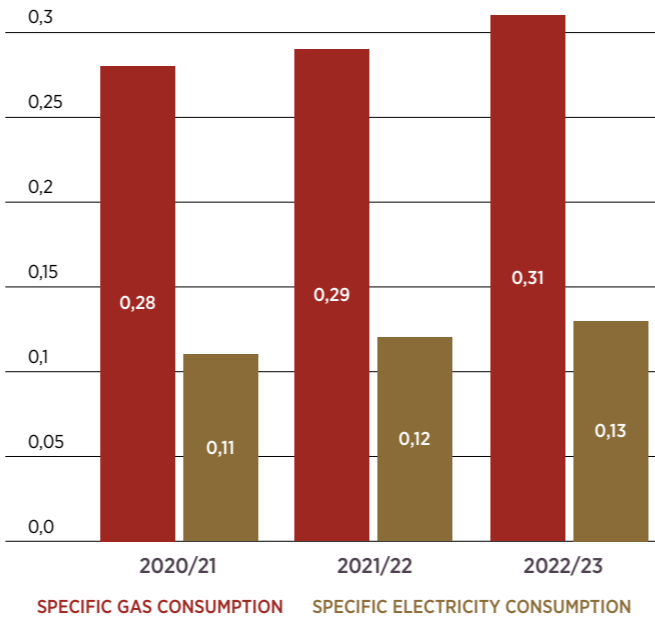
**ENERGY CONSUMPTION PER TYPE OF ENERGY CARRIER GJ** *GRI 302-1, 302-2*



**CARBON FOOTPRINT**

*GRI 305: 3-3, 305-5* Since autumn 2019, our Company uses electricity from renewable (green) sources, so carbon emissions stemming from direct and indirect energy that Zwack Unicum can directly influence come from the consumption of natural gas, the use of vehicles and the use of air conditioners. Natural gas in Dunaharaszti will be largely replaced by renewable energy from the second quarter of 2023, and in the case of cars, young age and continuous maintenance help to minimize environmental emissions as much as possible. The use of 100% electric and hybrid vehicles is a common practice among the management. We have two electric chargers on Soroksári street, which we are also planning to install in Dunaharaszti. The fact that 43% of the employees working at the Dunaharaszti

**ENERGY CONSUMPTION (MJ) PER BOTTLE OF PRODUCED BEVERAGE** *GRI 302-3*



factory commute to work by a special bus helps to reduce the environmental burden of transport, and in addition, all three sites have built-in bicycle storage facilities.

Transport of our products and goods is provided by an external partner, Waberer's. Road transport is able to meet the transport needs of our Company and our partners with the flexibility we require. The geographical location of the sites and the continuous monitoring of factory warehouse utilization ensure that transport needs between factories, as well as between the Waberer's operated central warehouse and factories are minimized.

**QUANTITY (TON) AND BREAKDOWN OF CARBON DIOXIDE EMISSION** *GRI 305-1, 305-2, 305-3, 305-4*

	2019 bázisév	2020	2021	2022
<b>Direct emission (Scope 1)</b>	<b>1357</b>	<b>1198</b>	<b>1396</b>	<b>1393</b>
gas consumption	767	699	881	888
petrol	483	431	442	442
diesel	84	46	42	37
LPG gas	24	23	29	26
air conditioners*	n.a.	n.a.	n.a.	27
<b>Indirect emission (Scope 2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
electricity	0	0	0	0
<b>Indirect emission (Scope 3) ***</b>	<b>458</b>	<b>460</b>	<b>480</b>	<b>0</b>
vehicles (transport)	458	460	480	460
<b>Total emission (t)</b>	<b>1815</b>	<b>1658</b>	<b>1876</b>	<b>1853</b>
<b>CO<sub>2</sub> emission per one liter manufactured product (g)</b>	<b>270,94</b>	<b>275,75</b>	<b>259,24</b>	<b>263,51</b>

\*consumption is monitored since 2022

\*\*\* our calculations include only road freight transport

**GREEN COMPANY - RENEWABLE ENERGY INVESTMENTS IN DUNAHARASZTI**

The plan to reduce carbon emissions and save energy costs is not new for Zwack Unicum. For 5-6 years, we closely monitored the energy consumption of our sites to identify the major consumers. In doing so, we were well ahead of the legal requirements and effortlessly completed the energy audit that was subsequently required. We developed and implemented action plans to reduce energy consumption that were relatively easy to achieve - resulting in significant savings of 15-20% -, but since the owners' commitment to finding solutions beyond these was clear, we carried out further analyses. Buying green electricity is a quick, but in the long term, expensive way to reduce the carbon footprint, so it was only included in our plans as a temporary solution.

The factory in Dunaharaszti is the second largest consumer of our sites, because though the production capacity on Soroksári street is much smaller, the head office is a significant consumer. In Dunaharaszti, we primarily need thermal energy for production, which can be produced relatively efficiently with a heat pump, but at the same time, the associated electricity consumption is high. In order to replace the purchased electricity, an idea was born to combine the heat pump with solar panels, allowing us to use up the extra energy produced by the solar panels exceeding the demand of the heat pumps, for the running of machines.

We expect to replace 85-90% of the natural gas consumption in Dunaharaszti with heat pumps with a total capacity of 320 kW. We are also using several solutions to make the investment even more efficient and environmentally friendly. We installed one part of the 130 kW capacity solar park above the heat pump probe fields, and the other part was located above the parking lots. The system operates completely automatically already today, but its efficiency can be further enhanced by building a smart system, with artificial intelligence collecting the data and, after sufficient operating time, taking control based on the data set.

Both in Dunaharaszti and in the Unicum House, the performance of the system and the saved carbon dioxide emissions can be monitored in real time, so the results are visible for the employees and the wider public. It took about 9-10 months to get from the approval of the investment until the start of operation. The system was operational as of 28 February 2023, which I think is a great achievement. All this is enhanced by the fact that the use of geothermal energy will be expanding even



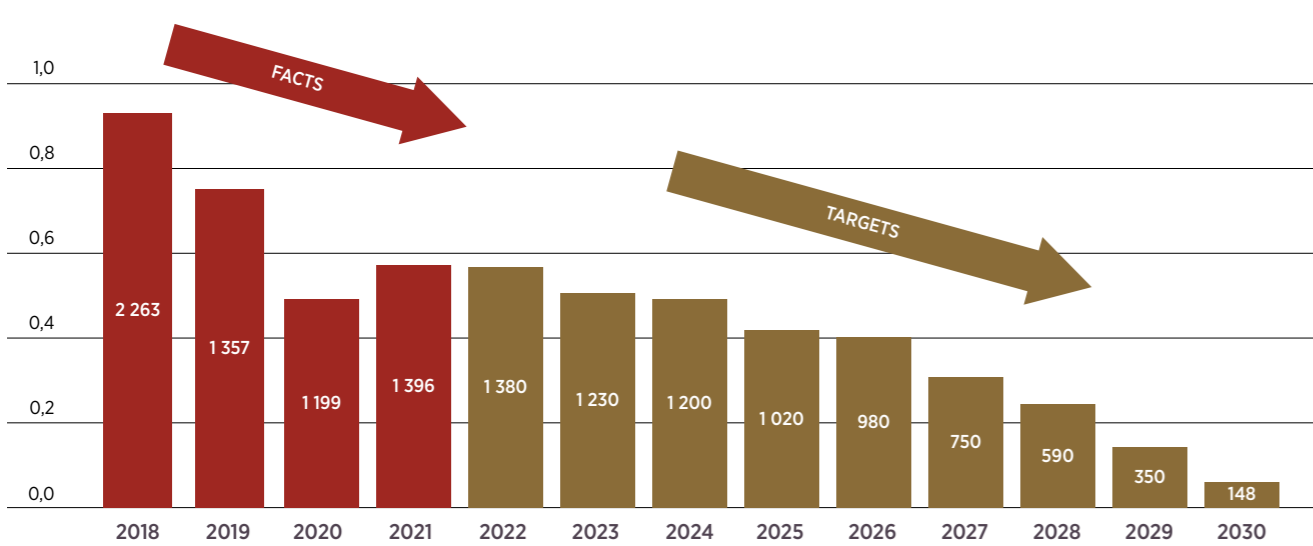
further at Zwack Unicum Plc. The preparation of the design studies is underway for both our Soroksári street and Kecskemét sites and test drillings were even carried out in Kecskemét. On Soroksári street we plan to use a different technology due to the characteristics of the site, while in Kecskemét we will have a system similar to the one in Dunaharaszti.

Although the drastic increase in energy prices in the previous period was due in large part to the Russian-Ukrainian war, which is a very unfortunate event, the increase significantly reduced the payback period of the investment and confirmed that, in addition to environmental considerations, there are other important advantages to independent, autonomous power production.

**László Seprős**  
*Production and Technology Director*



OUR TARGETS TO REDUCE CARBON DIOXIDE EMISSION (SCOPE 1-2 EMISSIONS)

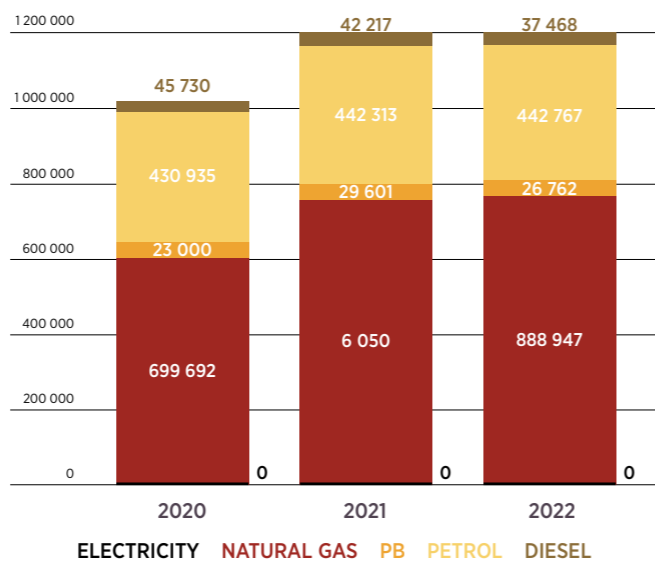


AIR POLLUTION

The minimal environmental load charges of the boilers operating at our production sites are regularly paid by us in accordance with the legal regulations. Measured emissions<sup>10</sup> are well below the limits.

Our Company does not use ozone deteriorating materials. Materials used in the units of cooling circuits are CFC free. Maintenance of our air conditioners is performed by a subcontractor respecting environmental aspects and requirements.

CARBON DIOXIDE EMISSION OF ZWACK UNICUM PLC.



ALL POLLUTION EMISSIONS OF POINT SOURCES (CALCULATED DATA IN 2022) GRI 305-7

	Number of point source	Average concentrations			
		CO (mg/m <sup>3</sup> )	NO <sub>x</sub> (mg/m <sup>3</sup> )	CO <sub>2</sub> (tf%)	Solid concentration (mg/m <sup>3</sup> )
Limits		100	350	Not regulated by a limit	150
Dunaharaszti plant	4	17,3	73,8	169	-
Zwack Pálinka Distillery in Kecskemét	1	6,1	115	192	-
Unicum plant	2	5*	63,7*	156	5,8**

\* Data concerning boiler chimney  
\*\* Data concerning dust separator



EFFICIENT WASTE MANAGEMENT - WE ARE WORKING FOR A CIRCULAR ECONOMY

OUR PRINCIPLES AND IMPACT

GRI 306: 3-3, 306-1, 306-2

Waste management is a priority in all manufacturing activities, and our Company places great emphasis on reducing the negative impact of the generated waste.

*In our waste management, the main guidelines are to reduce the amount of waste generated and to at least maintain the present level of recycling of unavoidable wastes, or increase it as much as possible.*

Due to its manufacturing activity, our Company generates predominantly production waste and the proportion of communal and hazardous waste is negligible. The characteristic waste of our Company is mash residue from the production of palinka, as well as herb residue from the production of herb liqueurs, their amount is predominant among total wastes generated. Our waste is collected selectively, and we strive to find the best way to recycle it from an environmental point of view.

Our aim is to contribute to the implementation of the circular economy, and in the case of our packaging materials we aim to find the ones with the highest possible proportion of recycled materials and with the highest recyclability. We are currently drawing consumers' attention to recycling on some of our products, as well as on the collective packaging and gift boxes, and we are working to expand this. As a Company committed to the environment, we support the regulatory effort for the recycling of packaging materials (glass). Given that we have to create a practice that does not currently exist, we expect that the implementation will be accompanied by significant tasks and challenges, the details of which are not yet known at the time the report is prepared.

TARGETS ACHIEVED IN 2022/2023 GRI 306: 3-3, 306-2

- ✓ The established system of selective waste collection works stably, we have achieved the target of a minimum 95% waste recycle rate. In 2022, our waste recycle rate was 97%.

ORGANIZATIONAL RESPONSIBILITY AND REPORTING

GRI 2-12, 2-13, 306: 3-3

Waste management is the responsibility of the head of the Environmental and Energy Management Systems, including the tendering of waste management companies and the conclusions of contracts.

Waste management is also subject to a management review under the integrated management system, followed by an annual report to the directors. The results are presented to the Board of Directors and the owners annually.

0,19 kg



THE AMOUNT OF WASTE PER BOTTLE IS 0.19 KG

WASTE MANAGEMENT

GRI 306-3 Over the last three business years, the amount of waste generated has been between 1 700 and 3 000 tons. It peaked in 2022/2023, with a significant increase of more than 29% compared to the previous year. A major factor in the increased amount of waste was the fruit harvest being better than in the previous year, so the quantity of processed fruit, herbs and dried fruits was higher. In addition, waste from the periodic cleaning of environmental protection installations also increased the amount of waste. In Dunaharaszti, the increase in the amount of hazardous waste (oily water and oil-absorbing matter) resulted from the cleaning of the oil-absorption facility. They are disposed of in accordance with the legal requirements.

GRI 306-2 The quantitative waste data are accurate, they were given based on our own measuring, as well as on data measured by our waste management partners. We audit our waste management partners annually, giving a comprehensive overview of their activities.

## RAISING AWARENESS FOR THE ENVIRONMENT

Zwack Unicum has always set ambitious goals in the field of environmental protection, and this is not different today. One of the biggest challenges for our business strategy is climate change. The most important course of action and activity for us remains to reduce and offset our emissions in Hungary through afforestation and planting forests, as well as to operate with a climate-conscious mindset. We also aim to reduce our ecological footprint through improved water use and circular economy to protect the environment.

As an example, I would like to mention the 100% recyclable foil produced by a German manufacturing company and used by our company in the spirit of environmental awareness. Our Dunaharaszti plant is already using exclusively this foil, while in Kecskemét we will switch to it in the 2023/2024 business year, after using up the previously purchased foils. Thanks to our partnership collaborations based on the circular economy principle, we managed to receive the Manunature® Sustainable Stretch Film 2022 award.



We want to keep the 97% utilization rate of our waste management stable in the future, and the sound decisions for this lie in long-term utilization opportunities. The biogas plants in Budapest and Kecskemét make it possible to produce electricity from renewable energy sources. I want to do my part so that as many people as possible feel the importance of protecting the environment, so when I watched TEDxLibertyBridgeWomen talk of Izabella Zwack, which focused on

sustainability, I thought that everyone in the company should get to know her commitment. The film was already screened in the three factories and will also be presented to the staff in the office building, as well as to the management.

We were also happy to support the creation of the Miyawaki Mini Forest at Boráros Square, as I believe it has a role to play in shaping attitudes. It draws attention to the diversity and variety of nature, in addition also provides a special splash of color and can also function as an „air freshener” in a busy downtown environment. The mini-forest was created in cooperation between the 10



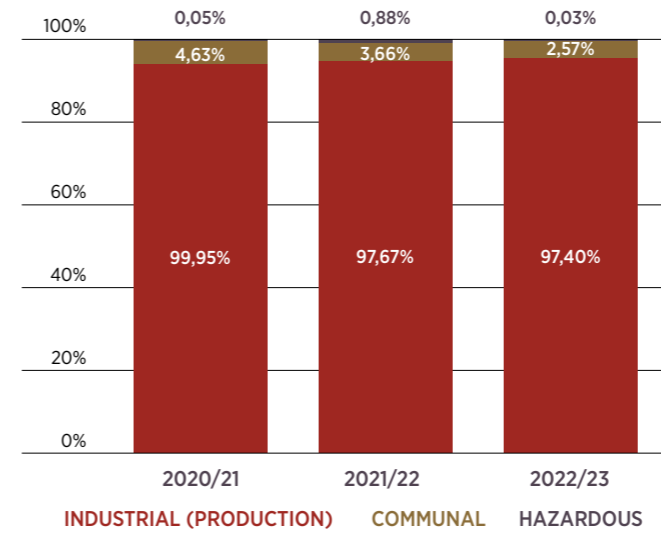
Million Tree Foundation, the Municipality of 9th District and the Municipality of Budapest and Zwack Unicum Plc. 205 indigenous and sturdy trees and shrubs were planted in the 65 sqm area because, according to the proponents of the idea, Miyawaki forests grow faster due to dense planting (greater competition for light), and the diverse species increase biodiversity in this small area. I believe we can help create another small forest in 2023/2024.

In addition to these environmental actions, we continue to actively support the achievement of the climate goals of the EU with our environmental strategy. We are aware that we have many challenges ahead of us since environmental protection and climate protection are the responsibility of all of us.

**Beáta Gadányi**

*Environmental and Energy Management Systems Manager*

## BREAKDOWN OF WASTES ACCORDING TO WASTE TYPES (%)



*GRI 306-3, 306-4, 306-5* The table below shows the amount of waste generated in the last three years by type and method of treatment:

	2020/21	2021/22	2022/23
Industrial (production) waste (t)	1645	2032	2885
recycling (t)	292	200	248
utilization in a biogas plant (t)	1353	1832	2637
Communal waste (t) - landfill	76	76	76
Hazardous waste (t) - waste incinerator (with energy utilization)	0,74	18,31	0,96
<b>Total</b>	<b>1722</b>	<b>2126</b>	<b>2962</b>

*GRI 306-4, 306-5* Our Company has been following the same practice for several years, selectively collecting and handing over for recycling paper, foil, aluminum, wood, glass, cooked mash and herbal residue, fruit seeds from fruit processing, light sources, PET and PP bottles, toner cartridges, as well as the used batteries and electronic data carriers. Zwack Unicum Plc. does not recycle waste within its premises. We do, however, internally recycle fruit seeds, which our employees take away for burning. They know very well that the heating value of fruit seeds is very high, so they welcome this opportunity every year.

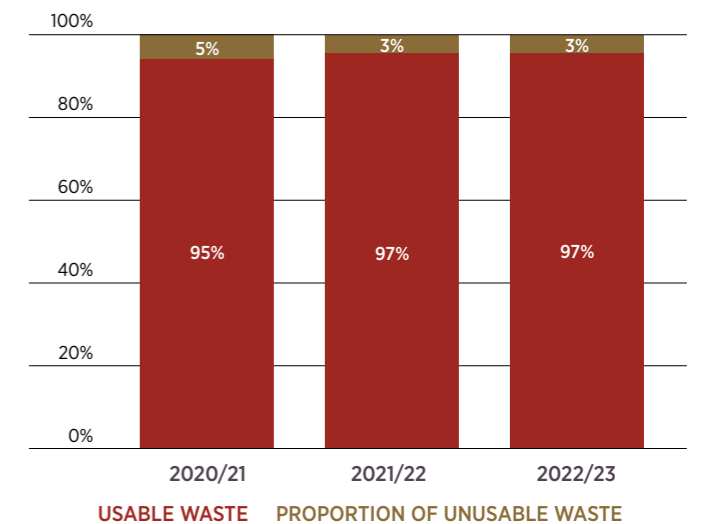
Mash and herb residues accounted for 88% of all generated waste in 2022/2023. Both types of organic waste were utilized in biogas plants. We have been using this pioneering environmental protection solution for 14 years now. From the Budapest and Dunaharaszti sites, materials go to the biogas plant of FCSM Zrt., the metropolitan sewerage company, while in Kecskemét, Bácsvíz Zrt. produces energy from the organic materials we supply. Based on the data for the 2022/2023 business year, Budapest and Dunaharaszti supplied 1084 tons, and Kecskemét 1554 tons.

*GRI 301-3, 306-1* We currently have no information on what happens to the packaging materials of our products when they become waste.

## OUR TARGETS FOR THE FUTURE

- Maintaining the recycle rate of production waste (min. 95%)
- Meeting the legal requirements for the MOHU system in terms of collection
- Extending the use of the recycling logo on bottles

## RATE OF WASTE UTILIZATION (%)







## SUSTAINABLE WATER CONSUMPTION - THERE IS NO LIFE WITHOUT WATER

### OUR PRINCIPLES AND IMPACT

GRI 303: 3-3

Water, the basis of life, is one of our most important natural resources.

*As a manufacturer of alcoholic beverages, our Company uses a significant amount of water, much of which is incorporated into our products. Therefore, we pay particular attention to the economical use of water and the protection of water quality in our product innovation decisions and technological developments.*

In addition to the water included in our products, we use water for irrigation, cleaning, and communal purposes. When developing these processes, we also focused on optimization in order to avoid water wastage. We also pay special attention to the continuous monitoring of wastewater, which is unavoidable during production, and its pollutants in order to protect our natural waters, our environment and wildlife.

### TARGETS ACHIEVED IN 2022/2023

- ✓ Water consumption is monitored at the available measuring points, we also established additional measuring points

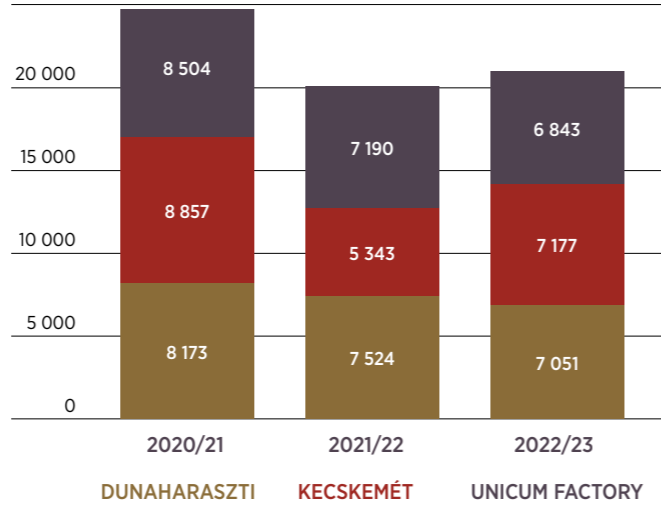
### ORGANIZATIONAL RESPONSIBILITY AND REPORTING GRI 2-12, 2-13, 303: 3-3

The Environmental and Energy Management Systems Manager is responsible for water management. Water management is also subject to a management review under the integrated management system, followed by an annual report to the directors. The results are presented to the Board of Directors and the owners annually.

### WATER USE GRI 303-1, 303-3, 303-5

The volume of water used by Zwack Unicum Plc. was between 21 and 25 thousand m<sup>3</sup> over the last three business years. Based on the data of the last 3 years, there is a stable,

WATER CONSUMPTION PER FACTORIES (M<sup>3</sup>)



even consumption at the sites, which is also supported by the high-tech technological equipment.

Water extraction at all three sites is done only and exclusively from piped drinking water. The Dunaharaszti well was closed in 2021 for economic reasons. We regularly monitor our water withdrawal points and prepare monthly water balances, which we analyze with the factory managers.

In order to further optimize our water-intensive processes and technologies, we are continuously looking for ways to utilize the cooling water of our distilleries. Our extraction technologies are designed to ensure that the process uses the least possible amount of water. At our Kecskemét site, the cooling water required for distillation has been recirculated for the floor heating of the bottling plant for many years. We became a water-saving institution thanks to the water flow reducers installed on taps in our Main Office on Soroksári street several years ago.

*1,3 liter*



OUR WATER CONSUMPTION IS 1.3 LITER/BOTTLE

Specific water consumption increased slightly from the previous business year, due to the increase in production volume (fruit distillation, which has a high demand of water, increased from the previous year in Kecskemét).

### WASTEWATER MANAGEMENT

GRI 303-1, 303-2, 303-4

Thanks to the efficient system applied in our wastewater management, we only need to use wastewater pre-treatment in our Kecskemét plant, as the levels of pollutants in the wastewater from the other two plants are well below the levels required by the authorities. The strict, closed-system technologies, the separate collection of generated technological waters, as well as strict technological discipline and effective operation of the wastewater treatment system ensure that wastewater quality is stable and meets the requirements. Wastewater quality is continuously monitored and assessed in accordance with self-monitoring plans. Wastewater from all three sites is transferred to the authorized regional wastewater processing plant for further treatment.

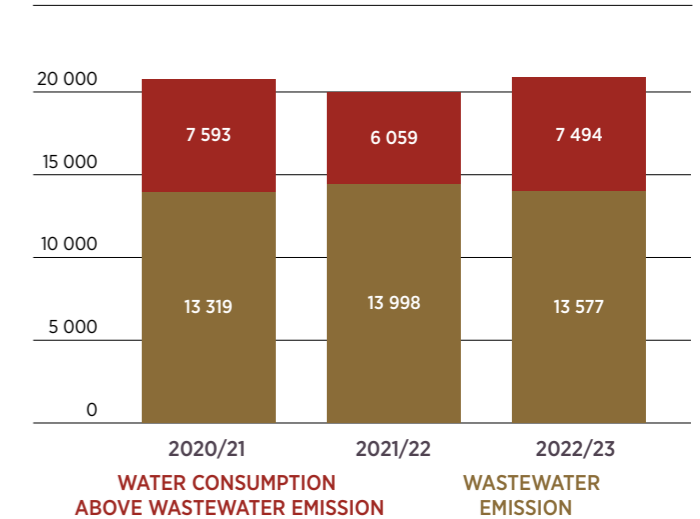
The Water Inspectorate sets emission limits and threshold values for our plants. These values are not always the same for the various sites. Typically, limit values for pH, COD, BOD,

10-minute sediment, organic solvents, mineral oils, total phosphorus, total salts must be met. Compliance is also verified by quarterly accredited tests and the reports are sent to the recipient and the Inspectorate.

### OUR TARGETS FOR THE FUTURE

Continuous monitoring of water use

WATER USE AND WASTEWATER EMISSION (M<sup>3</sup>)



## ABOUT THE REPORT

*GRI 2-1* The ESG report of Zwack Unicum Plc for the 2022/2023 business year was prepared again on the basis of GRI (Global Reporting Initiative), the most widely accepted and most frequently used international framework of sustainability reporting.

*The report complies with GRI Standards 2021 and aims to present the sustainability and ESG effects of Zwack Unicum Plc.*

*GRI 2-3, 2-5* The report refers to the 2022/2023 financial year, so it covers the period from 01.04.2022 to 31.03.2023 in accordance with the Annual Report. Some of the environmental data is available for a calendar year, so the reporting period is represented here by the data for 2022, which is clearly marked in the data presented. In addition to the reporting period, we also provide information for the previous two business years and present numerical data in order to show the trends and ensure comparability. Zwack Unicum Plc. prepares its ESG report annually. This report will be published by the Company at the same time as the Annual Report, on June 28, 2023.

In drafting the report, we kept professionalism and objectivity in mind in addition to general comprehensibility. Emphasis was placed on the exploration of correlations. Our aim was to prepare a report that can be interpreted on its own and which gives a complete picture of our Company, however, in addition to the report, our @website and the Annual Report also make a lot of information available to our stakeholders. Comments and questions regarding the report are welcome at the e-mail address fenntarthatosag@zwackunicum.hu.

This is not a certified Report; it was prepared with the assistance of an external consultant.

*GRI 2-14* The senior management of the Company participated in the preparation of the report, and the relevant managers were also involved in the providing information and the approval process. To determine the content of the report, we prepared a materiality analysis (Chapter 2.2), in which the majority of the Board of Directors also participated. Our report covers all areas identified as essential.



## GRI CONTENT INDEX GRI 102-55

GRI 2-3 Statement of use		Statement of use		Zwack Unicum Plc. has reported in accordance with the GRI Standards for the period 01.04.2022. – 31.03.2023.
GRI 1 used		Applicable GRI Sector Standard(s)		GRI 1: Foundation 2021
Indicator number	Indicator name	Place of information	Comment / Reason for omission	
<b>GRI 2: General Disclosures 2021</b>				
<b>The organization and its reporting practices</b>				
2-1	Organizational details	p. 7, 28, 48, back cover		
2-2	Entities included in the organization's sustainability reporting	GRI Index	Zwack Unicum Plc., in the same way as the Annual Report.	
2-3	Reporting period, frequency and contact point	GRI Index, back cover		
2-4	Restatements of information	p. 12, 13, 14		
2-5	External assurance	p. 48		
<b>ACTIVITIES AND WORKERS</b>				
2-6	Activities, value chain and other business relationships	p. 6, 7, 26, 28		
2-7	Employees	p. 11		
2-8	Workers who are not employees	p. 11		
<b>GOVERNANCE</b>				
2-9	Governance structure and composition	p. 32		
2-10	Nomination and selection of the highest governance body	p. 32		
2-11	Chair of the highest governance body	GRI Index	The chairman of the Supervisory Board is not the same as the General Manager.	
2-12	Role of the highest governance body in overseeing the management of impacts	p. 9, 11, 18, 28, 32, 35, 39, 43, 46		
2-13	Delegation of responsibility for managing impacts	p. 11, 18, 21, 28, 32, 35, 39, 43, 46		
2-14	Role of the highest governance body in sustainability reporting	p. 48		
2-15	Conflicts of interest	p. 28, 34		
2-16	Communication of critical concerns	p. 32		
2-17	Collective knowledge of the highest governance body	p. 32		
2-18	Evaluation of the performance of the highest governance body	p. 32, website		
2-19	Remuneration policies	p. 32, website		
2-20	Process to determine remuneration	p. 32, website		
2-21	Annual total compensation ratio	p. 14		
<b>STRATEGY, POLICIES AND PRACTICES</b>				
2-22	Statement on sustainable development strategy	p. 3, 4		
2-23	Policy commitments	p. 11, 28, website	We do not have any specific commitment regarding human rights.	
2-24	Embedding policy commitments	p. 11, 28		
2-25	Processes to remediate negative impacts	p. 28, 32		
2-26	Mechanisms for seeking advice and raising concerns	p. 32		
2-27	Compliance with laws and regulations	p. 33		
2-28	Membership associations	p. 28, GRI Index	We consider our membership in the following organizations important: the Hungarian Spirit Association, the Advertising Self-Regulatory Board, the Business Council for Sustainable Development in Hungary (BCSDH), the Branded Goods Association.	
<b>STAKEHOLDER ENGAGEMENT</b>				
2-29	Approach to stakeholder engagement	p. 28		
2-30	Collective bargaining agreements	p. 11, 17.		
<b>GRI 3 DISCLOSURES ON MATERIAL TOPICS 2021</b>				
3-1	Process to determine material topics	p. 10		
3-2	List of material topics	p. 10		
<b>MATERIAL TOPICS</b>				
<b>GRI 201 ECONOMIC PERFORMANCE 2016</b>				
3-3	Management of material topics	p. 24		
201-1	Direct economic value generated and distributed	p. 25		
201-2	Financial implications and other risks and opportunities due to climate change	GRI Index	We have not made an estimate for this and do not currently plan to make.	
201-4	Financial assistance received from government	p. 26		
<b>GRI 204 PROCUREMENT PRACTICES 2016</b>				
3-3	Management of material topics	p. 35, 37		
204-1	Proportion of spending on local suppliers	p. 26, 38		



<b>GRI 205</b>	<b>ANTI-CORRUPTION 2016</b>		
3-3	Management of material topics	p. 28	
205-1	Operations assessed for risks related to corruption	p. 34	
205-2	Communication and training about anti-corruption policies and procedures	p. 34	
205-3	Confirmed incidents of corruption and actions taken	p. 34	
<b>GRI 206</b>	<b>ANTI-COMPETITIVE BEHAVIOR 2016</b>		
3-3	Management of material topics	p. 28	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 34	
<b>GRI 207</b>	<b>TAX 2019</b>		
3-3	Management of material topics	p. 33	
207-1	Approach to tax	p. 25	
207-2	Tax governance, control, and risk management	p. 25	
207-3	Stakeholder engagement and management of concerns related to tax	p. 25	
207-4	Country-by-country reporting	p. 7, 25, 26	
<b>GRI 301</b>	<b>MATERIALS 2016</b>		
3-3	Management of material topics	p. 35, 37	
301-1	Materials used by weight or volume	p. 36	
301-2	Recycled input materials used	p. 38	
301-3	Reclaimed products and their packaging materials	p. 45	Regarding our products, the indicator is relevant for packaging materials, for which we do not have information, and it is currently not possible to obtain it with reasonable effort.
<b>GRI 302</b>	<b>ENERGY 2016</b>		
3-3	Management of material topics	p. 39	
302-1	Energy consumption within the organization	p. 39, 40	
302-2	Energy consumption outside of the organization	p. 40	
302-3	Energy intensity	p. 40	
302-4	Reduction of energy consumption	p. 39	
302-5	Reductions in energy requirements of products and services	p. 39	
<b>GRI 303</b>	<b>WATER AND EFFLUENTS 2018</b>		
3-3	Management of material topics	p. 46	
303-1	Interactions with water as a shared resource	p. 46, 47	
303-2	Management of water discharge related impacts	p. 47	
303-3	Water withdrawal	p. 46	
303-4	Water discharge	p. 47	
303-5	Water consumption	p. 46	
<b>GRI 305</b>	<b>EMISSIONS 2016, FIGHT AGAINST AND ADAPTING TO CLIMATE CHANGE</b>		
3-3	Management of material topics	p. 39, 40	
305-1	Direct (Scope 1) GHG emissions	p. 40	
305-2	Energy indirect (Scope 2) GHG emissions	p. 40	
305-3	Other indirect (Scope 3) GHG emissions	p. 40	
305-4	GHG emissions intensity	p. 40	
305-5	Reduction of GHG emissions	p. 40	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	p. 42	
<b>GRI 306</b>	<b>WASTE 2020, CIRCULAR ECONOMY</b>		
3-3	Management of material topics	p. 43	
306-1	Waste generation and significant waste-related impacts	p. 43, 45	
306-2	Management of significant waste related impacts	p. 43	
306-3	Waste generated	p. 43, 45	
306-4	Waste diverted from disposal	p. 45	
306-5	Waste directed to disposal	p. 45	
<b>GRI 401</b>	<b>EMPLOYMENT 2016, SUPPORTING LIVELIHOODS THROUGH JOBS</b>		
3-3	Management of material topics	p. 11, 35	
401-1	New employee hires and employee turnover	p. 13	
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	p. 14	
401-3	Parental leave	p. 12	
<b>GRI 402</b>	<b>LABOR/MANAGEMENT RELATIONS 2016</b>		
3-3	Management of material topics	p. 17	
402-1	Minimum notice periods regarding operational changes	p. 17	
<b>GRI 403</b>	<b>OCCUPATIONAL HEALTH AND SAFETY 2018</b>		
3-3	Management of material topics	p. 16	
403-1	Occupational health and safety management system	GRI Index	Our company does not operate a standardized occupational health and safety management system.
403-2	Hazard identification, risk assessment, and incident investigation	p. 16	
403-3	Occupational health services	p. 16	

403-4	Worker participation, consultation, and communication on occupational health and safety	p. 16	
403-5	Worker training on occupational health and safety	p. 16	
403-6	Promotion of worker health	p. 16	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	GRI Index	No such negative effects were identified.
403-9	Work-related injuries	p. 16	
<b>GRI 404</b>	<b>TRAINING AND EDUCATION 2016</b>		
3-3	Management of material topics	p. 15	
404-1	Average hours of training per year per employee	p. 16	
404-2	Programs for upgrading employee skills and transition assistance programs	p. 15	
404-3	Percentage of employees receiving regular performance and career development	p. 14	
reviews			
<b>GRI 406</b>	<b>NON-DISCRIMINATION 2016</b>		
3-3	Management of material topics	p. 28, 33	
406-1	Incidents of discrimination and corrective actions taken	p. 34	
<b>GRI 407</b>	<b>FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016</b>		
3-3	Management of material topics	p. 17	
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	GRI Index	The possibility of this does not arise at the locations of our Company's operations.
<b>GRI 413</b>	<b>LOCAL COMMUNITIES 2016</b>		
3-3	Management of material topics	p. 21	
413-1	Operations with local community engagement, impact assessments, and development programs	p. 21	
413-2	Operations with significant actual and potential negative impacts on local communities	p. 21	No significant actual or potential negative effects were identified.
<b>GRI 416</b>	<b>CUSTOMER HEALTH AND SAFETY 2016</b>		
3-3	Management of material topics	p. 34	
416-1	Assessment of the health and safety impacts of product and service categories	p. 34	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	p. 34	
<b>GRI 417</b>	<b>MARKETING AND LABELING 2016, RESPONSIBLE ALCOHOL CONSUMPTION</b>		
3-3	Management of material topics	p. 18, 28	
417-1	Requirements for product and service information and labeling	p. 19	
417-2	Incidents of non-compliance concerning product and service information and labeling	p. 33	
417-3	Incidents of non-compliance concerning marketing communications	p. 34	



Your opinion is important to us!

Please let us know your comments about the ESG report  
at the hu [fenntarthatosag@zwackunicum.hu](mailto:fenntarthatosag@zwackunicum.hu) e-mail address!

The seat of our company:

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