

A Spirit of Change

Sustainability Report

2023



SPIRITS GROUP

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Message from the CEO

GRI 2-22

As I reflect on 2023, I'm proud to share that it has been a landmark year for Stock Spirits Group. We've made significant progress on our journey toward sustainability, undertaking numerous projects that have set us on a promising path.

One of our standout achievements this year was the completion of a cutting-edge distillery in Lublin, one of the most modern in Europe. This facility is a testament to our commitment to efficiency and quality. It not only optimises our use of resources like gas, electricity, and water but also gives us greater control over product quality and fosters innovation for our European consumers.

We've also taken a major step forward by signing a commitment letter with the Science Based Targets initiative (SBTi). We're currently working on setting clear targets to reduce our carbon footprint by 2030. Our ambition is to cut our Scope 1 and Scope 2 emissions by 42%. By 2025, we will set a Scope 3 intensity-based reduction target, which is equivalent to approximately a 20%¹ absolute reduction in Scope 3 emissions. The final reduction targets will be submitted for SBTi validation in 2025.

Looking ahead, we're evaluating the possibility of constructing a biogas plant. This initiative could support the Group's circular economy ambitions and emission-reduction targets by converting distillery by-products into biogas to sustainably power the company's operations.

This year, we've also strengthened our market position through four strategic acquisitions: Clan Campbell Whisky, Polmos Bielsko-Biała, Dugas, and Borco (now Stock Spirits GmbH). These moves have

solidified our presence in Europe among the top four spirits companies in Europe by market share². We're dedicated to driving sustainable market trends and practices.

Our ambition is to lead the way in ESG (Environmental, Social, Governance) efforts in Central Europe. In 2024 we updated our Sustainability Strategy, 'People, Planet, Processes,' making sustainability a key driver of our competitiveness and differentiation across Europe.

To ensure we're continuously improving, we undergo external assessments by EcoVadis, a leading sustainability rating agency. We are proud we achieved a Silver Medal in 2023, a significant leap from our previous Bronze status. Our goal is to attain the Platinum Medal by 2027.

As we celebrate Stock's 140th anniversary in 2024, we honour our rich heritage that began in 1884. Our strong local brands across major European markets reflect our passion for craftsmanship, respect for local traditions, and commitment to quality ingredients. We blend tradition with innovation to offer the best to our consumers.

We believe that merging tradition with modernity is essential, and we are committed to sustainable development. With this in mind, we're excited to present our Sustainability Report, which highlights our ongoing journey and dedication to a sustainable future.

Thank you to the entire Stock Spirits Group community for being a part of accelerating our sustainability journey for the long term.

Warm regards,

Jean-Christophe Coutures
Chief Executive Officer



¹ 20% absolute reduction does not consider the Lublin distillery and acquisitions

² Source IWSR without UK & Ireland in value and volume

Our history

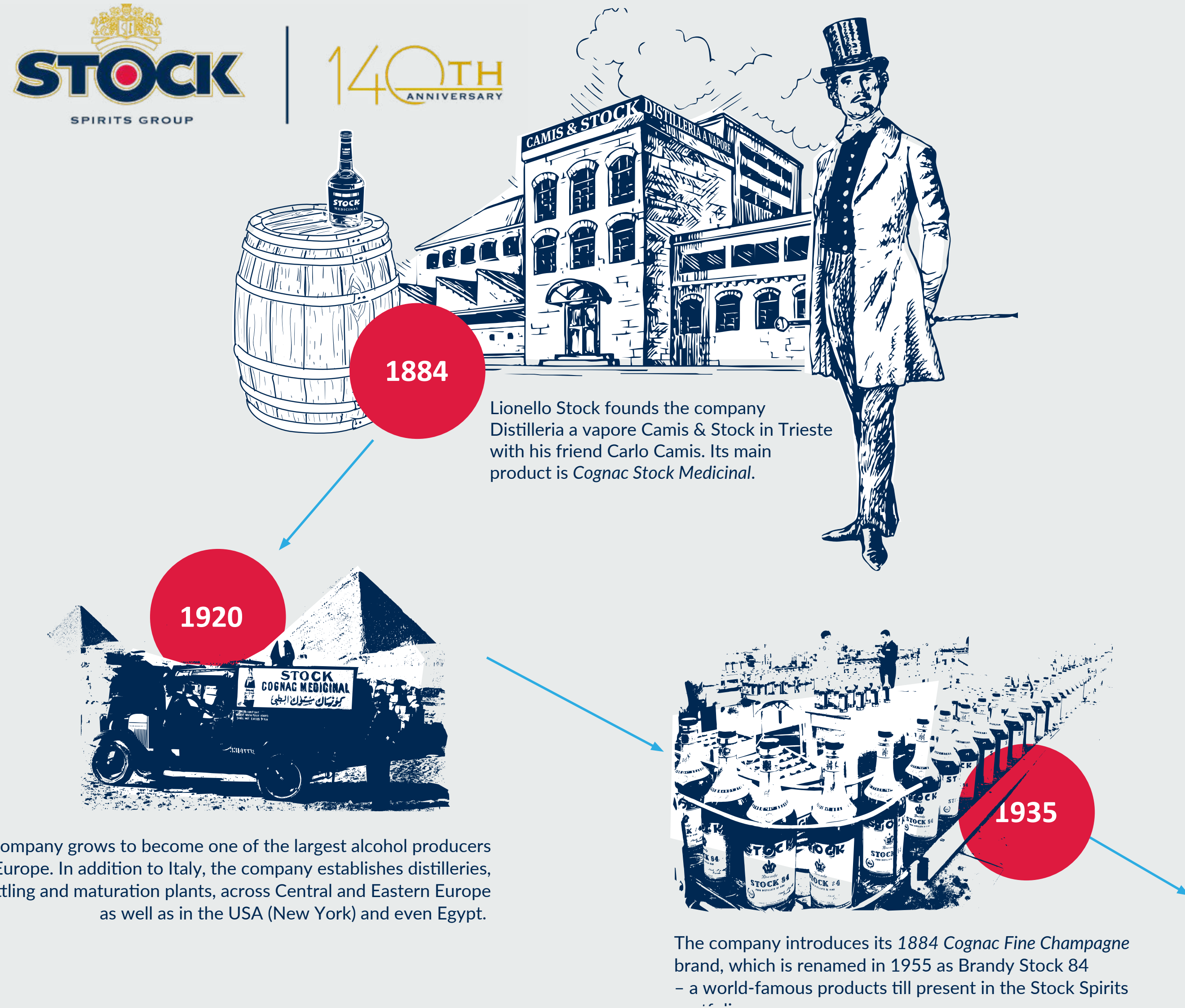
Our story began 140 years ago in 1884 when Lionello Stock and Carlo Camis founded 'Distilleria a vapore Camis & Stock'. Since then, we've been crafting our beloved brands with passion, respect, and the finest ingredients. We formulated our purpose 'ENHANCING THE FLAVOURS OF LIFE', which means that we aspire to be part of the special moments in people's lives, always responsibly, one drink at a time, and innovate to expand the world of spirits.

At Stock Spirits Group, we bring together outstanding local spirits from across Europe. Our employees and consumers love them, and we are committed to investing in these brands, helping them grow both at home and abroad. We cherish our rich heritage of making great beverages and are excited about the future. With a European audience at the heart of our business, we continuously innovate. Our goal is to create a diverse portfolio of European brands that together form a strong and vibrant business.

Sustainability is at the core of everything we do. Our commitment extends beyond mere words, we are setting clearer goals and pathways to meet our targets & demonstrate a commitment to our people and the environment. From sourcing ingredients responsibly to reducing our environmental footprint, we are committed to creating a positive impact. We believe in nurturing our communities, supporting local economies, and ensuring that our practices today contribute to a healthier, greener tomorrow.

Together, we strive to build a future where our cherished brands not only delight our consumers but also respect and sustain the world we share.

Our Legacy,
Our Future

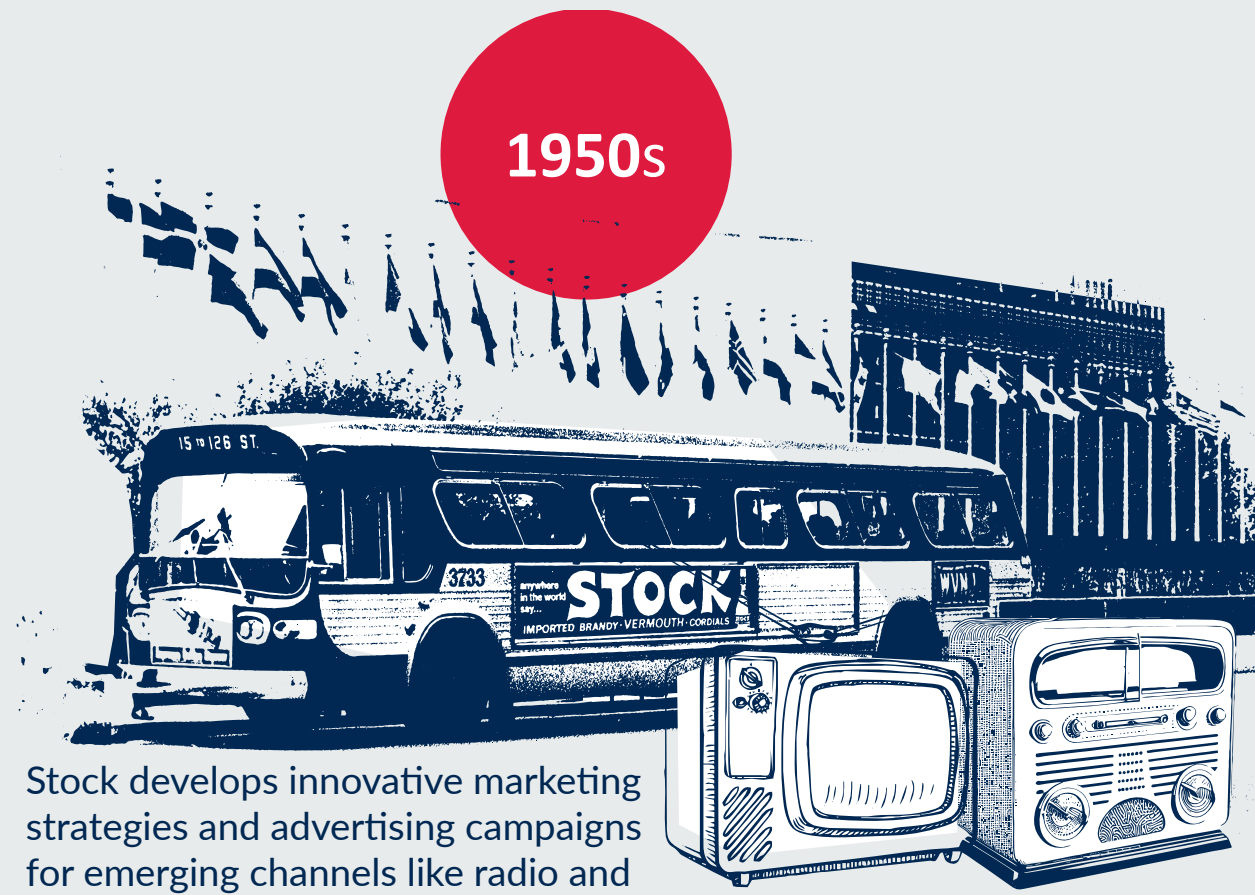


Our history

After the liberation of Czechoslovakia, the factory in Plzeň is returned to Lionello Stock. However, soon after, it is nationalised by the Czechoslovak Communist government.



1947



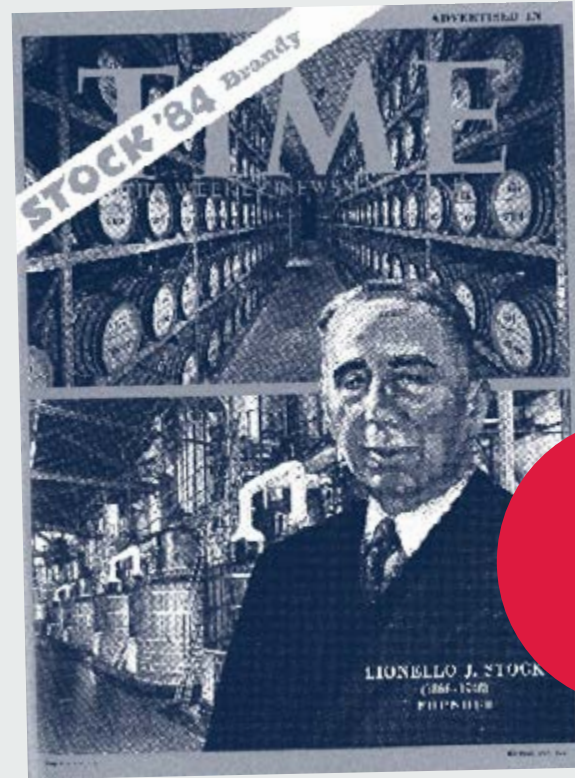
1950s

Stock develops innovative marketing strategies and advertising campaigns for emerging channels like radio and television.

1971



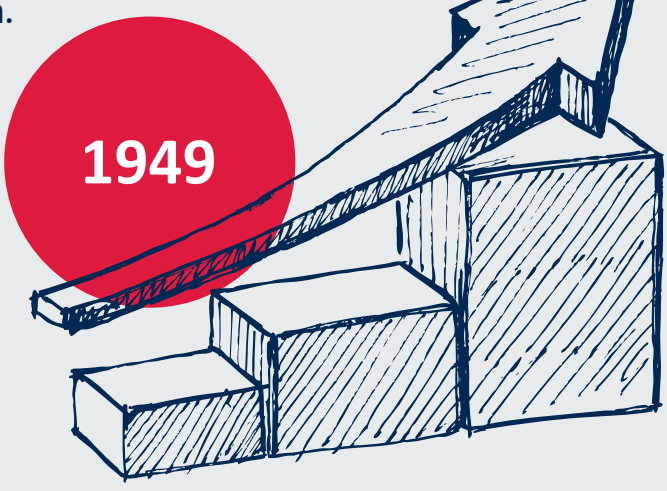
Two new plants are built in Trieste and Portogruaro, Italy. The company has 3,000 employees in 21 factories – 8 located in Italy and 13 abroad.



Lionello Stock passes away, leaving the company and his legacy to be continued by his family.

1948

The company changes its name to Stock S.p.A. and begins to grow rapidly again.



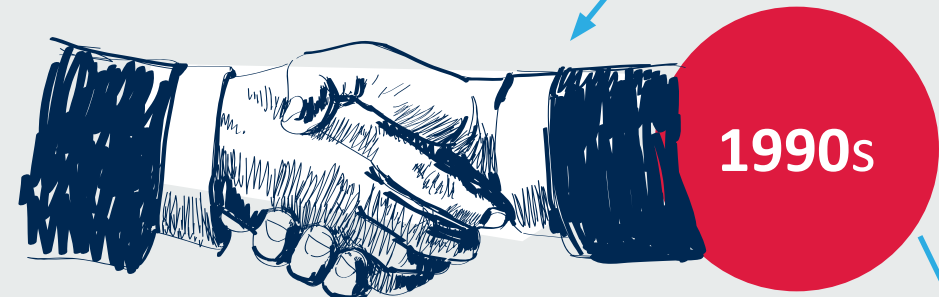
1949

Stock supports the arts. In 1966, company president Alberto Casali commissions twelve masters of contemporary Italian painting to produce canvases depicting the iconic Brandy Stock 84 brand.

1960s



Our history



1990s

Having revived the Camis & Stock name, it becomes a public limited company in 1991. It is acquired by Eckes in 1995, resulting in the creation of Eckes & Stock GmbH - one of the leading producers of branded spirits in Germany, Austria, Slovakia, the Czech Republic and Italy.

Eckes & Stock GmbH merges with Polmos Lublin in Poland to form Stock Spirits Group. Polmos Lublin was founded as Lublin Distillery in 1906. It was nationalised in 1951 and then privatised in 2001.



Polmos

2008



Stock Spirits Group becomes part of the portfolio of companies owned by the private equity fund CVC Capital Partners.

2021

2013

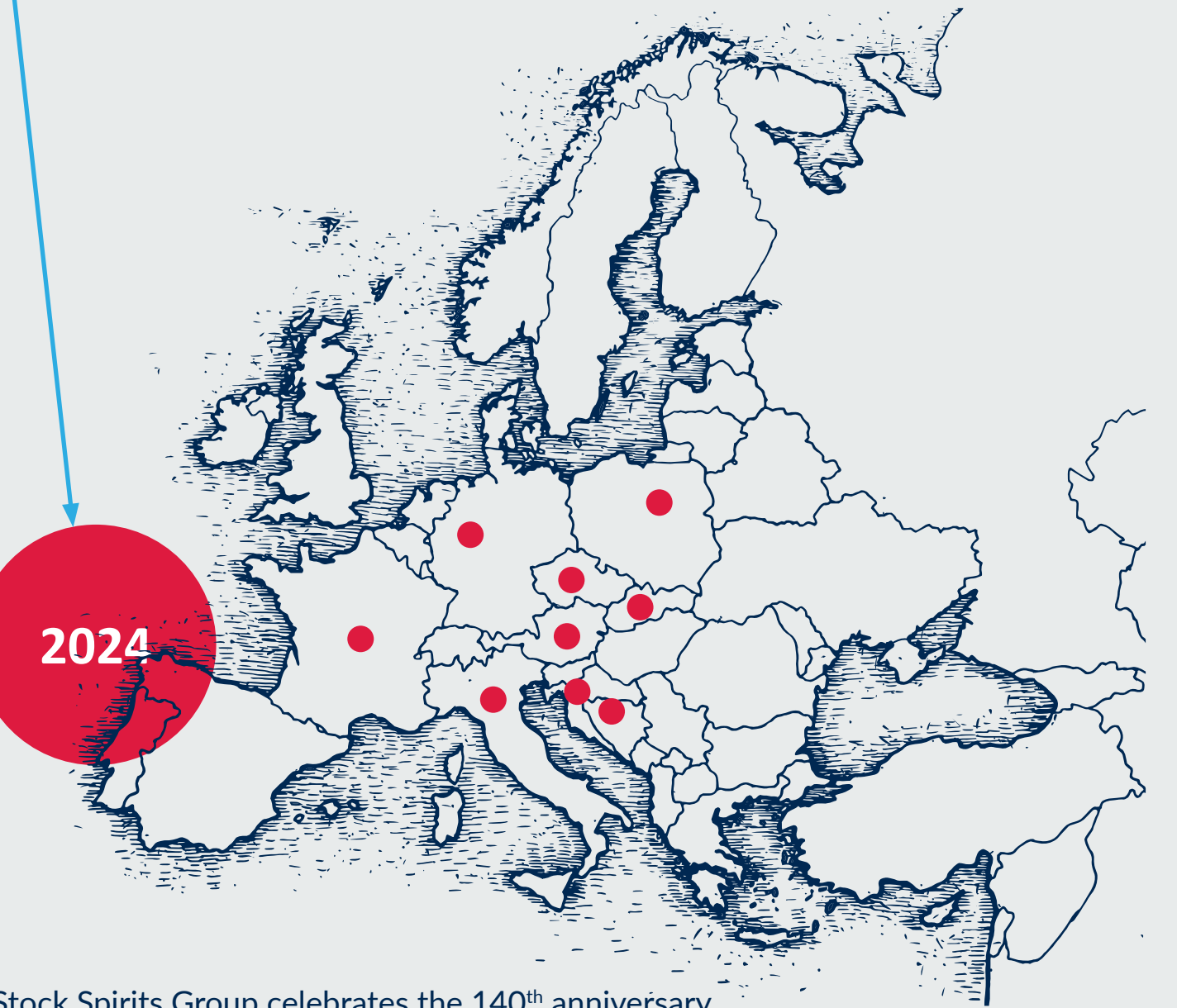


Stock Spirits Group makes its debut on the London Stock Exchange (LSE).

2023

The company completes the acquisitions of Polmos Bielsko-Biała in Poland, Borco (the owner of the Sierra Tequila and Finsbury gin brands) in Germany, as well as the brand builder and distribution partner Dugas and the Clan Campbell Scotch whisky brand in France.

2024



Stock Spirits Group celebrates the 140th anniversary of its creation. The company's portfolio includes more than 80 brands, available in more than 50 countries.



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Our market position, business model and value chain

GRI 2-1, 2-6

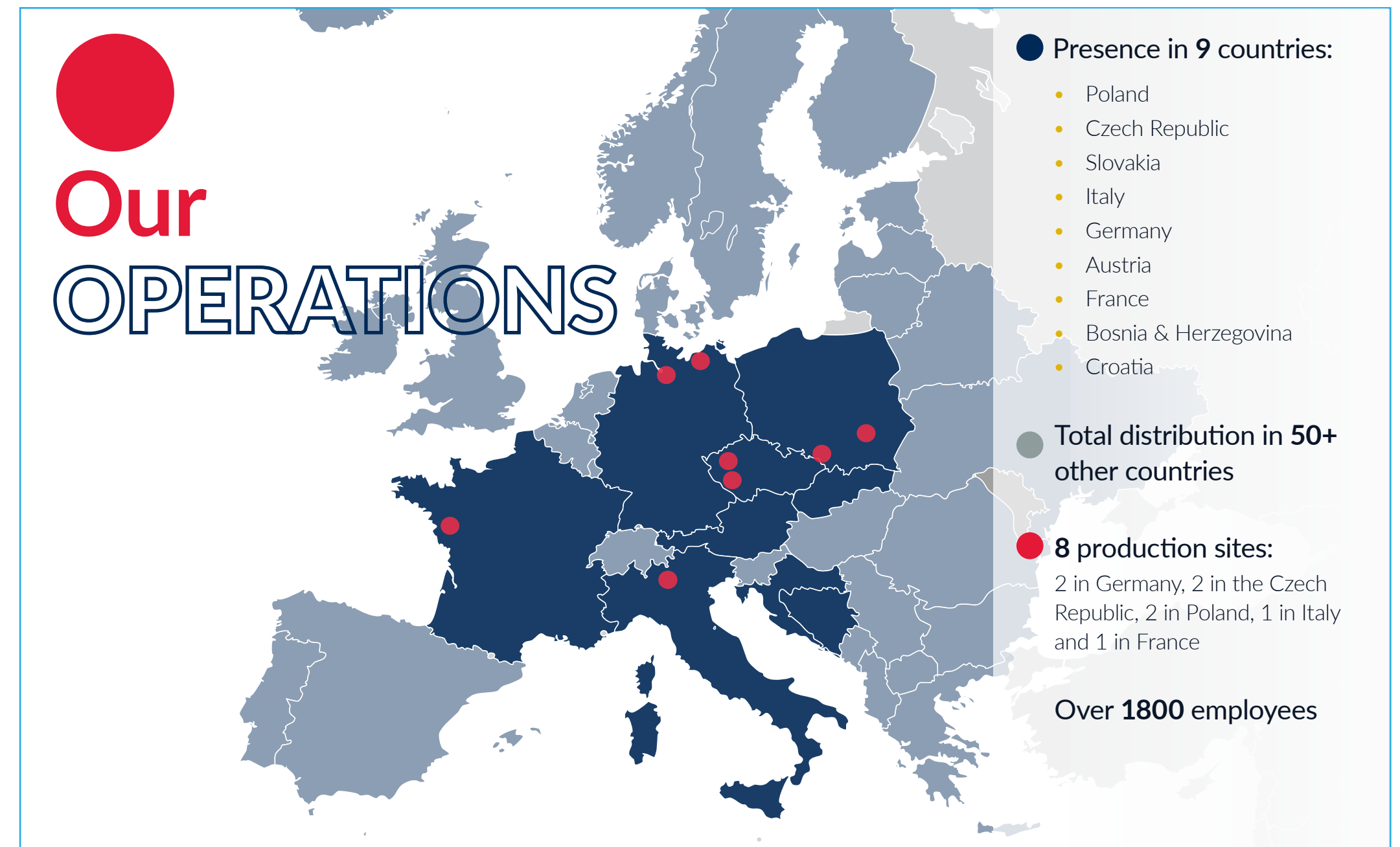
Stock Spirits Group (SSG or Group) is a prominent spirits producer in Central and Western Europe, comprising of local companies dedicated to crafting alcoholic beverages. Our portfolio consists of over 80 brands, including iconic and strong local brands. Our products are distributed across 50 countries worldwide. SSG operates in nine European markets and manages eight manufacturing facilities, employing over 1800 employees (including acquisitions)³. We hold a strong position in the market for flavored alcohols, and pure vodkas in Poland and the Czech Republic. Combining local and regional heritage with innovation, SSG offers a broad range of high-quality products, including vodka, vodka-based flavored liqueurs, rum, brandy, whisky, gin, bitters and limoncello.

Our Consumers look for quality products, often reaching for craft brands or ones with local roots and heritage. To respond to the quality trend, SSG offers traditional products and ensures high quality through its own production. We have our own bottling plants in the Czech Republic and Poland, and owned distillation facilities in Poland and Germany. It gives us full control over product quality and fosters innovation in our production systems. Each product combines local and regional heritage with innovative craftsmanship, reflecting our commitment to quality and tradition.

SSG's brands have strong ties to their origins, reflected in practices like local sourcing, such as using fresh lemons from Sicily for Limonce. We are actively enhancing our supply chain to uphold human rights and environmental standards at all levels. Our commitment extends to supporting local communities by expanding our range of products made from high-quality ingredients sourced responsibly from local farms or growers. This approach underscores our dedication to sustainability and ethical sourcing across our operations.

We place importance on collaborating with trustworthy suppliers who uphold our ethical values. We have approximately 100 major suppliers providing key raw materials, packaging materials, and services.

We engage across all market channels, including traditional stores, discounters, off-trade, on-trade, and HoReCa.



³ Sustainability Report 2023 refers to the structure of the Group prior to recent acquisitions of Clan Campbell Whisky, Polmos Bielsko-Biała, Dugas, and Borco.

Vision, ambitions and values

SSG's ambition is to become the leading mainstream spirits company in Europe by 2027. We aim to be one of the leaders in ESG among spirits companies in Europe, reducing our Scope 1, 2 and 3 emissions by 2030. We aspire to expand from being a Central European company to a pan-European player.

Our values – **Open, Bold, United** – define our identity and guide our collaborative efforts. We are dedicated to creating an inclusive and dynamic environment, where talents can flourish. Through the introduction of best practices and continuous improvement within our organisation, we prioritise maintaining a friendly and safe workplace for all.



OPEN
We value transparency, openness and inclusiveness in our actions

BOLD
We foster the forward thinking culture that values entrepreneurial spirit in thinking and acting

UNITED
We come from different cultures and backgrounds but always act as one team

Our goal is not only to meet regulatory ESG compliance but also to exceed it by adopting leading industry practices. Through these commitments, we strive to establish ourselves as a role model in the European market. Continuous enhancement of our ESG performance is integral to our strategy, which is why we undergo periodical external assessment from our 3rd party ESG assessor, EcoVadis, a globally recognised sustainability rating agency. This ensures transparency and accountability in our sustainability efforts, reinforcing our commitment to responsible business practices.

To fulfill our responsibility to give back to our communities, we established a corporate foundation in 2022 that takes into account the broader social context around us. The Stock Foundation's new longterm strategy is to bring arts and culture closer to people through dedicated programs, to strengthen equality and inclusion.



Highlights from 2023



7th Employee Engagement Survey



Updated
Code of Business Conduct and Ethics

Silver Medal in EcoVadis
top 9% in the spirits industry



Concept discussion of biogas plant



Final works on a new distillery in Lublin



Getting ready for a Grant Program 'Flavours of Change'

Double materiality analysis of ESG topics



96.9%
decrease in Scope 2 (market-based) emissions from FY15 to FY23, mainly due to switching to renewable energy sourcing



Highlights from 2023

Stock Foundation



191

people provided with Trauma Resilience Training and Group Therapies



95

musical scholarships granted to talented Ukrainian youth



2 100

students with improved educational conditions thanks to direct donations to Lublin schools



Over

1 300

people impacted by other initiatives

In total over 3700 direct and indirect beneficiaries of the Stock Foundation

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Our Sustainability Journey at a Glance

New distillery in Lublin



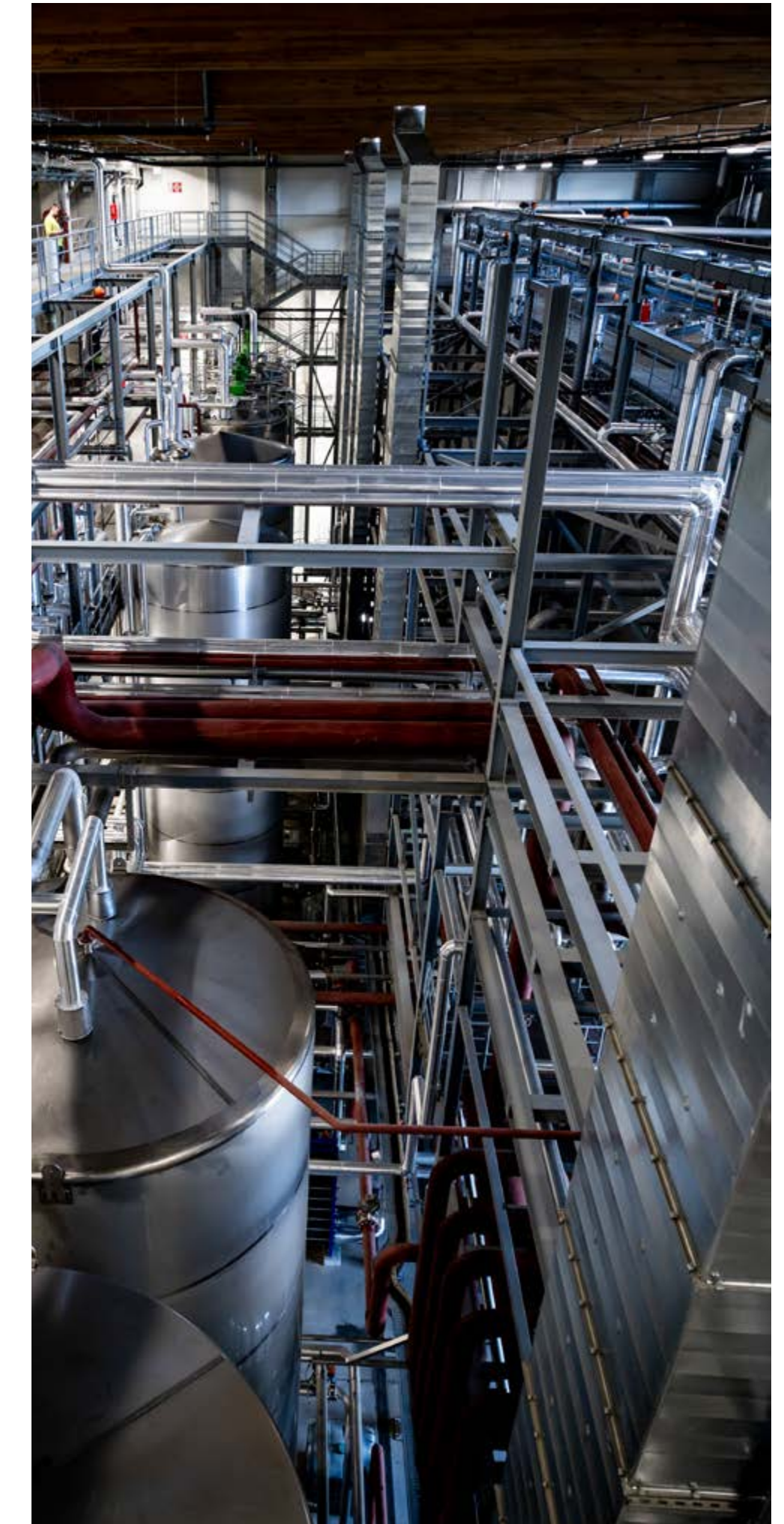
In 2024, we completed the construction of a distillery in Lublin, the biggest in Poland and one of the largest in Central Europe. This investment is worth over EUR 50 million.

The new distillery is the next step in our commitment to sustainable development, focusing on minimising our carbon footprint. We have implemented the latest solutions to ensure the efficient use of water and energy, as well as waste reduction.

Having our own distillery gives us full control over the production process from grain to final product. We believe this is crucial for quality, efficiency, and our ability to innovate and meet consumers' needs. Our focus is to produce alcohol from grains grown by local farmers, contributing to the support of local communities and shortening the supply chain. The Lublin distillery will be capable of producing and distilling 32 million litres of pure alcohol annually. Combined, our distilleries in Poland and Germany, we will be able to produce around 52 million litres of pure alcohol per year, which will be sufficient for our future production needs.

We develop our own value chain. From distillation to reaching Consumers, we ensure quality and flexibility at every stage. Increased production efficiency is achieved in an environmentally friendly manner.

Distilling Change



New distillery in Lublin

Key numbers



270 000 kg
grain used daily



100 000 litres
of Ethanol (as 100%) daily



100 000 kg DDGS daily
(Dry Distillers Grains with Solubles)



Minimising waste



Water & Energy
reusage

Quality

Controlling our process
from grain to final product

Flexibility

Adjusting mix of grains/
blend – various recipes



Independence from ethanol
suppliers, shorter supply chain

Supply security

The biggest distillery
in Poland

Strong brand

In addition to producing alcohol, the distillery in Lublin will produce 100 tonnes of DDGS (Dry Distillers Grains with Solubles) per day as a by-product, which will be used in agriculture exemplifying circular economy practices.

Alternatively, wet substrate will be utilized to produce biogas, with the ability to be both returned to gas grid or fed back to plant as fuel for heat generation.

Employee engagement survey



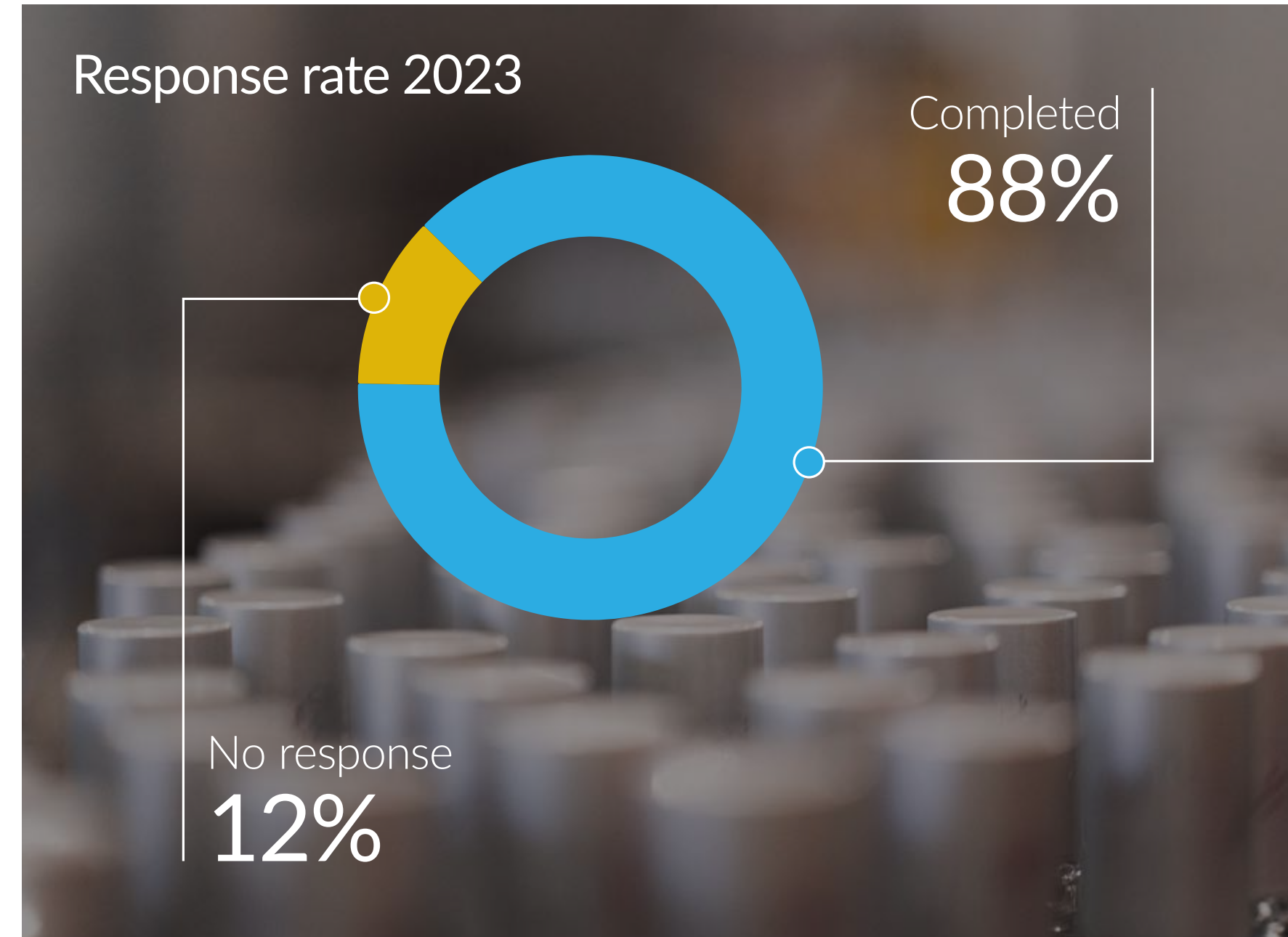
Employee engagement is crucial for our growing international organisation. We aim to drive productivity, innovation, and retention so engaging with our employees is a core fundamental to how we listen, learn and develop as a company. This is why, since 2017 we have regularly asked for the insights and perspectives of our employees through an anonymous, annual engagement survey.

Our employee engagement score for 2023 was 63% and our target for 2027 is to reach employee engagement score at the level of high-performing companies.

Highlights we are proud of in terms of progress and change from the year before:

- 88%** of our employees value and would recommend our products
- 87%** have good understanding of company goals and see their role in achieving them
- 83%** appreciate their managers' accessibility, work conditions, and available resources

In 2023, the response rate was exceptional – reaching **88% response rate** and surpassing the already impressive 80% response rate in 2022.



Spirits of Transformation

This reflects that our employees care about voicing their opinions, and that it is a great demonstration of our values – Open and Bold, in practice.

We listen attentively to our employees, therefore, after obtaining the results, we took the following steps:

- Market and department results are reviewed by the management.
- Local survey results are presented to employees by local senior managers.
- Action plans at local and Group levels are developed, approved, and implemented.
- Progress is monitored and communicated on the status of action plans.

This year's survey took place in June 2024 with the response rate of 86%. Its key findings will be presented in the next Sustainability Report.



Health & Safety day in Lublin

In June 2023, our annual Health & Safety day was expanded to include Environmental Protection topics. The event took place at our Lublin plant, where participants were divided into seven groups, each led by a designated leader. These groups rotated through various workstations set up around the factory.

The event featured eight stations: five focused on Health and Safety, two on Environmental Protection, and an additional station organized by the Fire Department.

So what did the Health & Safety annual event cover in 2023?

- Emergency Situations Lecture: A local expert gave a talk on handling emergency situations.
- Spill Elimination Station: Demonstrations on how to clean up spills properly and what protective equipment to use.
- Fire Protection: The fire department organized a competition where participants entered a smoky tent to rescue a mascot, navigated an obstacle course, extinguished a fire, and aimed a water hose at a target.
- Virtual Health and Safety: Using VR goggles, employees practiced escaping burning rooms and using fire extinguishers. They also wore goggles simulating alcohol and drug impairment while performing tasks.
- LOTO Stand and Quiz: An explanation of the LOTO (Lockout/Tagout) safety system and its use. Employees also used a pictogram printer to create safety signs and took a group quiz, with the winning team announced at the end of the event.

Annual Health & Safety event, Lublin Factory, June 2023



Our Health & Safety day in Lublin is an example of many activities in SSG which support our Life-Saving Rules.

Life-Saving Rules were introduced in 2022 to establish clear and simple but effective guidelines that ensure consistency in managing daily tasks safely, as well as handling critical situations within our operations.

They serve as a vital framework for employees, outlining the necessary measures to protect their own safety and the safety of their colleagues.

The most crucial guideline is undoubtedly the 'Golden Principle,' which empowers and obliges employees to stop work if they observe someone working unsafely or in unsafe conditions. By doing this, we collectively contribute to building a robust safety culture.

These rules are mandatory and non-negotiable, forming a fundamental part of our strategy to learn from past incidents to prevent future ones.

Health & Safety day in Lublin



Life Saving Rules



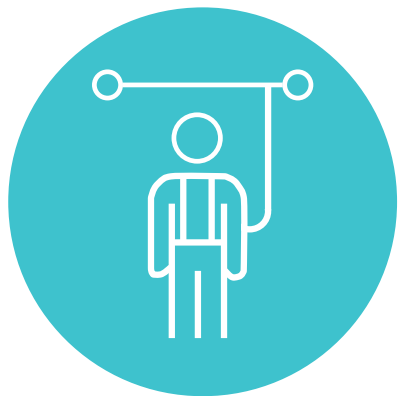
The Golden Principle:
Intervene to stop work if conditions or behaviour are unsafe



Work with a valid work permit when required



Obtain a permit for entry into a confined space



Use fall protection when working at height



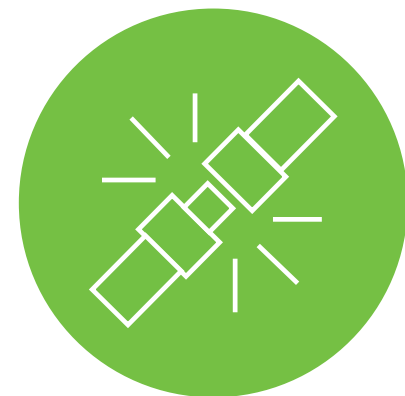
Make sure moving machinery is guarded



Obtain authorization before disabling safety equipment



Check equipment is isolated before work begins



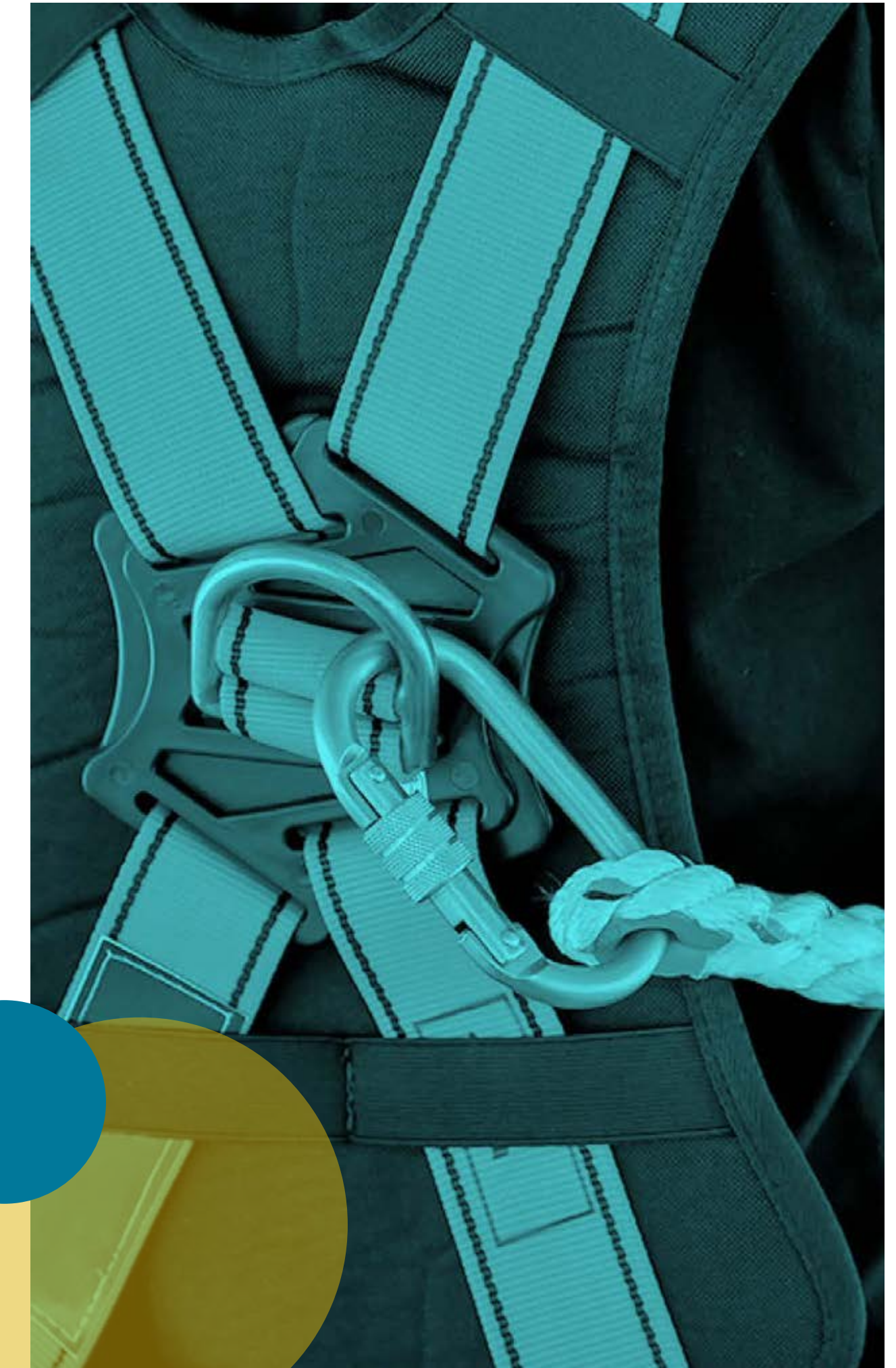
Wear a seatbelt in motor vehicles when provided



Do not use alcohol or drugs at work

The Life-Saving Rules are essential because:

- 1** We care about our People and don't want them to get hurt.
- 2** Our culture of responsibility, accountability and compliance is here to reduce the number of injuries sustained at SSG.
- 3** We are aware our people face risks at work every day.
- 4** These 9 basic rules remind us that safety is about behaviour and are there to protect us.



Our Sustainability Journey at a Glance

Grant program for employees

In December 2023, we launched the Stock Foundation Grant Program – **Flavours of Change**, to provide our employees with a meaningful way to make a positive impact by supporting small charity projects within our communities.

The Stock Foundation invites employees to apply for **grants of up to EUR 2200**, depending on the project's scope and impact. **We seek projects that align with the foundation's goal of promoting inclusivity, community engagement, education, and environmental sustainability.**

Guidelines, criteria and regulations for the project were developed, and representatives and program coordinators were recruited in all countries and offices where the company operates.

Furthermore, the Foundation approached CVC Philanthropy for support. Following the presentation of the program's initial results, funding was awarded.

We are excited to see the number of applications growing, examples of those approved so far include:

- Garden community Pilsen (Czech Republic)
- Fire brigade training track in Markuszów (Poland)
- BIO-ECO Mediterranean Bridge in Šišan (Croatia)
- Active ageing through sport in Poděbrady (Czech Republic)
- 'Mom, read!' (Italy)
- Volunteer fire brigade project (Poland)
- Support project for a nursing home for the elderly (Poland)
- Volunteer fire brigade project to speed up interventions (Poland)



Our Sustainability Journey at a Glance

Boosting employer brand

In 2024, our Czech company excelled at two major job fairs, showcasing our commitment to employer branding and attracting top talent.

1. Job Fair “Career Expo 2024” – Focus on Employer Branding

In the first year of the Czech Republic and Slovakia’s largest career festival, Stock Plzeň-Božkov stand welcomed 10 444 visitors over two days. Our stand drew in **900 active visitors** who shared their profiles and job preferences with us. Our goal was to enhance the visitors’ experience with ‘STOCK Tastes of Life’ offering them the opportunity to sample our alcoholic and non-alcoholic drinks, and to strengthen our employer branding awareness.

2. Job Fair “A Chance” – Focus on Talents and Graduates

The largest traditional job fair for students and graduates, organized by the University of Economics in Prague, features 100 exhibiting companies from various industries, including FMCG competitors. We proudly secured **1st place for Best Exhibiting Company**, as evaluated by the students based on stand appearance, friendliness, and overall impression.

This event provided us with the opportunity to connect with high-potential students and reinforce SSG’s reputation as a desirable employer among the student community.



Our Sustainability Journey at a Glance

'Open doors day' at Pilsen Production Plant

The 'Industry Open' project was initiated by Pilsen – TURISMUS, a contributory organisation of the city of Pilsen, Czech Republic, as a new theme for the ongoing development of tourism in Pilsen and its surroundings.

This initiative follows the success of the Pilsen, European Capital of Culture 2015 project. The aim of Industry Open is to grant the public access to various factories and sites that are typically off-limits, allowing them to learn about the heritage and contributions of these places to the development of the Pilsen region.

Our company has been participating in this project since 2023 and it continues in 2024.

Our plant opens to the public four times during the summer weekends when production is paused, offering guided tours. These visits are free of charge and provide an opportunity for our employees' families to see their loved ones' workplace. We plan to continue this activity in the coming years. According to our report, the tours have been very popular, attracting around 400 visitors unaffiliated with the company and 60 STOCK family members. This project underscores our value of being open, fostering community engagement, education, and a deeper understanding of our industrial heritage.



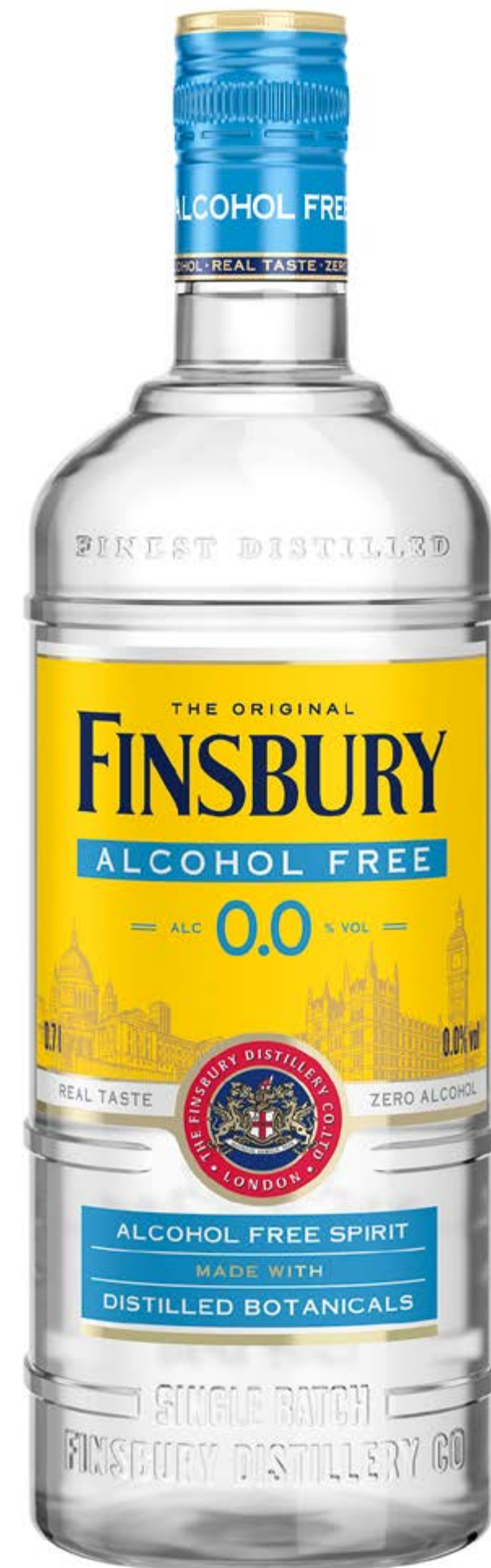
|
Crafting
a Sustainable Future
|

Our Sustainability Journey at a Glance

Stock Spirits Group first non-alcoholic alternative

Responsible drinking is a significant part of our Sustainability Strategy. We focus on education to ensure our products provide transparent consumer information and give them the opportunity to explore low-alcohol and non-alcoholic alternatives.

One of the strong trends in consumption of spirits throughout Europe is 'drink less but better', meaning quality products and drinking 'spirits with lower alcohol content'. We achieve this by innovating with lower ABV and flavored alcoholic beverages, as well as alcohol-free alternatives. This approach offers more choices and encourages moderate consumption and a mindful, slow celebration of good moments. As part of our Sustainability Strategy commitments, we will launch our first 0% ABV Gin in Finsbury London Dry Gin – Finsbury 0.0 – in Germany in the autumn of 2024. It has the same aroma and taste profile as the successful original 37.5% ABV and is perfect for a non-alcoholic Gin&Tonic cocktail recipes (G&T).



Ongoing integration of Stock Spirits Group

Our ambitions and values serve as a guide, directing the development of SSG. We are UNITED. Even though we come from different backgrounds, we are one team.

We continuously enhance our Group by implementing systems that ensure integration, strengthen corporate governance, and streamline the organisational structure by establishing Group functions that ensure consistency in our dynamically developing organisation.

We are currently implementing new systems and solutions, to improve our processes, increase efficiency and strengthen our Team. A few examples of systems that support our value of being UNITED:

- SAP
- HR System
- Adaptive GRC initially focused on internal control and internal audit
- ESG system for collecting data and reporting
- Cybersecurity systems

New Group Roles in Stock Spirits Group in FY 2023 and FY 2024:

FY 2023

- Group Organizational Development Manager
- Group HR Business Partner
- Group Supply Chain Controller
- Cyber Information Security Officer
- Group Corporate Communication & Public Affairs
- Group ESG Manager
- Group Internal Communication Manager

FY 2024 as of July'24

- Continuous Improvement Manager
- Group Chief Engineer
- Group Packaging Development Engineer
- Group Supply Chain Director
- Group Business Controlling Director
- Group Financial Controlling Director
- Group Media Performance Manager

Our Path
to Impact



Our Sustainability Journey at a Glance

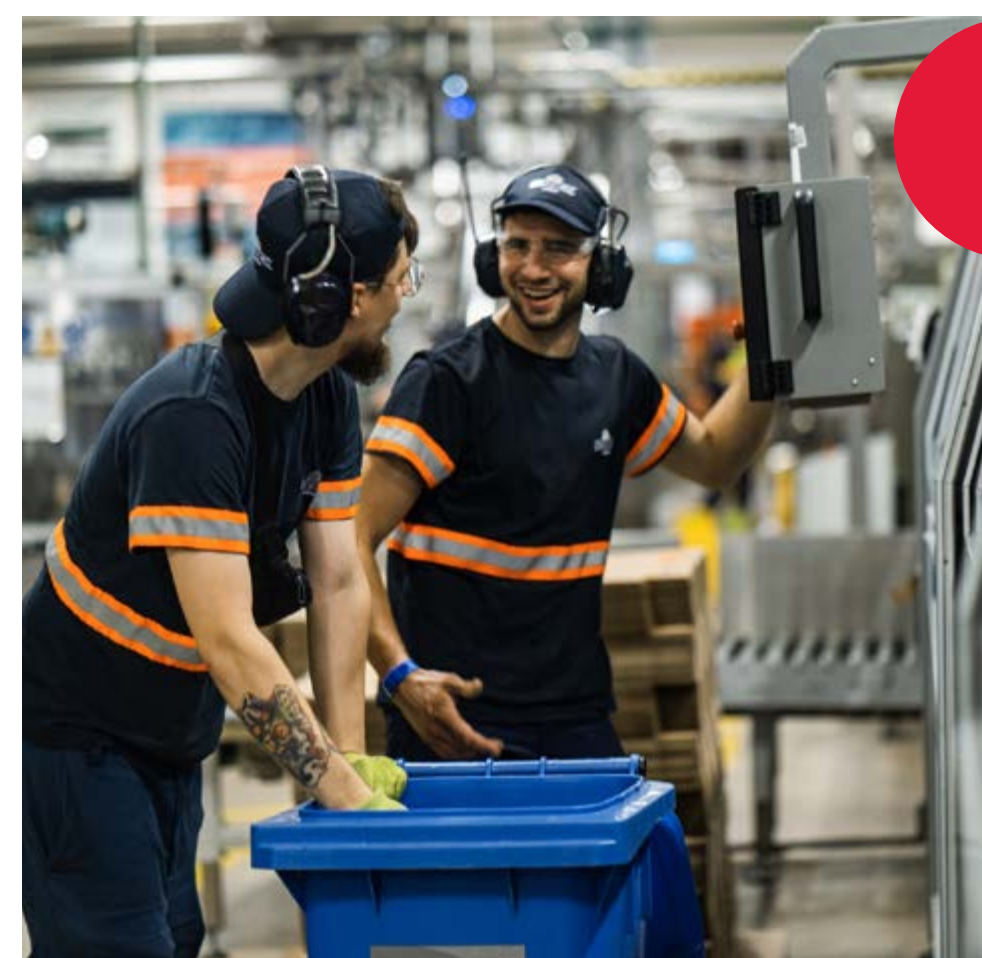
EcoVadis Silver Medal 2023

We have been awarded a **Silver Medal** in recognition of our sustainability performance by EcoVadis, an elevation from our previous Bronze Medal.

We are proud of the efforts made by the entire team to achieve this and will continue to work towards improving our performance.

Our rating was based on a **comprehensive evaluation** of our performance across four key areas: **environment, labour and human rights, ethics and sustainable procurement.**

We are particularly proud of our performance in environment, labour and human rights, a testament to the innovation and commitment of our people and communities.



Raising the Bar
for People
and Planet



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People, Planet, Processes

GRI 2-22, 3-1, 3-2

During FY23 & FY24 we have been working on updating our Sustainability Strategy building upon our continuous efforts and commitments in sustainability. We view enhancing our focus on environmental stewardship, supporting people, and fostering transparent business practices as integral to our business strategy and our responsibility as leaders in the alcohol industry.

As an international group, we firmly believe that our commitments can positively impact on both society and the natural environment.

Our strategy consists of three pillars which are: **People, Planet, Processes**. Further sections of the report and disclosed information are divided in a way to align with these 3 pillars.

In developing our Sustainability Strategy, we conducted detailed materiality, identifying key material topics to focus on in the coming years.

We engaged in the dialogue with our key stakeholders, including board members, middle and top management employees, financial institutions, suppliers and business partners. In collaboration with external experts, we held several meetings and workshops to raise awareness of ESG issues in the organisation.

We benchmarked against key competitors to assess our ESG maturity and establish top priorities and areas for improvement.

As a result, we identified material topics as reflected in the graph, all of which consider our impact on the environment, society and business.



“Business priority” axis represents the assessment of importance of ESG matters from SSG’s perspective, based on the organisation’s maturity in the particular areas as well as expectations of our stakeholders.

“Impact” axis reflects the range of potential and actual impact on environment and society than can be made by SSG through improving or failing to improve in particular ESG matters.

People, Planet, Processes

Based on the materiality assessment results we focus on the following aspects of the 3 pillars: **People, Planet, Processes**



PEOPLE

- Our revised strategy emphasizes the promotion of responsible alcohol consumption as one of our critical commitments. We plan to enhance our contribution through educational initiatives and the introduction of non-alcoholic and low-alcohol products, which stands in line with our overall business strategy and the further expansion of our portfolio.
- 3P Strategy aims to foster an inclusive organisation with a significant representation of women in leadership roles and a high level of employee engagement.
- We remain strongly committed to maintain the highest standards on health and safety, with the important goal of eliminating serious workplace injuries.



PLANET

- SSG is committed to reducing its environmental impact by setting clear targets to reduce carbon footprint by 2030. Our ambition is to cut our Scope 1 and Scope 2 emissions by 42%. By 2025, we will set a Scope 3 intensity-based reduction target, which is equivalent to approximately a 20%⁴ absolute reduction in Scope 3 emissions. The final reduction targets will be submitted for SBTi validation in 2025.
- We plan to eliminate plastic components in our primary packaging and ensure that no waste from its operations ends up in landfill sites.
- We plan to further improve energy and water use efficiency in our production processes, and move towards sourcing all electricity from renewable sources.
- SSG strongly highlights the importance of responsible farming and sourcing practices, focusing on supplier commitment to ESG principles and monitoring potentially high-risk suppliers through audits.



PROCESSES

- Transparency, ethical business conduct, and data protection are essential to SSG's operational strategy. This includes integrating ESG factors into decision-making processes and maintaining a zero-tolerance policy for ethics violations, supported by an improved whistleblowing channel and independent incident verification.
- Cybersecurity remains also one of our priorities, with a desired target to significantly improve our organisation's maturity in this area.

Sustainability Report 2023 refers to the structure of the Group prior to recent acquisitions of Clan Campbell Whisky, Polmos Bielsko-Biała, Dugas and Borco.

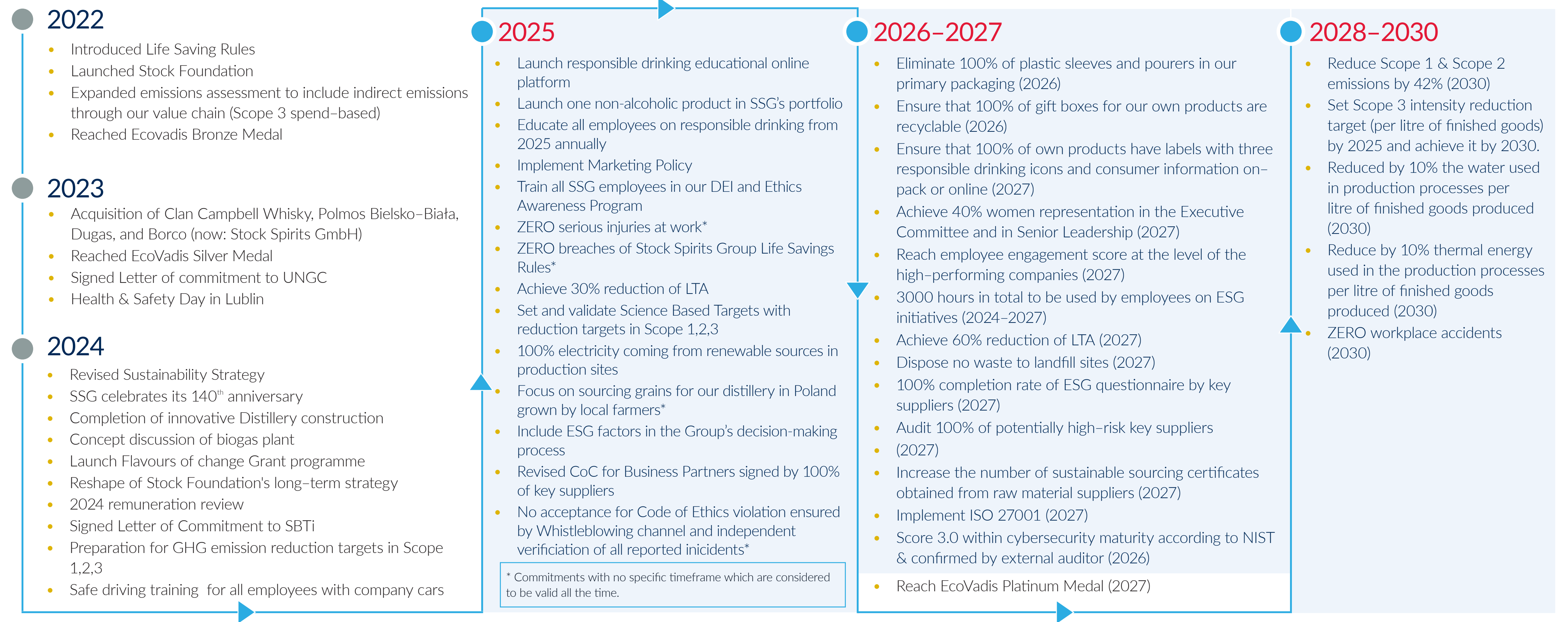
The reporting period of this report reflects SSG's Fiscal Year 2023, also referred to as FY23 (or as 2023), which is covering the period from 01/10/2022 until 30/09/2023.

Our timeframe of commitments refers to achieving goals by the end of each fiscal year (for example FY25 or 2025), ensuring clarity and accountability.

⁴ 20% absolute reduction does not consider the Lublin distillery and acquisitions

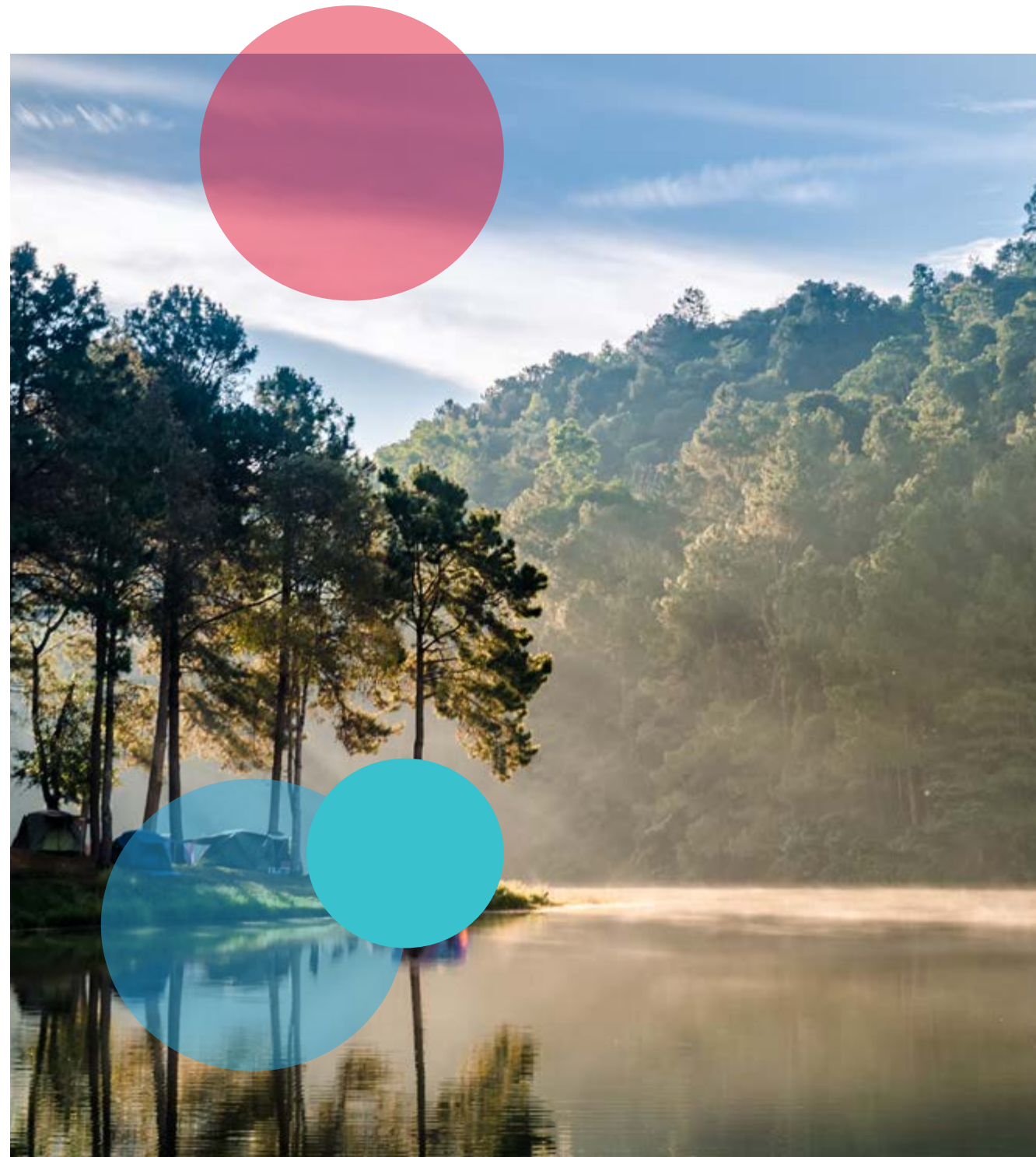
ESG progress & ambitions timeline

In 2024, as we revised our strategy, we set clear timelines for our commitments, aiming to achieve specific goals by the end of each fiscal year. For example, we plan to reduce Scope 1 and Scope 2 emissions by 42% by 2030. By 2025, we will set a Scope 3 intensity reduction target and achieve it by 2030. Here, we outline the key **commitments defined in our updated Sustainability Strategy** and key SSG actions.



ESG progress & ambitions timeline

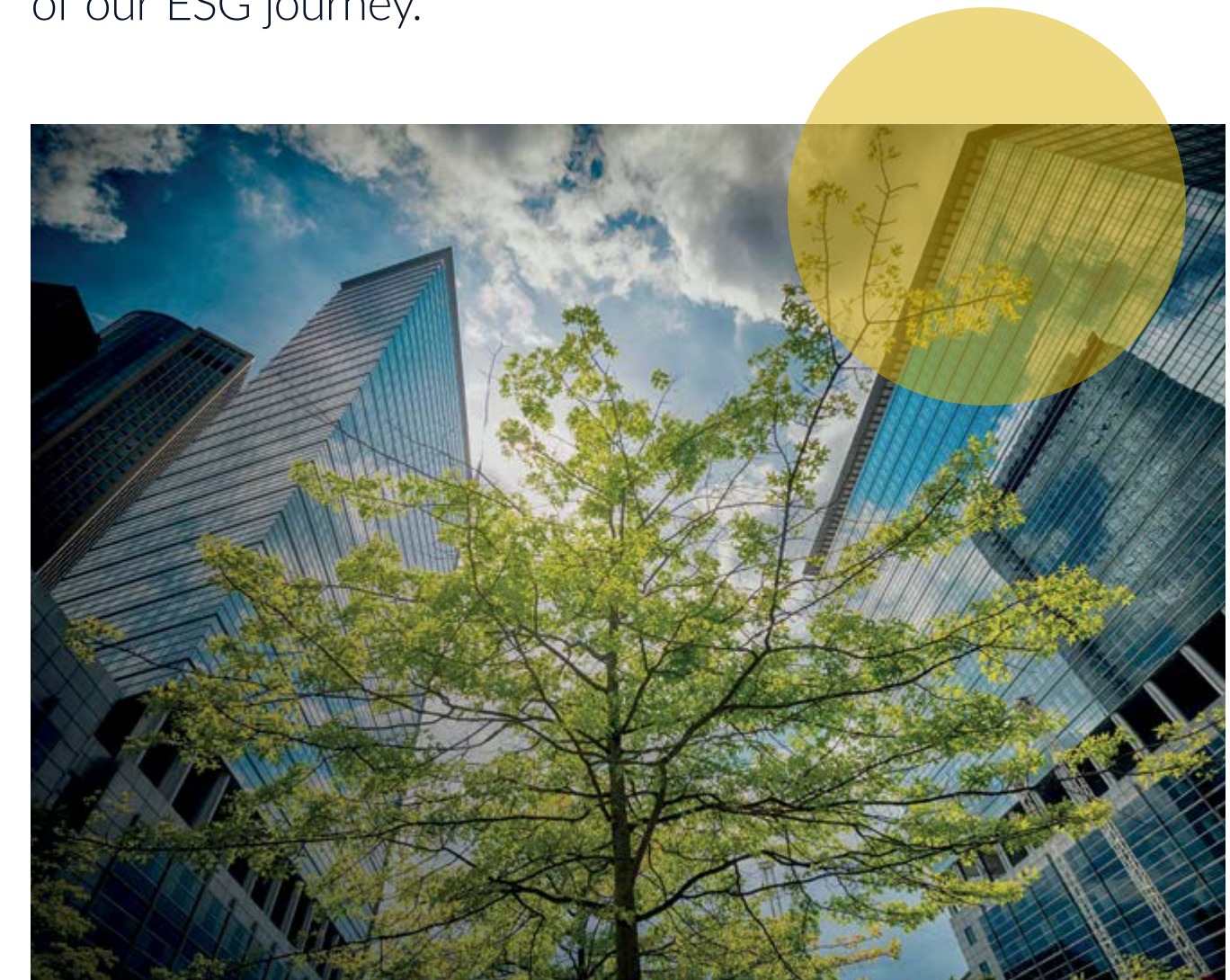
Building on our ESG progress and goals, we understand that our journey is shaped not only by our internal milestones but also by our relationships with stakeholders. As we outline our key commitments and actions, we remember that these ambitions are collaborative efforts involving a diverse group of people, not just organisational objectives.



In the following section on stakeholder engagement, we delve into the complex web of interactions with our employees, board members, local communities, financial institutions, investors, suppliers, customers, and business partners. These stakeholders play a crucial role in influencing and being influenced by our business operations. Through a series of cross-organisational workshops, we have identified these groups and their unique perspectives, ensuring that our Sustainability Strategy is not only ambitious but also inclusive and responsive to the needs and aspirations of all who are connected to SSG.



In the subsequent sections of this report, we invite our readers to delve into the relevant Global Reporting Initiative (GRI) disclosures that have been meticulously grouped to reflect the three pillars of our Sustainability Strategy: People, Planet, and Processes. These pillars serve as the framework for SSG's comprehensive reporting, ensuring the proper navigation through our strategic efforts in each area. From our commitment to fostering a supportive and inclusive workplace, to our initiatives in environmental stewardship, and our continuous improvement of operational processes, the upcoming disclosures provide a transparent and structured overview of our ESG journey.



Stakeholder engagement

GRI 2-29

We define our stakeholders as all individuals or entities who can either influence or be influenced by our business operations. Stakeholder groups identified during the cross organisational workshops include employees, board members, local communities, financial institutions, investors, suppliers, customers and business partners.

In 2023, we actively engaged our key stakeholders in the development of our Sustainability Strategy. Through interviews and an ESG survey, we gained valuable insights into their perspectives, needs, and expectations regarding ESG-related topics.

Additionally, we regularly engage with internal stakeholders through local town halls for all employees, where we present updates on our business strategy and conduct Q&A sessions to foster open communication and transparency.



Governance Structure and Corporate Governance

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CVC Board

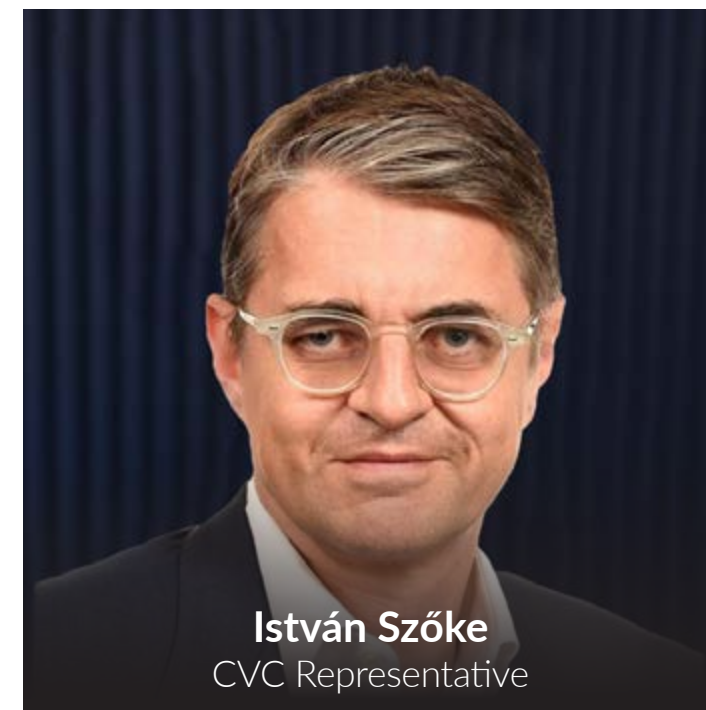
GRI 2-9, 2-12, 2-13

The governance structure of SSG is organised across multiple levels, encompassing roles at the investor, group, and local levels.

At the apex of our governance framework is the Board, known as the 'CVC Board', established by our owner, CVC Capital Partners. This body comprises the following individuals:



Luis Bach's career has been marked by his leadership in various sectors, particularly in beverages and luxury goods. His international experience and strategic insights have made him a sought-after executive and Board member. Currently, he is the Chairman of the Board in Stock Spirits Group and the Board Member in Grupo Agora. He has also held the position of Chairman of the Board in many beverages companies such as Samson & Surrey, Refresco, Orangina Schweppes, with the previous experience in Suntory Holdings, Bacardi and Martini & Rossi.



CVC managing Partner István Szőke joined CVC in 2008 and oversees CVC's private equity activities in the CEE and MEA regions and is based in London. Before joining CVC, he was a partner at Advent International. Prior to Advent, István was a founding managing partner of Eastern Heritage Capital, a Swiss asset management firm. István holds an MBA from the Wharton School at the University of Pennsylvania.



Krzysztof Krawczyk is the Head of the Warsaw office and a Partner at CVC Capital Partners. Since joining CVC he has served on the boards of companies like Żabka, Stock Spirits Group, PKP Energetyka, D-Marin, and AR Packaging. With 26 years in European private equity, Krzysztof has extensive experience across various sectors and has previously been Managing Partner at Innova Capital. He has also worked with Pioneer Investment and Daiwa Institute of Research and is a board member of The Polish Business Roundtable's charitable foundation.



Our CEO Jean-Christophe joined SSG in August 2022, bringing over twenty years of distinguished international experience in spirits industry. Over last few years he was based in London, he served as Chief Executive Officer of Chivas Brothers, Pernod Ricard's global Scotch whisky business. Prior to this, Jean-Christophe held various senior leadership roles at Pernod Ricard, including CEO of Pernod Ricard Winemakers, CEO of Pernod Ricard Irish Distillers, and CEO of Pernod Ricard Korea. He also served as CFO in both France and Asia. His extensive expertise and proven track record in the spirits sector significantly enrich our leadership team.

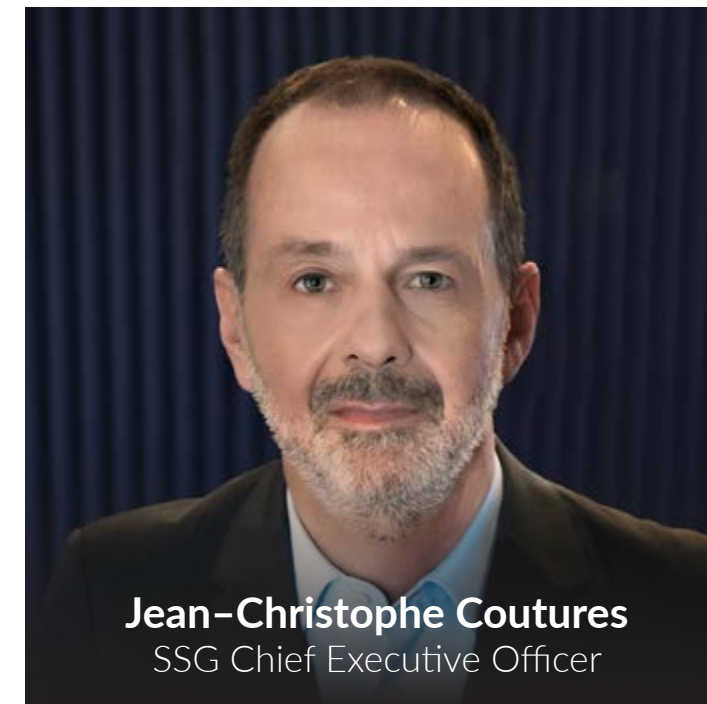
Executive Committee

The CVC Board exercises its oversight function through regular meetings with the Executive team of the Group. Additionally, the Group has implemented an internal Delegated Authority Manual (DAM), which outlines matters of significant importance requiring review and approval by the CVC Board. These include crucial business decisions such as strategy, financing, M&A projects, and the engagement of top management.

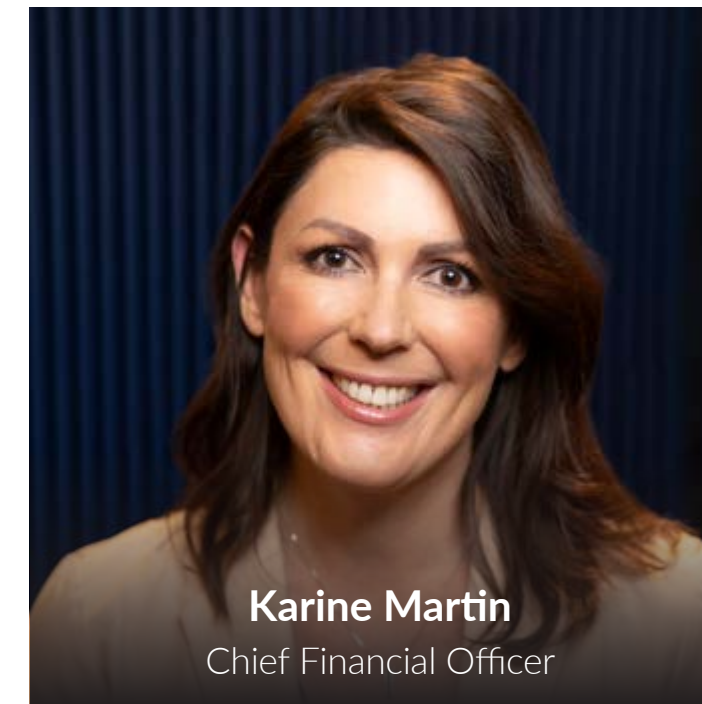
Unlike some governance structures, the CVC Board does not appoint specific committees; instead, the entire Board assumes accountability for all relevant topics. Furthermore, there is no designated stakeholder representation at the CVC Board.

The daily management of the Group is handled by the Executive Committee, which is responsible for operational decision-making and implementing strategic directives set forth by the CVC Board.

The Executive Committee is led by the Jean-Christophe Coutures (CEO) and as of the report's publication includes the following members

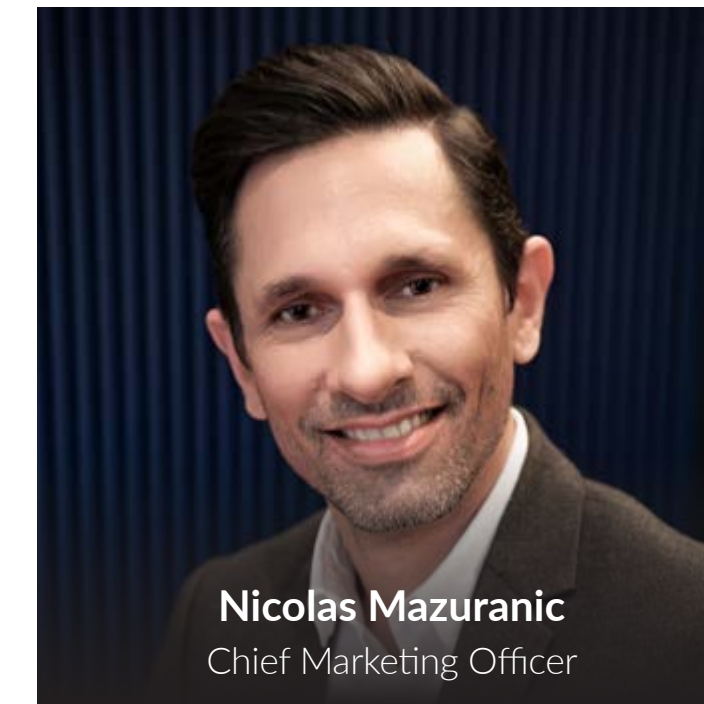


Please see detailed summary of work experience of Jean-Christophe Coutures on the previous page.

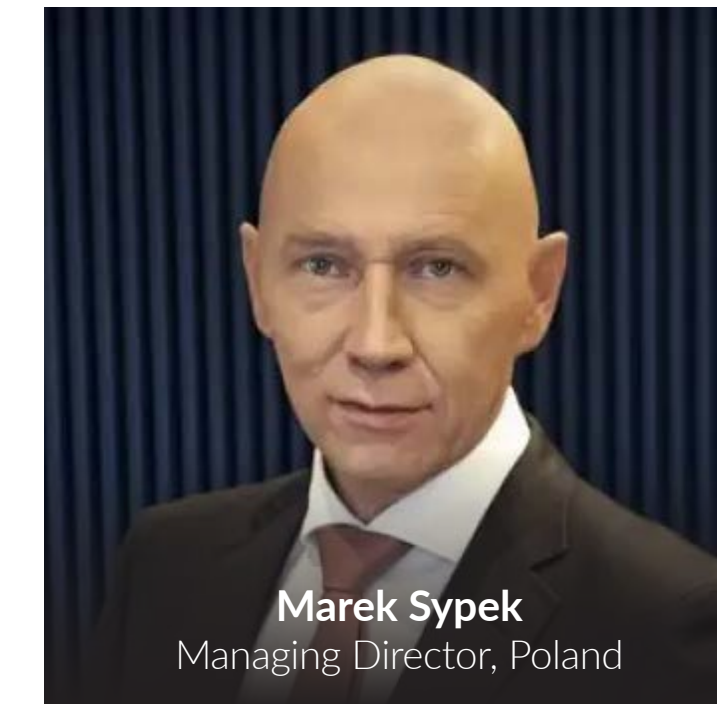


Karine joined SSG in March 2024. Karine has over twenty years of expertise in all aspects of financial leadership, including operations and supply chain, commercial and corporate finance, financial planning and analysis, M&A, and international transformation projects.

Karine's international career started at Unilever and continued in many renowned companies such as GE Healthcare, Ecolab, Intertek and most recently Electrolux, where she served as Chief Financial Officer and Vice President of Business Transformation for North America.

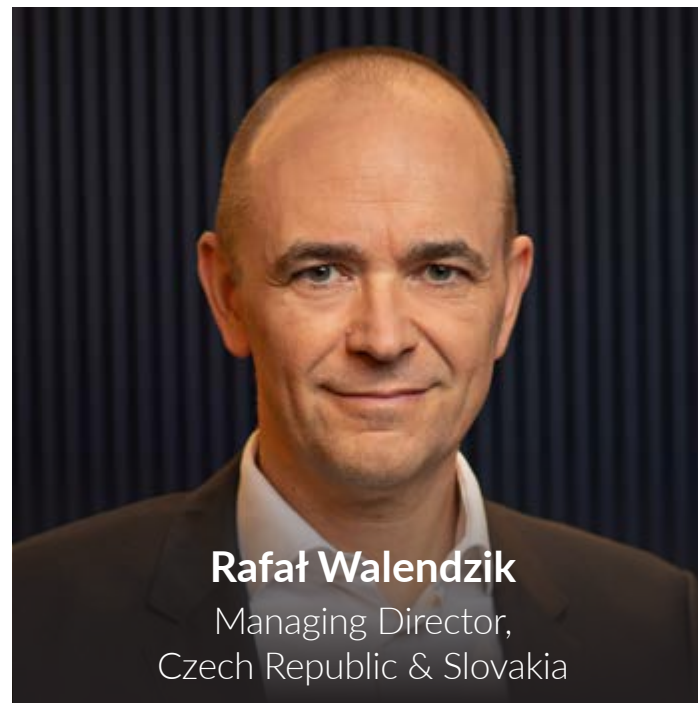


Nicolas joined SSG in January 2023 to lead and oversee marketing across the business. Nicolas brings twenty years of expertise, acquired in numerous marketing leadership roles across many international locations (China, France, Netherlands, Switzerland, USA) for L'Oréal and during the last six years in Bacardi, where he held the position of Brand Director of the Rebel Brands, Whisky, Tails, and RTD in Western Europe.



Marek joined SSG as Managing Director of Stock Polska in June 2016. With a proven track record in FMCG both in blue chip companies and in Private Equity backed businesses, he joined us from Agros-Nova Holding where he was CEO. Before joining Agros-Nova, Marek was Managing Director of Central and Eastern Europe at Johnson & Johnson and prior to that, General Manager at BIC Polska, overseeing operations in Poland and Ukraine from 2001 to 2005.

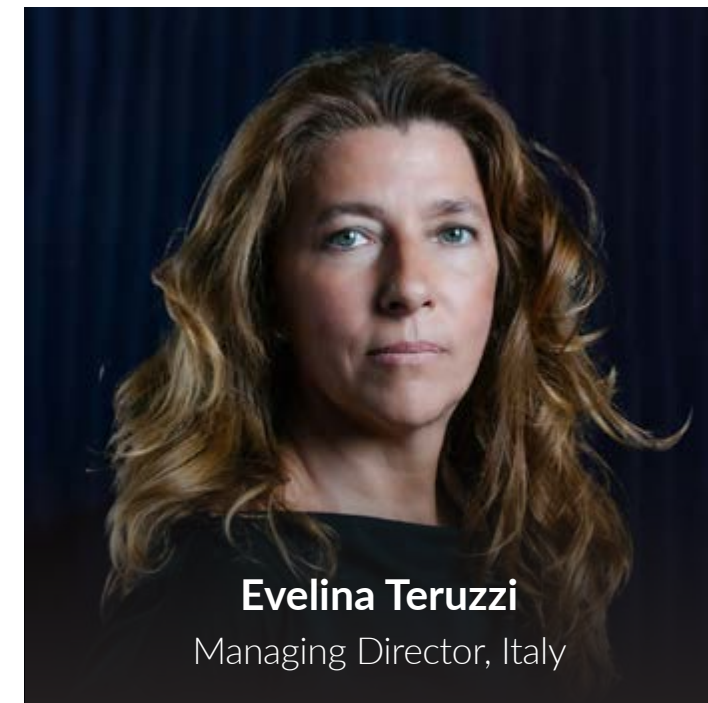
Executive Committee



Rafał joined SSG as Stock Plzeň-Božkov Managing Director in October 2023 to oversee Stock Spirits Group' operations in the Czech Republic and Slovakia.

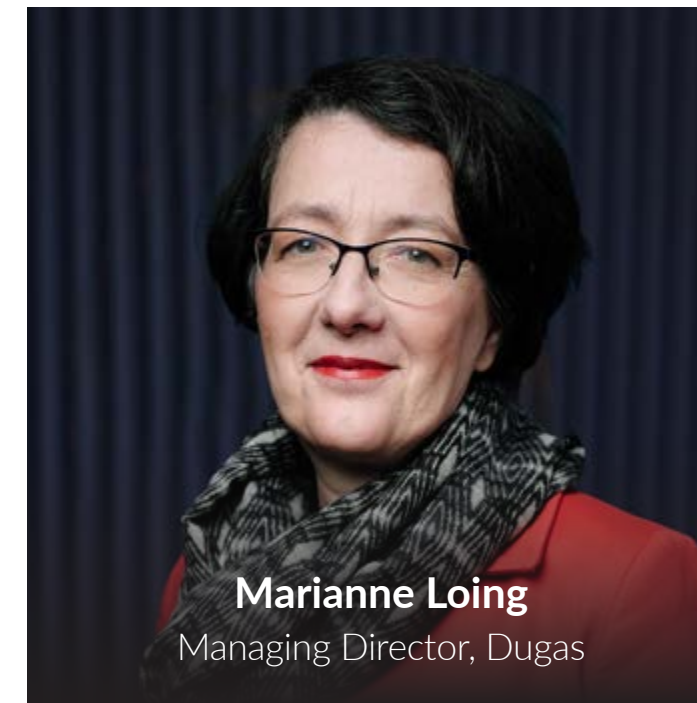
With extensive experience in the FMCG industry, Rafał has expertise in commercial, marketing, new product development, change management, and people development. He has worked with companies such as McCormick & Company, Harper Hygienics, and most recently Kraft Heinz, where he was Managing Director for the South East Asia region. In this role, he managed operations across India, Thailand, Myanmar, Hong Kong, Singapore, Malaysia, the Philippines, Vietnam, Laos, Cambodia, Brunei, and Taiwan for over three years.

Before that, he led Kraft Heinz's business in Poland as Managing Director for five years. Rafał began his career at Unilever.



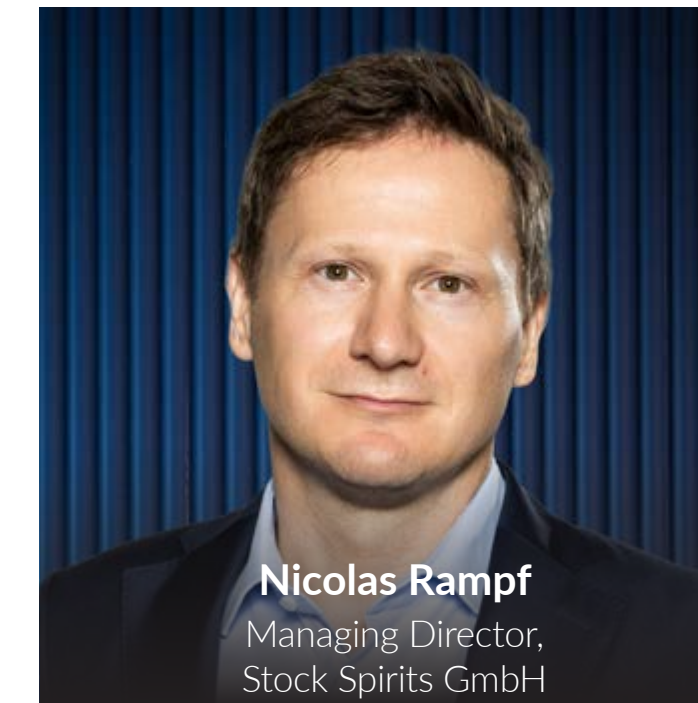
Evelina has been with SSG since May 2008. She began as Legal Affairs Director and HR Director for Italy, later expanding her role to Stock International. In August 2022, she was appointed Managing Director for the Italian business unit.

Before joining Stock, Evelina gained extensive legal experience with the renowned Carnelutti legal practice and was a senior associate at the American law firm McDermott Will & Emery, where she specialised in M&A. Her legal background was instrumental in shaping human resources strategies at multinational companies such as Carlsberg and Nestlé.



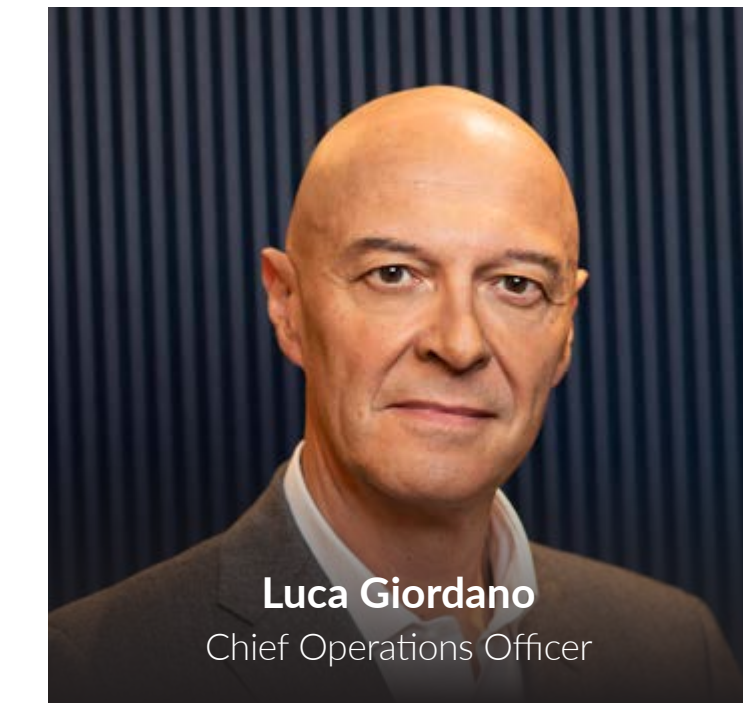
Marianne joined SSG in September 2023 as Managing Director of Dugas in France. Dugas is part of Stock Spirits Group following its acquisition in September 2023.

Marianne has extensive international experience in building and leading high-performing teams, a long history of success in the spirits industry. For the past 20 years she worked at William Grant & Sons, in global, regional and local roles, also as Managing Director for France from 2017 till 2023, and previously at the Boston Consulting Group, Diageo and Procter & Gamble.



Nicolas joined SSG in January 2024 as Managing Director of Stock Spirits Group in Germany (formerly Borco) and the Adria region (Croatia, Bosnia and Herzegovina).

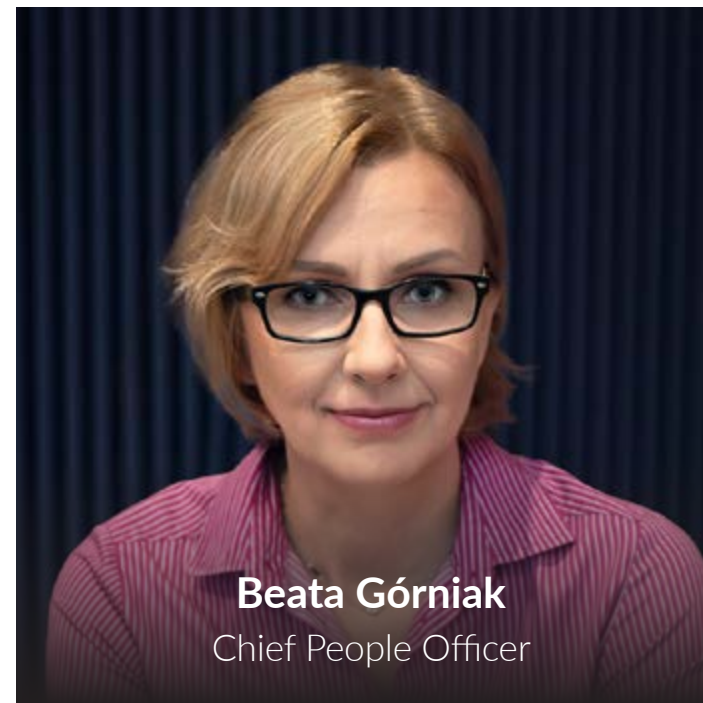
Nicolas has extensive experience in the spirits industry and beyond, having previously worked for spirits company Bacardi, most recently as Managing Director, and before that in various senior sales and marketing positions at Bacardi, L'Oreal.



Luca joined SSG in August 2023. Luca is a FMCG executive expert in lean supply chain organisations. Luca has twenty five years of international experience, working in several countries in and out of Europe, for companies such as Heineken, Unilever, Hewlett-Packard, and Danone.

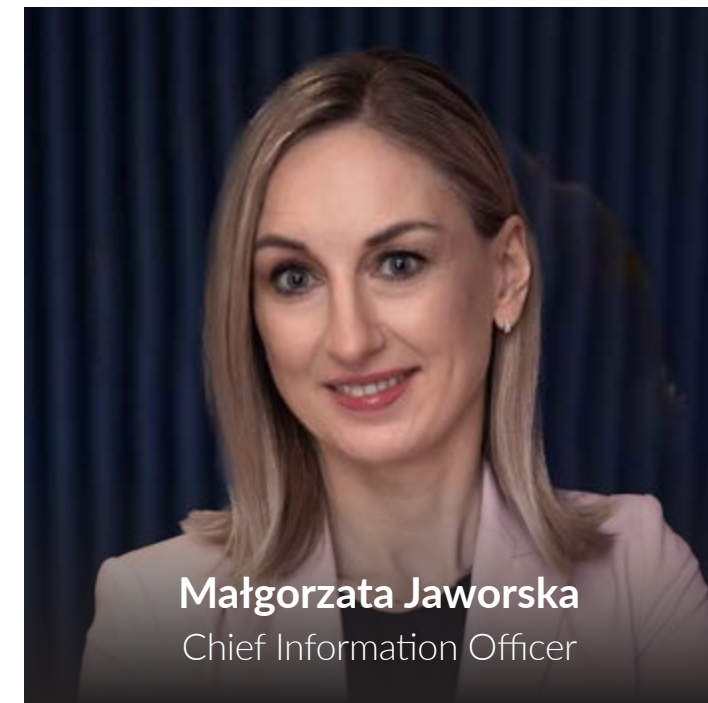
His expertise is in multi-country management, End-2-End Supply Chain, Digitalization, Change management, TPM (Total Productive Maintenance), Lean manufacturing, and Safety. At Stock Spirits Group, Luca is leading and overseeing all production sites and operations.

Executive Committee



Beata Górniak
Chief People Officer

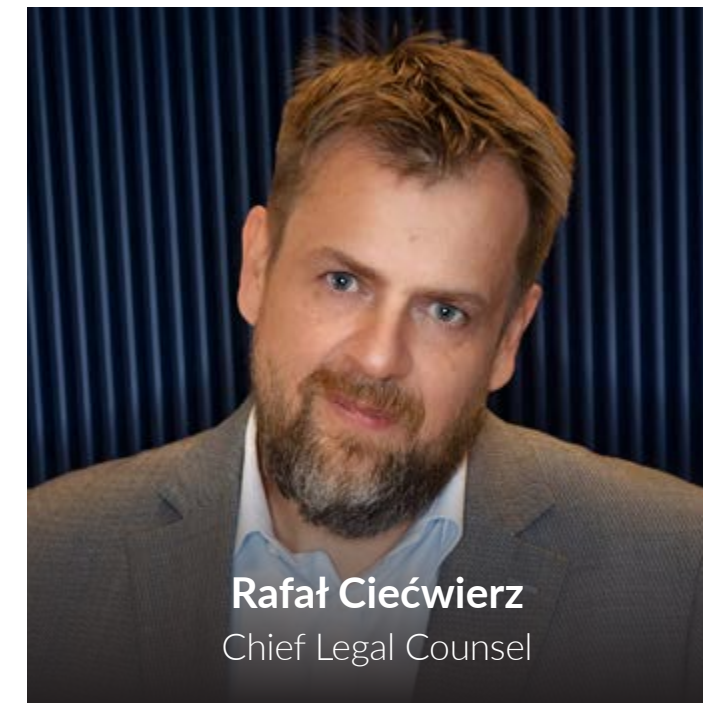
Beata joined SSG in November 2022, bringing with her a wealth of expertise from her previous role as a HR Director and Management Board member at PKP Energetyka, where she excelled for six years. Beata is an expert in change management processes and building employee relations, with over twenty years of professional experience. Her carrier included leading HR departments in such companies as Tesco, Vattenfall, Tauron Group, and Saint Gobain. At Stock Spirits Group, Beata takes responsibility for the Group HR strategy and HR processes, as well as ESG and internal communication, working directly with the HR departments across our markets.



Małgorzata Jaworska
Chief Information Officer

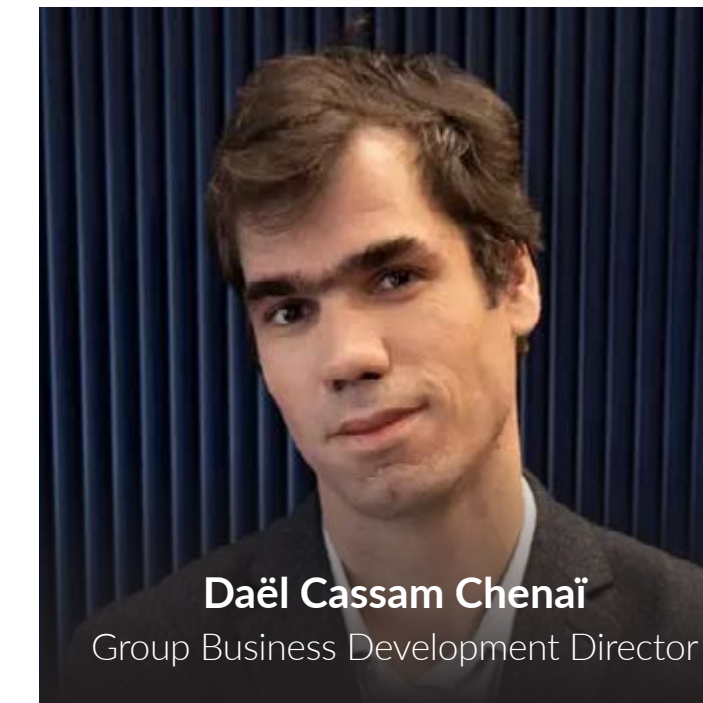
Małgorzata joined SSG in October 2022 and has nearly twenty years of extensive Information technology experience most recently as CIO of Link4, having honed her IT skills at Hewlett Packard and Comarch in Poland through a number of experience-enhancing roles including SAP project management, Quality Assurance management, transition and transformation management as well as agility management.

Małgorzata worked with European clients across multiple industries including financial sector. She is well versed and passionate about lean concepts. With that she brings a wealth of experience to the business as a whole and to the role in particular.



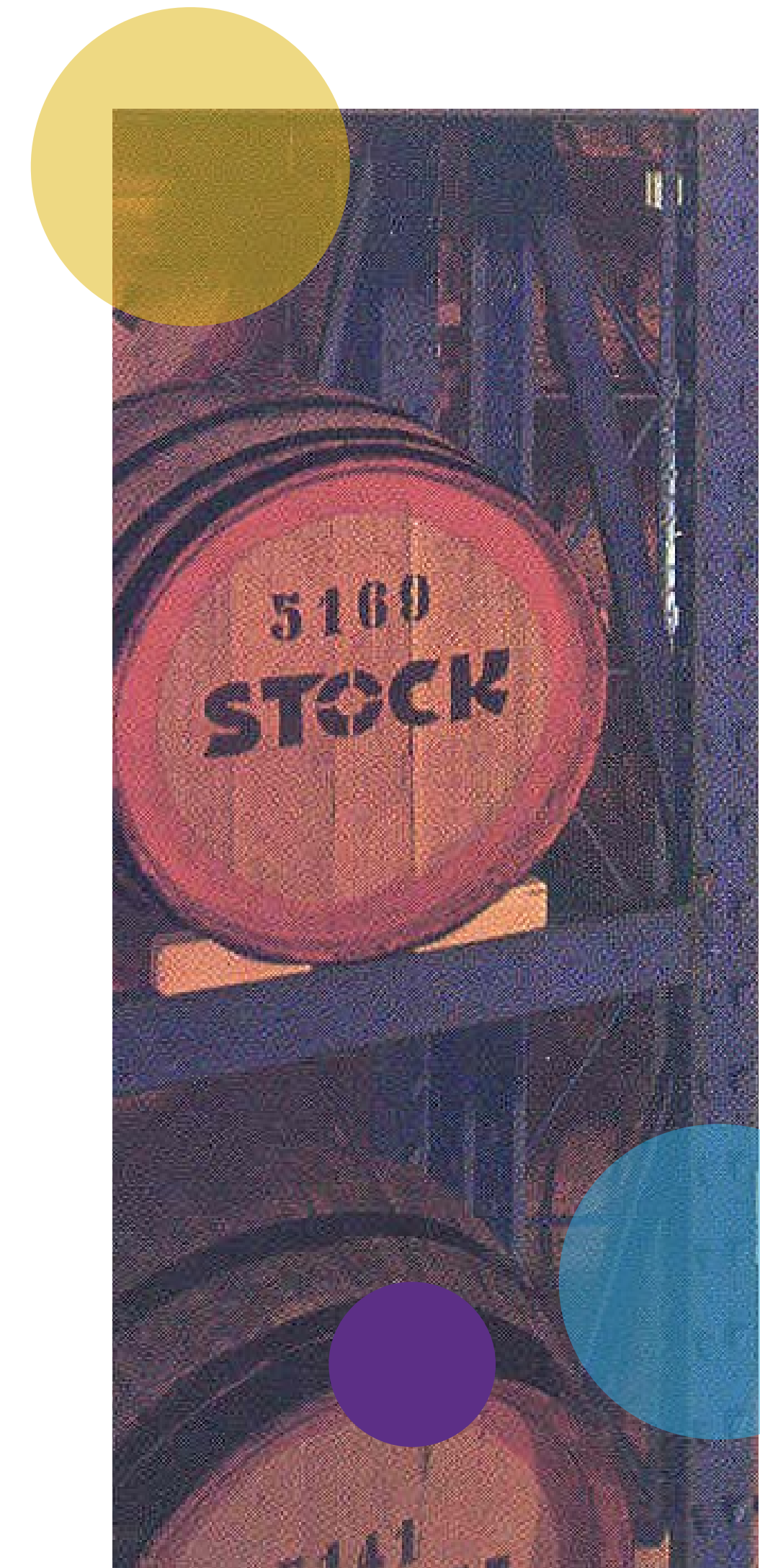
Rafał Ciećwierz
Chief Legal Counsel

Rafał joined SSG in May 2022, bringing his experience in providing legal advisory and services in private equity companies in Poland and other European countries. His most recent role was at PKP Energetyka, where he worked as a Legal Counsel for almost seven years. Rafał has thirty years of legal advisory and services experience both from reputable law firms such as Clifford Chance as well as in-house General Counsel at companies such as Energis Poland, GTS Group covering Poland, Czech Republic, Hungary, Slovakia and Romania (private equity), and Benestra Slovakia (private equity). Rafał oversees and leads all legal matters of Stock Spirits Group.



Daël Cassam Chenäi
Group Business Development Director

Daël joined SSG in February 2023 bringing wide experience in consumer goods and retail. Daël has over fifteen years experience both in the alcohol industry (Pernod Ricard, Ezdo/ La Boulangerie Des Gourmets) and in management consulting. Daël leads the M&A strategy and integration teams in SSG, as well as the value creation plan. He is also responsible for the implementation of the innovation process within the Group.



Corporate Governance

Supervision over sustainability reporting

As of September 30, 2023, the Executive Committee consisted of the following members: Jean-Christophe Coutures, Michał Misterski, Beata Górnica, Nicolas Mazuranić, Małgorzata Jaworska, Luca Giordano, Daël Cassam Chenai, Beata Ptaszyńska-Jedynak, Rafał Ciećwierz, Marek Sypek, Jan Havlis, Evelina Teruzzi, Manuel Janisch, Marianne Loing.

The Executive Committee at SSG, guided by internal company rules, oversees specific areas of their expertise and ensures coordination across SSG's activities.

The Executive Committee (referred to as ExCom) supervises the operations of SSG companies by setting business targets, policies, and reporting standards. They meet regularly to review progress and make strategic decisions.

Each SSG company is managed by local leadership teams, including a Managing Director, Finance Director, Sales Director, Marketing Director, HR Director, and other key local functions. While each company operates independently, all SSG companies adhere to Group processes, standards, and practices.

In Stock Polska and Stock Plzeň-Božkov, Supervisory Boards have been appointed to fulfill formal supervision roles. These boards include representatives from CVC and members of the ExCom, ensuring effective governance and oversight at the local level within SSG.

At the C-suite level, the Group Chief People Officer oversees the ESG area, with support from the ESG team for daily operations. Final decisions require approval from the Chief Executive Officer and the CVC Board. CEO, Jean-Christophe Coutures, is accountable for overall performance, ensuring alignment with ESG goals and targets. The implementation of specific Sustainability Strategy elements is shared among ExCom members and Directors of the respective local SSG companies.

At SSG, leadership in ESG and other domains involves the entire organisation, with senior executives responsible for executing the strategy.

Continuous improvement of our Sustainability Strategy is a priority, including regular updates and participation in sustainability ratings such as EcoVadis.

Ownership & preventing conflict of interest

GRI 2-15

In 2021, SSG was acquired by CVC Capital Partners, which now holds 100% ownership and acts as the controlling shareholder. Throughout the reporting period, there were no reported incidents of conflict of interest involving related entities, their relationships, or transactions. However, should any such events be identified, they would be subject to disciplinary sanctions as per established policies and procedures. This ensures transparency and accountability in our business operations under the ownership of CVC Capital Partners.

CVC Board representatives diligently oversee other CVC investments to prevent conflict of interest. The Group CEO focuses exclusively on the Group and does not engage in other professional activities. While the Chairman serves on other boards, his non-executive role has negligible impact. Additionally, ExCom members are strictly prohibited from participating in competitive activities. In 2023, no conflicts of interest were identified or reported regarding serving on multiple boards or mutual involvement with suppliers and other stakeholders.

Our Commitment
to a Better Tomorrow

Corporate Governance

Highest governance body

GRI 2-10

SSG's Executive Committee (ExCom) is composed of members who bring a diverse blend of experience, skills, and knowledge. The ExCom reflects diversity in nationality, gender, and age, fostering a comprehensive perspective in decision-making processes. SSG maintains stringent rules to prevent and manage conflicts of interest within the ExCom, outlined in the Code of Business Conduct and Ethics and the Anti-Bribery and Corruption Policy, both fully adopted and implemented across the organisation.

All employees, including ExCom members, are expected to disclose any potential conflicts of interest promptly and update these disclosures as needed to the Chief Legal Counsel. This commitment is underscored by the inclusion of conflict of interest declarations in personal questionnaires signed at the onset of employment, complemented by the implementation of a dedicated Conflict of Interest Policy.

SSG is dedicated to enhancing gender diversity within the ExCom, aiming to maximise representation of women. Members are selected based on their professional expertise and skills, ensuring the team is equipped to drive impactful and transformative initiatives within the organisation.

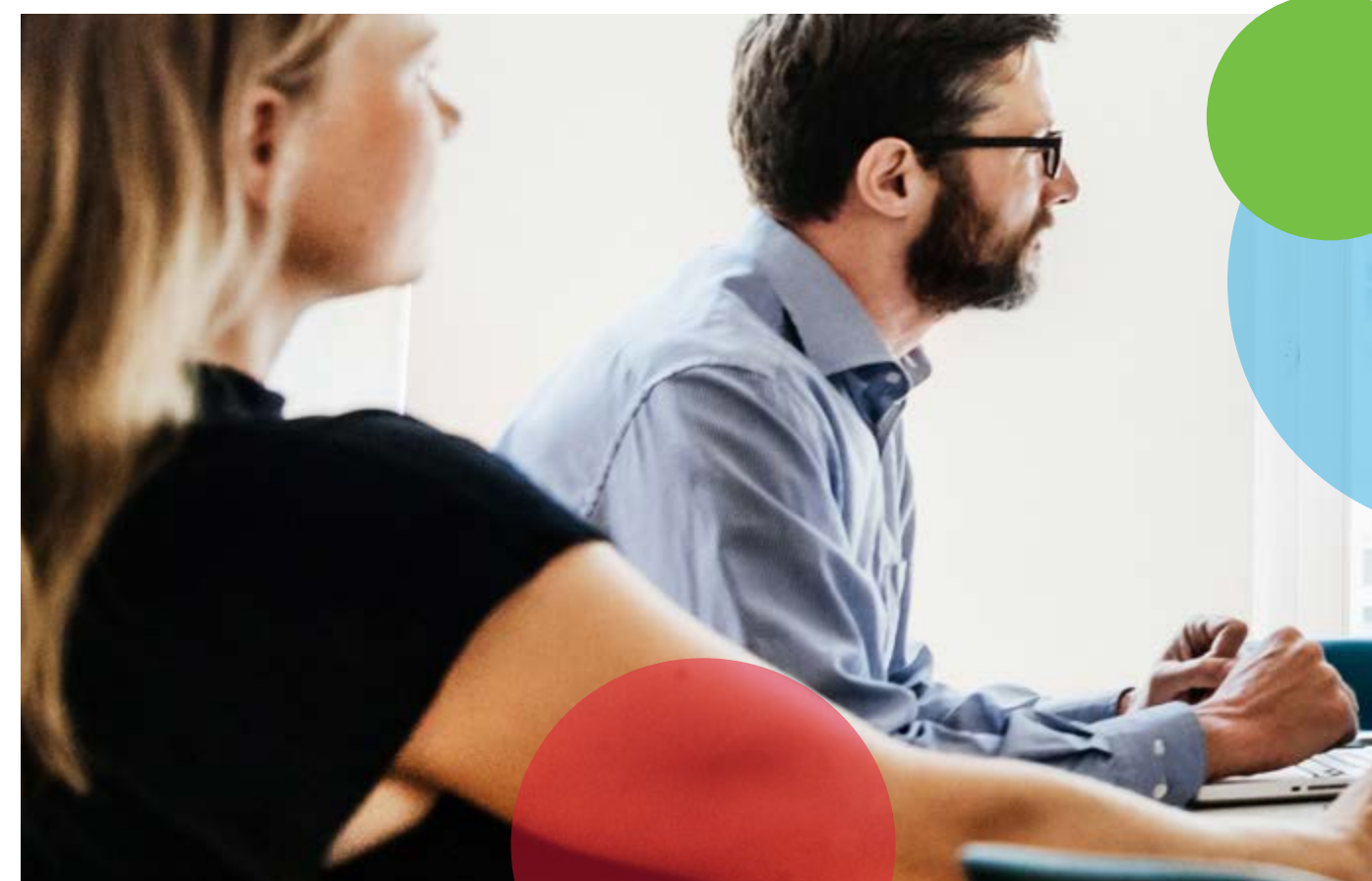
GRI 2-11

The Chief Executive Officer of SSG is Jean-Christophe Coutures, who assumed the role in August 2022. With over twenty years of international experience in the spirits industry, Mr Coutures previously served as the CEO of Chivas Brothers, Pernod Ricard's global Scotch whisky business based in London. Before that, he held several senior leadership and executive positions within Pernod Ricard.

The Chairman of the CVC Board, Luis Bach Terricabras, does not hold an executive position within SSG.

GRI 2-14

SSG's Sustainability Report is approved by representation of ExCom and approved by the Chief Executive Officer.



Corporate Governance

Remuneration & performance assessment

GRI 2-18

The performance evaluation process for our ExCom is aligned with the fiscal year and operates on an annual cycle, incorporating a mid-year review to ensure ongoing assessment and feedback.

There are limited evaluation and assessment procedures in our company. The ExCom undergoes an overall performance evaluation aimed at providing a holistic understanding of their contributions and areas for improvement. At the beginning of each performance cycle, every member of the ExCom establishes individual goals that are aligned with organisational objectives. These goals serve as benchmarks to measure progress and achievement, and their completion plays a crucial role in evaluating overall performance.

Top managers are also evaluated using key capabilities assessment. There are five key capabilities which are identified as essential for top management roles, and they can vary depending on the organisation's priorities. During the reporting period key capabilities were: execution excellence, strategic understanding, entrepreneurship and situational adaptability, inclusive partnership. These capabilities come directly from our 3 values: Open, Bold, and United. Evaluating managers against these key capabilities offers insight into their areas for improvement. The self-assessment process is a part of the evaluation procedure, which typically begins with

ExCom conducting a self-assessment. This involves reflecting on their performance, accomplishments, challenges faced and areas for growth.

Self-assessment fosters accountability and offers valuable insights into individual perceptions of performance. After completing their self-assessments, the CEO evaluates the performance of the ExCom. Constructive feedback is provided to highlight strengths and areas for improvement, promoting continuous development. Collaboratively, development plans are formulated to address identified growth areas and support career progression. This structured performance process enables us to effectively evaluate and develop our ExCom team, ensuring alignment with strategic objectives and driving overall organisational success.

The thorough evaluation of our employees' performance is instrumental in fostering a culture of continuous development and strategic alignment. This reflective practice of self-assessment and performance reviews not only enhances individual growth but also sets the stage for our next focus: remuneration policies. In the forthcoming section, we will explore how our compensation structures are designed to reflect the contributions of our team members and drive the achievement of our organisational objectives, including the integration of ESG goals into our broader business strategy.

GRI 2-19

When determining base salaries, we consider a comprehensive array of factors, including individual performance, internal pay equity, and market compensation benchmarks. Bonuses, particularly for senior positions, hinge on achieving specific goals. For our top executives, objectives encompass financial, business, and employee engagement targets. The on-target bonus level is set as a percentage of the base salary, varying by the position's hierarchical level. This ensures our compensation packages not only reflect individual contributions and achievements but also uphold our commitment to equitable and competitive pay practices. To broaden our social responsibility perspective, SSG has started integrating ESG-related goals into the MBOs of selected ExCom members.

This initiative extends to managers, incorporating a specific goal related to employee engagement into their MBOs. For employees in factories and warehouses, a safety-related goal has been integrated into the remuneration system, emphasizing employee and manager proactivity, as well as the number of safety recommendations resulting from Safety walks. This approach not only ensures alignment with our core values but also fosters a culture of safety and engagement.

SSG plans to further integrate ESG considerations into our remuneration systems. By fiscal year 2025, we aim to expand the inclusion of ESG-linked incentives, reinforcing the integration of sustainability goals into our overall compensation strategy.

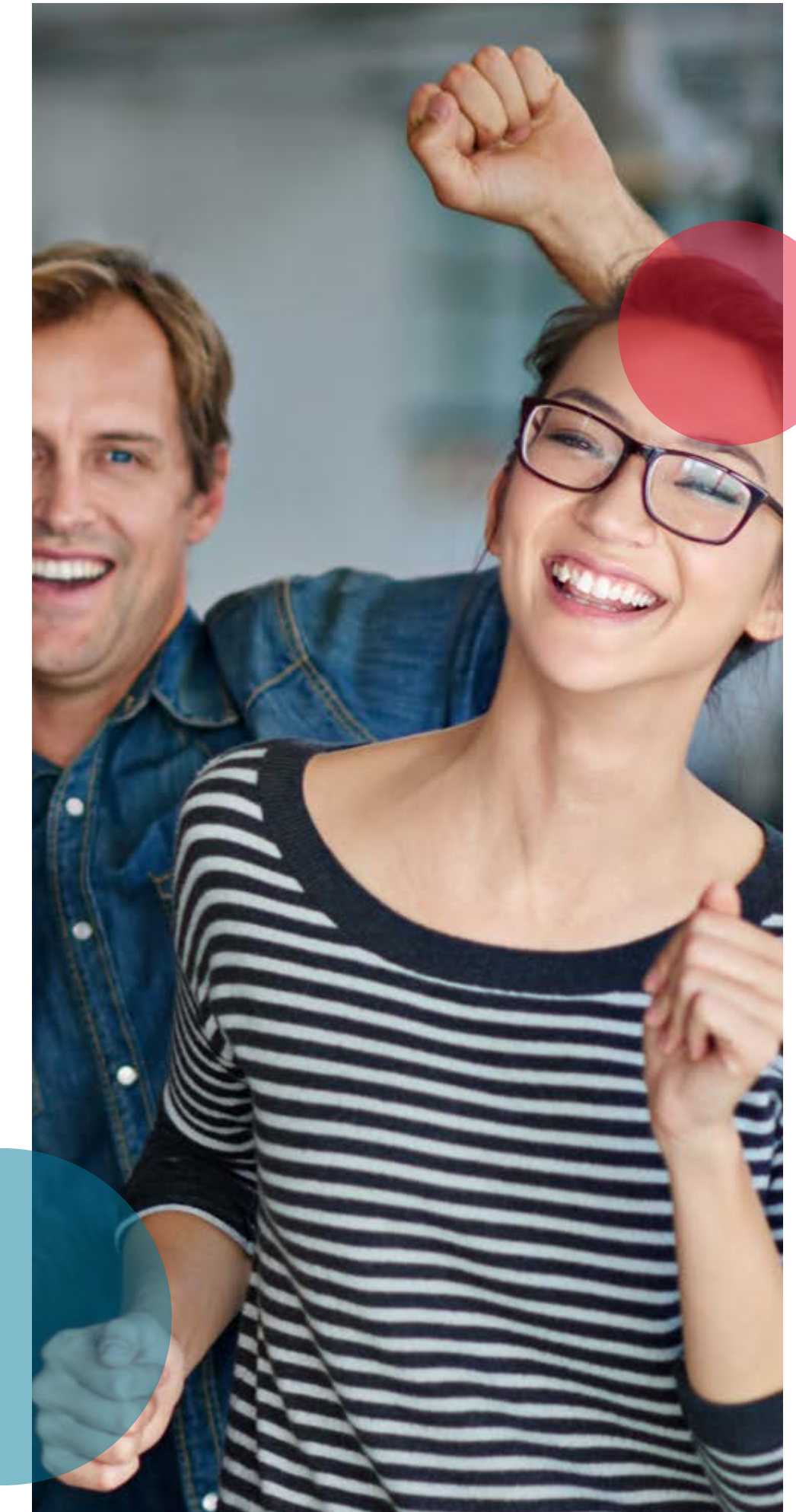
Corporate Governance

Remuneration & performance assessment

GRI 2-20

Within SSG, a dedicated compensation team has been established to develop and oversee the implementation of our Compensation Policy. This policy is crafted with meticulous attention to three core dimensions: aligning employee salaries with current market rates (comp-ratio), promoting internal pay equity, and evaluating individual performance.

The Compensation Team ensures that our compensation practices are aligned seamlessly across diverse national contexts. They establish benchmarks for job valuation, refine methodologies for collecting market data, and set standards for the salary review process. Additionally, they analyse company-wide salary structures and formulate strategies for their effective management, presenting these strategies for review and approval by the CVC Board.



People

In today's rapidly evolving world, the role of enterprises in the social sphere is undergoing transformation, necessitating a deliberate and proactive approach. Businesses are no longer seen as separate from society; rather, they play a crucial role in shaping its future.

In this chapter, we will highlight initiatives aimed at enhancing the quality of life within the communities where we operate. We are committed to improving working conditions for our employees and upholding human rights across all aspects of our operations. Our focus areas include promoting health and safety standards, fostering education and competence development, advocating for gender equality and diversity, and promoting social inclusion. These efforts reflect our dedication to making a positive impact and contributing responsibly to the broader societal framework in which we operate.

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Responsible drinking



We advocate responsible drinking as a practice that involves consuming alcohol in a moderate and responsible manner. This approach prohibits alcohol consumption among at-risk groups such as minors, underage caregivers, pregnant women, and drivers, aiming to prevent misuse and safeguard consumers' health from harmful effects.

Our emphasis is on education, ensuring that our products offer transparent consumer information. We empower consumers by providing access to low-alcohol and non-alcohol alternatives, thereby promoting informed choices and responsible consumption habits.

Drink less
but better

Consumer Health & Safety

GRI 3-3, 416-1, 416-2, 417-1, 417-2, 417-3

Social responsibility is top priority for SSG, given the nature of our products. This is why we actively participate in industry associations, as detailed in GRI 2-28. As a spirits company, we are fully aware that consumers can be exposed to a wide range of potential negative effects resulting from the harmful use of alcohol. Special attention and educational efforts should be specifically targeted towards vulnerable consumer groups such as pregnant women, minors, individuals struggling with addiction, and drivers who should abstain from alcohol consumption entirely.

At SSG, we firmly believe in promoting the responsible enjoyment of our products among those who choose to consume them. As a producer, we acknowledge our responsibility in this regard. We are dedicated to educating and advocating for the responsible use of alcohol.

We believe that combating alcohol misuse is most impactful when all stakeholders, including governments, local authorities, and industry associations, collaborate closely. Long-term education, transparent consumer information, and coordinated efforts are key to effecting real change. Therefore, we voluntarily extend number of product with responsibility icons to inform and warn consumers that alcohol consumption is not suitable for minors, pregnant women, or drivers.

During the reporting period, there was one incident of non-compliance concerning product and service information and labelling, in the Czech Republic involving the imported product Zacapa 23 manufactured by Diageo. The issue arose due to incorrect communication regarding aging, which was reported directly by a consumer to the Czech Agriculture and Food Inspection Authority (CAFIA). Consequently, CAFIA imposed restrictions on the sale of Zacapa 23 and escalated the matter to Spirits Europe. As a result, the labels for Zacapa 23 will need to be revised by its producer for distribution across the EU.

Additionally, there were no instances of non-compliance in marketing communication during FY2023.

Ensuring the safety and health of our consumers in relation to the services we provide is paramount. Given that our products contain alcohol, they are generally associated with low risk in terms of microbial infections. However, we conduct regular testing to verify this aspect. All our products undergo rigorous testing at every stage of their lifecycle – from the raw materials used in production, through to the components, and finally the finished product.

Our production processes in Poland, Czechia, Germany, and Italy adhere to the ISO 45001 standard and the ISO 14001 standard (except Italy) and are certified accordingly. Additionally, we maintain certifications from IFS (International Food Standard) and BRC (British Retail Consortium), except in our distillery in Germany. These certifications demonstrate our commitment to systematic analysis and oversight of all food production processes.

To the best of our knowledge, during the reporting period, we had no incidents of non-compliance resulting in fines, penalties, or warnings related to regulatory issues.

Equal treatment & inclusive organisation



For SSG, equal treatment embodies the fundamental principle of non-discrimination, ensuring that no individual is subjected to direct or indirect discrimination based on characteristics such as sex, race, color, ethnic or social origin, genetic features, language, religion or belief, political or other opinion, membership of a national minority, property, birth, disability, age, or sexual orientation. Our priority is to foster a welcoming and inclusive workplace environment that offers equitable opportunities to all employees.

Employment

GRI 2-7

At the end of FY23, SSG employed 1343 people. 81% of them are employed on permanent contracts, and 19% are on fixed-term employment contracts. More than half of our employees are men (57%).

The data in the Table 1 and Table 2 are reported in headcount, at the end of the reporting period (30.09). It includes temporary employees.

Table 1. Total number of permanent staff and gender breakdown

	2023			2022		
	Women	Men	Total	Women	Men	Total
Fixed-term employees	104	153	257	114	142	256
Permanent employees	467	619	1 086	420	583	1 003
Total	571	772	1 343	534	725	1 259



Number of employees

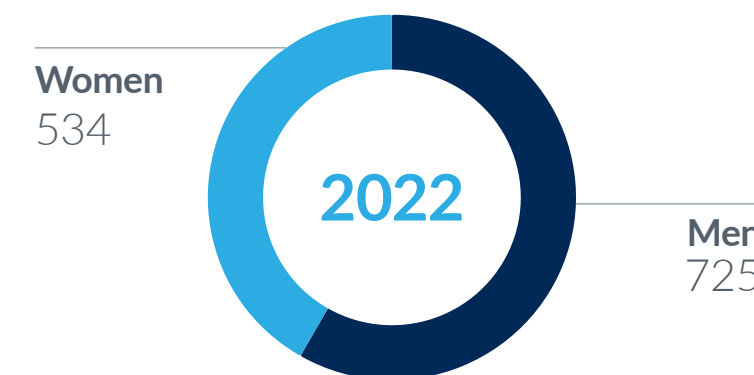
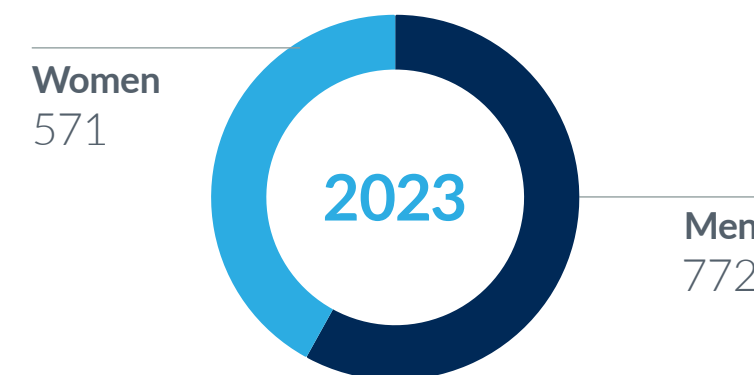


Table 2. Total number of employees by type of employment and gender breakdown

	2023			2022		
	Women	Men	Sum	Women	Men	Sum
Full-time employees	537	761	1 298	519	718	1 237
Part-time employees	34	11	45	15	7	22
Total	571	772	1 343	534	725	1 259



Equal treatment & inclusive organisation

Employment – continued

More than half of our employees (63%) are based in Poland. More than a quarter (26%) are located in the Czech Republic and Slovakia. Across all our locations, the majority of our employees are employed on a permanent basis.

Table 3. Total number of permanent staff and region breakdown

	2023			2022		
	Fixed-term employees	Permanent employees	Sum	Fixed-term employees	Permanent employees	Sum
Poland	222	622	844	208	569	777
Czechia & Slovakia	31	316	347	41	293	334
Italy	0	74	74	3	66	69
Germany	2	36	38	2	37	39
International	2	38	40	2	38	40
Total	257	1 086	1 343	256	1 003	1 259

International is group of employees that work for STI (Stock International) and COFY (Countries of Former Yugoslavia) region.

Number of employees by place of employment

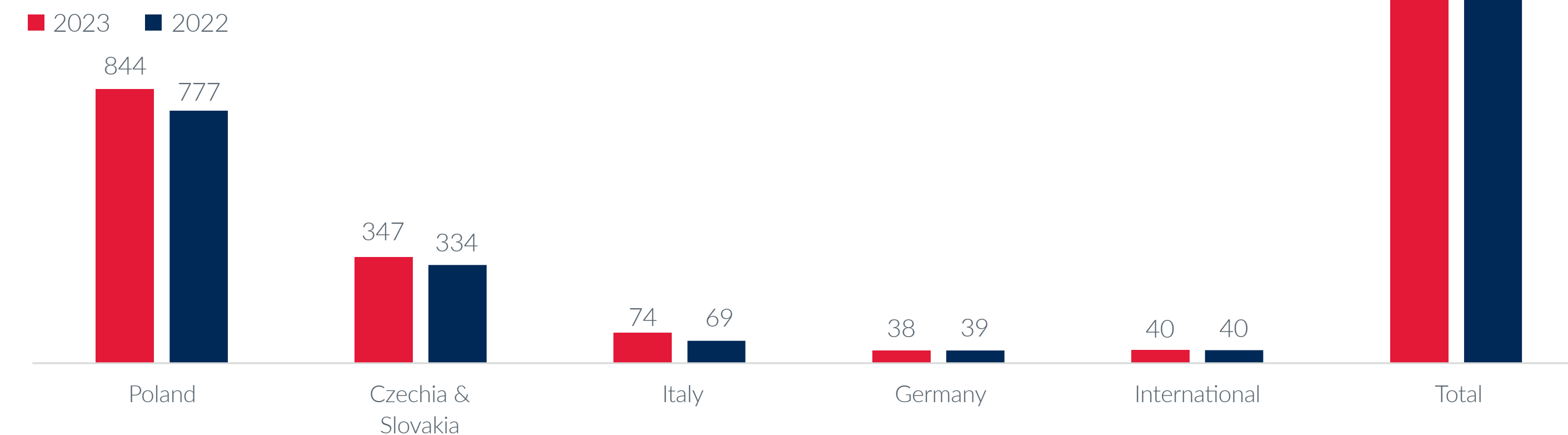


Table 4. Total number of employees by type of employment and region breakdown

	2023			2022		
	Full-time	Part-time	Sum	Full-time	Part-time	Sum
Poland	842	2	844	775	2	777
Czechia & Slovakia	316	31	347	327	7	334
Italy	69	5	74	64	5	69
Germany	31	7	38	31	8	39
International	40	0	40	40	0	40
Total	1 298	45	1 343	1 237	22	1 259

The data in the Table 3 and Table 4 are reported in headcount, at the end of the reporting period (30.09). It includes temporary employees.



Equal treatment & inclusive organisation

Employee turnover

GRI 401-1

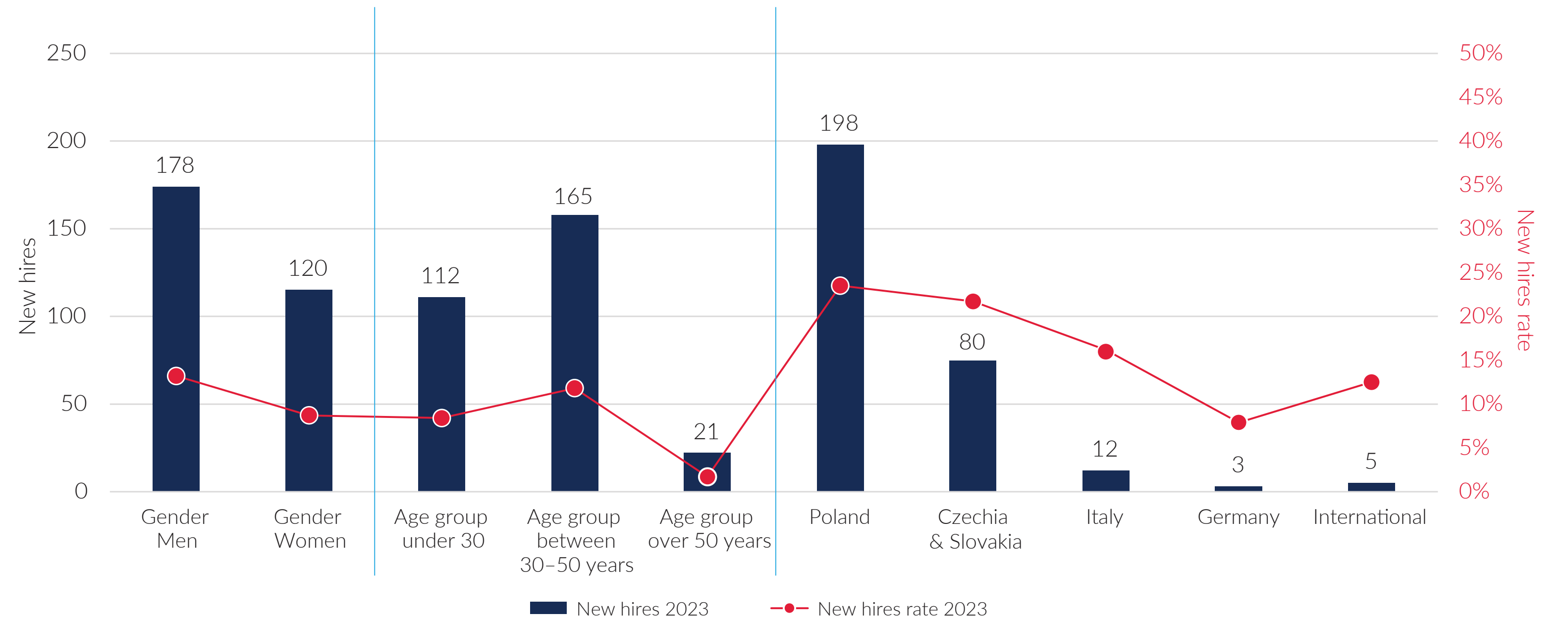
In FY23, SSG has employed 298 new people, 60% of whom were men and 40% were women. Our largest group of people hired (55%) were between the ages of 30 and 50 years old.

Table 5. Number of employees newly hired in the reporting period (401-1)

	New hires	New hires rate*
	2023	2023
SSG total	298	22.2%
Gender - Men	178	13.3%
Gender - Women	120	8.9%
Age group - under 30	112	8.3%
Age group - between 30-50 years	165	12.3%
Age group - over 50 years	21	1.6%
Poland	198	23.5%
Czechia & Slovakia	80	23.1%
Italy	12	16.2%
Germany	3	7.9%
International	5	12.5%

*Number of employees who joined in the reporting period compared to the total number of employees at the end of 2023 (not yearly average)

Gender & age new hires rate refers to the total number of SSG employees.
Country-level new hires rate refers to the total number of employees in a given country.



Equal treatment & inclusive organisation

Employee turnover – continued

GRI 401-1

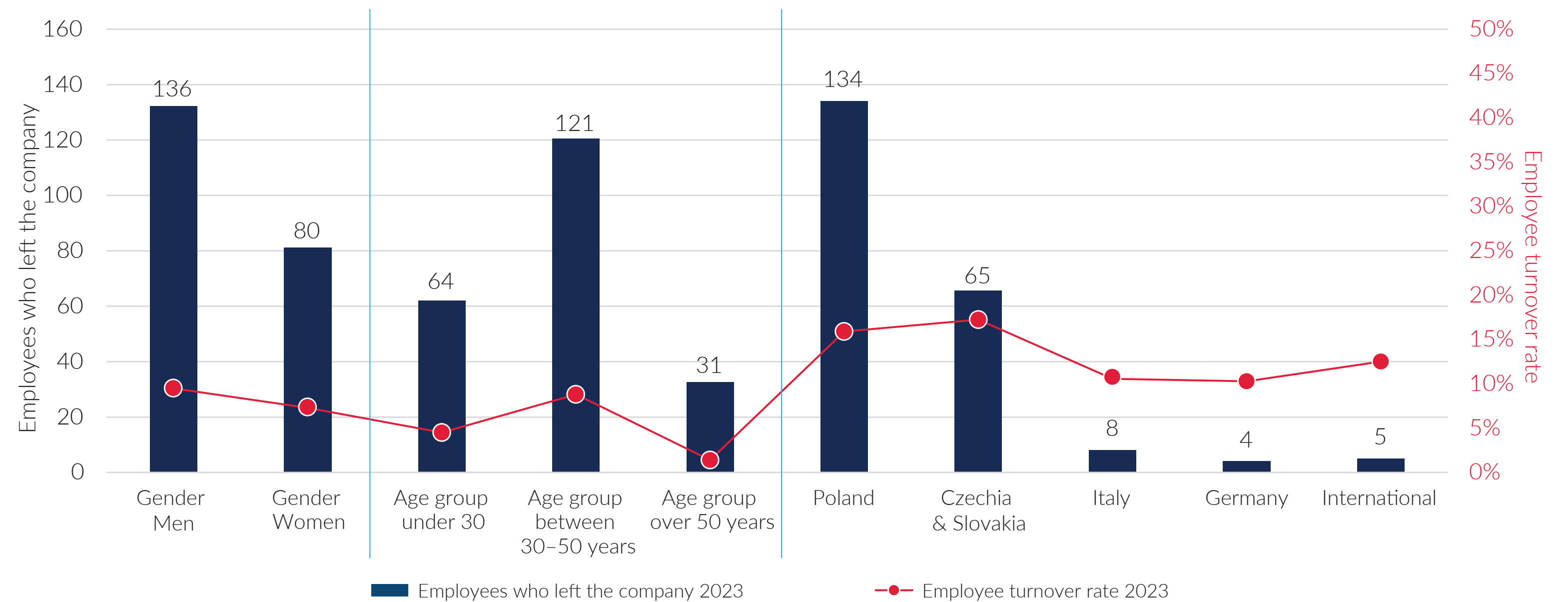
In the reporting period, 216 people have left SSG, 63% of them were men. The biggest group of those who left (56%) was between 30 and 50 years old.

Table 6. Number of employees who left their jobs in the reporting period (401-1)

	Employees who left the company	Employee turnover rate*
	2023	2023
SSG total	216	16.1%
Gender – Men	136	10.1%
Gender – Women	80	6.0%
Age group – under 30	64	4.8%
Age group – between 30–50 years	121	9.0%
Age group – over 50 years	31	2.3%
Poland	134	15.9%
Czechia & Slovakia	65	18.7%
Italy	8	10.8%
Germany	4	10.5%
International	5	12.5%

*Number of employees who left in the reporting period compared to the total number of employees at the end of 2023 (not yearly average)

Gender & age employee turnover refers to the total number of SSG employees.
Country-level employee turnover refers to the total number of employees in a given country.



Equal treatment & inclusive organisation

Work regulations

GRI 2-30

At Stock Poland, we do not operate under a collective agreement, but we adhere to Work Regulations and Remuneration Regulations that encompass all employees, aligning closely with trade union standards. In Germany (Baltic Distillery), there is no collective bargaining agreement in place.

In the Czech Republic, all employees benefit from the collective agreement, regardless of their Trade Union membership status. Currently, we employ 264 individuals in main roles, alongside 20 temporary staff, with 16 on maternity leave.

In our Italian companies (Stock Italy, and Distillerie Franciacorta), every member of workforce is governed by collective agreements that specify working conditions and terms of employment.

In Slovakia, while there are no formal Collective Agreements in place, all employees are protected under Work Regulations.

GRI 201-3

SSG enables us to use the defined-benefit pension plan in accordance with the requirements of local legislation.

Career development

GRI 404-2, 404-3

At our core, we prioritise the growth and development of our employees, recognising that investing in their training is an investment in our collective success. To ensure a thriving workforce, we've laid out a comprehensive strategy focusing on the following pillars:

- Appointment of Group Organizational Development Manager to support growth and learning.
- Design of leadership training programs for all regions.
- Establishment of a structured managerial development program.
- Presence of a dedicated sales training position to enhance sales competencies.
- Conducting assessments of sales teams' crucial competencies.
- Organisation of training sessions tailored to strengthen these skills.
- Regular staff evaluations leading to personalized development plans.

The managerial development program in Poland 'Mam tę moc' started in 2023 and is aimed at strengthening a culture that supports the achievement of the company's strategic goals in a friendly working atmosphere. The project includes meetings and workshops involving 3 levels of managers – Senior Management, Managers of the Departments and Middle Managers, offering set of skills tailored to different management levels, and launching cascading initiatives to ensure the project's impact reaches all employees.

Another examples of such programs in Poland are:

'First Time Manager'

Dedicated to managers very new to the role or not even managers yet, but on their managerial path, consisting of 6 sessions (online and in class) addressing major employee challenges such as: feedback, empowerment and communication.

'Sekwoja - Redwood'

Is an ongoing program to monitor and develop key competencies in our production. Together with the production team we have created a matrix of competencies and skills needed for different roles. It is also a great tool to create and communicate career paths for production employees. It was also very helpful in building the new structure for our new distillery in Lublin.

Equal treatment & inclusive organisation

Feedback and employee evaluations are crucial elements of our organisational culture and competence development. In 2023, SSG conducted an employee assessment, feedback, and career planning process for:

- All ExCom members.
- Senior Leadership Team (SLT) members.
- Middle Management groups.
- Selected functions including sales and production employees in Poland and the Czech Republic & Slovakia cluster.

This initiative, piloted in 2023, will be expanded to encompass all employees in 2024.

Furthermore, as part of the 2024 remuneration review at SSG, a simplified employee assessment was carried out in Poland, the Czech Republic, Croatia, and Bosnia and Herzegovina. This will be followed by a comprehensive employee assessment and career planning process for all SSG employees to summarise the year.

Our Commitment
to a Better Tomorrow

Employee diversity

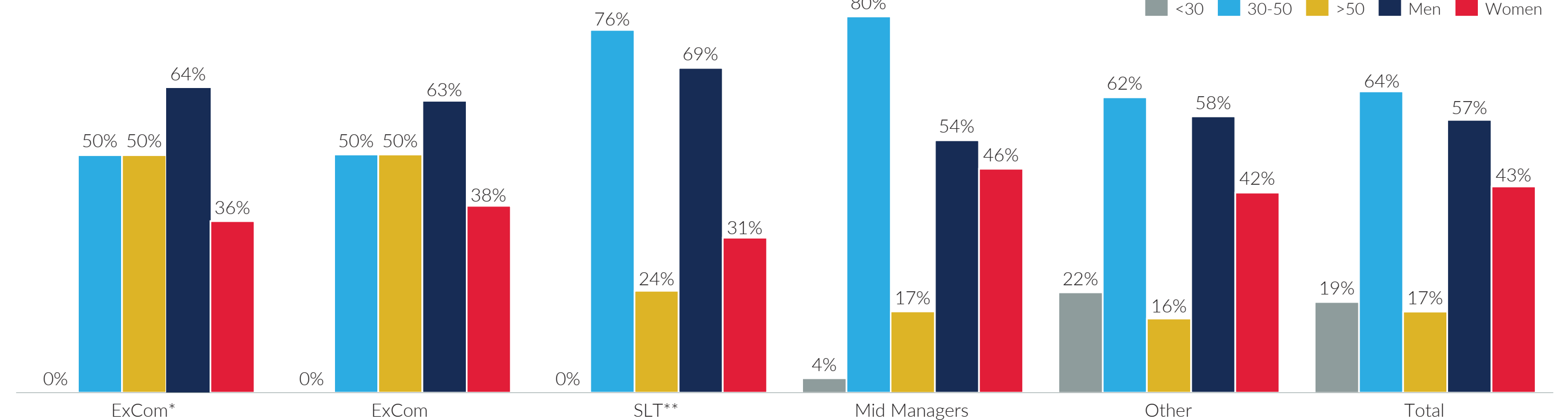
GRI 405-1

SSG has age and gender diversity at various employment levels, with women representing 43% of the total number of employees.

Table 7. Diversity of employees by age group, gender and employment level (405-1)

	ExCom*	ExCom	SLT**	Mid Managers	Other	Total
<30	0%	0%	0%	4%	22%	19%
30-50	50%	50%	76%	80%	62%	64%
>50	50%	50%	24%	17%	16%	17%
Men	64%	63%	69%	54%	58%	57%
Women	36%	38%	31%	46%	42%	43%

ExCom* - refers to the total number of Executive Committee members, regardless of the type of contract. Other columns refer to the total number of employees with employment contract.
SLT** - Senior Leadership Team
If the values in the individual columns do not add up to 100%, it is due to rounding.



Numbers calculated as the percentage of employees from a given age group or gender at a specific employment level relative to the total number of employees at that employment level.

GRI 406-1

In SSG there were no incidents of discrimination reported in 2023.



Equal treatment & inclusive organisation

Local communities

GRI 413-1

In 2023, the Stock Foundation continued the programs launched in 2022 to support Ukrainian refugees in Lublin, focusing on assistance to schools, psychological support, and employment opportunities. These initiatives aimed to address the challenges faced by individuals affected by the conflict. All Foundation initiatives were designed to benefit both local communities and refugees residing within those communities. Impact assessments were conducted for each initiative individually, and their respective outcomes are detailed below.

- **Trauma Resilience Training and Group Therapies:** Aimed at caregivers, teachers, psychologists, and refugees to cope with war trauma. Impact: 191 people
- **Musical Scholarships:** For talented Ukrainian youth, preserving musical talent, aiding trauma healing, and creating job opportunities. Impact: 95 people
- **Support for Lublin Schools:** Direct donations improved educational experiences and integration of refugee students, funding educational enhancements and integration events. Impact: 2100 students
- **Thursday Integrational Meetings and Job Fair Platform:** Comprehensive support system for refugees providing employment opportunities, community building, and psychological counseling. Impact: 720 attendees

- **Crisis Intervention Center's Special Helpline in Lublin (CIK):** Expanded services for families in crisis, focusing on domestic violence. Supported by the Foundation, CIK has expanded its services through increased staffing, establishing crisis shelters, offering legal consultations, and providing psychological sessions. Impact: 231 Ukrainian-speaking sessions
- **Polish Language Courses:** Helped Ukrainian refugees integrate into Polish society by overcoming language barriers, improving daily interactions, and employment prospects. Impact: 100 participants
- **Christmas event:** The Stock Foundation's largest single event for Ukrainian refugees, aimed to provide festive joy and support, especially for children facing challenging conditions in Lublin's collective accommodations. Impact: 200 attendees
- **Office Competencies Job Training:** Focused on empowering refugee women with job skills, It has led to successful employment within three months after completion, demonstrating the program's effectiveness in fostering economic independence and integration. Impact: 12 participants

- **Summer Integrative Sunday at Kozłowiecki Landscape Park:** Brought together diverse participants including residents from the Refugee House, Ukrainian families in Lublin, Ukrainian school youth on holiday in Poland, and Stock Foundation employees with their children. Impact: around 130 people.

The Foundation collaborates with various social partners, including foundations (e.g., Foundation ECCC in Lublin – European Certificate of Digital Competences), associations (e.g., Homo Faber), units supervised by local government (e.g., Crisis Intervention Center and Elementary Schools), and social projects managed by registered business entities. In some cases, the Stock Foundation has outsourced certain assistance functions to these entities. Additionally, the Foundation employs professional therapists who directly provide care to refugees affected by war trauma.

Stock Foundation's new direction

Our new direction for the Foundation in the coming years is to make art accessible to those who need it most. Regardless of personal challenges such as health issues, low income, depression, or lack of inspiration, we want everyone to experience the beauty and power of art.

Equal treatment & inclusive organisation

Local communities – continued

We started our journey in Lublin by organizing our first event in collaboration with the Association of Support Centers, which supports seniors in the community. This pilot event, led by curator from the National Museum, attracted over 55 participants. They had the chance to delve into the world of the Kossak family, a multi-generational lineage of prominent painters and poets, and immerse themselves in the fascinating world of art. The atmosphere was further enhanced by a small refreshment provided by the Foundation.



By June 2024, we have organised six such events, reaching over 240 people in difficult life situations. Subsequent meetings covered collections from the British Museum and the Louvre. These events, led by outstanding experts and curators from the National Museum in Lublin, have had an incredibly positive impact on participants. The interaction with art and the passionate stories told by specialists have brought them inspiration, hope, and a sense of community.



|
Spirits
of Transformation
|

We are collaborating with organisations that support those in need to reach as many people as possible and better understand their needs. Interaction with artworks and inspiring experts can significantly affect people dealing with various personal issues, such as depression, poor health, or lack of inspiration. This experience can help them find motivation, renew their self-belief, and open up to new life perspectives. Listening to the stories of renowned experts can enhance their self-esteem by helping them understand and appreciate their own experiences and the ability to discover the beauty and meaning of art in everyday life.



Health & Safety

Occupational Health & Safety at Stock Spirits Group



Maintaining the highest standards in health and safety for our employees is paramount to our business, and we are committed to managing this area to minimise the risk of work-related accidents. Our primary goal is to ensure a safe and accident-free workplace for everyone. These health and safety commitments apply to all employees and contractors alike.

Our Path
to Impact

GRI 3-3, 403-1, 403-8

SSG is committed to ensuring a healthy and safe workplace for all employees across its operations. The Group maintains an occupational health and safety management system that adheres to legal requirements specific to each location. In SSG these include compliance with the Labour Code, occupational health and safety regulations, and related principles. All our production sites and warehouse are ISO 45001 certified, establishing the standards for Health & Safety procedures.

At the Group level, the following applies:

01 Code of Business Conduct and Ethics	02 Stock Spirits Group Health and Safety Policy	03 Group H&S standards
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100% of employees at production sites and the Lublin warehouse are covered by ISO 45001. Moreover, all SSG employees and non-employees work under a safety management system based on legal requirements.

Each site within SSG, including non-operational sites, appoints a designated Health and Safety (H&S) Representative. This comprehensive system extends across all functions, encompassing procurement, manufacturing, logistics, marketing, and sales. The SSG Board delegates H&S management to the CEO, who sets a proactive tone within the ExCom by emphasizing a robust H&S culture.

The CEO holds responsibility for prioritising and adequately resourcing H&S initiatives to ensure regulatory compliance. Meanwhile, the CVC Board maintains a supervisory role over these efforts. The COO, as a member of the ExCom, is appointed by the CEO to provide functional leadership in H&S across SSG. This entails developing,

documenting, communicating, implementing, and maintaining specific H&S policies and procedures aligned with the overarching SSG Health and Safety Policy.

The ExCom collectively assumes effective responsibility for health and safety at SSG, exemplifying leadership in all H&S matters. While the COO leads functionally, each Managing Director and individual manager across the organisation carries responsibility for the health and safety of their respective teams and collaborators.

GRI 403-2

As part of our robust safety management system and property risk evaluation, we conduct thorough assessments to identify hazards in the work environment and implement appropriate programs and preventive measures.

We actively engage all employees in this process. In 2023, SSG's employees reported 1205 unsafe acts and 3352 unsafe conditions, with a successful resolution rate of 95.6%. Additionally, we conducted 1170 Safety Walks, during which 150 actions were identified and incorporated into a formalized improvement plan. As of now, 137 of these actions have been implemented, representing a completion rate of 91%.

Every job position undergoes occupational risk assessment, which evaluates the likelihood of hazards occurring and their potential consequences. These risk assessments are regularly updated to align with current needs. Moreover, we conduct analyses for process safety and property risk evaluation to enhance our overall safety measures.

We have implemented Life-Saving Rules and empowered employees with the authority to intervene and stop work if they perceive unsafe conditions or behaviours, known as the Golden Principle.

Health & Safety

Occupational Health & Safety at Stock Spirits Group – continued

All incidents are recorded, analysed and monitored. For LTA⁵ accidents, post-accident investigations are conducted using Root Cause Analysis and mapping techniques.

GRI 403-3

We firmly believe that health and safety are fundamental human rights, and we are committed to preventing all hazardous incidents. These values guide our decision-making and implementation processes, ensuring a workplace free from accidents and risks.

To support this commitment, we provide our employees with adequate hygiene and sanitation facilities. We regularly communicate health and safety advice, including ergonomic practices, and conduct training sessions on first aid and emergency response protocols.

Furthermore, all employees at SSG undergo periodic occupational health examinations as mandated by law.



GRI 403-4

Involving employees in health and safety consultations is integral to fostering a safe working environment. At SSG, the active participation of representatives from various professional groups allows us to comprehensively address the real challenges and potential risks related to occupational health and safety (OHS).

In 2023, in compliance with legal requirements, SSG conducted quarterly meetings of the Health and Safety Committee. These consultations focused on several key areas:

- Assessing changes in work organisation and workplace equipment, including the introduction of new technological processes and chemical substances that may pose risks to employees' health or safety.
- Evaluating occupational risks associated with specific job tasks and ensuring that workers are informed about these risks.
- Establishing an occupational health and safety service or assigning related tasks to designated personnel, including appointing employees responsible for providing first aid and organizing fire drills and employee evacuations.
- Allocating personal protective equipment, work clothing, and footwear to employees to mitigate workplace hazards.
- Conducting training sessions for employees on occupational health and safety practices and procedures.

These consultations are essential for proactively addressing workplace safety concerns and ensuring a proactive approach to managing occupational health and safety at SSG.

The structure of SSG's Health & Safety (H&S) management is presented in the Appendix 2.



⁵ LTA (Lost Time Accident) – incident that produces an injury that results in an employee missing time on the job

Health & Safety

Occupational Health & Safety at Stock Spirits Group – continued

GRI 403-5

S&S provides Occupational Health and Safety training and instructions in the induction process and delivers regular training sessions for all employees. The scope and frequency of training depend on the nature of the job. H&S training is divided into initial and periodic training. Initial training takes place upon employment in a particular position and includes general instruction and on-the-job training. General instruction should ensure that trainees are familiar with the basic health and safety regulations contained in the Labour Laws collective bargaining agreements or work regulations, the health and safety regulations and rules in force in the respective workplace, as well as the principles of first aid in the event of an accident. Workplace instruction should ensure that trainees are familiar with the work environment factors present at their workstations and the occupational risks associated with their work, the ways of protecting themselves against the hazards that these factors may cause, and the methods of performing work safely at these workstations. Training is provided by qualified occupational health and safety officers and workers' supervisors. Periodic training aims to update and consolidate knowledge and skills in the field of occupational health and safety and to familiarize trainees with new technical and organisational solutions in this field. All employees undergo occupational health and safety training.

In addition, employees acquire the qualifications necessary for their jobs, i.e., forklift operator, lifting equipment, etc. employees.

GRI 401-2, 403-6

We offer a group-wide Employee Assistance Program (EAP) tailored for all S&S employees and their families. This program provides support in local languages and is accessible 24/7. The EAP includes access to webinars led by experts, a dynamic library of health and wellbeing resources, individual psychological support for personal and professional challenges, legal advice, consultations on financial matters, and specialized support for managers and HR departments

Table 8. Promotion of worker health (403-6)

Country	Voluntary health promotion services and programs
Poland and Czech Republic	<ul style="list-style-type: none"> • Cafeteria system which offers a gym pass or the opportunity to attend cultural events such as the theatre, cinema or concerts. • Voluntary healthcare services and group life insurance both for employees and their families or partners.
Czech Republic	<ul style="list-style-type: none"> • In the autumn, employees receive vitamin kits and various immunity boosters to take care of their health.
Slovakia	<ul style="list-style-type: none"> • Benefit sports card • Massage in office – twice a month
Bosnia and Herzegovina, Croatia, Italy	<ul style="list-style-type: none"> • Benefit sports card

GRI 403-7

We have implemented Life-Saving Rules, comprising nine fundamental safety guidelines applicable to all S&S employees and contractors. The rules focus on activities that have the highest potential threat of severe injury when safety rules are not observed. The Life-Saving Rules simply –reinforce the existing procedures, ensuring that everyone who works for us or with us follows them and gets home safely.

Additionally, we have established group health and safety standards that outline safe practices during work activities.

We consistently share best practices in H&S, incident insights, and preventive strategies with our teams.

This collaboration occurs at weekly Health and Safety Team meetings, the Group HSE Forum, and various other forums.

Annually, the H&S department hosts an event to enhance employee safety awareness. In 2023, the Health and Safety Day on June 16 expanded to include environmental protection issues.

Health & Safety

Occupational Health & Safety at Stock Spirits Group – continued

Throughout 2023, we communicated multiple H&S initiatives and educational tips via our internal platform. These included:

- Safe driving training for Polish employees using company cars.
- First aid courses.
- Ergonomic workshops for warehouse employees handling heavy loads.
- Management training focused on safety responsibilities awareness.

We utilise software to effectively manage post-audit and post-incident recommendations.

Furthermore, we conduct health risk monitoring by assessing the work environment for factors like hot microclimates, vibration, noise, and emitted substances.

GRI 403-9, 403-10

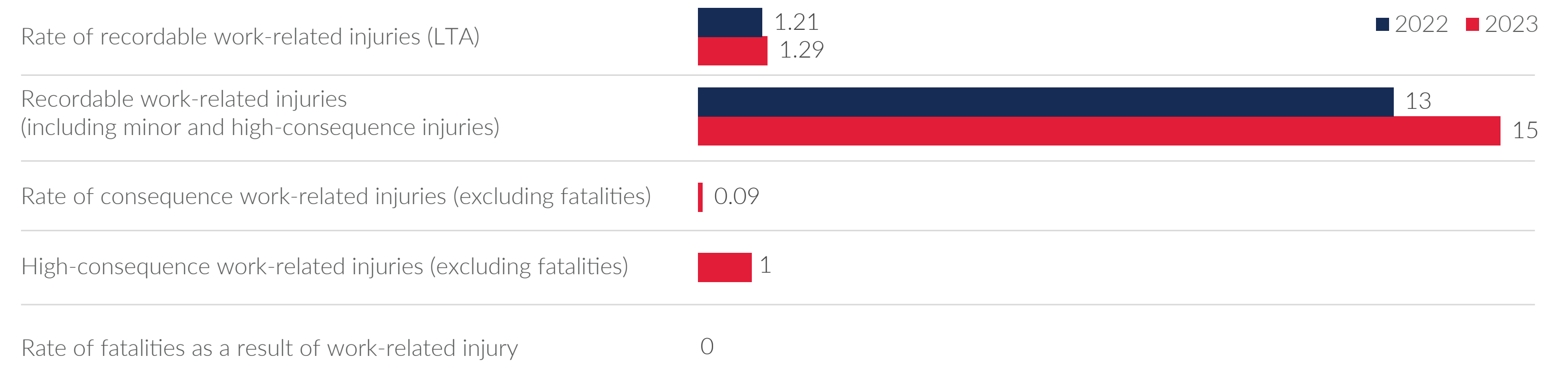
In 2023, there were 15 accidents among employees at SSG, including 14 minors and 1 high consequence. Detailed information is presented in the table.

Table 9. Work-related injuries (403-9).

	2023	2022
Fatalities as a result of work-related injury	0	0
Rate of fatalities as a result of work-related injury	0	0
High-consequence work-related injuries (excluding fatalities)	1	0
Rate of consequence work-related injuries (excluding fatalities)	0.09	0
Recordable work-related injuries (including minor and high-consequence injuries)	15	13
Rate of recordable work-related injuries (LTA)	1.29	1.21
The number of hours worked	2 319 613	2 147 338

The accident data comes from the Group's register of accidents at work in accordance with the law. The LTA is calculated at 200,000 hours worked = (number of accidents within a specific category / number of hours worked) x 200 000. For more information on hazard identification, risk assessment, and incident investigation procedures, see the description of the 403-2 indicator. Common workplace hazards include cuts and trip/slip/fall.

Number of work-related injuries for workers who are not employees is not available.



Health & Safety

Occupational Health & Safety at Stock Spirits Group – continued

S&S's H&S Team has identified work-related hazards that present a risk of high-consequence injury, which are detailed in the Group's Life-Saving Rules. These rules serve as guidelines to mitigate these hazards effectively. Work-related risks that pose a risk of high-consequence injury in the S&S include fire and explosion hazards, falls from heights, hazards from moving parts of machinery and traffic hazards. The risk assessment is updated periodically and after an accident.


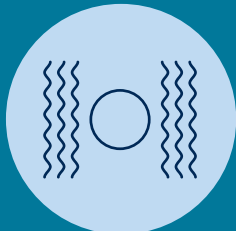

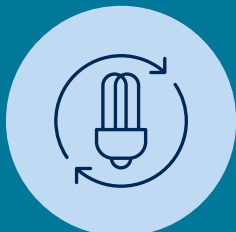

In the event of an injury, post-incident management at S&S focuses on developing actions aimed at eliminating or minimising the risk of similar incidents in the future. One high-consequence accident that occurred in 2023, happened while carrying a bag of waste down a ladder, resulting in a knee injury and long-term sick leave. Following the accident, a number of measures were introduced to prevent similar incidents in the future. Among other things, a device was introduced to lower materials from the work platform, a safe working procedure was developed and a series of training sessions on working safely on ladders was initiated.

For instance, in response to 4 incidents of cutting skin with glass or blades, a specific H&S standard has been established to address this risk. This standard adheres to the risk control hierarchy, ensuring that measures are implemented systematically to reduce the likelihood of such incidents recurring. The standard is being implemented at all sites.

S&S has been actively enhancing its safety culture through systematic initiatives. A key aspect of this effort involves conducting Root Cause Analysis (RCA) for any accidents

that occur within the company. The findings from these analyses are utilised to enhance safety measures, update risk mitigation strategies, and are effectively communicated across the organisation to all employees. This approach ensures continuous improvement in safety practices and fosters a proactive safety culture at S&S.

Measurements of work environment are carried out depending on the site with regard to:

-  Chemical substances
-  Vibrations
-  Noise
-  Nuisance (lighting, hot microclimate, energy expenditure of the body)
-  Electromagnetic fields

In FY2023, there were 0 fatalities due to work-related ill health and cases of recordable work-related ill health among employees and co-workers at S&S as presented in the table 9.

Harmful factors occurring in individual workplaces were identified at various workplace sites. The factors harmful and arduous to health in the work environment for which measurements are carried out are indicated.

In terms of actions taken to minimise these risks as much as possible, we can indicate:

- Improving ventilation or using air conditioners in hot areas (like bottling plants) during summer.
- Implementing noise reduction programs.
- Installing local ventilation systems (such as fume cupboards) in areas where chemicals are used.
- Strategically planning workspaces near electromagnetic radiation sources.
- Regularly servicing forklift trucks to reduce vibrations.
- Using trolleys and assistive devices to minimise manual lifting and handling.

Because there have been no cases of occupational diseases in recent years, we concluded that complying strictly with the regulations of each country is adequate, and we did not implement additional standards.

Planet

Over the decades, human activity has had a huge impact on the state of our planet's natural environment. Phenomena such as climate change, biodiversity loss, water and land pollution have become not only the subject of scientific and social debates, but also the central point of the corporate agenda. Understanding and responsibly managing environmental issues is at the heart of sustainability efforts. In the "Planet" chapter, we explore the significant environmental challenges of our time, discuss the actions that our Group has taken to protect and regenerate the natural environment, and outline the goals we are pursuing in the near future.

GHG Emissions	56
Materials & Packaging	60
Water	63
Energy	67
Responsible farming & sourcing of raw materials	69

GHG Emissions



Reducing negative impact on environment from greenhouse gas emissions as a result of our activities plays an important role in our strategy.

GRI 3-3, 305-1, 305-2

In 2023, Scope 1 emissions accounted for nearly 76% of all emissions (Scope 1 and 2: location based) and 99% of market-based emissions. Scope 2 is indirect emissions resulting from the purchased electricity and heat. The largest decrease in emissions (by 96.9% comparing FY23 to FY20) was recorded in the case of Scope 2, measured using by market-based method, which is mainly related to switching to renewable energy sources confirmed by GOs. Since January 2021, our factories in Germany, Poland and the Czech Republic have been purchasing electricity from renewable sources, and our warehouse in Poland since January 2022.

Please note that the data in following sections will be presented for three fiscal years:

- FY23 which is the current reporting period
- FY22 which is the comparative period
- FY15 which is our base year in line with our internal reporting approach

Table 10. Scope 1 and Scope 2 emissions (location-based and market-based) in FY23 (305-1, 305-2)

	Source	GHG emissions [tCO ₂ e]			Change [%]	
		Base year 2015	2022	2023	2023 vs 2022	2023 vs 2015
Direct (Scope 1) GHG emissions	Coaldust	24 205.1	21 533.5	17 352.4	-19.4%	-28.3%
	Gas	9 668.2	7 066.8	5 856.3	-17.1%	-39.4%
	Oil	276.1	1 468.8	1 331.2	-9.4%	382.1%
	LPG (forklifts)	232.3	102.2	105.4	3.1%	-54.6%
	Refrigerants	6.5	32.5	7.9	-75.7%	21.5%
	Gasoline	710.4	876.7	958.0	9.3%	34.9%
	Diesel	1 412.5	925.7	976.1	5.4%	-30.9%
	Gas for heating LPG	1.4	0	0	-	-100%
Total (Scope 1) GHG emissions		36 512.5	32 006.2	26 587.3	-16.9%	-27.2%
Indirect (Scope 2) GHG emissions (location-based)	Electricity	9 270.2	8 635.0	8 549.7	-1.0%	-7.8%
	Heat, refrigeration and steam	31.0	13.8	23.9	73.2%	-22.9%
Total (Scope 2) GHG emissions - location based		9 301.2	8 648.8	8 573.6	-0.9%	-7.8%
Indirect (Scope 2) GHG emissions (market-based)	Electricity	11 546.7	424.9	329.4	-22.5%	-97.1%
	Heat, refrigeration and steam	31.0	13.8	23.9	73.2%	-22.9%
Total (Scope 2) GHG emissions - market based		11 577.7	438.7	353.3	-19.5%	-96.9%
Total GHG emissions scope 1 & 2 (location-based)		45 813.7	40 655.0	35 160.9	-13.5%	-23.3%
Total emissions scope 1 & 2 (market-based)		48 090.2	32 444.9	26 940.6	-17.0%	-44.0%

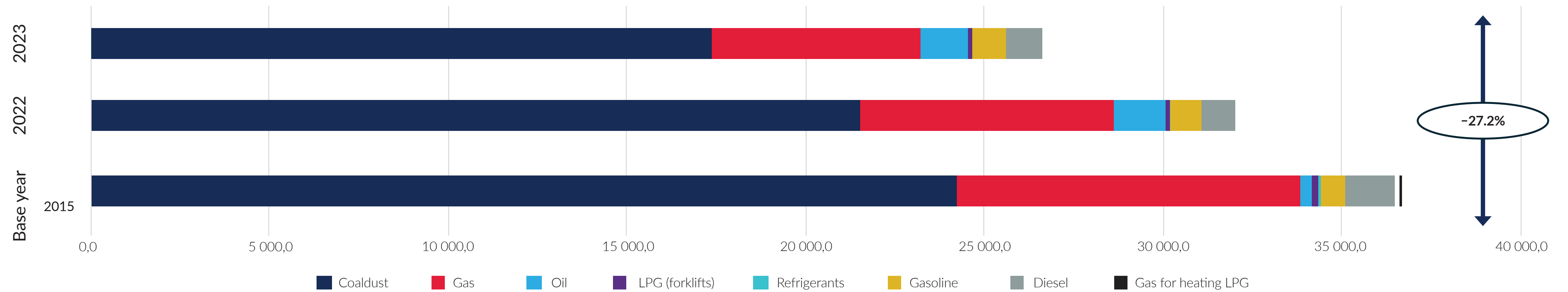
1. Gases included in the calculation: 1756.3 tCH₄ in tCO₂e and 256.4 tN₂O in tCO₂e

2. Biogenic emissions from fuels = 100.4 tCO₂e

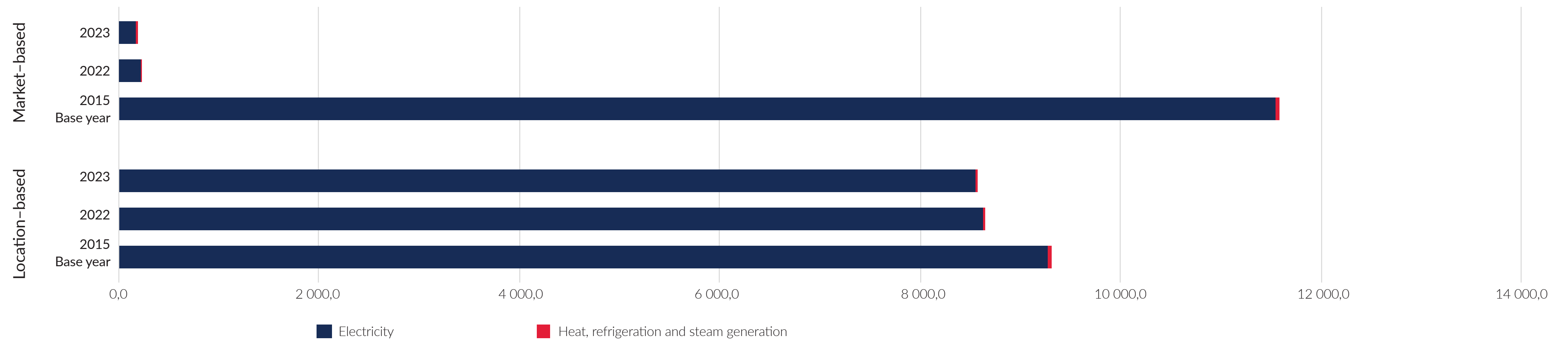
For more details, please see our GHG emissions reporting approach in **Appendix 1**.

GHG Emissions

Total (Scope 1) GHG emissions [t CO₂e]

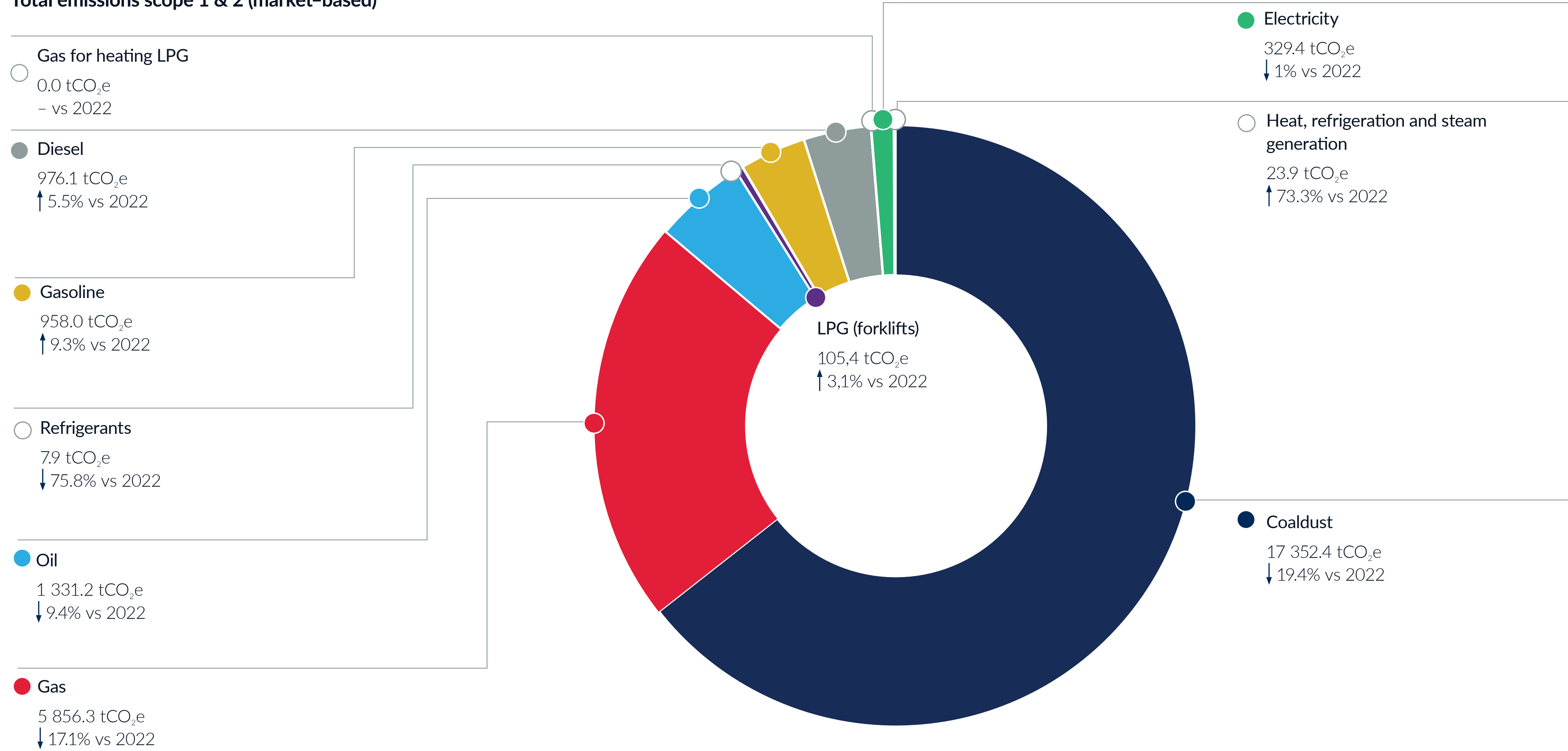


Indirect (Scope 2) GHG emissions [t CO₂e]



GHG Emissions

Total emissions scope 1 & 2 (market-based)



GHG Emissions

GRI 305-5

Reducing greenhouse gas emissions stands as one of the paramount challenges of our time, crucial to mitigating global warming and its detrimental effects on the Earth's climate. SSG recognises the gravity of this challenge and is actively implementing measures to decrease its own emissions.

The reported year's emissions were influenced by reduced production output of finished products. Additionally, we are increasing our efforts to shift towards renewable energy sources, particularly at our factory and warehouse in Lublin. Initiatives include ongoing projects to replace lighting with LED technology across our factories, coupled with lighting control systems that adjust based on natural light intensity and time of day. Furthermore, we are optimising our product transportation processes.

Moreover, in 2023, we upgraded the heating system at our factory in the Czech Republic, eliminating steam generators. This modernisation has resulted in a significant reduction of gas consumption by approximately 10% annually in Stock Plzeň-Božkov.



GRI 305-3

In 2022, we conducted a comprehensive greenhouse gas (GHG) emissions inventory for the fiscal year 2021 (October 2020 to September 2021). This included our first Scope 3 screening assessment based on expenditure data (spend-based method), providing an initial estimate of our company's value chain emissions and identifying emission hotspots. In 2024, we revisited this topic, aiming to collect activity-based data where feasible. Currently, we are in the process of defining GHG emission reduction targets aligned with the Science Based Targets initiative (SBTi) methodology.

GRI 305-4

Total Scope 1 and Scope 2 emissions intensity continues its downward trend. This trend is evident in measurements using both location-based and market-based methods. In 2023, the Scope 1 and 2 emission intensity reached 294 gCO₂e/litre finished goods produced (location based). Using the market-based method, the emission intensity was 225 gCO₂e/litre finished goods produced. CO₂, CH₄, N₂O were included in the calculation of the GHG emissions intensity.

Table 11. GHG emissions intensity (305-4)

GHG emissions intensity [gCO ₂ e/litre finished goods produced]	2015	2022	2023	2023 vs 2022
Location-based				
Total Scope 1	339	254	222	-12.6%
Total Scope 2	86	69	72	4.4%
Total Scope 1+2	425	322	294	-8.7%
Market-based				
Total Scope 1	339	254	222	-12.6%
Total Scope 2	108	3	3	0%
Total Scope 1+2	447	257	225	-12.5%

GRI 305-6

The extent of ozone-depleting substances across our operations is summarised in the following table. The residual volumes of halons and CFCs across the business are now relatively minor.

Table 12. Emissions of ozone-depleting substances (305-6)

	Emission [kg]	Emissions CO ₂ e (kg)
HFC - R 404A	2	7 886

Materials & Packaging



Our goal is to develop more sustainable solutions in our packaging and positively contribute to a circular economy, especially with regards to primary packaging materials used in our operations.

GRI 301-1

We make the assumption that materials used equals materials purchased.
During FY23, SSG purchased 180 311 tonnes of materials in total.

Table 13. Weight of purchased materials (301-1)

Category	Weight in tonnes
Packaging: glass, paper, aluminum, plastic, multi-material, other	102 448
Raw materials	77 863
Total	180 311

*We report the materials purchased for the production and packaging of our own products (plus cartons for distributed brands which are purchased by SSG).

Table 14. Weight of purchased raw materials & processed commodities (301-1)

Category	Weight in tonnes
Alcohol	23 460
Corn	19 767
Sugar	7 439
Barley	7 357
Triticale	7 059
Rye	4 813
Vinacce (grape peels)	4 807
Wheat	1 684
Juices & aromas	497
Other	980
Total	77 863

*We report the raw materials & processed commodities used for the production of our own products

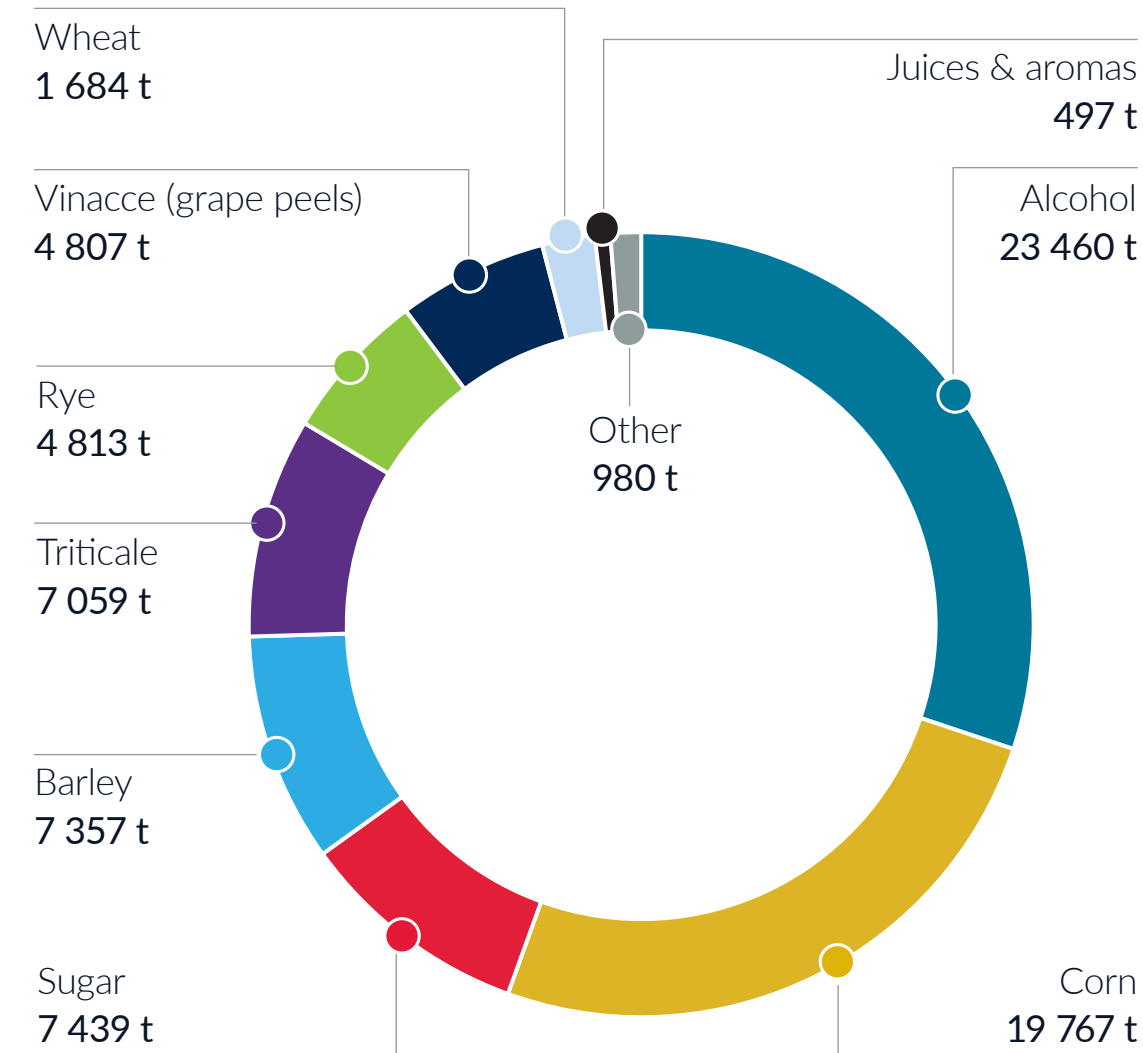
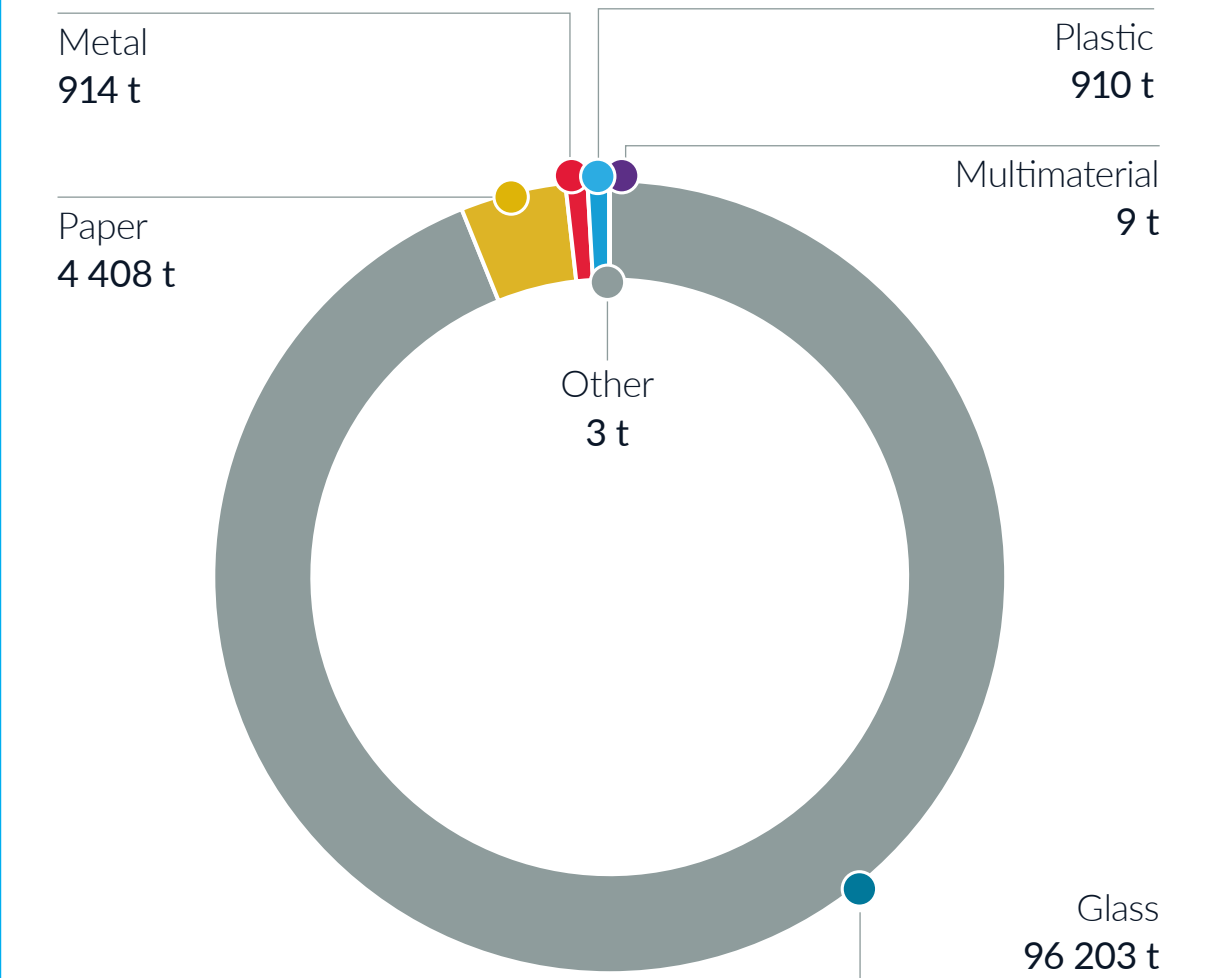


Table 15. Main categories of purchased packaging materials (301-1)

Category	Weight in tonnes
Glass	96 203
Paper	4 408
Aluminum	914
Plastic	910
Multi-material	9
Other	3
Total	102 448



Materials & Packaging

GRI 301-2

In the reporting period 2023, on average, 31% of the materials used in our packaging were recycled input materials, according to declarations from our suppliers.

The total weight of packaging purchased in FY2023 amounted to 102 448 tonnes, with glass making up 94% of this weight (with a glass recycled content of 28.3% in average). Plastic constituted less than 1% of the purchased packaging.

GRI 301-3

SSG introduced to the market 106 745 tonnes of packaging, of which 65.5% was reclaimed. Glass constituted 92.5% of product packaging. Only 0.8 tonnes of the packaging introduced to the market was made from materials classified as hazardous.



Table 16. Reclaimed products and their packaging materials in calendar year 2023

	Glass	Paper	Wood	Plastic	Aluminum	Multi-material	Steel	Hazardous packaging	Other	Total
Packaging placed on the market (sold) [t]*	98 731.8	4 563.6	1 670.8	834.2	717.5	203.4	19.4	0.8	3.0	106 745
Weight of packaging recovered from the market as waste [t]	65 596.2	3 218.1	351.9	345.4	347.8	1.0	7.1	0.3	0.5	69 868
Percentage of reclaimed products and their packaging materials	66.4%	70.5%	21.1%	41.4%	48.5%	0.5%	36.6%	37.5%	16.7%	65.5%

* We provide the quantities reported to the recovery organisation for the calendar year 2023 according to its reporting period.



Materials & Packaging

GRI 3-3, 306-1

Our factories in the Czech Republic and Poland mainly generate packaging waste, such as: cullet, damaged labels, caps, which are reported as production losses. Additionally, municipal waste is generated by employees during their shifts at SSG’s facilities. The vast majority of this waste is recycled and recovered.

In our supply chain, the waste generated from the consumption of our products is primarily packaging waste.

All our plants, warehouses and offices follow these rules, which significantly impact waste generation, type and quantity:

- Implement solutions to prevent waste generation.
- If the waste is generated, it should be segregated.
- Prioritise reuse of waste, followed by recycling, and ultimately other forms of recovery.
- Take measures to reduce waste sent to landfills to zero.

Across all our locations we adhere to waste management rules that significantly influence waste generation, segregation and reduction. A prime example of these rules in action is at our distillery in Germany, where by-product of alcohol production is DDGS (Dried Distillers Grains with Solubles). This by-product, utilized as a key raw material for animal feed, exemplifies our commitment to the circular economy, showcasing how we transform waste into valuable resources.

GRI 306-2

We are aware that our customers generate waste related to our product, mainly in the form of glass bottles, a small number of plastic bottles, aluminum and plastic lids and cartons. Our design and implementation departments take care of the principles of circular economy at every stage of developing a new product.

Each package is sized according to its contents, with weight optimised to meet logistical requirements. Our packaging materials are chosen for their recyclability, and we collaborate with suppliers who incorporate recycled raw materials into their production. Our goal is to optimise our packaging to minimise both the amount and type of waste generated.

During supplier audits, we also assess environmental issues related to waste and implemented environmental solutions. In our factories, warehouses and offices, we implement policies that eliminate waste generation or reduce it to a minimum.

We work with third parties to manage the waste generated during our production process. All companies we contract with for waste management have the necessary permits and adhere to waste segregation rules.

GRI 306-3, 306-4

SSG has generated 4350 tonnes of waste in total during the reporting period. 93.1% of reported waste was recycled and recovered while 6.6% of total waste was sent to landfills for disposal. The remaining part was managed through disposal processes other than landfilling.

Table 17. Waste generated and diverted from disposal (306-4)

Category in tonnes	2023	2022
Waste produced total	4 350	4 534
Waste transferred to recycling + recovery	4 052	4 083
Waste transferred to landfill:	286	436
Germany	277	422
Czech Republic	9	14
Waste transferred to processes other than recycling+recovery and landfill	13	15
Waste % of recycling +recovery	93.1%	90.1%
Waste % of landfill	6.6%	9.6%

Data in the table includes all waste (packaging, hazardous, municipal, organic, etc.) generated at factories in Germany, Poland, the Czech Republic and warehouse in Poland. Due to lack of data, it does not include offices and includes limited data for factory in Italy.

The largest part of total waste produced comes from packaging: 2447 tonnes (56%), 18 tonnes (0.4%) of waste produced in FY23 was classified as hazardous.

Table 18. Types of waste generated (306-3)

Category in tonnes	2023	2022
Waste: packaging waste	2 447	2 409
Waste: municipal waste	75	83
Waste: hazardous	18	10
Waste: other	1 810	2 032
Waste total	4 350	4 534

Data source: Waste register, declarations of waste recipients and documents confirming recycling.

Planet

Water



Water is one of the most critical resources for our business. It needs to be managed responsibly and efficiently to conserve it and prevent any potential risks of contamination or degradation. We focus on the responsible use of water resources and continuous improvement of water efficiency in all our operations.

GRI 3-3, 303-1

Water is the key raw material used in our production, and we aim to limit water use through optimising our processes using technology. We use a closed loop system in our rectification installation at the Lublin plant (Poland): a total of 495 m³ of water circulates two loops per hour with no waste generated. This approach significantly reduces water demand inside the installation. Closed circulation systems use small quantities of water to make up for any losses caused by evaporation and through the condensation recovery from steam, we save up to 5200 m³ of water per year. This water can be used to top up depleted resources in the closed system.

Our production sites source water from their own underground intakes and external suppliers and we use no or limited amount of water from the municipal supply systems. Water management in the plants is controlled by monitoring the water consumption and quality, as well as maintenance of the installations and equipment to ensure top-level performance. We comply with the legal requirements in each location and have the required water abstraction permits and contracts with suppliers. Each plant has specific target water consumption levels per litre of finished goods produced.

The key environmental risks, defined in the ISO 14001 environmental management system, address water management and include the risk of:

- Contamination of main water intakes.
- Poor quality of water used for production.
- Low water level in own intakes.

We have never had an issue with contamination of water intakes as a result of external risks such as sabotage, however, we approach these threats very very seriously. If it did occur, it would stop the entire production in a plant. Our intakes have been classified as special supervision areas with assigned risk lists and measures intended to alleviate them. In addition to monitoring the water quality for physical, chemical, and biological agents, legal protection zones have been set up for our water intakes, and any works and activities nearby have been limited. In the wells, the water table is measured periodically, and the well efficiency is tested. The above measures are intended to prevent excessive and unnecessary use of water resources. Access to our wells is secured to protect our water resources against intentional third-party activity.

We carry out quality control at the exit of the water softening and osmosis station and the water hardness warning system will stop the installation operation automatically if pre-set hardness levels are exceeded. We carry out regular maintenance of the installation and complete regular quality control to ensure a consistent quality of water is achieved in our finished products.

Another risk is the potential lowering of water levels in our own intakes which would result in reduced or suspended production. Climate change may increase the likelihood of this risk in the future. We do not locate new production plants in areas where water is scarce, however, some of our current operating facilities with longer heritage have been built when there were no water restrictions in place. We analyse the impact of production on water resources, especially in periods of increased water scarcity. During the year we carried out comprehensive tests of the technical condition and efficiency of our water intakes in Poland. The results, compared to the measures conducted in 1986, showed that there was still no decrease in the levels, which is due to prudent water management and continuing initiatives to protect the water intakes during the 40-year period.

Planet

Water

This has enabled us to operate sustainably, to keep the resources unchanged and in good condition. The Lublin plant sources water from chalk deposits which are of a high quality and used for the finished product. These deposits are much deeper than those used by the local community and our production activities do not impact the level of water resources used by our neighbours. As the draw-off comes from old geological deposits we make a continuous effort to protect it and this year we introduced the continuous monitoring of the water status in our own intakes which has allowed us to better understand any fluctuations in the water deposit and be able to respond quickly to any irregularities related to climate change, such as drought and warm, snowless winters. Snow cover is the main source for the recovery of surface water resources, however, in the long run, it can also affect water quantities in deep underground reservoirs. We carry out regular assessments of the condition of water intakes (deep wells) and water risk analysis in the areas where our factories are located, at least once a year. For this purpose, we use the WRI Aqueduct tool and our internal risk assessment process compliant with the ISO 14001 standard. The quality of water from our own intakes is tested several times a year in accordance with local regulations regarding microbiological and physics-chemical parameters.

As every year, in 2023, we used the AQUEDUCT tool to carry out risk analysis and assessments of our own intakes. In all individual locations the risk to the availability of water resources was reviewed (including water stress, depletion of water resources, interim variability, seasonal variability, groundwater level drops, river flood risk, coastal flood risk and drought risk). We undertake initiatives to reduce our water intake for auxiliary processes, e.g., by considering the use of rainwater for watering green areas and making use of wastewater.

In order to reduce water losses related to the production of demineralised water, in 2023 we modernised the station at the factory in Poland. Thanks to the investment, we reduced water losses from 50% to 20%.

We have processes in place to minimise the risk of leaks that may contaminate the natural environment, including the water resources used in our facilities. A risk assessment of possible industrial accidents has been carried out and procedures have been developed to prevent them and to respond to them if they occur. During the year we installed containment bunds at tank unloading and loading areas to eliminate the risk of leakage in this area. We also set up specialist emergency response groups who received training in prevention and fast response to failure and emergency situations which were supported by specialist fire-fighting units.

GRI 303-2

Our primary objective is to ensure that only environmentally safe wastewater is released into natural ecosystems, without posing any threat to fauna and flora.

Analyses conducted have proven that industrial wastewater generated in our factories can potentially damage the environment. Since none of our factories have their own sewage treatment plants, we have an extensive system of supervision over the quality and quantity of discharged wastewater. We maintain a rigorous system to monitor the quality and quantity of discharged wastewater. Each factory has established contracts with external entities that operate sewage treatment plants.

The criteria cover indicators such as chemical oxygen demand (COD), biological oxygen demand (BOD5), pH, temperature; phosphorus; nitrite and nitrate, total suspended solids and chloride content, and has been developed considering the profile of the receiver.

Recognising water scarcity issues in some regions, we actively implement closed-circuit water systems to minimise wastewater production. Additionally, we have completed the construction of the sewage treatment plant at our factory in Poland, which will enable us to treat and reuse wastewater in the technological process of our new distillery. Now we are preparing for the testing phase, which will begin in autumn 2024.

Planet

Water

Each of our plants as well as our contractors collecting wastewater from us, have permits required by the law, specifying the quantity and quality of wastewater that can be generated and discharged into the environment so as not to pose a risk.

GRI 303-3

The data on water withdrawal is derived from meter readings at our own water intakes (wells) and from invoices from our external suppliers.

Areas at risk of water stress were identified based on analysis conducted between October and November 2023 using the WRI Aqueduct tool.

Water stress at the country level:

- Germany: low-medium (10-20%).
- Czech Republic: low (<10%).
- Poland: low (<10%).
- Italy: high (40-80%)

Italy is considered a water-stressed area, however, the Lombardy region, where our products are manufactured, is not affected by water scarcity. Moreover, the water withdrawal at these production sites is minimal, (4.5ML) accounting for only 1.1% of total water withdrawal across all SSG factories and warehouse.

The total water withdrawn in FY23 was 396.2ML (mega litres), of which 395.5ML was withdrawn in factories and the warehouse, marking a 3.2% decrease compared to FY22 and a 16.2% decrease from the base year of 2015.

In GRI 303-3, 303-4, 303-5, data from commercial offices is excluded, due to the lack of information from the owners of rented buildings or the identified insignificant impact on the reported volumes.

Sources of collected water

Groundwater (borehole/well):

freshwater: **176.6ML**

Total third-party water withdrawal:

surface water: **39.8ML**

groundwater: **179.1ML**

100% of water used in our factories is fresh water (≤1 000 mg/L Total Dissolved Solids).

Table 19. Water use intensity in production plants and warehouse (303-3)

	Units	2023	2022
Total water withdrawn	ML	395.5	408.6
Finished goods produced	ML of FG	119.8	126.2
Water use intensity	litres/litres of FG	3.30	3.24

FG – finished goods produced



Planet

Water

GRI 303-4

Our factories generate wastewater that is under full quality and quantity control. Contracts signed with the owners of the sewage system, into which the sewage is discharged, as well as the owners of the treatment plants to which our waste is discharged guarantee that the water discharged into the natural environment is completely safe in terms of microbiological and physico-chemical parameters. We do not keep records of the destination to which the treated water is discharged by our contractors. In 2023 the quality of wastewater discharged from our industrial sites and offices, expressed in BOD (biological oxygen demand) and COD (chemical oxygen demand) indicators were 100% compliant with local requirements and regulations.

We have not recorded any incidents related to the inferior quality of wastewater discharged into the environment by the owners of sewage treatment plants with whom we cooperate. The quantities of wastewater discharged into the sewer system were in accordance with the quantities specified in the environmental permits.

The largest amount of wastewater discharged into the third-party sewage system was in Poland and it was 123.9ML of water.

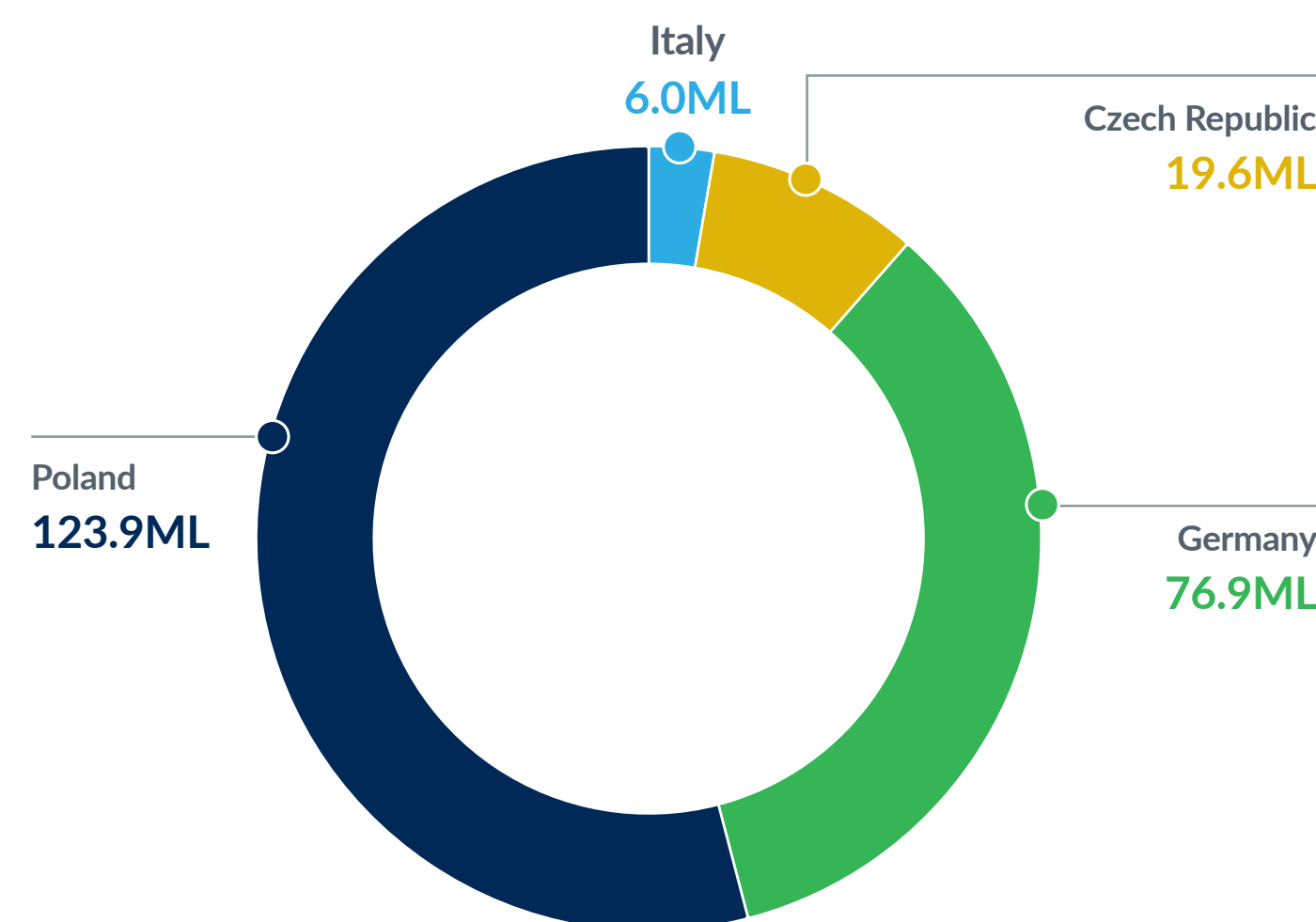
The reported amount of wastewater discharged at the Italian production sites (6.0ML) includes production runoff, which does not enter the sewer system, but it was not possible to separate it in the 2023 reporting period. It is reported in this way only in Italy.

As described in GRI 303-3, at the time when the water stress analysis was conducted, Italy was considered a high water-stressed area.

Table 20. Total amount of wastewater discharged into the third-party sewage system from the factories and warehouse in FY2023 (303-4)

Location	Amount of wastewater discharged in ML
Poland	123.9
Germany	76.9
Czech Republic	19.6
Italy	6.0
Total	226.4

SSG discharged 226.4ML of wastewater into the third-party sewage system in FY2023.



GRI 303-5

We report the water consumption in our production plants and warehouse, excluding commercial offices.

The data on the amount of water consumed comes from meters installed at the company's own water intakes and from invoices from the supplier. In 2023 water was used in technological processes for cooling and cleaning. It was also used as the main ingredient in our products. Water is not stored at any location.

The total water consumption in FY2023 was 169.1ML. This includes water consumed for social purposes, in production processes, and in finished products.

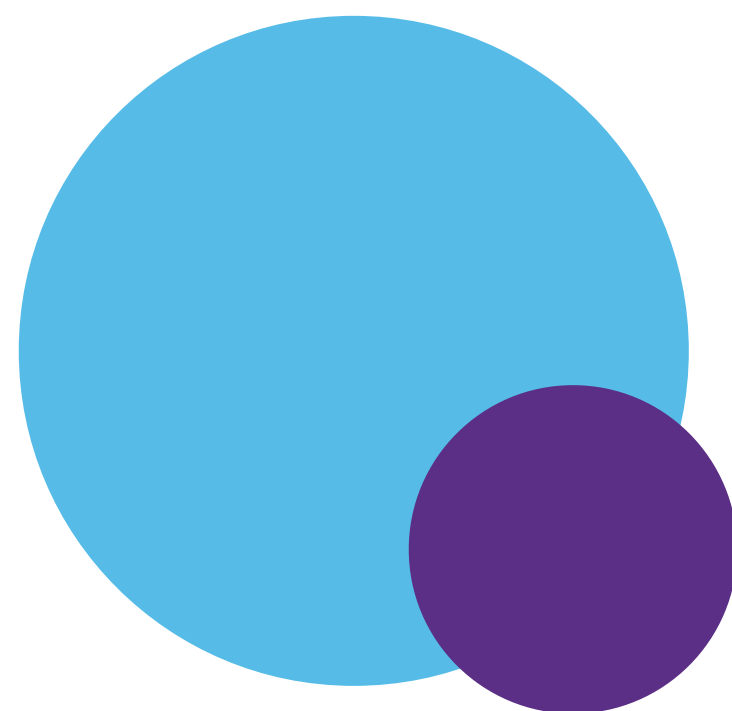
Data on water consumption in the water-stressed area (Italy) is not available, we are working to start reporting it.



Planet Energy



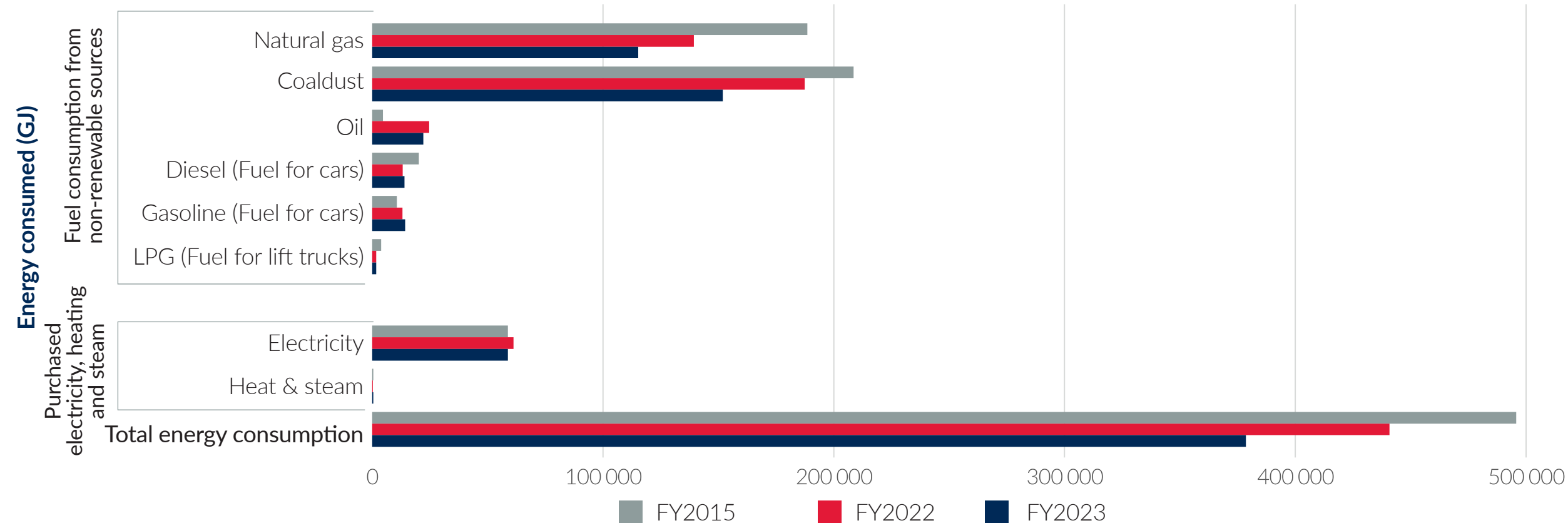
Switching to renewable, green energy is one of the key pillars of our strategy and by doing so we aim to positively contribute to climate change mitigation. Our focus is to minimise the negative impact on the environment by increasing energy efficiency in our production sites.



GRI 3-3, 302-1

Table 21. Energy consumption within the organization (302-1)

Type of energy source	Energy consumed (GJ)				
	FY2015	FY2022	FY2023	FY2023 vs FY2022 (%)	FY2023 vs FY2015 (%)
Fuel consumption from non-renewable sources					
Natural gas	188 525	139 369	115 250	-17.3%	-38.9%
Coaldust	208 613	187 418	151 969	-18.9%	-27.2%
Oil	4 650	24 661	22 187	-10%	377.1%
Diesel (Fuel for cars)	20 219	13 160	13 947	6%	-31%
Gasoline (Fuel for cars)	10 645	13 064	14 268	9.2%	34%
LPG (Fuel for lift trucks)	3 897	1 699	1 770	4.2%	-54.6%
Total fuel consumption from non-renewable sources	436 548	379 371	319 392	-15.8%	-26.8%
Fuel consumption from renewable sources					
	0	0	0	0.0%	0.0%
Purchased electricity, heating and steam					
Electricity	58 753	61 192	58 775	-3.9%	0.04%
Heat & steam	483	290	478	64.8%	-1%
Total purchased electricity, heating and steam	59 236	61 482	59 253	-3.6%	0.03%
Total energy consumption	495 784	440 853	378 645	-14.1%	-23.6%



We continue to optimise our processes and seek possible improvements through investments in upgraded devices at productions sites to support energy efficiency, thereby reducing our carbon footprint per product unit.

We have identified, examined and implemented processes that reduce energy demand. This includes changes related to the metering of consumption on a process-by-process basis, shutting down non-critical infrastructure elements during downtimes (e.g., weekends and holiday periods) at our plants, and replacing standard lighting with LED systems in our offices and production areas. Additionally, we collaborate with our suppliers to reduce energy consumption, and prioritise the use of environmentally friendly fridges supplied to our customers.

Since January 2021, 100% of the electricity supplied to our factories in the Czech Republic, Poland and Germany comes from renewable energy sources, which is achieved through the purchase of Guarantees of Origin (GOs). As of January 2022, this commitment also applies to the Lublin warehouse.

Planet

Energy

In the reporting period, 96.8% of the Group's total electricity consumption came from renewable sources (GOs).

In 2020 our two factories in the Czech Republic and in 2021 the factory in Poland underwent an external energy audits. The aim of the audit was to determine the amount and structure of energy consumed and to recommend specific technical, organisational and formal solutions to minimise the energy consumption of installations and processes.

The audit reports provided an independent and objective assessments, enabling us to implement organisational solutions that reduce energy demand, such as:



Replacement of lighting with LED



Thermo-modernization of buildings



Closing hot water or technological steam circuits



Thermal insulation of the heating system.

The audit is repeated every 4 years. For the Czech Republic, it will take place by September 2024, and for Poland by August 2025.

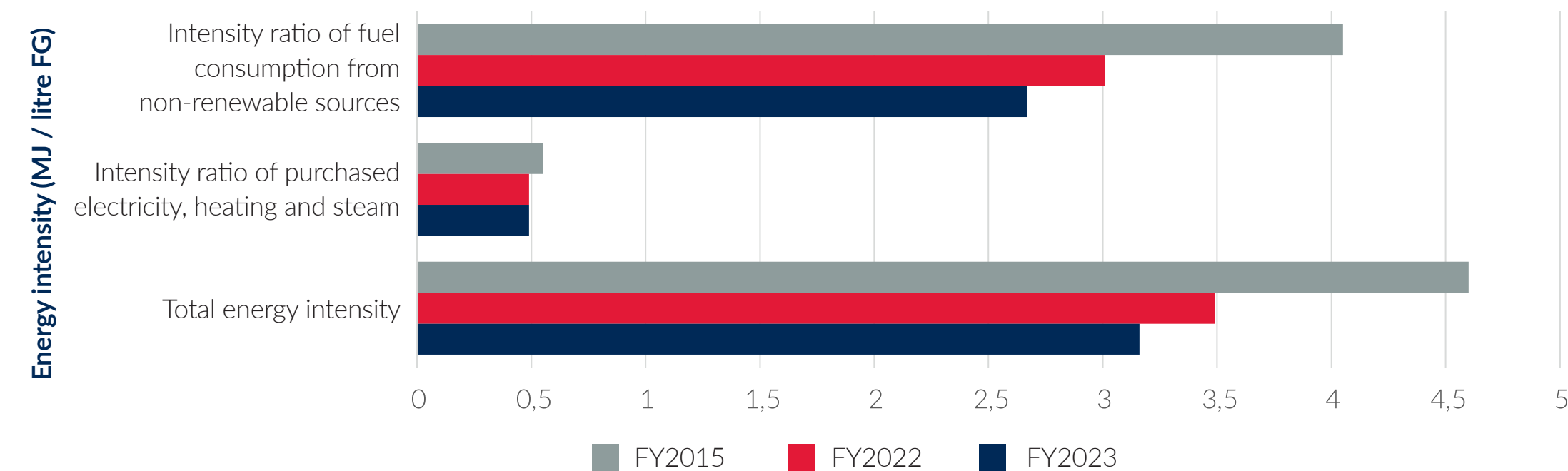
GRI 302-3

The intensity ratio of fuel consumption from non-renewable sources was calculated as the ratio of total fuel consumption from non-renewable sources from Table 21 to finished goods produced from Table 19. It has been decreasing annually since 2015, reaching value of 2.67 in 2023 which is a 34% reduction.

Table 22. Energy intensity within the organisation (302-3)

SSG has adopted efficiency indicators per litre of finished goods produced.

	Units	FY 2015	FY 2022	FY 2023	FY2023 vs FY2022 (%)	FY2023 vs FY2015 (%)
Intensity ratio of fuel consumption from non-renewable sources	MJ / litre FG	4.05	3.01	2.67	-11.3%	-34.2%
Intensity ratio of purchased electricity, heating and steam	MJ / litre FG	0.55	0.49	0.49	1.5%	-10.1%
Total energy intensity	MJ / litre FG	4.60	3.49	3.16	-9.5%	-31.3%



Responsible farming & sourcing of raw materials



Our focus is on collaborating with suppliers who prioritize sustainability. We aim to support responsible farming practices and strengthen local communities.

GRI 3-3, 308-1, 308-2

SSG has a supplier assessment model where the supplier completes a questionnaire covering i.e questions on environmental aspects. The questionnaire is filled out prior to commencing collaboration and periodically thereafter. 100% of our suppliers have completed the supplier assessment questionnaire. We did not identify any supplier with a negative environmental impact, in cases of concern, SSG audits the supplier.

GRI 414-1, 414-2, 407-1, 408-1, 409-1

The supplier is required to adhere to our Code of Conduct for Business Partners which addresses compliance with the law, prevention of corruption, protection of information and reducing any environmental impacts. Our supplier assessment model currently lacks social criteria; however, we have not identified any suppliers where social topics such as the right to freedom of association, collective bargaining, child labour or forced labour may be a risk.

Given the significance of these issues, we have enhanced the Code of Conduct for Business Partners in 2024, renaming it as the Code of Business Conduct and Ethics for Business Partners. We also added a number of specific points on labour rights and non-

discrimination, freedom of association, collective bargaining, health & safety, workplace and antislavery, among other topics.

We expect all of our Business Partners to commit to the new Code of Business Conduct and Ethics for Business Partners. Compliance with this Code will be assessed, and any violations of this Code may lead to consequences, including termination of the business relationship. In addition, by the end of fiscal year 2024 we will implement an ESG supplier assessment questionnaire that focuses on environmental, social, and governance topics.

The assessment will be applied before the start of the collaboration and will be repeated annually. The introduction of the ESG questionnaire will be combined with education for suppliers who will be willing to receive support. The first detailed report on these issues will be included in the 2024 Sustainability Report.

Recognising the importance of whistleblowing as a vital channel for reporting irregularities in business conduct, we have updated our Whistleblowing Procedure and new Platform which was launched in the Czech Republic in 2023 and will be implemented across all SSG by 2024.

SSG encourages all employees and Business Partners to play an active role in detecting and preventing inappropriate behaviour. We treat reports of misconduct seriously, conducting thorough investigations where necessary, and addressing issues appropriately whilst ensuring protection for Whistleblowers. Our Whistleblowing Procedure permits anonymous reporting if the individual prefers to remain anonymous. All reports are handled with care and with full respect for the whistleblower. Importantly, no disciplinary action will be taken against any employee, including whistleblowers who file reports in good faith, regardless of the investigation's outcome conducted by SSG.



Processes

We believe that transparency in our business practices is key to building trust with our stakeholders and securing our long-term reputation and market position.

In an increasingly digital world, where themes such as cybersecurity threats are ever-present, we view strong frameworks as an essential part of our sustainable operations. Our commitment to our governance processes plays a vital part of our strategy, ensuring the resilience and integrity of SSG's operations.

Transparent business conduct, cybersecurity & data protection 71

Transparent business conduct, cybersecurity & data protection



This section outlines the Company's processes for communicating strategic goals and achievements from both financial and non-financial perspectives. Our aim is to maintain a commitment to transparent business reporting that adheres to regulatory frameworks in a fully transparent, compliant, and ethical manner. The chapter will be divided into sections covering topics such as corruption, whistleblowing, and ESG management given the numerous indicators associated with these areas. It will also include aspects of Governance, such as methods for reporting irregularities and issues related to the Company's approach to taxation.

Ethics and ESG management

GRI 2-23, 2-24

Ethics and integrity are fundamental values in our business and daily operations. The Code of Business Conduct and Ethics of Stock Spirits Group (the Code) sets out the standards of ethical, responsible, sustainable and transparent business conduct. Those regulations must be followed by our employees and that is also expected from our Business Partners. Our Code reflects our core beliefs in fair and quality business. The Code applies to all operations and all employees of SSG. Each company, present or future, within SSG, its directors, officers, managers and employees and representatives of the Group, are bound by this Code and will be expected to conduct their business accordingly. The Code covers inter alia topics: zero tolerance with bribery and corruption, avoiding bullying, mobbing and harassment, health and safety, antislavery and whistleblowing protection. We require that our ethical standards are followed by our business partners. The Code of Business Conduct and Ethics for Business Partners (the Code for BP) details our standards and requirements. Each Business Partner of SSG, its directors, officers, managers and employees

and representatives are expected to conduct their business appropriately when dealing with SSG and other business partners. We expect all of our Business Partners to sign a pledge to comply with the Code for BP. We will assess our Business Partners' compliance with this document, and any violations of this Code may jeopardise a business relationship with us, up to, and including, termination. Adherence to standards contained in this Code for BP is one of the criteria used in SSG's suppliers and Business Partner selection and evaluation process, which includes continuous monitoring of ESG performance.

One of the points in the Code for BP is antislavery. SSG strictly prohibits the use of slavery, including modern slavery or human trafficking in its supply chain and has a zero-tolerance policy for violations. Modern slavery is a term not directly defined by applicable law, in our Code it refers to situations of exploitation that a person cannot refuse or leave due to i.a. threats, violence, coercion and/or abuse of power, especially for commercial gains. Modern slavery includes i.a. forced labour and child labour. SSG is determined to take the necessary

measures to promote fair and ethical recruitment in its operations and supply chain, especially for individuals who may be at increased risk of malpractice, such as migrants and other vulnerable workers. It is essential that all people involved in the sourcing, supply and production of our products, whether our employees or not, are treated with dignity and respect. All our suppliers must comply with all applicable labour laws, rules, and regulations, including but not limited to, all laws forbidding the facilitation, or any other use of slavery or human trafficking. The Chief Legal Counsel of SSG is responsible for administering the Codes and monitoring compliance with it. We review the Codes at least once per year and update if needed. The Codes are approved by the Chief Executive Officer of SSG and are communicated via email and newsletters. Based on these approved Code of Business Conduct and Ethics we are preparing versions in all languages for countries where we are operating. We are planning to train all of our employees through an Ethics and DEI awareness program by the end of fiscal year 2025.

Transparent business conduct, cybersecurity & data protection

Our Codes are based on good practices in ethics, including those derived from the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

We have been a member of the UNGC Global Compact since 2021, and in July 2023 we renewed our partnership by signing a Letter of commitment to follow the Ten Principles on human rights including labour, environment and anticorruption. We report our progress to the UNGC annually as part of Communication on Progress (COP). Our Sustainability Strategy supports the broader development goals of the United Nations, particularly the Sustainable Development Goals.

Risk management

GRI 201-2

SSG plans to establish a Risk Management function within its Internal Audit structure in the next 12 months from the publication date of this report. In addition, SSG plans to integrate ESG risks, including climate risks, into its Enterprise Risk Management (ERM) process. Additionally, the company is preparing to conduct a comprehensive IRO analysis, building upon internal analyses conducted thus far. This strategic initiative aims to proactively identify and manage risks and opportunities associated with climate change, ensuring robust resilience across our operations.

Remediation of negative impacts

GRI 2-25

SSG has not identified any significant events with negative impact on organisational stakeholders. As part of our Sustainability Strategy, we conducted interviews with both internal and external stakeholders, during which no significant negative impacts were identified. SSG is developing its business processes on an ongoing basis, with functions such as Group Environmental Protection Coordinator or Group Health & Safety Coordinator, and internal audit which verifies the performance of business processes.

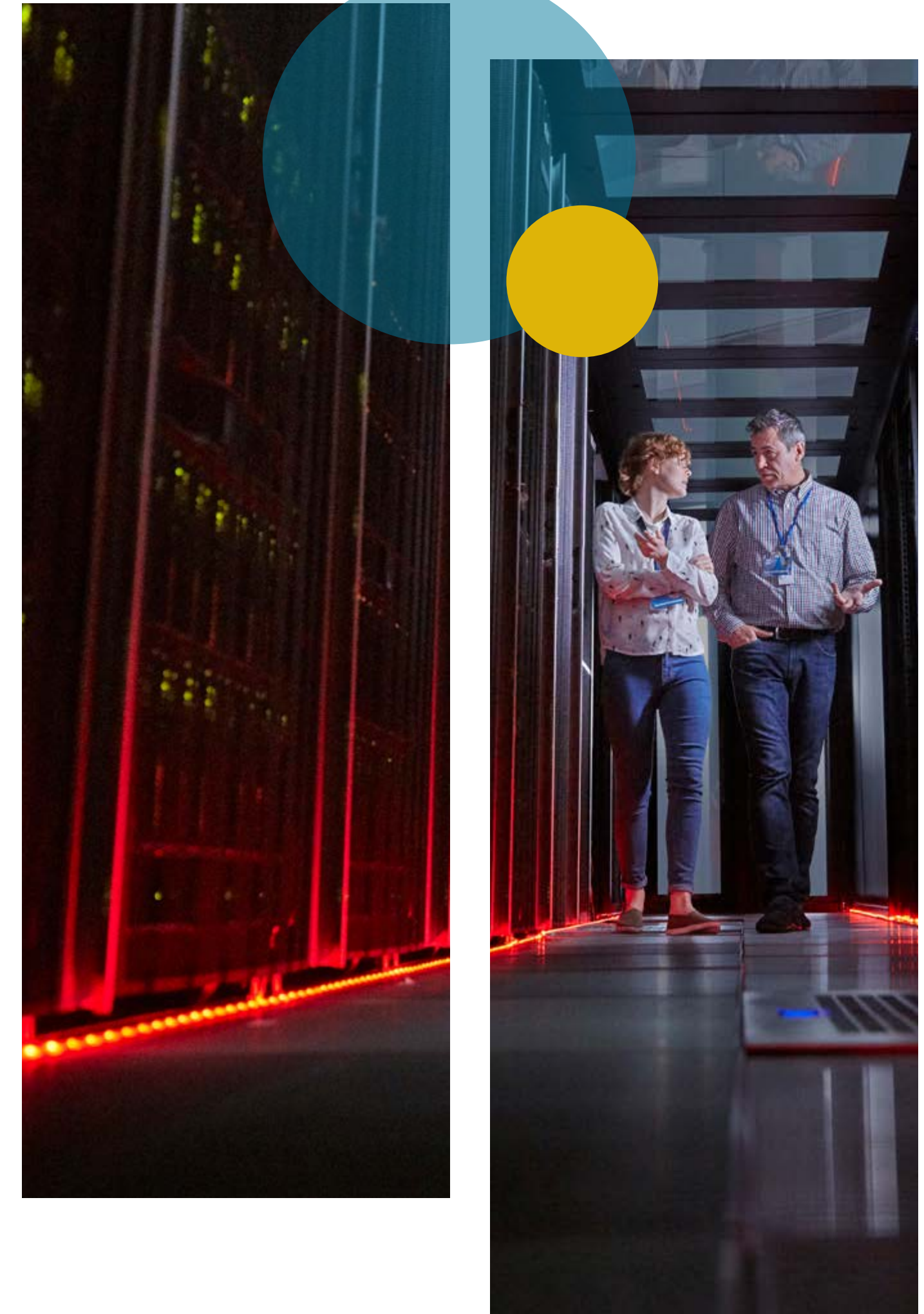
Compliance

GRI 419-1

There were no reported instances of non-compliance with laws and regulations in the social and economic areas.

GRI 206-1

In 2023, SSG and its employees were not involved in any public corruption lawsuits. Similarly, during the year there were no legal actions, either pending or completed, concerning anti-competitive and anti-trust legislation in which the organisation was implicated.



Transparent business conduct, cybersecurity & data protection

Whistleblowing

GRI 3-3, 2-16, 2-26

Critical concerns are communicated to the highest governance body through our Whistleblowing Policy, which serves as a formal mechanism for employees and stakeholders to report serious issues or misconduct within SSG.

Reports are submitted via a dedicated Whistleblowing Platform implemented in SSG, which are verified and analysed on a case-by-case basis by the Whistleblowing Officer, with the guidance from the Chief Legal Counsel. If necessary, the Whistleblowing Officer in consultation with the Chief Legal Counsel, may appoint an Investigation Commission comprising individuals with relevant expertise to conduct efficient investigations.

Our Whistleblowing Platform is accessible to all, including employees, partners and contractors, allowing them to report their concerns regarding the law, our Code, Code for BP or any of our policies and procedures.

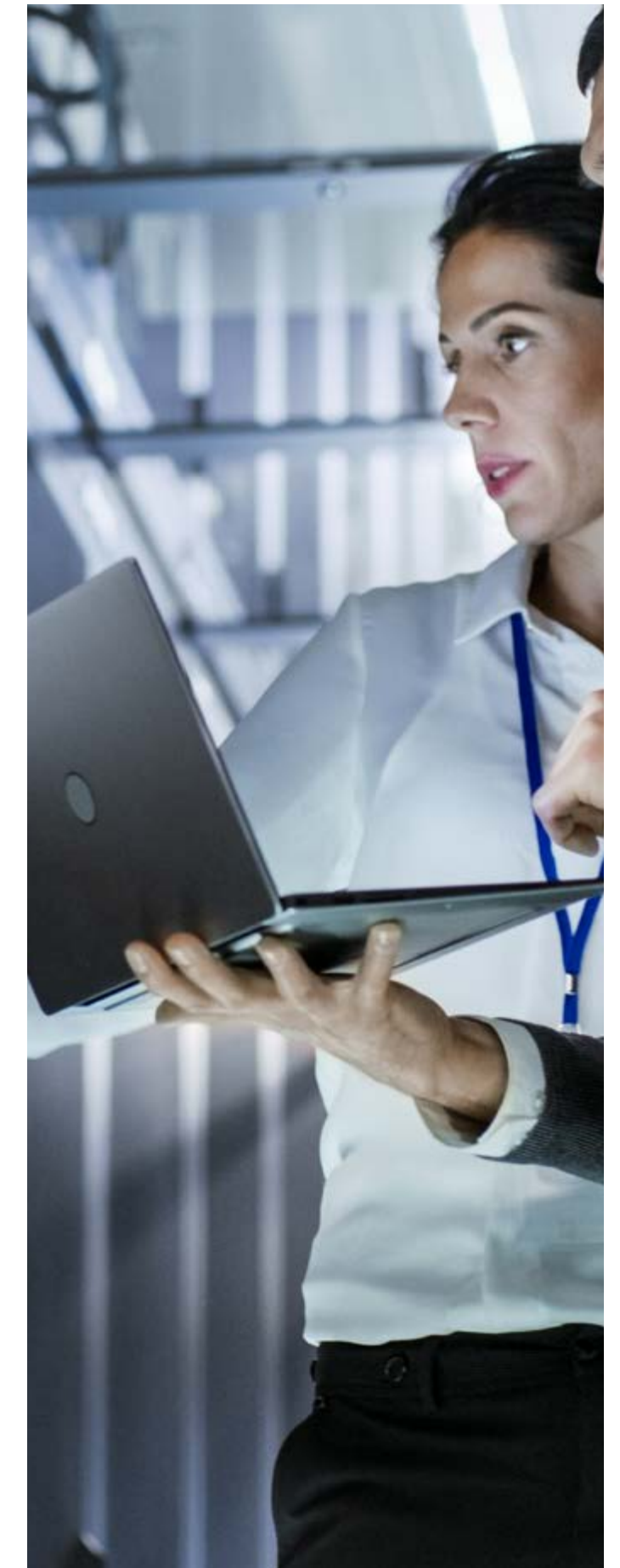
We maintain a zero-tolerance policy against retaliation towards anyone who reports a concern or assists in an investigation in good faith. At SSG, we are committed to equal opportunities employer, prohibiting discrimination or victimization based on age, disability, gender reassignment, sex or sexual orientation, marital or civil partnership status, pregnancy and maternity, race or ethnicity (including color, nationality and ethnic or national origins), religion or faith.

We expect all individuals to uphold the highest standard of respect for others' dignity and to adhere to guidelines issued by the Chief Legal Counsel. Decisions concerning recruitment, terms and conditions of employment, hiring, training and promotion and post-employment references must be taken and are made solely on the basis of merit and business needs. Any behaviour that may violate these standards should be promptly reported in accordance with the procedures outlined in our Whistleblowing Policy.

GRI 2-27, 307-1

In 2023, we did not record any confirmed cases of non-compliance with laws and regulations which would necessitate payment of significant fines. There were no public corruption lawsuits against the organisation or its employees during the year.

Additionally, in 2023, we did not incur any financial penalties related to the environmental issues at any of the reported locations.



Transparent business conduct, cybersecurity & data protection

Cooperation with organisations

GRI 2-28

SSG is a member of the United Nations Global Compact. Stock Polska is a member of the 'American Chamber of Commerce in Poland' and 'Związek Pracodawców Przemysłu Opakowań i Produktów w Opakowaniach EKO-PAK'. Stock Polska also maintains its long-standing and active membership in the Polish Spirits Association (ZP Polski Przemysł Spirytusowy, ZP PPS), promoting organisation Responsible Drinking through educational programmes and public campaigns.

Our Czech Republic and Slovakia cluster are active members of 'Fórum PSR (drink responsibly), a coalition of major spirit producers and distributors combating alcohol misuse. The Czech company is also affiliated with the 'Union of Distributors & Producers' (UVDL), 'Federation of the Food and Drink Industries of the Czech Republic' (FFDI) and 'Czech Food Technology Platform' (ČTPP). Additionally, our Slovak company is member of 'The Association of Producers of Spirits'.

In Italy, our company Stock s.r.l. is the member of Federvini – the 'Italian Federation of Industrial Producers, Exporters and Importers of Wines, Spirits, Syrups, Vinegar' established in 1917 which promotes Responsible Drinking through educational programs. It is also associated with Centromarca (Associazione Italiana dell'Industria di Marca), UPA (Utenti Pubblicità Associata), 'Consorzio Limoni di Siracusa'. Our Italian company Distillerie Franciacorta S.p.A. is the member of Assodistil (Associazione Nazionale Industriale Distillatori di Alcoli e Acquaviti), 'Consorzio di Tutela della Liquirizia di Calabria' and 'Associazione Strada del Franciacorta'. Additionally, the Croatian company is the member of the 'Croatian Chamber of commerce'.

Anti-corruption

GRI 205-1, 205-2, 205-3

In 2023 we conducted internal training on anti-corruption and ethical business conduct to key employee groups, including sales representatives and procurement team members. In 2023 and 2024, we updated the Code of Business Conduct and Ethics (the Code).

Preventing corruption and enhancing employee awareness is a key pillar of our Sustainability Strategy. By the end of 2025, our goal is to train all employees through the DEI and Ethics Awareness Program.

In 2023, we did not conduct a formal corruption risk analysis and there were no reported cases of corruption.

Our tax approach

GRI 207-1

For the purposes of this report tax is defined as all public charges or levies (direct and indirect) including excise duties, import duties, corporate income tax, VAT, payroll taxes and any other taxes applied by relevant authorities. In 2023, SSG paid corporate income taxes amounting to approximately EUR 8.8m. The excise duties withheld by the Group were approximately EUR 686.0m.

The goal of SSG's tax strategy (being reviewed and approved by the Head of Tax) is to properly comply with all relevant tax laws and regulations in all the countries where the Group operates. In jurisdictions where it is required by tax law reports from implementation of tax strategy are publicly available on the websites. The Group conducts its business on sound commercial principles only. This ensures that profits are subject to taxation where economic activities are actually performed, and the value is created. The Group does not make any settlements in territories or countries applying harmful tax competition.

Transparent business conduct, cybersecurity & data protection

Our tax approach – continued

The overall tax strategy is being reviewed and redesigned since the change in ownership by CVC now again due to the acquisitions in 2023 (not included in this report) in France (Dugas), Germany (Borco), Poland (Polmos Bielsko-Biała), and the UK (Clan Campbell Whisky). The Group CFO has the ultimate authority and responsibility for the tax strategy along with consultation with the Group Chief Legal Counsel, as well as the CVC Board in the event of major strategic change. Past practice in SSG was to have a decentralized approach to tax compliance relying on each local market entity to take responsibility for compliance. The new approach after the change in ownership by CVC is to transfer to a more centralized oversight. This approach is in the first steps of development with a focus on transfer pricing within Group entities. Due to the nature of our multi-country FMCG business structure, transfer pricing has been identified as the first priority in establishing the new centralized tax oversight model.

GRI 207-2

SSG has implemented an internal control / governance system to ensure consistent and correct course of business processes, including processes enabling the Group to fulfil all its tax obligations. Compliance with the applied tax strategy is monitored by the Head of Tax.

The aim is to provide complete, accurate, and timely tax returns and pay the correct amount of taxes at the right time. SSG's tax settlements are often reviewed by external tax advisers with the aim to identify and manage material tax risks. SSG's accounts are also subject to an annual audit conducted by independent auditors.

GRI 207-3

SSG is committed to full transparency with all relevant tax authorities. The Group also participates in public consultations on legal acts, especially in the area of excise duty.

Data privacy and security

GRI 418-1

No breaches reported or identified in 2023.



Transparent business conduct, cybersecurity & data protection

Economic performance

GRI 201-1

At the end of this reporting period, SSG reported a revenue of EUR 454.1m.

Table 23. Direct economic value generated and distributed (201-1)

EUR, m	2023*	2022	Comments
Revenues	454.1	400.0	
Economic value distributed	448.3	427.4	
Operating costs	353.7	388.0	
Employee wages and benefits	48.1		
Payments to providers of capital	37.6	20.4	syndication of bank loans
Payments to government by country	8.8	19.0	Corporate Income tax paid
Community investments	0.15	0.07	Total charity spending in 2023 – EUR 0.15m. Including expenses directed to other charity foundations and associations – EUR 0.05m.
Direct economic value generated' less 'economic value distributed'	5.8	-27.4	

* Refers to the structure of the Group prior to recent acquisitions of Clan Campbell Whisky, Polmos Bielsko-Biała, Dugas and Borco (also referred to as: Add-ons)



Executive summary

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Executive Summary from the Group ESG Manager

In 2023, SSG made significant strides in sustainable development, including the completion of our state-of-the-art distillery in Lublin. This facility enables us to ensure high product quality and innovate more efficiently for European consumers. Looking ahead, we are evaluating the possibility of the construction of a biogas plant, which could convert distillery waste into biogas and support our targets for reducing Scope 1, 2, and 3 emissions.

Our strategic acquisitions of Clan Campbell Whisky, Polmos Bielsko-Biała, Dugas, and Borco have strengthened our market position, among the top four companies in Europe. These acquisitions enhance our ability to drive sustainable market practices.

In 2024, we updated and operationalised our Sustainability Strategy, focusing on People, Planet, and Processes. This strategy is central to our operations and competitiveness, distinguishing us in the European market. Our commitment to sustainability was recognized with a Silver Medal from EcoVadis.

As we celebrate our 140th anniversary in 2024, we remain dedicated to our heritage of quality and tradition while embedding sustainability into our core values. Our Sustainability Report outlines our journey and ongoing efforts to integrate sustainable practices into every aspect of our business.

Radostław Lewandowski

Group ESG Manager



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About the report

The Sustainability Report 2023 was developed with the involvement of many Stock Spirits Group employees. We sincerely appreciate your dedication and enthusiasm in this effort. During the report's preparation, we collaborated with Sway Limited. The limited assurance of the Report was provided by PricewaterhouseCoopers (PwC) Polska Spółka z Ograniczoną Odpowiedzialnością Audyt Spółka Komandytowa.

GRI 2-1, 2-2

Legal name:

Sunray Investments Luxembourg S.à r.l.

Address of the registered office:

29 Avenue de la Porte-Neuve, L-227 Luxembourg

Sunray Investment Luxembourg S.à r.l.

is owned in

100%

by CVC Capital Partners

Sunray Investment Luxembourg S.à r.l. and its consolidated subsidiaries operate under Stock Spirits Group. Poland is our key market, and we consider Warsaw, Czerniakowska 87A, as the 'main office' of the SSG.

This Sustainability Report concerns the Sunray Investments Luxembourg S.a rl. ('the Company') and its operating subsidiaries, hereafter referred to as "SSG", a producer and distributor of branded spirits in Europe.

- Stock Polska Sp. z o.o.
- Stock Plzeň-Božkov s.r.o.
- Stock International s.r.o.
- Bartida Retail s.r.o.
- Baltic Distillery GmbH
- Stock s.r.l.
- Distillerie Franciacorta S.p.A.
- Stock Slovensko s.r.o.
- Stock d.o.o.
- Stock BH d.o.o.

This year's Sustainability Report does not include the entities acquired in August and September 2023. They will be included within our sustainability reporting process starting from 2024. This time is necessary to integrate the new businesses into our processes and systems, identify their environmental and social impacts, and implement reporting methodologies used at other SSG locations.

GRI 2-3

SSG reports annually, aligning with its financial reporting period. This report covers the fiscal year 2023 (1 October 2022 - 30 September 2023).

For any questions regarding the report please contact:

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Group ESG Manager.

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The report was published on August 22, 2024.

External assurance

Restatements of information

GRI 2-4

A few corrections have been identified in the 2022 Sustainability Report.

- Individuals with contracts such as for substitution or internships were mistakenly classified as having contracts for an indefinite period. The correct values are provided in the new report under GRI 2-7. Additionally, the headcount was incorrectly reported; the correct number is 1259.
- Mistake in the calculations of Scope 2 emissions using market-based method. The correct value for 2022 is 439 tonnes, not 418 tonnes as reported last year.

External assurance

GRI 2-5

This report has been subject to independent assurance by PricewaterhouseCoopers Polska Spółka z Ograniczoną Odpowiedzialnością Spółka Komandytowa, an independent entity. The limited assurance engagement was conducted in accordance with the International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)") issued by the International Auditing and Assurance Standards Board, the following indicators were assessed:

- | | | |
|-----------|-----------|-----------|
| GRI 2-7 | GRI 305-1 | GRI 401-1 |
| GRI 302-1 | GRI 305-2 | GRI 403-1 |
| GRI 302-3 | GRI 305-4 | GRI 403-9 |
| GRI 303-5 | GRI 306-3 | GRI 405-1 |

This report has been prepared with reference to the GRI Standards.



A Spirit
of Change

External assurance



Independent practitioner's limited assurance report on selected Stock Spirits Group's non-financial information for 2023

To the Executive Committee of Stock Spirits Group

Introduction

We have been engaged by the management of Stock Polska sp. z o.o. (the "Company") to provide limited assurance on the selected information described below and presented in the Stock Spirits Group Sustainability report 2023 of Sunray Investments Luxembourg S.a. rl (the "Parent Company") and its subsidiaries (together the "Stock Spirits Group") for the period from 1 October 2022 to 30 September 2023 (the "Sustainability Report").

Description of the subject matter information and applicable criteria

The selected information 2023 for the period from 1 October 2022 to 30 September 2023 is summarized below: (the "Selected Information"):

- 2-7 Employees
 - 302-1 Energy consumption by organisations
 - 302-3 Energy intensity
 - 303-5 Water consumption
 - 305-1 Direct GHG emissions
 - 305-2 Energy indirect GHG emissions
 - 305-4 GHG emissions intensity
 - 306-3 Total weight of waste by waste type and waste treatment method
 - 401-1 Hiring new employees and employee turnover
 - 403-1 Employee health and safety management system
 - 403-9 Accidents at work and occupational diseases
 - 405-1 Diversity of management bodies and employees
- together the "Selected Information".

The Selected information represents information related to the Parent Company and its subsidiaries.

Our assurance was with respect to the Selected Information for the year ended 30 September 2023 only and we have not performed any procedures with respect to earlier periods or any other elements included in the 2023 Sustainability Report and, therefore, do not express any conclusion thereon.

The criteria used by the Company to prepare the Selected Information are contained in the GRI Sustainability Reporting Standards published by the Global Reporting Initiative (GRI) (hereinafter – the "GRI Standards") and methodology and guidelines developed by the Company and disclosed in the Sustainability Report (hereinafter – the "Reporting Criteria"). In our view, the Reporting Criteria constitute appropriate criteria to form the limited assurance conclusion.

Management's responsibility for the Sustainability report

The management of the Company is responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing internal methodology and guidelines for preparing and reporting the Selected Information in accordance with the Reporting Criteria;
- preparation, measurement and reporting of the Selected Information in accordance with the Reporting Criteria; and
- the accuracy, completeness and presentation of the Selected Information.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Selected Information based on the procedures we have performed and the evidence we have obtained.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements 3000 'Assurance engagements other than audits or reviews of historical financial information' ("ISAE 3000 (Revised)") issued by the "International Auditing and Assurance Standards Board" (IAASB). This standard requires that we comply with ethical requirements, and to plan and perform procedures to obtain limited assurance that the Selected Information for the period from 1 October 2022 to 30 September 2023 has been prepared, in all material respects, in accordance with the Reporting Criteria.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standard Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We apply International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

External assurance

Summary of work performed

Our planned and performed procedures were aimed at obtaining limited assurance that the Selected Information for the period from 1 October 2022 to 30 September 2023 has been prepared, in all material respects, in accordance with the Reporting Criteria. We have performed the following procedures:

- made enquiries of the management of the Company, including those with responsibility for sustainability management and reporting;
- conducted interviews of personnel responsible for the preparation of the Annual Report and collection of underlying data;
- performed analysis of the relevant internal methodology and guidelines, gaining an understanding of the design of the key structures, systems, processes and controls for managing, recording, preparing and reporting the Selected Information; and
- performed limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Inherent limitations

Under GRI Standards there is a range of different, but acceptable, measurement and reporting techniques. The techniques can result in materially different reporting outcomes that may affect comparability with other organisations. The Selected Information should therefore be read in conjunction with the methodology used by Management as described in the Annual Report, and for which the Company is solely responsible.

Limited assurance conclusion

Based on the procedures we have performed and evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the period from 1 October 2022 to 30 September 2023 has not been prepared, in all material aspects, in accordance with the Reporting Criteria.

Restriction of use and distribution

This report, including our limited assurance conclusion, has been prepared solely for the Executive Committee of Stock Spirits Group in accordance with the agreement between us, to assist the management of the Company in reporting on the Parent Company's and its subsidiaries' sustainability performance and activities.

We permit this report to be disclosed together with the Sustainability Report, which will be published on the Stock Spirits Group's website, to assist the management of the Company in responding to their governance responsibilities by obtaining an independent limited assurance report in connection with the Selected Information.

The maintenance and integrity of the of Stock Spirits Group's website is the responsibility of management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information or Reporting Criteria when presented on the Stock Spirits Group's website.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Executive Committee of the Stock Spirits Group and the Company for our work or this report except where the respective terms are expressly agreed in writing and our prior consent in writing is obtained.



PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością sp. k.
Warsaw, 22 August 2024

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	2-7 Employees	42	✓
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Materials			
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Energy			
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GRI 302: Energy	302-1 Energy consumption within the organization	67	✓
	302-3 Energy intensity	68	✓
Water and Effluents			
GRI 3: Relevant topics	3-3 Management of material topics	63	
GRI 303: Water and Effluents	303-1 Interactions with water as a shared resource	63	
	303-2 Management of water discharge-related impacts	64	
	303-3 Water withdrawal	65	
	303-4 Water discharge	66	
	303-5 Water consumption	66	✓
Emissions			
GRI 3: Relevant topics	3-3 Management of material topics	56	
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	56	✓
	305-2 Energy indirect (Scope 2) GHG emissions	56	✓
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	305-4 GHG emissions intensity	59	✓
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SOCIAL			
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Occupational Health and Safety			
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403: Occupational Health and Safety	403-1 Occupational health and safety management system	50	✓
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	403-8 Workers covered by an occupational health and safety management system	50	
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GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	47	✓
Non-discrimination			
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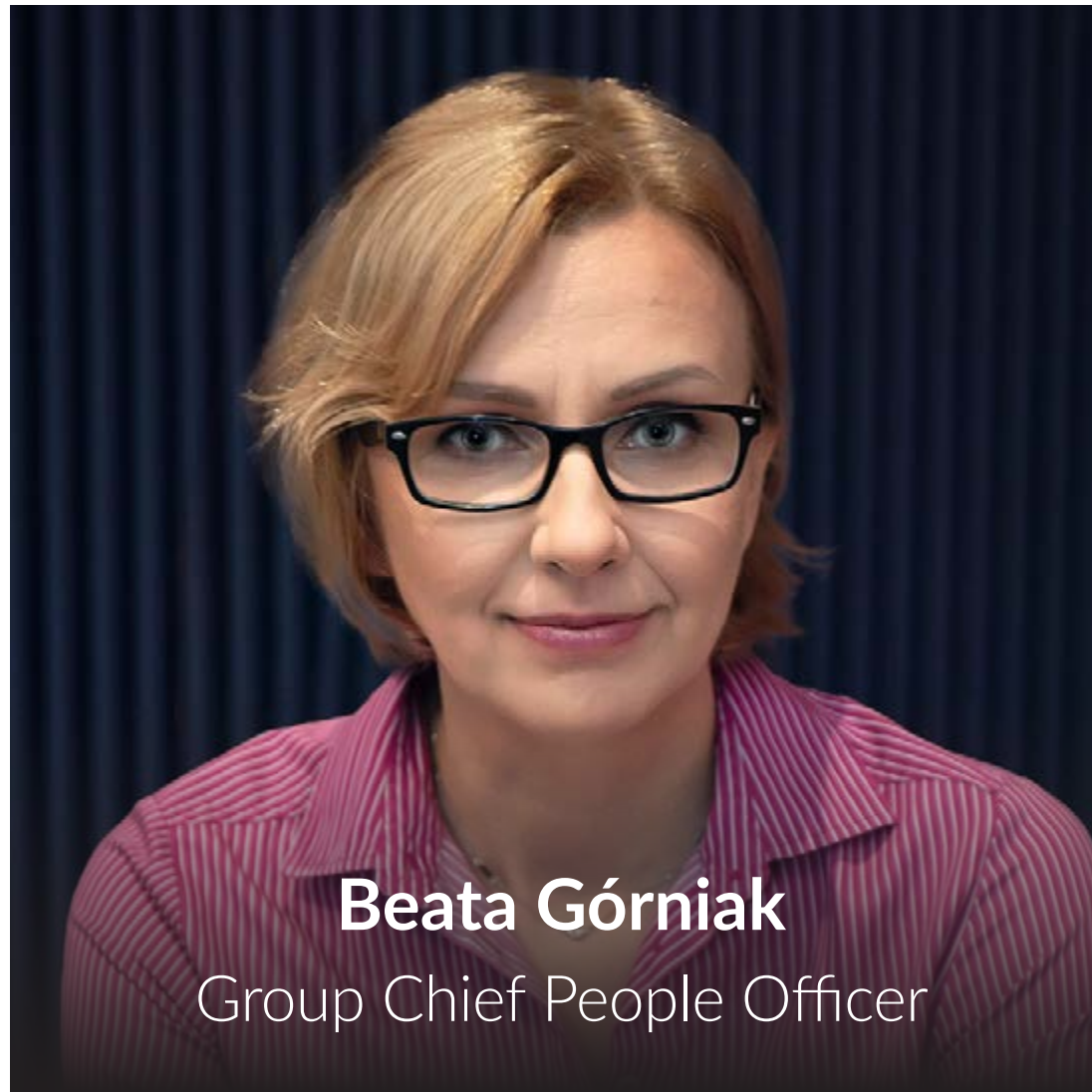
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GRI 206: Anticompetitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	72	
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Supplier Environmental Assessment			
GRI 3: Relevant topics	3-3 Management of material topics	69	
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	69	
	308-2 Negative environmental impacts in the supply chain and actions taken	69	

GRI standard title	Disclosure	Page	Non-financial assurance
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	414-2 Negative social impacts in the supply chain and actions taken	69	
Consumer Health and Safety			
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GRI 416: Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	41	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	41	
Marketing			
GRI 3: Relevant topics	3-3 Management of material topics	41	
GRI 417: Marketing and Labeling	417-1 Requirements for product and service information and labeling	41	
	417-2 Incidents of non-compliance concerning product and service information and labeling	41	
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Economic performance			
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	76	
	201-2 Financial implications and other risks and opportunities due to climate change	72	
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Appendices

Appendix 1 – GHG reporting approach

Our GHG emissions reporting approach

SSG reports emissions under the terminology of the Greenhouse Gas (GHG) Protocol developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Our ESG reporting framework is the Global Reporting Initiative (GRI).

This framework allows us to provide information in a structured and consistent way, enabling our stakeholders to analyse our performance over time, and relative to other organisations.

In our reports, we follow the following guidelines:

- Openness and honesty. Reporting weaknesses, failures and challenges as well as successes.
- Consistency. Between figures and narrative. Between different areas of narrative. Consistency over time.
- Clear explanations. Of methodologies, of KPIs.
- Strong linkage to strategy.

Reporting scope

In its reporting, SSG considers all entities (companies) under its operational control included in the consolidated financial statements but may exclude facilities for which emissions data is immaterial from the point of view of the entire organisation, particularly if such data is not easily achievable. The materiality threshold applied by SSG is 1% (the value of 1% relates to the total emissions of the scope 1 and 2). Any facilities that are excluded due to this materiality threshold will be indicated each time in the report.

The reporting scope covers all SSG locations. For sales offices in Milan, Zagreb and Sarajevo SSG reports on the consumption of electricity, gas and fuel for company cars. Where possible, we use consumption data from invoices for the relevant period. The vast majority of SSG emissions come from production plants, in particular from the Baltic Distillery.

In reporting, we use the following hierarchy of data sources:

- 1) Invoices.
- 2) Meter indications.
- 3) Estimates with the use of intensity indicators calculated for production/consumption of raw materials /or the area of the rented area.
- 4) Estimates are based on historical data.

Organic Changes & Acquisition Changes

In the event of extending existing plants or offices (referred to as 'Organic Changes'), updated data on emissions to the environment will be included in the reporting on an ongoing basis. On the other hand, environmental data on newly acquired assets (referred to as 'Acquisition Changes') is covered by the reporting no later than in the next financial year after the end of the first full calendar year from the acquisition. This time is needed for integration of the newly acquired business into our processes and systems, identification of the scope of environmental impact, implementation of the reporting methodology pursued in other locations of the SSG and deployment of reporting software as well as for the potential recalculation of the base year data.

Calculation methodology

Wherever possible, SSG reports actual consumption based on purchase documents and/or metering data. This is the case with purchased packaging materials, fuels, electricity, heat, and water. On the other hand, gas emissions are estimated based on the consumption of utilities (electricity, heat, and individual fuels). For fuels, the conversion factors used are the official location-specific conversion factors provided by DEFRA, and available on the DEFRA website at the attached link www.ukconversionfactorscarbonsmart.co.uk. There are many different types of fuel sources,

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and therefore different conversion factors associated with these. SSG attempts to apply the factors for fuel sources most similar to the ones used by SSG. For coaldust used by Baltic Distillery for example, the Industrial Coal conversion factor is applied. The SSG emissions template clearly shows which DEFRA factors are used. For each emission source, we use the appropriate DEFRA factor for each specific year. The only exception is electricity, for which estimates are made based on data from the IEA reports for respective year and country.

In 2022 we have introduced a change in the methodology for calculating greenhouse gas emissions in scope 2 in the area of electricity. The calculations are performed based on two methods: location-based and market-based.

In the location-based method, we use IEA emission factors from 2015 to 2021 dedicated to a given year and a given country. In the financial year 2023, emission factors from the 2021 IEA publication were used.

In the market-based method for all SSG'S sites, we use Residual Mixes emission factors (source: www.aib-net.org/facts/european-residual-mix) dedicated to a given year and country. Since Re-diss emission factors for a given year are published a few months after the end of the SSG accounting year, there may be a delay in applying the most up-to-date factor. Until the new factor is available, SSG uses the previous year's factor. Once the updated Re-diss emission factors are published, SSG recalculates the emissions for that year using the correct data. For example, 2023 emissions were recalculated using the 2023 Re-diss factor, in June 2024, when 2023 factors were made available.

Since the Re-Diss emission factor for Bosnia and Herzegovina was published for the first time in 2021, the emission factor from 2021 was used for the calculation of emissions in 2015–2021.

In the market-based method, for SSG sites where electricity comes from renewable energy sources – we have adopted an emission factor equal to zero. For the factories in the Czech Republic, Germany, and Poland, this applies from January 2021, and for the warehouse in Lublin from January 2022.

GHG reporting scopes

SSG reports Scope 1 and Scope 2 GHG emissions only. The chosen emissions KPI is kgs of CO₂ equivalent per litre of finished goods produced. Until FY20 the data and supporting comments were reported externally in the Directors' Report of the Annual Report and Accounts (ARA) and internally in the Operations Quarterly Business Review (QBR) each quarter. As of FY22 this data is reported externally on the SSG website and internally to the Board.

Within Scope 1 emissions, the following sources are included:

- Coaldust.
- Natural gas.
- Oil.
- Petrol / diesel for company vehicles & machines.
- Propane/butane gas for forklifts.
- Refrigerants (for air conditioning and refrigerators).

Until FY2020, all fuel consumed in company cars was reported under scope 1. From FY2021, fuel consumption in company cars is reported using the following rule: 5/7 of fuel consumption is included in scope 1 as fuel consumption for business purposes, and 2/7 is fuel used for private purposes and is included in scope 3, currently not reported.

This change reflects the fact that according to the company's policy employees can use company cars for private purposes but are required to refuel the car on their non-working days.

Within Scope 2 emissions, SSG reports emissions from electricity consumption and, for the Warsaw office, heat and steam and cold provided by a 3rd party.

In connection with the guidelines for SECR reports, SSG reports current energy data on an annual basis – total GJ energy consumption underlying GHG emissions for Scope 1 and 2 from financial year 2020. All data is converted to GJ using DEFRA ratios except for coaldust and oil data reported by Baltic (in this case we use local emission factors).

The base year is from 1 October 2014 to 30 September 2015 ("FY15"). Emissions data has been reported at SSG since 2011; however, the decision to change the financial year from the calendar year to the period from October to September resulted in the loss of data on emissions until 2014. The main reason for the loss is that for the years 2011–2013 data was collected and reported in calendar-year periods. Since 2014 data has been collected on a quarterly basis.

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The chosen base year applies to all environmental objectives, except for packaging whose reference is the fiscal year of 2020 (from 1 October 2019 to 30 September 2020 'FY20').

The base year serves as the basis for tracking progress towards the greenhouse gas emissions target.

The comparability of the base year is reviewed annually, and base year emissions are recalculated if there are significant changes in the group structure (e.g., acquisitions or disposals).

Recalculation of base year data

SSG recalculates environmental data for the base year and intermediate years to reflect changes in the company that would otherwise negatively impact the accuracy, consistency and relevance of reported information. All recalculations are performed according to the WRI/WBCSD protocol.

Base year environmental impact data and intermediate years' data are transformed when there is a significant change affecting the values in the base year or following years in order to:

- Reflect impacts in the event of acquisition or disposal of significant assets, or structural changes related to outsourcing and insourcing.
- Reflect CO₂ emission factors update.
- Eliminate any calculation errors and any significant changes in the reporting policy.

The following cases trigger the recalculation of base year and intermediate years' emissions:

- Acquisition of significant assets: data is determined primarily based on direct historical data. In cases where such data is not available, the environmental impact is extrapolated from the current emissions data in relation to historical production volumes. In the absence of historical data on production, this value will be estimated (e.g., based on sales; plant's performance).
- Disposal of significant assets: base year data is recalculated by excluding the data on the environmental impact of the disposed assets.
- Outsourcing and insourcing of activities/areas affecting the volume of emissions.
- Changes in the calculation methodology or improvements in the accuracy of emission factors or operational data that has a significant impact on emissions data in the base year.
- Exposure of significant errors or a series of minor cumulative errors that collectively have a significant effect on emission values.

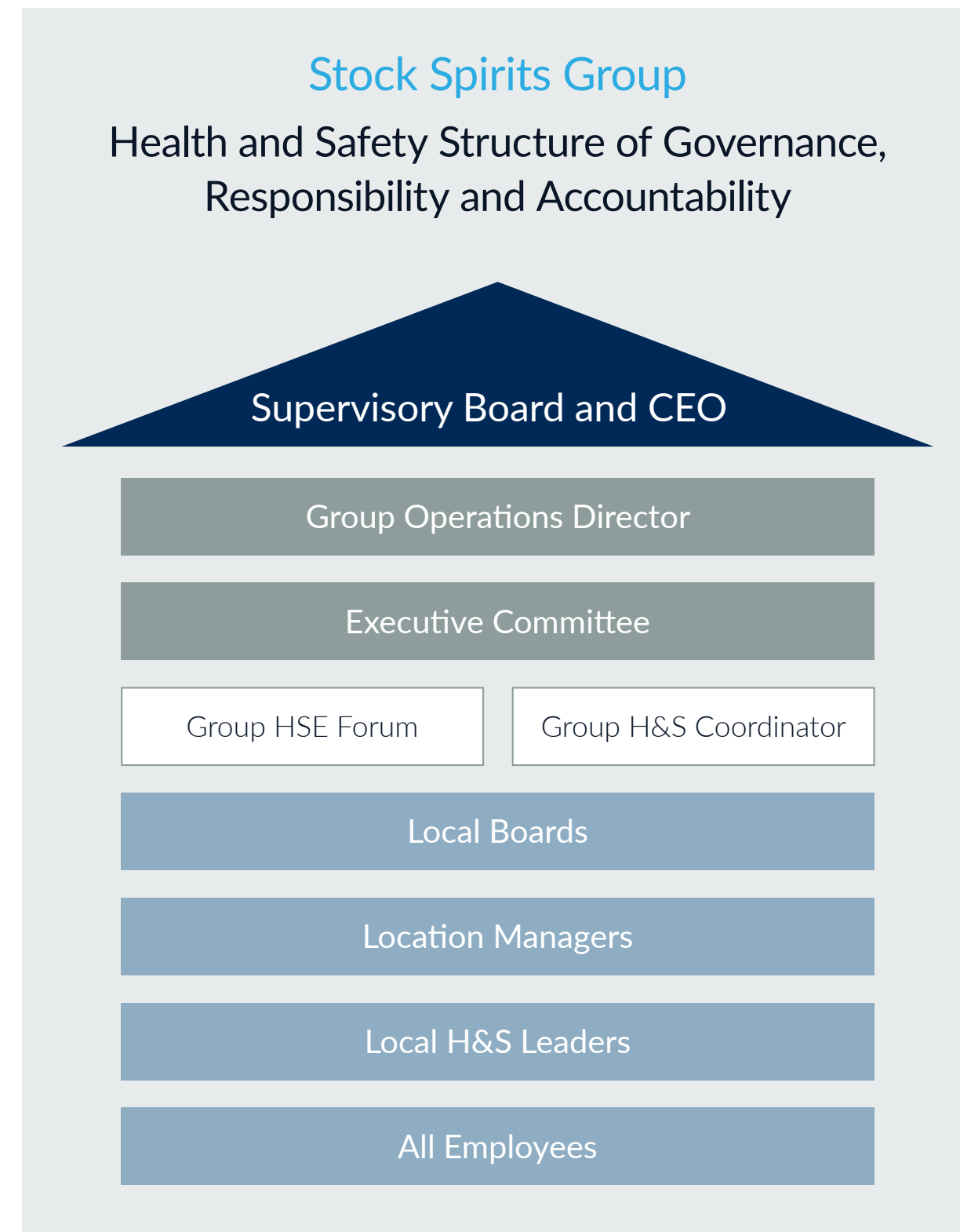
In the event of a significant increase in production or extended plant uptime, the base year is not recalculated, and such a fact is only indicated in the annual statements.

The materiality threshold that triggers the recalculation of base year and intermediate years' emissions has been set at above 5% total Group emissions.

In FY23, there were no situations that would result in the need to recalculate the base year.



Appendix 2 – H&S structure of Governance, Responsibility and Accountability



If any employee has any concerns about H&S compliance or notices inappropriate behavior, they should immediately notify their Local H&S Leader who will check and clarify the situation or escalate it to a higher level in the management structure.

1. Supervisory Board (CVC Board) and CEO

- The CVC Board delegates management of H&S to the CEO, who sets the tone for ExCom's activities by emphasizing the importance of a proper H&S culture.
- The CEO is responsible for ensuring that H&S is prioritised and adequately resourced to carry out regulatory tasks in this area, while the Board has a supervisory role.

2. Group Operations Director

- The Group Operations Director is part of the ExCom and is appointed by the CEO to take functional leadership of H&S across SSG.
- The Group Operations Director is responsible for ensuring that specific H&S policies and procedures based on the overall SSG Health and Safety Policy herein, are developed, documented, communicated, implemented and maintained, at all levels of the organisation.

3. Executive Committee

- The Executive Committee (ExCom) has effective responsibility for health and safety at SSG.
- The responsibility of the ExCom is to lead by example in all aspects of H&S.
- Whilst the functional leadership for H&S sits with the Group Operations Director, the Managing Directors and each individual manager across the Group are responsible for the health and safety of the people who report to or work with them.

4. Group Health & Safety Forum (HSE Forum)

- The Group HSE Forum is chaired by the Group Operations Director. Its members comprise the Group H&S Coordinator, each of the Local H&S Leaders, the Group HR Director, Site and Warehouse Directors and Purchasing Directors.

5. Group H&S Coordinator

- The role of the Group H&S Coordinator is to provide expertise and support on health and safety matters, and to coordinate activities for continuous improvement in this area and to engage all staff in the pursuit of H&S excellence. Consequently, improving H&S awareness and performance.

6. Local Boards (Local Management)

- The Local Management in each of the SSG's companies are legally responsible for ensuring compliance with H&S requirements under local laws in their subordinate business units.
- The Local Management receive both ad-hoc and monthly updates on H&S matters (including accidents, near misses, training and initiatives) produced by Local H&S Leaders.

7. Location Managers

- Location Managers (Site Managers, Warehouse Managers) have direct responsibility for the health and safety of employees, contractors and visitors at their locations.
- Location Managers must demonstrate leadership and commitment to H&S by directly participating in the planning of activities for H&S and monitoring the implementation of these activities and their results.

- Location Managers lead the implementation of H&S policies at their locations and actively communicate and promote a safety culture.

8. Local H&S Leaders

- Each country has a Local H&S Leader.
- Local H&S Leaders are specialists who set an example for operations sites (production and warehouses) and non-Operations sites (offices, field-based and home-based workforce).
- The H&S Leaders have oversight of the H&S management system and have an advisory role for all departments within the relevant company.
- All of the H&S Leaders are members of the Group HSE Forum to ensure they are receiving the support they need to fulfil their roles.
- Local H&S Leaders are required to produce ad hoc and monthly reports on H&S issues.

9. All employees

- Every employee within SSG, as well as every consultant and contractor working with us, has personal responsibility for looking after their own health and safety.
- Employees also have a responsibility to ensure that the people they work with comply with H&S policies and procedures.

If any employee has any concerns about H&S compliance or notices inappropriate behaviour, they should immediately notify their Local H&S Leader who will check and clarify the situation or escalate it to a higher level in the management structure.



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