

WITH YOUR HAND WE PLANT A TREE!

BY PURCHASING THIS CAN, YOU SUPPORT PLANTING TREES IN THE WOODS. PART OF OUR INCOME IS ALLOCATED TO TREE PLANTING TOGETHER WITH OUR PARTNER PATA. THANK YOU FOR CHOOSING TO SUPPORT A BETTER FUTURE! LET OUR LAND BE GREEN AND FLOURISH!



WE CARE ABOUT A BETTER FUTURE FOR EVERYONE BY CONSTANTLY IMPROVING OUR PRODUCTION PROCESSES. OUR GOAL IS TO BE CO₂ NEUTRAL BY 2025. WE HAVE INVESTED IN AN INNOVATIVE BIOENERGY PRODUCTION PLANT THAT PRODUCES THERMAL ENERGY IN THE PROCESS OF WATER PURIFICATION. BY USING BIOGAS, 405 TONS OF CO₂ DOES NOT ENTER THE ATMOSPHERE DURING THE YEAR.

WHICH IS REDUNDANT TO ONE, JOY TO ANOTHER!



THE MALT BY-PRODUCT AFTER BREWING PROCESS WE GIVE TO LOCAL FARMERS AND THAT IS USED AS A FEED ADDITIVE FOR LIVESTOCK. WE GIVE BARLEY A SECOND LIFE - FROM GRAIN TO MILK. THANK YOU FOR CHOOSING TO SUPPORT A BETTER FUTURE! LET OUR LAND BE GREEN AND FLOURISH!

CLEANER WOODS - HAPPIER HEADGEHOGS!



WE CARE OF CLEANER FORESTS! TOGETHER WITH "LATVIA'S STATE FORESTS", WE INVITE YOU NOT TO POLLUTE OUR FORESTS! BY SORTING WASTE, YOU HELP KEEP FORESTS CLEAN AND REDUCE THE DEPLETION OF VALUABLE RESOURCES. THANK YOU FOR CHOOSING TO SUPPORT A BETTER FUTURE!



MORE INFORMATION:
www.cesualus.lv/betterfuture

BEER IS BREWED USING ONLY 100% GREEN ELECTRICITY. GREEN ELECTRICITY IS OBTAINED FROM NATURAL AND RENEWABLE NATURAL RESOURCES, RESULTING IN LESS AIR AND NATURAL POLLUTION. DURING THE YEAR 3,110 TONS OF CO₂ DID NOT ENTER THE ATMOSPHERE, AND WE ALSO SAVED 3,184 TONS OF FOSSIL FUEL THAT WOULD BE USED FOR ELECTRICITY PRODUCTION.



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in social media

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Social Responsibility Report

2021 / 2022





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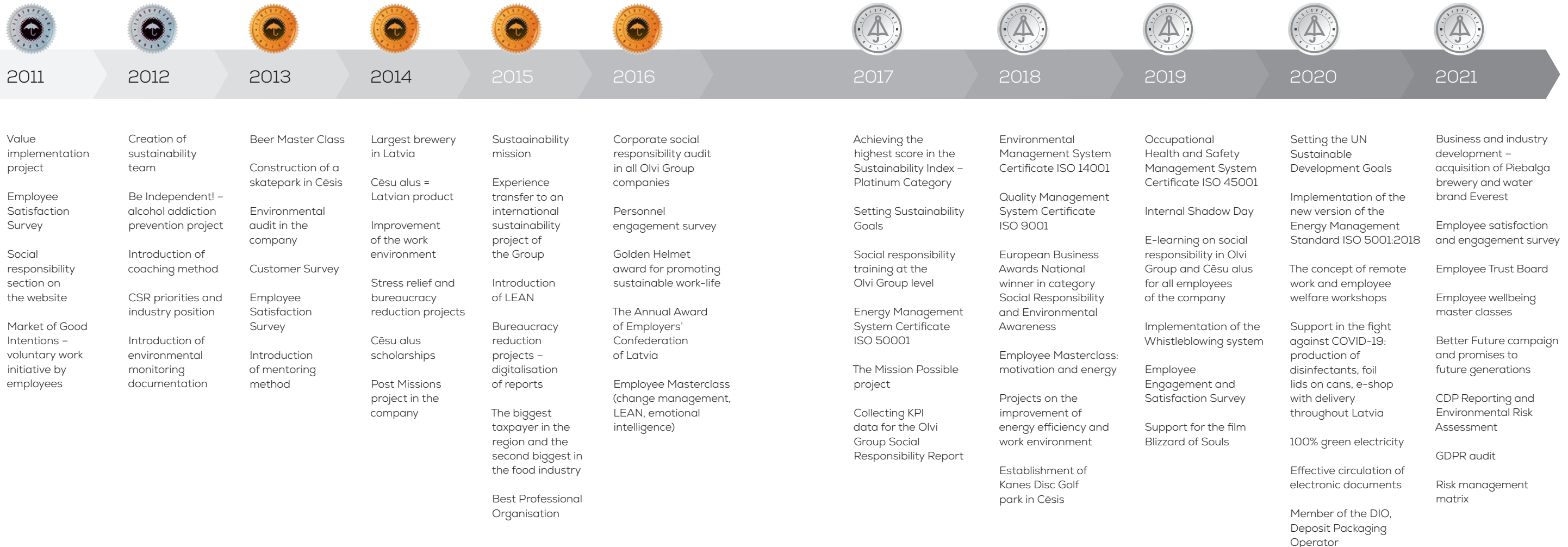
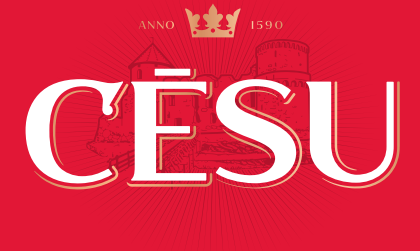
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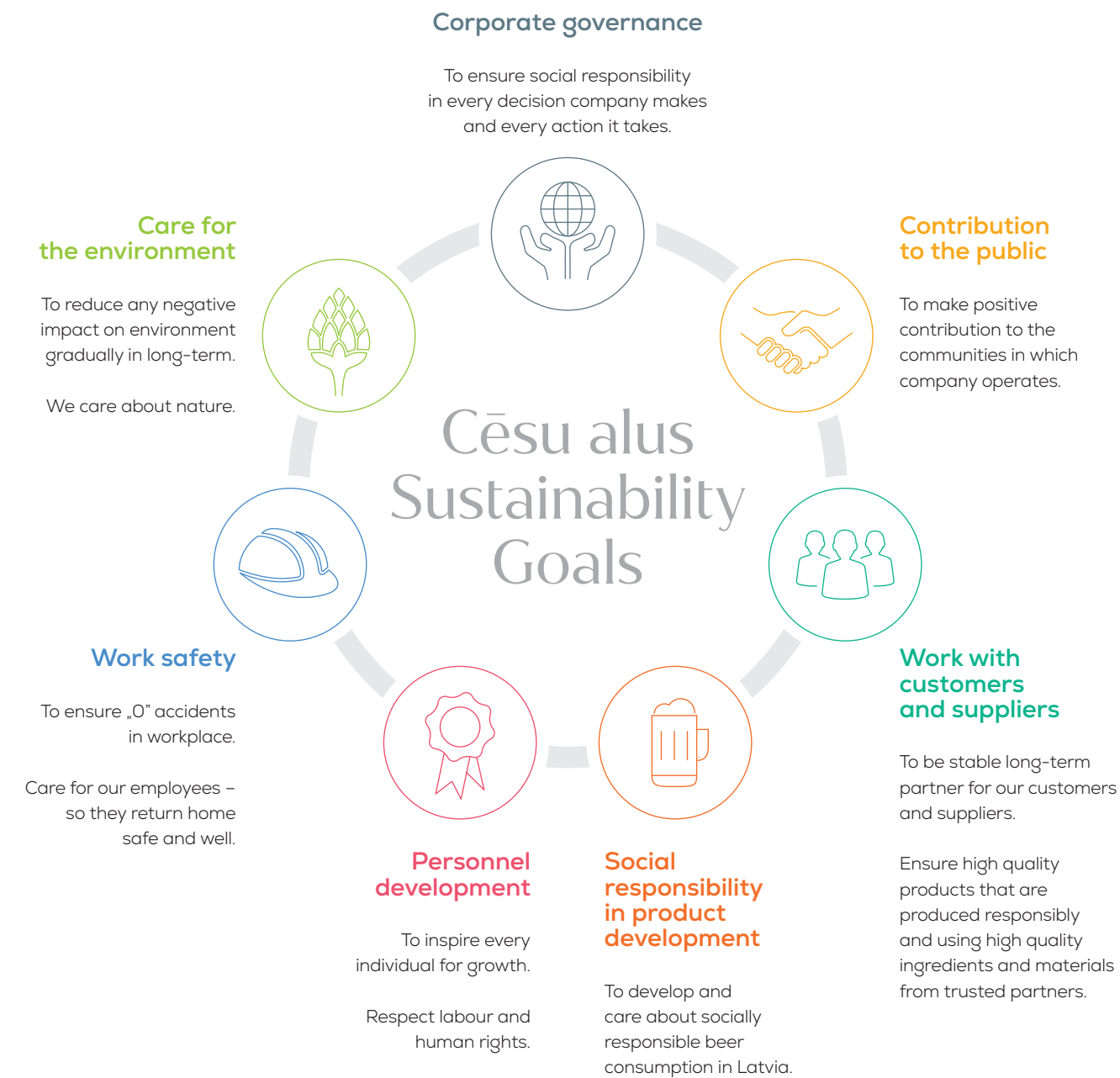
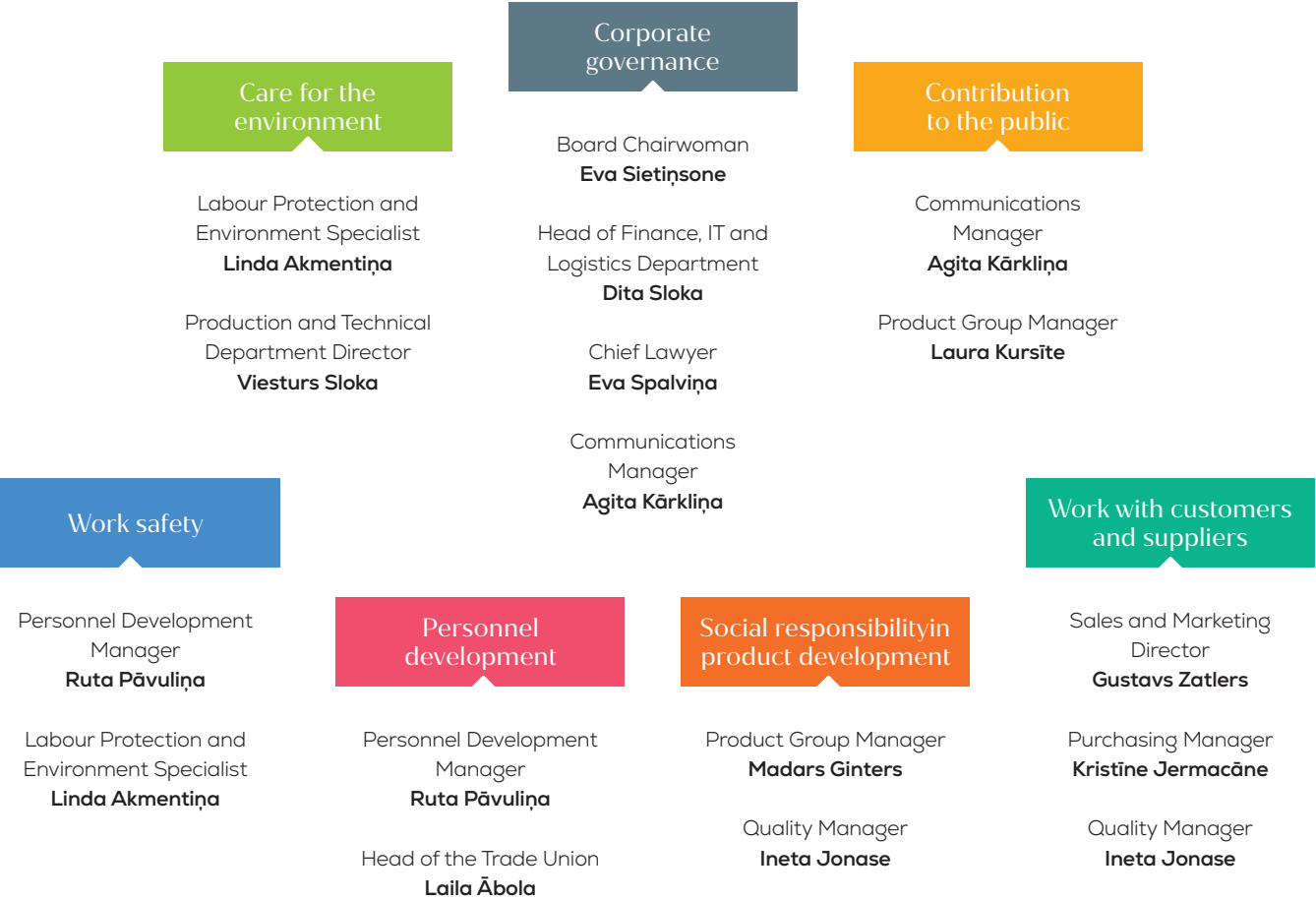
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Environmental indicators

Cēsu alus Sustainability Development



Cēsu alus Sustainability Team / Areas of Responsibility





Corporate Governance

To ensure social responsibility in every decision company makes and every action it takes

- Strategies
- Representation of interests
- Stakeholders
- Economic responsibility
- Reputation
- Industry development

Strategy

The company performs systematic and strategic work in the area of corporate social responsibility. We have created a Sustainability Team, which consists of responsible representatives from all key areas of activity and departments. Each year the company defines the social responsibility priorities.

One of the priority areas defined by the alcohol producer AS Cēsu alus is educating the public about alcohol addiction prevention, with the main target audience being youths and secondary school students.

The local community within the scope of Cēsu alus social responsibility is the public of Cēsis and its municipality.

The company publishes its financial statements (Annual Report) and non-financial statements in the form of Social Responsibility Report on its website www.cesualus.lv.

The company nurtures its reputation by implementing social responsibility projects both within the context of product development and the entire beer industry.

When defining its position on industry development matters, Cēsu alus realises the representation of the company's and industry's interests through the agency of professional associations. The company is a member of both beer and non-alcoholic beverage industry associations, as well as of institutions representing food companies.

As the largest operating brewery in Latvia, Cēsu alus initiates and implements projects promoting beer culture, for example, the series of public educational events Beer Master Class; excursions and tours at the brewery.

The Social Responsibility Project of the Olvi Group is part of the implementation of the nonfinancial reporting strategy in line with the EC Directive 2014/95/EU.

- Collection of data and measurements in 2021.
- Olvi Group Social Responsibility Handbook 2020 – available to all employees of the company.
- Olvi Group's Social Responsibility Report includes data on Cēsu alus and other Group companies.
- UN Sustainable Development Goals at Olvi Group level.
- Reporting to CDP (Carbon Disclosure Project).
- Survey of stakeholders on the evaluation of the sustainability programme.

Cēsu alus contribution to the education of business and public sector companies – the model of good practice examples, including the creation of the Employee Trust Board; best practices in labour protection (VNT visit, LU lecture); development of a video in cooperation with Free Trade Union Confederation of Latvia (LBAS) on the well-being of employees.

Informing the public and other relevant stakeholders on the social responsibility activities of Cēsu alus.

2021

Renewal of ISO management system certification: ISO 14001, SO 50001, ISO 45001.

COVID-19 projects:

- continuous cooperation with the Latvian Chamber of Commerce and Industry (LCCI) – in creating a balance between restrictions, public health and economic interests;
- cooperation with Employers' Confederation of Latvia (LDDK) and LCCI in developing common sectoral guidelines for managing COVID-19 measures in companies.

Business development:

Acquisition of Piebalgas Brewery, acquisition of Everest water brand, acquisition of Corona distribution rights.

Representation of interests in the following matters of the industry development: planned excise tax policy and implementation of deposit system, participation in the working groups of professional associations (Latvian Federation of Food Companies (LFFC); LCCI, etc.).

Renewal and additions to the collective labour agreement.

Changes to the range of employee benefits – increased costs of certain benefits, increased availability of benefits for certain groups of employees, expanded range of available benefits.

Audits of Digitalisation and Risk Management at the Olvi Group level.

Employee well-being concept.

Clarification and definition of the wording regarding remote work in line with the legal norms.

In Personal Data Protection:

- updating of internal laws and regulations (new version of Personal Data Protection Policy of Cēsu Alus, available to all employees in Employee self-service system iOzols);
- training of persons involved in personal data processing;
- Personal data compliance audit in a company led by the Olvi Group (compliance with the EU Personal Data Protection Regulation or GDPR). Conformity found in essential matters; identified issues requiring improvement.

2022

The Social Responsibility Project of the Olvi Group.

- Active participation of Cēsu alus in the project; collection of data and measurements in 2022.
- Reporting to CDP (Carbon Disclosure Project).
- Development of a unified system of sustainability indicators at the Group level.

Cēsu alus contribution to the education of business and public sector companies – the model of good practice examples (sharing experience on the implementation of specific projects with the associations of small and large-sized companies in Latvia, as well as with the representative institutions of state administration).

Continuation of digitalisation projects in the company.

In cooperation with LCCI, LDDK and LFFC as social partners of the government, continue to strengthen the role of well-thought-out tax policy in economic growth, not allowing sudden decisions in the form of tax, trade and advertising restrictions.

Make improvements to the personal data processing system in accordance with the recommendations of the auditors.

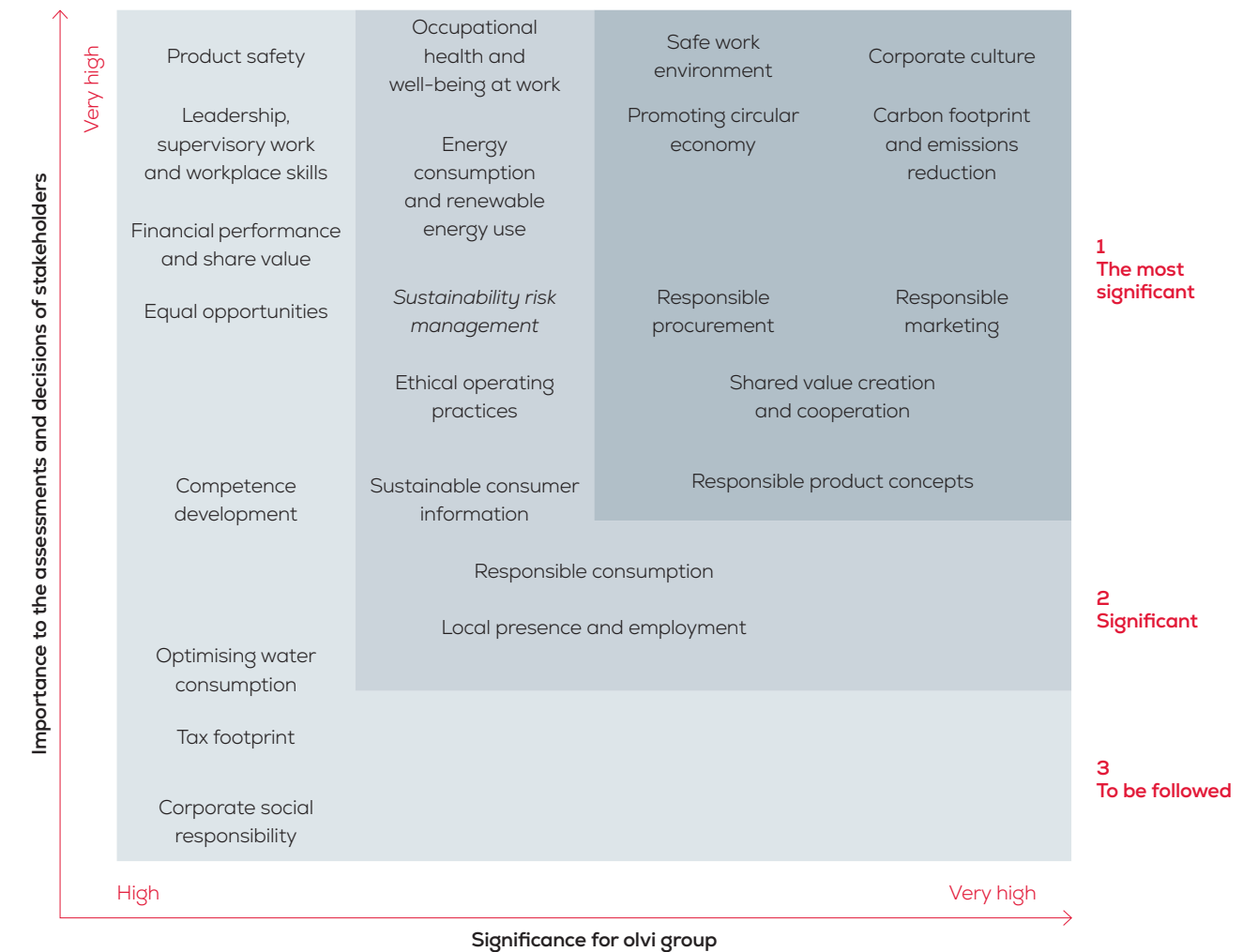
Work in cooperation with NGOs on the implementation of the Green Deal, balancing sustainability tools with proportionate investments of economic and other resources.

Set priority areas for sustainable development:

- **EMPLOYEES** – care for the safety and health of employees, provision of equal opportunities, continuous development, improvement of the working environment and well-being;
- **ENVIRONMENT** – sustainable and responsible management and consumption of resources, environmental activities, both for the company's employees and the wider society.
- **CONSUMERS** – responsible consumption of alcoholic beverages, strategic approach to expanding the offer of non-alcoholic beverages, innovative products, healthy lifestyle trends.
- **SOCIETY** – support with production or investments in various community support projects. Priority – Cēsis region, Vidzeme.








Materiality Analysis

In 2021, Olvi Group conducted a stakeholder survey to determine the most important aspects of sustainability – economic, social and environmental – which also affect the evaluation and decisions of our stakeholders. As a result of the survey, we identified key sustainability topics that are important to our stakeholders. Cēsu alus surveyed 218 respondents, most of whom were consumers, customers, employees, suppliers.



Cooperation with Stakeholders

Olvi Group, which also includes company Cēsu alus, has identified stakeholders and topics and sustainability aspects relevant to them. In addition to the main needs of each stakeholder, the sustainability and responsible aspects of the company also are important to most of them. Cēsu alus is aware of and evaluates the impact of its activities, as well as involves and takes into account the views of stakeholders in solving important issues.

Stakeholders	 Consumers, beer lovers	 Customers	 Employees	 Partners and suppliers	 Investors, shareholders	 Society	 Media	 Cooperation organizations, associations	 State institutions, authorities
Representatives	Current and potential connoisseurs of Cēsu alus	Retail companies, HoReCa companies	Existing and potential employees, Cēsu alus trade union /professional organisation	Suppliers and service providers	Olvi board members and shareholders	Residents of Latvia, Cēsis city and region	Journalists	Latvian Brewers Association; Beer and Beverages Packaging Union; Latvian Association of Manufacturers of Non-Alcoholic Beverages, etc.	State Revenue Service, Food and Veterinary Service
Key topics / aspects	High-quality products with high added value; responsible products and activities; open and reliable product information.	Innovative and safe products, excellent customer service and reliable delivery.	Occupational health and safety; employee engagement and development.	Competitive services and solutions, development-oriented and respected partner.	Profitable growth, risk and reputation management; achieving the financial and sustainability goals.	Developing and promoting responsible drink culture; payment of taxes. Support for the local community and its development.	Transparent and reliable information, fast communication.	Responsible operations, fulfilment of commitments, industry development and risk management.	Compliance with legal requirements and regulations.
Forms of cooperation	Communication takes place through customer service, the company's website and social media, including regular surveys and focus groups.	Customer meetings, events, incl. Annual Master Class for customers. We develop our cooperation based on the feedback we receive from customers.	Cooperation with employees takes place through daily communication and feedback, internal communication, biennial employee engagement and satisfaction survey, as well as individual development discussions and monitoring of goal setting and performance.	Communication with partners and suppliers takes place in the daily work process, meetings and events, and during audits.	Annual general meetings, Olvi Group financial statements, Investors section at Olvi website as well as regular meetings with Olvi Board and evaluation of the results and goals of Cēsu alus.	In cooperation with Cēsis municipality, cooperation and support projects are defined.	Cooperation with national and regional media – press releases, comments, interviews about the development of the industry, Cēsu alus performance results, product news, socially responsible initiatives.	Together with industry specialists, industry development issues are regularly discussed in working groups and meetings.	Regular provision of information on operations, financial results and product safety certifications.

UN Sustainable Development Goals

By implementing socially responsible and sustainable operations at Cēsu alus, our goal is to promote the achievement of the United Nations (UN) Sustainable Development Goals.



UN Sustainable Development Goal

Olvi Group targets

Cēsu alus goals

3. Good health and well-being.

Ensure healthy lives and promote well-being for all at all ages.

3.5. Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol.

3.6. By 2020, halve the number of global deaths and injuries from road traffic accidents.

- We promote the responsible and reasonable use of our products
- We maintain a diverse range of products
- We invest in the development and manufacture of healthy and natural products, and in smaller product packaging

1. Implement at least one campaign / project per year to support responsible alcohol consumption.
2. Expanding the offer of soft drinks; the product portfolio must include nonalcoholic beer and cider as well.
3. Warning symbols (not suitable for pregnant women, drivers or persons under the age of 18) placed on all alcoholic beverage labels by 2022.
4. Responsible marketing campaign creation.
5. Open and easy-to-understand information for consumers about our products – by 2022, the nutritional value of products for all product categories available on the website.
6. Reduced packaging for alcoholic beverages – the product range includes at least one packaging of alcoholic beverages with a volume of 0.33 l or less.



UN Sustainable Development Goal

Olvi Group targets

Cēsu alus goals

4. Quality education. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

4.4. By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

- We encourage training for working life and competence development in line with the development of working life

1. Employee competence development – increased number of training hours per employee. The minimum time spent on training per employee is 3 hours per year.
2. Knowledge sharing – to ensure the transfer of knowledge to employees, to create a common information database.
3. Scholarships in fields of study important for the beer industry – granting the Olvi Foundation scholarship to 2 students per year.



UN Sustainable Development Goal

Olvi Group targets

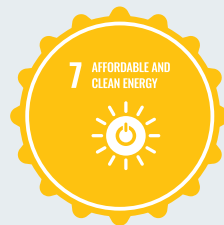
Cēsu alus goals

6. Clean water and sanitation. Ensure availability and sustainable management of water and sanitation for all.

6.3. By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

- We promote the sustainable use of clean water.
- We seek to minimise wastewater and improve its quality.
- We recycle material fractions for reuse.

1. Reduce water consumption per litre of production by 2% every year.
2. In the period from 2015 to 2025, reduce water consumption per litre of product by 20%.
3. Energy Track system implementation and usage for effective water consumption monitoring and analysis



UN Sustainable
Development Goal

Olvi Group targets

Cēsu alus goals

7. Affordable and clean energy.

Ensure access to affordable, reliable, sustainable and modern energy for all.

7.2. By 2030, increase substantially the share of renewable energy in the global energy mix.

7.3. By 2030, double the global rate of improvement in energy efficiency.

- We improve our resource efficiency and reduce our consumption of electricity and energy.
- We increase the share of renewable energy.

1. Reduce electricity consumption per litre of product by 2% every year.
2. In the period from 2015 to 2025, reduce electricity consumption per litre of product by 20%.
3. Increase the use of self-produced biogas by 20% from 2015 to 2025.
4. Implement activities in the company that help:
 - identify and eliminate wasted energy;
 - improve energy efficiency;
 - reduce greenhouse gas emissions;
 - reduce energy consumption costs;
 - reduce dependence on fossil fuels.
5. Maintaining certified Energy Management System in accordance ISO 50001



UN Sustainable
Development
Goal

Olvi Group targets

Cēsu alus goals

8. Decent work and economic growth. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

8.2. Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.

8.5. By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

- We maintain a fair, equal and safe workplace
- We pay our taxes and other payments in accordance with the local legislation in each of our countries of operation

1. Zero accidents at work.
2. Fewer cases of illness compared to the previous year.
3. Development of leadership, management and other competencies; a well-functioning, competitive, continuously developed work environment.
4. Achieve the best rating (AAA) according to the PeoplePower rating in the Employee Satisfaction Survey.
5. Transparent coverage of the impact of taxes.
6. Maintaining work safety and occupational health standard ISO 45001.



UN Sustainable
Development Goal

Olvi Group targets

Cēsu alus goals

12. Responsible consumption and production. Ensure sustainable consumption and production patterns.

12.2. By 2030, achieve the sustainable management and efficient use of natural resources.

12.5. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

- We reduce our environmental footprint and improve our resource efficiency
- We maximise materials recycling and the reuse of by-products
- We minimise the use of packaging materials. Our operations are guided by the principles of the circular economy.

1. Reduce the amount of landfill waste by 2% per 1 litre of production every year.
2. In the period from 2015 to 2025, to reduce all recyclable waste by 10% per 1 litre of production.
3. In the period from 2015 to 2025, reduce the use of office paper by 10% (of purchased).
4. Collect and recycle at least 20 kg of used batteries (hazardous waste) every year.



SUSTAINABLE
DEVELOPMENT GOALS

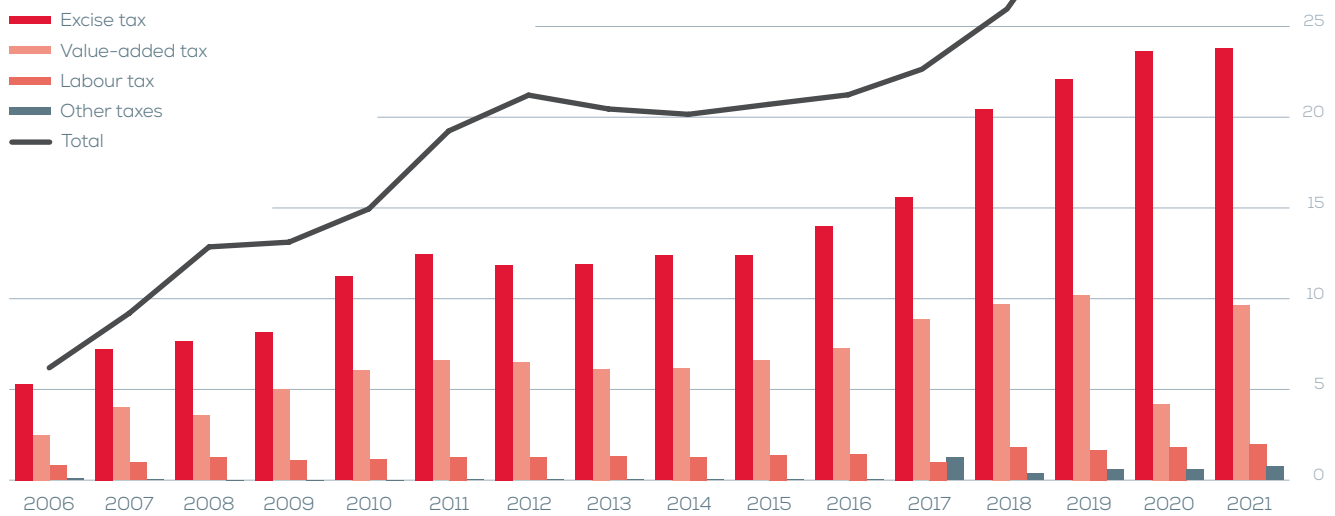
Read more about
sustainability strategy
in Olvi Group:

ej.uz/Olvi_Group_CR_2021

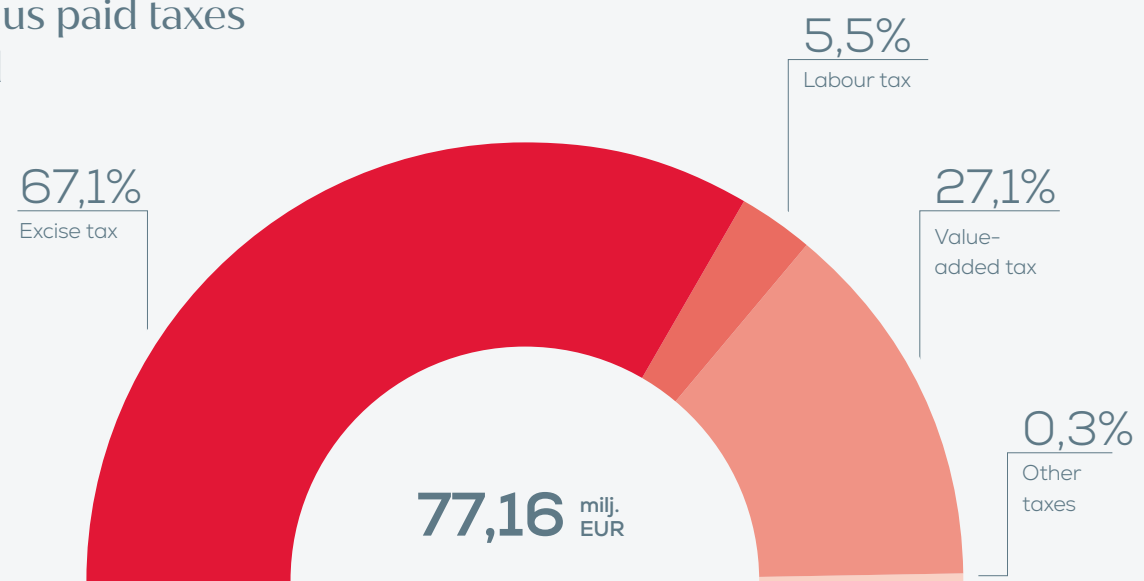


Economic impact

Cēsu alus tax footprint,
EUR million



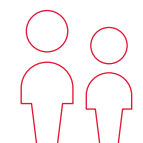
Cēsu alus paid taxes
in 2021



Beverages sold:
63.3 million litres



Volume of beer produced:
44.01 million litres



Number of employees:
236



Operating profit:
3.02 million EUR



Turnover:
39.96 million EUR

Litres of beverages donated to charity and support in 2021:
42,700



Products are made using 100% green electricity



Green Excellence Award
in Food Industry



Acquisition and integration of the Piebalgas Brewery

Recognitions and Achievements in 2021



Sustainability Index –
Platinum Level



Product of the Year 2020
Cēsu Premium Original



Valsts ieņēmumu
dienests

Largest Tax Payer
in the Vidzeme Region



ISO 14001
Environmental Management
System Certificate



No. 1 Employer in Vidzeme –
Approved by CV-Online



Best product packaging in Latvia 2021
2nd place: Cēsu Premium,
Brūža Rudzugraudu
3rd place: Dārza limonāde



BRC certificate



ISO 50001
Energy Management
System Certificate



Green Excellence Award –
in Food Industry 2021



World Beer Awards 2021
Cēsu Premium – Country Winner
Silver: Cēsu Premium
Green, Brūža Rudzugraudu,
POOKA Apiņots Lager



CrefoCert –
Certificate for High Solvency
and Outstanding Financial Culture



ISO 45001
Occupational Health
and Safety Management
System Certificate



Contribution to the Public

To make positive contribution
to the communities in which
company operates.

- ▶ Contribution
to the local
community
- ▶ Social
investments
- ▶ Sponsoring

Strategy

Each year the company defines the priority sponsoring and support areas, but the sponsoring strategy remains the same – AS Cēsu alus supports events of long-term significance which run for several years and become traditions. By continuously improving the company’s operation, we choose to support events which create true values and bring lasting emotions to their visitors.

In addition to the defined financial support and sponsoring projects, we review submitted projects that the company might choose to support by providing our products at events.

The priority of support events in a specific field is the local community, which in the scope of Cēsu alus’ social responsibility work is the public of Cēsis and its municipality.

One of the priorities within support projects is educating the public, which the company meets by implementing the Be Independent! alcohol addiction prevention project for youth, as well as the unique educational series of events Beer Master Class.

The charitable side of Cēsu alus’ social contribution is apparent in its long-term support of the Saules taka day centre of Cēsis, which connects and takes care of children from disadvantaged families in Cēsis Municipality.

The company runs the Cēsu alus Pensioners’ Club, which unites its former and current long-term employees, creates and maintains the social link and sense of belonging to the company, as well positively affects the quality of their social life.

2021

Charity and support strategy for 2021 – information

published at www.cesualus.lv.

The main areas of support:

- Culture and Entertainment.
- Sports.
- Support to local communities.
- Social investments and charity.
- Investment in the development of the industry.

Support for Cēsis City Festival –

Cēsu alus is the general sponsor of Cēsis City Festival; involvement in the development of programs and educational activities. Thanks to the support of the Cēsu alus, 2 big screens were provided in the city, where the live broadcasting of the festival concert could be watched.

Cēsnieks – contest in cooperation with Cēsis municipality for awarding the residents of Cēsis region. The title of Cēsnieks 2021 was awarded to Uldis Skroders, the author of the lighting of St. John's Church in Cēsis.

Continuous support to the Day

Centre "Saules Taka" in Cēsis – events were not held due to Covid-19 restrictions, but Christmas gifts were provided for young people, also there were donations of non-alcoholic beverages.

The official sponsor of the "Latvia's State Forest's Mountain Bike marathon 2021", Lielbāta Public Ride.

Greetings to 3,275 children across Latvia on the start of the school year – a total of 5,500 litres of lemonade and juice were donated to the children in the care of Latvian social care, family support centres, as well as SOS children's villages.

Support for Cēsu alus Pensioners' Club activities.

Voluntary charity event of Cēsu alus employees in cooperation with the Angel's Mail project – arranged gifts for 17 seniors who stay in the senior house "Sprīdīši".

Support to conferences "Cilvēkfaktors" (Human Factor) and "Vecāku revolūcija" (Parental Revolution) in Cēsis.

More than 6,000 smoothies have been donated to medics at the Cēsis Clinic, Vidzeme Hospital and Pauls Stradiņš Clinical University Hospital, as well as 10,000 smoothies to the students of the Cēsis region.

Support of Cēsis Old people's home – donating smoothies, planting fruit trees.

Better Future campaign: public education on environmental issues, participation in the LAMPA conversation festival. Discussion: "Respect for nature".

The "responsible driver" campaign in July in cooperation with TVNET – we are responsible for driving not only during the festive periods, but throughout the year.

Be Independent! project for school children (class 9 to 12) to educate them about the prevention of alcohol addiction and to inspire to make responsible decisions. Publication and popularization of educational materials. The project was implemented digitally through the project Gudrais Cilvēks (Smart Man) and the platform soma.lv, thus reaching a wider audience and providing educational materials for schools throughout Latvia. This is especially important in circumstances where the learning process must be provided remotely.

Contribution to educational projects:

- For 3 months, Cēsu alus provided internship services for academic staff of LLU in the specialty Production and processing: Production of beer and non-alcoholic beverages.
- Open day event: virtual visit of Belgian teachers of biotechnologists.
- Participation in the LDDK webinar "Support measures for elderly employees".
- Lecture for LU students on labour protection.

POOKA LAB brewing workshops in Riga.

2022

Charity and support strategy for 2022 – information

published at www.cesualus.lv.

Cēsu alus scholarships for specialisations significant to the beer production industry.

Be Independent! project for school children (class 9 to 12) to educate them about the prevention of alcohol addiction and to inspire to make responsible decisions. Publication and popularization of educational materials. The project was implemented digitally through the project Gudrais Cilvēks (Smart Man) and the platform soma.lv, thus reaching a wider audience and providing educational materials for schools throughout Latvia. This is especially important in circumstances where the learning process must be provided remotely.

Cēsnieks – contest for awarding the residents of Cēsis region.

Support for Cēsis City Festival – Cēsu alus is the general sponsor of Cēsis City Festival; involvement in the development of programs and educational activities.

Investments in the renovation and opening of Dynami:t JAM skate park.

Continuous support to the Day Centre "Saules Taka" in Cēsis – organizing events for children from risk families, donating non-alcoholic beverages.

The official sponsor of the "Latvia's State Forest's Mountain Bike marathon 2022", Lielbāta Public Ride.

The visitors' centre at Cēsu alus – a new place on the map of Cēsis city and tourism. Introduction to beer culture and beer production. A tourist attraction.

Partnership with the youth organisation – caring for youth employment, integration, engagement.

Support for the Ukrainian people in the conditions of war: donation of disinfectants, provision of jobs, voluntary initiative of employees by donating necessary things.

Contribution to education/ examples of good practice: provision of internships for Erasmus students in biotechnology, Responsible Ideas Market, experience exchange visits, etc.

Litres of drinks donated by Cēsu alus to charity and support



Implemented projects in 2021



Cēsnieks 2021

Cēsnieks is an award granted by Cēsu alus with the aim of honouring noteworthy individuals whose work and actions have positively influenced the reputation of Cēsis city. Since 1999, the honourable title has been awarded to 23 people, including representatives from the cultural, scientific, business, historical, sports and social spheres. The candidates for Cēsnieks are nominated by the jury and the winner of the title is determined by the vote of the residents. The title of Cēsnieks 2021 was given to Uldis Skroders, the author of the lighting of St. John's Church in Cēsis.



Donation of smoothies to medical institutions and students

We donated more than 6,000 smoothies to medics at the Cēsis Clinic, Vidzeme Hospital and Pauls Stradiņš Clinical University Hospital, also 10,000 were given to the students of Cēsis region.



"Latvia's State Forest's Mountain Bike marathon" water sponsor

Sponsorship to the "Latvia's State Forest's Mountain Bike marathon 2021" with natural spring water Lielbāta. Supporting an active and healthy lifestyle, Cēsu alus provided the participants of the marathon with Lielbāta water throughout the season. Lielbāta Public Ride is one of the most highly represented distances.



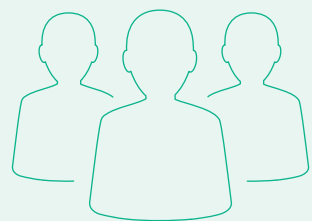
"Respect for nature", discussion at the LAMPA Conversation festival

On 20 August in Cēsis, as part of the LAMPA Conversation festival, Cēsu alus organized a discussion titled "Respect for nature #BetterFuture". Respect for nature, care for future generations, clear and ambitious goals – this is how we can help Latvia and the world become greener. In the discussion, we talked about what are Latvia's environmental goals, what it means for the city of Cēsis and its inhabitants to be the first waste-free city, what companies do to be more environmentally conscious and how to involve and educate consumers, and what we can do ourselves to conserve natural resources. At the end of the discussion, we concluded that if we each take even small steps to be more conscientious with our daily actions, we will be able to make a big difference. Because postponing to tomorrow is no longer possible. The discussion was attended by Eva Sietiņšone, Chairman of the Board of Cēsu alus, Artūrs Toms Plešs, Minister for Environmental Protection and Regional Development, Zanda Šadre, Corporate Brand and Communications Director of Rimi Baltic, Jānis Rozītis, Director of WWF Latvia, Atis Egliņš-Egliītis, Deputy Chairman of Cēsis County Council and discussion moderator Dace Helmane, Head of Institute for Corporate Sustainability and Responsibility.



Greetings to 3,275 children across Latvia on the beginning of the school year

For the fourth year in a row, as the school year began, Cēsu alus provided a gift to 3,275 children in the care of Latvian social care centres, family support centres and SOS children's villages. Congratulating children on starting the new school year, each child was given a sparkling lemonade Limpanietis, classic lemonade Limpo and Aura smoothies. A total of 5,500 litres of soft drinks were donated within this charity event.



Work with Customers and Suppliers

To be stable long-term partner for our customers and suppliers.

Ensure high quality products that are produced responsibly and using high quality ingredients and materials from trusted partners.

- ▶ Cooperation
- ▶ Studies
- ▶ Work with complaints
- ▶ Green procurement

Strategy

The Cēsu alus Quality Policy prescribes that efficient partnerships with customers and suppliers ensure their trust in the company as a safe producer and supplier.

Our objective is to continuously improve the company's quality management system on the basis of measurements, comprehensive analysis and successful cooperation with our partners.

Cēsu alus customers are representatives of the trade industry – shops and chain store networks, as well as cafés, restaurants and hotels. The customers of Cēsu alus can be roughly divided into two segments – trade customers (retail establishments) and Horeca sector customers (hotels, restaurants, and cafés).

Whereas Cēsu alus suppliers are companies both from Latvia and abroad which supply us with beverage raw materials, technological equipment and other resources necessary for support functions.

Work with customers is carried out systematically – in accordance with the requirements of the BRC quality standard (BRC for Food Safety Certificate) we perform the Customer Satisfaction and Retention Survey once a year and publish our informative material, the Cēsu alus Customer Newspaper, two times a year. We have also developed a special procedure for submitting and reviewing complaints, which allows our customers and suppliers to submit suggestions and complaints in the most convenient manner, form and time, as well as receive feedback.

Work with the company's suppliers – the biggest purchases and selection of suppliers is mostly carried out at the Olvi Group level, which allows both time and financial resources to be optimised in order to ensure the best supply process.

Suppliers are selected on the basis of their international recognition (quality standards). We randomly perform supplier audits and once every three years carry out a supplier survey as a questionnaire.

Ensuring and maintaining the **standard requirements of the BRC Global Standard for Food Safety quality management system**. In 2021, BRC was obtained for the glass filling line.

To maintain and improve the **production of safe and harmless product**, which, apart from the existing legislation, is controlled by the internationally recognised BRC Global Standard certificate.

Monitoring the raw material suppliers – audits, surveys and inspections for the traceability of raw materials.

Audits at the customers' points of sale (layout, packaging quality, safety) – a digital solution is used for audit reports.

POOKA LAB brewing workshops for HoReCa customers, education about beer brewing. Customer survey – learning the opinion of customers and engaging them into decision-making.

Cooperation in the process of implementing the deposit system.

Cooperation with manufacturers in the introduction of a new can format, the sleek CAN.

A new digital solution to capture problems with the quality of raw materials and materials and to communicate information to suppliers.

Assessment of the **impact of COVID-19** on the availability of raw materials in the supply chain.

Providing customers with information regarding changes in legislation, product labelling or quality criteria.

Risk assessment of raw materials and materials regarding the safety of the final product and risk assessment of authenticity of raw materials and materials.

An employee survey was conducted on the quality culture in the company, which provides an opportunity to educate about the importance of food safety and how it is ensured.

In the Food Safety Working Group, there were included a Security Specialist and a Labour Protection and Environment specialist to take care of the prevention of potential internal and external risks that may affect the product.

As the strengths of Cēsu alus, there are recognized:



* According to an assessment of customers by Cēsu alus in 2021 (105 outlets)

2021

Evaluation of cooperation (10-point scale)



2022

Ensuring and maintaining the **standard requirements of the BRC Global Standard for Food Safety quality management system.**

To maintain and improve the production of safe and harmless product, which, apart from the existing legislation, is controlled by the internationally recognised BRC Global Standard certificate. Monitoring the raw material suppliers – audits, surveys and inspections for the traceability of raw materials.

Risk assessment of the authenticity of raw materials and supplies.

Updated Excellent Delivery Service Guide; education of representatives of transport companies.

Assessment of the **impact of COVID** on the availability of raw materials in the supply chain.

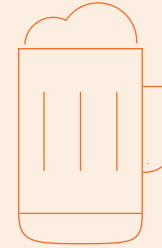
Audits at the customers' points of sale (layout, packaging quality, safety) – a digital solution is used for audit reports.

HACCP system audit in the company with an external auditor.

Customer survey – learning the opinion of customers and engaging them into decision-making.

Providing customers with information regarding changes in legislation, product labelling or quality criteria.

POOKA LAB brewing workshops for HoReCa customers, education about beer brewing.



Social Responsibility in Product Development

Cēsu alus creates and develops beer culture in Latvia.

At the same time, our goal is to take care of socially responsible and moderate beer consumption.

- ▶ Responsible marketing
- ▶ Quality
- ▶ Use of Latvian raw materials in beer brewing

Strategy

Cēsu alus' vision is to be the leader of Latvian beverage market development, which the company accomplishes with its portfolio of innovative products – by creating and introducing new product categories, segments, flavours and packaging.

The company actively involves its employees in product development by organising Innovation Week once a year, where the company departments create and present their innovative product ideas. Employees also have the opportunity to submit their product ideas daily by using the Idea Box.

Cēsu alus also involves beer lovers and consumers in the generation of new product ideas and the improvement of current products through an active dialogue on social networks: Draugiem.lv, Facebook.com, Twitter.com and Instagram.com.

For several years now, Cēsu alus has promoted public engagement in product development through the annual campaign of its leading brand Cēsu Premium; for instance, by giving everyone the opportunity to create their own unique beer can design. Each year these campaigns carry a cultural-historical significance in relation to popular events taking place in Latvia; Cēsu Premium campaign For Song / For Dance, within the framework of which the Cēsu Premium Fund was established to support the growth of Latvian song and dance culture or the can design devoted to the centenary of Latvia.

Cēsu alus builds its operation on responsible marketing both by initiating and following the Latvian Brewery Self-Regulating Code of Ethics, and entering into a cooperation agreement with the Ministry of Health of the Republic of Latvia regarding compliance with responsible marketing, and educating child audiences instead of directing communication and advertising activities towards them.

High and constant quality is the priority in production, filling and sales, which is confirmed both by strict adherence to legal requirements in our brewery and the globally recognised food production quality certificate BRC for Food Safety, which Cēsu alus was the first food industry company in Latvia to voluntarily introduce.

2021

Development of the non-alcoholic beer and other non-alcoholic beverage segment, including new categories – non-alcoholic cocktails Le Coq Mohito and Johan Freitag gin cocktail.

Strategic expansion in the non-alcoholic beverage segment – Everest water.

Taking healthy lifestyle trends into account when developing and creating new products (less sugar, gluten-free) – Cēsu Premium GREEN – gluten-free beer with reduced calorie and alcohol content, classic Lemonade with reduced sugar, Cēsu CHILLED with reduced calorie content.

Customer opinion surveys for future product development – tastings in shops, focus groups, research.

Innovation in Cēsu Premium beer line – Brūža Rudzugraudu beer with rye kvass malt.

Cēsu alus Better Future concept – commitment to ensure a better future for next generations. www.cesualus.lv/betterfuture.

VIP customers are provided with full product information, particularly for internet shops, where all products show full composition, nutrition statement, allergens, as well as the country of origin of the product, which indicates the full transparency of the product.

New can format, 0.355l – sleek CAN.

Integration of warning icons on new alcoholic beverage packaging.

Responsible product information: inclusion of product nutritional information on the company's website – in 2021, nutritional information for alcoholic cocktails, cider, wine, spirits has been supplemented.

Placing a deposit mark on product packages.

Reducing the sugar content in soft drinks.

100% green electricity – symbol on product corks.

Provision and maintenance of **ISO 9001 Quality Management System** standard requirements.

2022

Development of the non-alcoholic beer and other non-alcoholic beverage segment – expanding the offer of non-alcoholic beer (Brūža Nefiltrētais non-alcoholic beer) and beer cocktails with a reduced alcohol content (Brūža Veldze 2,8%).

Taking into account healthy lifestyle trends when developing and creating new products (less sugar, gluten-free, with reduced alcohol content).

Memorandum on improving the composition of food products – the Ministry of Health in cooperation with Latvian Federation of Food Companies and Latvian Chamber of Commerce and Industry undertook to promote the improvement of the composition of food products by reducing the amount of added sugar, salt and saturated fat in products and to participate in public education activities. Cēsu alus, along with 12 other companies in the industry, signed the memorandum.

Customer opinion surveys for future product development – tastings in shops, focus groups.

Integration of warning icons on new alcoholic beverage packaging.

Implementation of the deposit system and public education.

Introduction of environmentally friendly packaging materials.

Reduction of sugar in non-alcoholic beverages.

Expanding the water segment through the acquisition and development of water brand Everest.

Development of the traditional beer segment by investing in Piebalgas Brewery and promoting the open fermentation method.

Position of Cēsu alus in Industry Development Matters

(Representation of interests within associations)

1. Deposit system for beverage packaging

The beverage packaging deposit system in Latvia has been recognized as the best solution for promoting the circular economy and ensuring a greener lifestyle, and 2021 has passed in preparation for the successful launch of the deposit system and, accordingly, the change of societal habits. Cēsu alus took an active part in the Board of the Deposit Packaging Operator (DIO), managing, supervising, providing consultations and sharing experience. There was also close cooperation with the State Environmental Service and Ministry of Environmental Protection and Regional Development as system supervisors from the state. Prior to the start of operation of the deposit system, active work was carried out on planning, construction and organization of infrastructure, as well as on the development and signing of agreements with all interested parties, as well as adjustments to certain regulations. The preparatory phase has been completed and, as planned, on 1 February 2022 the deposit system has commenced its activities – it will be an effective tool and contribution to the development of the circular economy. The challenge and goal of 2021 – provision of infrastructure in Latvia for smooth operation of the system in the short term – has been achieved.

2. Regulation of circulation of alcoholic beverages

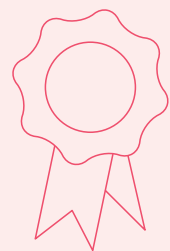
There are ongoing discussions between the Ministry of Health and individual deputies who firmly believe that the most effective way to combat alcoholism and its negative consequences for the economy is a complete ban on alcoholic beverages, and if this is not possible, then any ban on advertising and a ban on sale anywhere else except specialized stores. This is a challenge for manufacturers and retailers, because we know, and it is proven by history and experience in neighbouring countries, that this approach does not bring any long-term positive results. We understand the positive impact of quality education, training and upbringing, as well as general economic and social welfare on the formation of any habits, including moderate and responsible use, and support for Latvian merchants, while maintaining the opportunity for them to advertise products made in Latvia, thus contributing to strengthening the welfare of all persons involved in the production chain. The COVID-19 pandemic had somewhat shifted the focus of the Ministry of Health away from plans to ban the advertising and distribution of alcoholic beverages. However, they were not removed from the agenda, and the explanatory work, in cooperation with LCCI, LDDK and LFFC, has continued.

3. Planned excise tax policy

The industry continues to defend the opinion about the positive impact of the planned economy and tax policy on the development of the national economy as a whole. The COVID 19 pandemic highlighted the impact of cross-border trade on tax revenues, the fact that, the fact that with a significant difference in excise duty, we had gained the opportunity to use the competitive advantages created by neighbouring countries, which disappeared with significant border crossing restrictions. So the goal for the next period would definitely be to pay attention to this correlation and work on a more favourable tax policy for the country to promote / restore economic activity in the border area. The course for a predictable tax policy is maintained, achieving a smooth regulation by raising the excise tax. At the moment, the issue of maintaining a predictable and balanced tax policy in the country may be particularly topical, if we assume that in the near future opportunities will be sought to increase state budget revenues.

4. Green Deal, Fit for 55 or towards a full circular economy

2021 marked a major change when it became clear that the European Green Deal approved in 2018 would not be postponed, and the entire national economy should be rebuilt at a rapid pace and make a significant leap into the unknown. The activity of Cēsu alus in the direction of the circular economy, following the sustainability strategy, has been purposefully implemented for a long time, also in 2021 with the Better Future project. We have also been present at the preparation work of the Climate Council, at the creation of working groups, taking part in the LCCI think tanks, which, although formed only in 2022, was a continuation of the work started in 2021.



Personnel Development

To inspire every individual for growth.

Respect labour and human rights.

- ▶ Personnel development
- ▶ Social dialogue

Strategy

The company's values provide that professional, satisfied and loyal employees are the most important resources of Cēsu alus, which help to meet the set objectives.

The Cēsu alus Personnel Development Vision is as follows: „Our employees truly strive for and achieve outstanding results!“ According to this vision, we systematically and strategically carry out work on personnel development, motivation and training.

One of the most important values of the company are team and teamwork. Teamwork allows the setting and meeting of challenging objectives, collaboration in the decision-making process, and responsibility to be taken.

Once every two years Cēsu alus carries out the Employee Engagement and Satisfaction Survey, which is a Group level project.

Each year we organise Annual Development Discussions with all employees and draft Individual Development Maps, which serve as the basis for meeting the employees' training needs.

Training is developed and carried out systematically in accordance with the individual needs and development goals of each employee and team. The company carries out both internal and external training, engaging the necessary specialists.

The Cēsu alus personnel development method of choice is coaching for individuals, teams and groups. Mentoring has been introduced as a means for the transfer and continuity of knowledge, which our current employees use to help new managers and employees to adapt to the work environment.

Each year we also define the priority areas of development in order to improve the overall knowledge of our employees; the most efficient means of increasing and standardising knowledge is the new Employee Master Class concept project, which has been carried out in the company since autumn 2012.

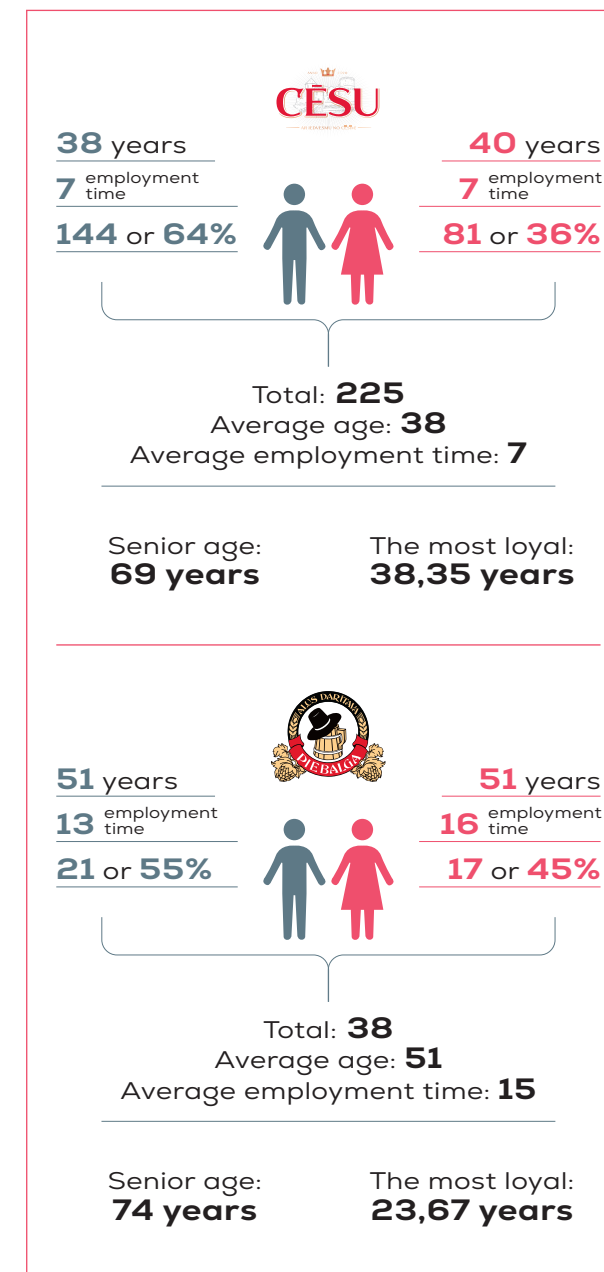
The employee guide to the company's culture and values is the Manual of an Outstanding Employee, which has been handed out to every employee of the company since 2012. Another internal employee communication channel besides the informal ones is the company's internal newspaper Iesaliņš and, since 2013, also the internal Olvi Group newspaper My Olvi.

The Trade Union, which is an excellent partner in maintaining an efficient relationship between the employer and employees, has been operating in the company for many years. We also have a long-running collective agreement with the trade union, which ensures a variety of social benefits in addition to those prescribed by law.

In 2014, Cēsu alus began a work efficiency promotion project, which is also a contribution to industry development as it ensures the employment of interns. It relieves the professional activities of our employees and contributes to the development of beer- industry-related education by ensuring long-term internship positions in the respective specialisations.

The company regularly participates in career selection projects, promoting the company's image as a stable and sustainable employer, the respectable image of the future profession, and the necessity of food industry and technology studies.

The companies of Olvi Group, including Cēsu alus, are committed to implementing various internationally recognized responsible business standards, including the principles of the UN Global Compact.



2021

Sustainability Projects

- Engaging interns in different departments.
- Cēsu alus scholarships for specialisations significant to the beer production industry.
- Virtualisation for open door and shadow days for both employees and those interested from the outside.
- Traineeships for the academic staff of the Latvia University of Agriculture.
- Trade union video (the life cycle of an employee through the prism of a collective agreement).
- Changed the collective labour agreement with added benefits.
- Employee mobility promotion support program for attracting employees.
- Establishment of the Employee Trust Board.

International projects

- Olvi Group's personnel development project "Best workplace".
- Olvi Academy.
- My Olvi newspaper for all employees of the Group.
- Digitalization projects – auditing the availability of HR data and applied digital solutions.

Continuous development culture – promotional projects.

- Employee surveys to organize future forms of work.
- Improving of work spaces for diversification of healthy rest breaks.
- Development of employee competence matrices in production, for planning the development of competencies
- Update of the Outstanding Employee Handbook
- Integration of the employees induction system into the e-environment.
- Professional growth support – studies, workshops, conferences.
- Employee personal and professional development project – employee well-being workshops.
- The day of innovations.
- Experience exchange trips – experience exchange visits to Group companies.
- Lumina Spark management team development project.
- Leadership skills evaluation survey.
- Introduction of annual discussions on inspiration and development (FeedForward).

Following the news about the spread of coronavirus COVID-19 in the world and in Latvia.

In personnel management, focus on job retention despite existing difficulties in the country and industry. Vaccination and testing of employees in the workplace

Personnel Department development projects:

- Maintenance and improvement of staff self-service IT system.
- Implementation of e-learning platform in the company.
- Improvement of internal communication channels in the company.
- Update of the Outstanding Employee Handbook, including digitalisation.
- Review of recruitment and selection policies.
- Implementation of a candidate testing system.
- Acquisition of EU funds for employee training in partnership with associations.
- GDPR or Personal Data Protection audit.
- Implementation of a digital feedback tool for creating a positive work environment (PEERO)

2022

Keep track of the spread of COVID-19 in the world and in Latvia. In personnel management, focus on job retention and applying alternative forms of work organization despite existing complications in the country and industry.

Sustainability Projects

- Engaging interns in different departments.
- Cēsu alus scholarships for specialisations significant to the beer production industry.
- Open door and shadow days for both employees and those interested from the outside.
- Provision of internships for Erasmus students in biotechnology.
- Employee mobility promotion support programs to attract employees.
- Management of the Employee Trust Board.

Continuous development culture – promotional projects.

- Realization of Employee Engagement and Satisfaction Survey
- Development of employee competence matrices for ensuring the inheritance and continuity of knowledge "know-how" critical to the enterprise. Integrating the employees induction system into an e-environment.
- Professional growth support – studies, workshops, conferences.
- Employee personal and professional development project – employee well-being workshops.
- Leadership skills development program
- The day of innovations.
- Employee digital skills development project.
- Experience exchange trips – experience exchange visits to Group companies.
- Implementation of the annual employee training plan.
- Implementation of the LEAN development project.

Personnel Department development projects:

- Maintenance and improvement of staff self-service IT system.
- Development of e-learning content in the company.
- Integration of the mentoring system in the process of employees induction and e-environment.
- Acquisition of EU funds for employee training in partnership with associations.

International projects

- Olvi Group's personnel development project "Best workplace".
- Olvi Academy.
- My Olvi newspaper for all employees of the Group.
- Projects for the digitization of tools and data used in personnel management.
- Project Management skills improvement Project.

Implemented projects in 2021



16
employees
participated
in the election

184
employees
voted

Employee Trust Board

With the aim of promoting the culture of a positive and safe working environment, ensuring the representation of employees' interests, being involved in the development and implementation of work protection and work environment improvement projects, in January 2021 there was announced an application for the Cēsu alus employees to become a trusted person in the Employee Trust Board. Following the receipt of applications, there were held the elections of the trusted persons.

The elections of trusted persons were held both by electronic voting and by submitting of written questionnaires. In total, 16 employees stood for election, and 184 employees of Cēsu alus – 88% of all employees – voted in the elections. As a result of voting, 6 trusted persons were elected, as well as 11 members of the Employee Trust Board. On 26 February 2021, there were held first online meeting of

the Employee Trust Board, the Code of Ethics of the Employee Trust Board was created, and a plan for further work was drawn up. Members of the Employee Trust Board actively participate in various projects related to the well-being of employees and the improvement of the working environment:

- Work environment risk assessment;
- Carrying out safety audits in cooperation with health and safety specialists and departmental representatives;
- Conducting a personal protective equipment survey;
- Reviewing the assortment of work shoes and organising shoe testing;
- Improvement of the working environment, etc.

Also, the members of the Employee Trust Board learn about labour law and labour protection issues in Trusted person's trainings, which are organized in cooperation with the Free Trade Union Confederation of Latvia.



Collective labour agreement

On 10 February 2021, a new collective labour agreement was concluded and approved for 3 years. The new collective agreement is based on promoting the well-being of employees and improving the quality of labour relations, as well as ensuring stability and certainty, respecting the principles of equality for all employees of the company. When working on the preparation of the new collective agreement, the agreements already concluded in previous years were taken into account, as well as new proposals and suggestions were assessed. None of the improvements in the previous collective agreements have been removed from the new collective labour agreement, and it has been supplemented with new bonuses, enriching the basket of benefits. The collective agreement is designed with work-life balance in mind, promoting employee well-being and intergenerational interaction throughout the working life.

For the well-being and health of employees

Employees who feel good and are cared for at work perform better, are more engaged, and build positive relationships in the work environment. Taking into account that for more than a year, most of the world's employees have been experiencing a "different" work environment, in which they have to find a balance between work and home while at home, issues of employee well-being remain increasingly pressing.

In planning the content of the employee wellness workshops, in January 2021 we conducted a survey of employees about their well-being at work, to which 63 employees provided their answers, indicating their current most topical aspects of well-being, and stress management issues came up as the most important. Once a month, we organized well-being workshops for company employees on emotional well-being and stress resistance.

Congratulating employees on the International Day of Occupational Safety and Health, on 28 April 2021 there was announced The Stay Safe and Healthy Month at Cēsu alus, during which various health promotion activities were offered to employees throughout the month. Activities included cycling challenge; workshops on workplace ergonomics; installation of Novuss game table and table football in the staff lounges to diversify leisure time opportunities.





Work Safety

To ensure „0” accidents in workplace.

Care for our employees – so they return home safe and well.

- Safety
- Protection
- Healthy lifestyle
- Sustainable work-life

2021

Continue to follow the instructions of the Centres for Disease Control and national decisions to limit the spread of COVID-19. Appropriate safety measures have been taken to protect the company's employees.

Maintain the occupational health and safety management systems certificate ISO 45001.

Fire safety

- Practical evacuation and fire safety training.

Promotion of healthy lifestyle

- Senior Day.
- Immunity enhancement project in autumn and winter.
- Endomondo Challenge for employees.
- Support for employee-initiated health improvement projects.
- Sports challenges (Participation in the Rimi Riga Marathon and "Latvia's State Forest's Mountain Bike marathon", Courage race, Strava Challenge).
- Improving of the employees' physical and mental health within well-being workshops.

Sharing examples of good practice: admission of students, participants of experience exchange in Cēsu alus brewery.

Improving safety and well-being:

- Improvement of the working environment in accordance with the activity plan – Zero Accident Policy in the company.
- Monthly security audits in line with the plan, including an assessment of compliance with COVID-19 security measures.
- Updated assortment of personal protective equipment and instructions.
- May – the Month of Occupational Safety & Health.
- Participation in the "Golden Helmet", theme – ergonomics.
- Establishment of an employee trust council, ensuring the representation of employees' interests and involvement in projects for the improvement of the working environment.

Labour protection digitalisation project: Update of labour protection instructions, digitalisation and integration of labour protection instructions into the e-training platform.

2022

Continue to follow the instructions of the Centres for Disease Control and national decisions to limit the spread of COVID-19 virus. Take appropriate measures to protect company employees.

Maintain the occupational health and safety management systems certificate ISO 45001.

Fire safety

- Practical evacuation and fire safety training.

Promotion of healthy lifestyle:

- Senior Day.
- Immunity enhancement project in autumn/winter.
- Support for employee-initiated health improvement projects.
- Sports challenges.
- Improving of the employees' physical and mental health within well-being workshops.

Improving safety and well-being:

- Improvement of the working environment in accordance with the activity plan – Zero Accident Policy in the company.
- Renewal of the pass system.
- Monthly security audits in line with the plan, including an assessment of compliance with COVID-19 security measures.
- Updated assortment of personal protective equipment and instructions.
- May – the Month of Occupational Safety & Health.
- Participation in the "Golden Helmet", theme – ergonomics.
- Establishment of an employee trust council, ensuring the representation of employees' interests and involvement in projects for the improvement of the working environment.

Labour protection digitalisation project:

- Records of accidents at work and records of Labour protection briefings.
- Update of labour protection instructions.
- Digitalised training of employees on safe work in the e-environment in video formats.

Sharing examples of good practice:

admission of students, participants of experience exchange in Cēsu alus brewery.



Care for the Environment

To reduce any negative impact on environment gradually in long term.

We care about nature.

- Environmental audit & monitoring
- Energy efficiency

Strategy

The strategic objective of the AS Cēsu alus environmental policy is to ensure sustainable development in accordance with environmental protection requirements – strict adherence to legal requirements and self-initiatives are at the basis of the company's environmental strategy.

Care and concern for continuous improvements, along with adherence to the current and consideration of the future environmental legal requirements, are at the basis of the company's economic activity.

The company regularly evaluates and decreases the consumption of natural resources (energy resources, fuel, water, etc.) and pollutant emissions to the extent possible, carries out recycling, and reduces the amount of waste at its place of origin wherever possible.

In order to identify, evaluate and monitor potential environmental risks, Cēsu alus prepares and updates an annual 'Environmental Aspects' report, which contains the company's environmental performance. Since summer 2018 after the achievement of the Environmental Management Certification ISO 14001, Cēsu alus has been identifying, managing and monitoring its environmental aspects. All proposals and recommendations resulting from the evaluation are included in the investment and development plan to be carried

out according to the project timeline.

One of the most extensive recent investments in the Cēsu alus production plant has been the installation of biological water pre-treatment equipment with the purpose of ensuring environmental preservation.

The economy of energy resources is implemented by systematically integrating it in our technology development and investment projects.

One of the aspects of Cēsu alus' social responsibility in the context of environmental preservation is green procurement, which is implemented through the ecological versions of primary and secondary packaging of certain products and recycling projects, thus reducing the environmental impact of products and making the implementation of certain stages of the product life cycle greener.

The company also invests in the improvement of the local community's urban environment both by taking care of the production plant and its adjacent territories, and by implementing separate large-scale projects such as the construction of a new skatepark in Cēsis in 2013, which gives youths an opportunity to spend their free time productively (youths are one of the primary social responsibility target audiences of Cēsu alus as an alcohol producer).

100% green electricity – all products of Cēsu alus are produced using only green electricity.

Maintaining the Environmental Management System Certificate ISO 14001 and Energy Management System Certificate ISO 5001.

Work on the implementation of the deposit system. Cēsu alus together with organizations uniting Latvian retail and beverage companies cooperated to work on the deposit system implementation plan in Latvia. Cēsu alus is a member of DIO, "Deposit Packaging Operator" Ltd, participating in and supporting the implementation of an efficient, convenient and easy-to-use deposit system in Latvia in 2022. Customisation of packaging for deposit system.

#BetterFuture initiative at Cēsu alus – striving for a better future:

- Homepage section www.cesualus.lv/betterfuture
- Planting trees in collaboration with PATA
- Invitation to participate in clean-up in cooperation with JSC "Latvia's State Forests" and Cūkmens campaign.

Continuous implementation of LED lighting in the company.

2021

Upgrading of refrigeration compressors – replacing the roof evaporator. Electricity and water savings.

Greenery of the territory and hop garden project.

Development of green procurement guidelines.

Olvi Group received a level B rating in the CDP assessment (including Cēsu alus data).

Investments to ensure phosphorus reduction in wastewater. Training of employees on improvements to the wastewater treatment process, as a result of which wastewater pollution is reduced by 10%. Improved process control of wastewater treatment plants. Laboratory tests of biomass have been carried out to adapt to more efficient wastewater treatment. Introduced LEAN projects for the management of treatment by-products and the circulation of raw materials.

Reducing the proportion of unsorted municipal waste by implementing responsible waste management. Municipal waste sorting project, use of cardboard cores in school art projects.

Voluntary employee movement "Green Dream Team" – implementation of "How to live greener" thinking among employees, and other initiatives. Great clean-up competition, invitation to employees to participate in World Earth Hour, planting of fruit trees for the Cēsis Old people's home as part of the World Clean-up, Zero Waste afternoon celebrating the international day without shopping.

Educating employees on the environment and social responsibility. (Waste sorting workshop, Zero Waste lecture.)

Energy Track development – an instrument to help monitor and reduce energy use.

A new type of work created in the job inventory – energy efficiency measures. In this way, the records and execution of the measures can be monitored. 13 events have been implemented since June.

A Krones specialist was invited to perform an energy efficiency audit for the CAN pasteurizer. After the audit, several measures have been taken to reduce the use of heat energy and water resources.

2022

Maintaining the Environmental Management System Certificate ISO 14001 and Energy Management System Certificate ISO 5001.

Implementation of the deposit system from 1 February 2022.

A beer life cycle development project.

#BetterFuture initiative at Cēsu alus – striving for a better future:

- Homepage section www.cesualus.lv/betterfuture
- Planting trees in collaboration with PATA

For product packaging – use of more environmentally friendly, recycled materials.

Implementation of a deposit system for reusable plastic cups at public events.

Continuous implementation of LED lighting in the company – boiling department, fermenters.

The activities of the voluntary dream movement Green Dream Team, introducing the “How to live greener” thinking among employees as well as other initiatives, lectures and activities.

Educating employees on the environment and social responsibility.

Reducing the proportion of unsorted municipal waste by implementing responsible waste management.

Development of environmental protection instructions for employees.

Replacing hydrochloric acid water softeners with reverse osmosis.

Replacement of absorption-type compressed air drying equipment with a condensation-type – a decrease in energy resources.

Construction of a steam reduction unit for a CAN pasteuriser – reduction of heat energy resources.

Environmentally friendly product deliveries – trucks with alternative fuel.

Implemented projects in 2021



Better Future – Cēsu alus promises for a better future

Each of us can make responsible and environmentally friendly decisions in our everyday life. Companies are also increasingly thinking about how to reduce the impact of their operations, conserve natural resources by using smarter, more efficient and environmentally friendly technologies, and acting responsibly.

We, at Cēsu alus, are also ready to take a step further, taking care of the conservation of nature and its resources for future generations. Therefore, we are determined to continue and undertake new green and environmentally friendly initiatives for a better future.

In May 2021, we announced and promoted the promise of a Better Future through media, social media, EHR radio. We also educated our consumers about these promises and placed campaign information on the labels and cans of Cēsu Premium beer bottles – both educating consumers about our environmental initiatives and inviting the public to act responsibly and contribute to the future of a cleaner and more sustainable environment in Latvia.



Planting 1,000 trees

In line with the promise for a Better Future, in May 2021, the Cēsu alus team planted 1,000 spruces in the Lādezers area of the Limbaži region to compensate for the amount of paper used for glass bottle labels throughout the year. We chose a trusted collaborator, P ATA, which will make sure that the trees we plant grow into a beautiful and healthy forest. The tree planting is planned to be organised annually.

“We, the Cēsu alus team, compensate the amount of paper used for Cēsu Premium beer labels during the year by planting 1,000 new trees. We want to make it an annual tradition. The process of producing beer and beverages consumes natural resources and we are constantly developing ways to minimise the environmental impact of our activities in terms of sustainable implementation of business and processes. This is the promise of a better future for future generations,” emphasizes Eva Sietiņšone, Chairman of the Board of Cēsu Alus. “A responsible approach to environmental issues has always been at the core of the PATA Group’s operations. We are truly pleased that more and more companies in Latvia are assessing the impact of their activities on the environment. Cēsu alus’ Better Future initiative is a good example of this. We are a responsible forest owner and will ensure that 1,000 spruces planted by the employees of Cēsu alus grow into a healthy forest,” says Andris Krastiņš, head of JSC PATA Strenči.



Olvi Group receives level B CDP rating



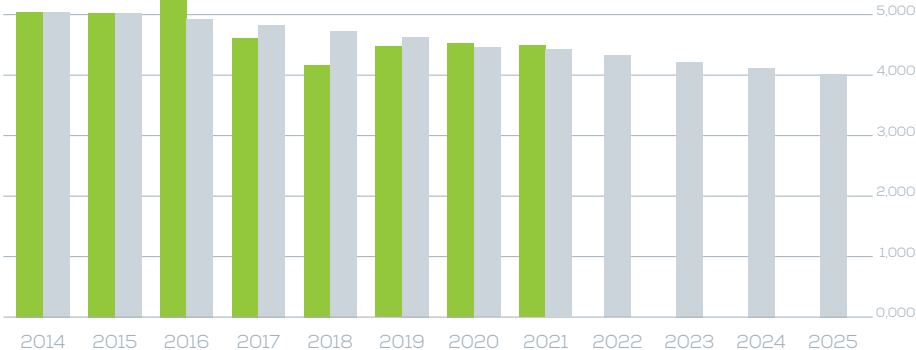
Sustainable business development has been the strategic focus of both Cēsu alus and Olvi Group for several years. Responsible and sustainable operation, reducing the consumption of natural resources and reducing the overall impact on the environment play an important role in the company’s daily operations. We are therefore pleased that the performance of the Olvi Group (including Cēsu alus data) has been assessed and ranked among the world’s most sustainable companies. When Olvi first participated in the CDP Climate Change (Carbon Disclosure Project) assessment, Olvi received a level B rating (rating scale A to D). This confirms the commitment of the group’s companies to reduce the impact of their activities on the environment in the long term, specific activities to achieve the goals and transparent operation. CDP is a non-profit organization that collects company-specific data on climate change, greenhouse gas emissions and climate change adaptation. The CDP assessment helps companies evaluate the situation and identify areas of development related to climate and compare them with other companies. Through reporting, information is open to clients and investors. This year, 13,000 companies from all over the world participated in this assessment. More information: www.cdp.net

Environmental indicators

Water consumption

litres per litre produced

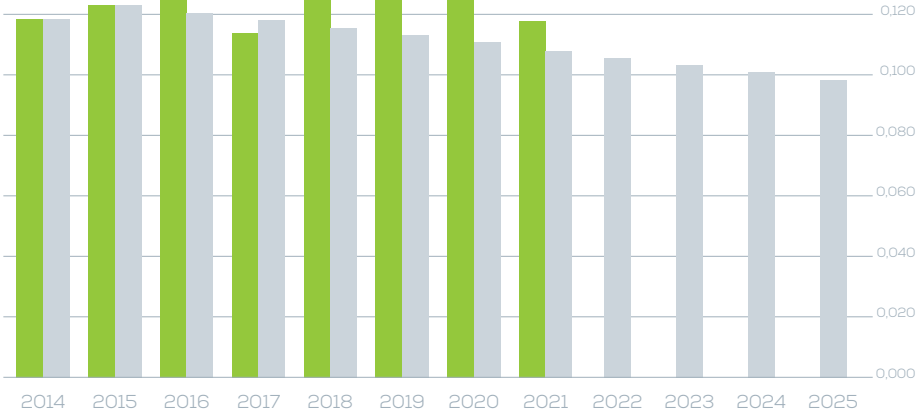
Water l/l
Water consumption goal l/l



Electricity consumption

kWh per litre produced

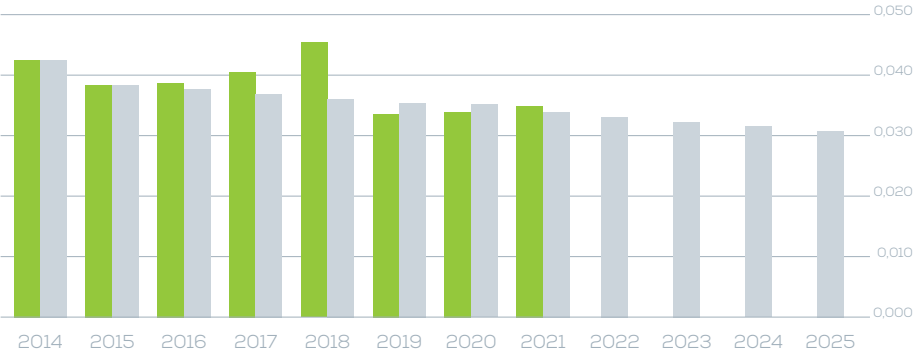
Electricity kWh/l
Electricity consumption goal kWh/l



Carbon dioxide used for production

kg per litre produced

CO₂ kg/l
goal CO₂ kg/l



Heating

kWh per litre produced

Heat consumption kWh/l
Heat consumption goal kWh/l

