

Sustainable Development

Report 2013 (financial year 2012-2013)



Ten Priorities. One Future.



Making a difference, through beer



A subsidiary of SABMiller plc

Performances

RON 1,283m¹

company revenue
(15.8 per cent annual increase)

RON 16,3m²

EBITDA

≈ 1,400

employees

6,200+

hours of training

42 years

the longest professional
activity in our company

1718

the year when our brewery
in Timisoara
has started to operate

70 percent

of the barley we use is
purchased from the local
market

97.97 percent

of the beer we sell is produced
by our company in Romania

8³ percent

of our total energy
is renewable

100 percent

compliant with Romania's
legal requirements according
to permits

Zero

penalties and sanctions

Stories inspire us, we inspire stories

The Future We Want

Rio+20 UN Outcome
Document, Paragraph 47

We acknowledge the importance of corporate sustainability reporting and encourage companies, where appropriate, especially publicly listed and large companies, to consider integrating sustainability information into their reporting cycle. We encourage industry, interested governments as well as relevant stakeholders with the support of the UN system, as appropriate, to develop models for best practice and facilitate action for the integration of sustainability reporting, taking into account the experiences of already existing frameworks, and paying particular attention to the needs of developing countries, including for capacity building.



¹ As of 31.12.2012, in full accordance with the Romanian fiscal legislation.

² Idem.

³ Data does not include the transportation fuel on which we have no relevant information.

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About this report

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“ The first thing is to be honest with yourself. You can never have an impact on society if you have not changed yourself. ”

Nelson Mandela

Report boundary

This sustainability report covers the performance of URSUS Breweries SA business operations across Romania in our owned production units (Timisoara, Cluj-Napoca, Brasov and Buzau) and headquarters. The term 'production units' means breweries. The information included in the report has national coverage unless otherwise specified. Where appropriate, we mentioned that data for some of our operations is unavailable. We have outsourced two services (HR payroll and the transportation, including the commercial fleet), and they are not covered by this report.

Reporting period

All data in this report cover the 2012/2013 financial year (F13 – April 1, 2012 – March 31, 2013) unless otherwise stated. Relevant information covering the first half of 2013 is also included.

Report scope

This is Ursus Breweries SA second sustainability report, but it is the first to be issued in accordance to GRI3.1 and United Nations UN Global Compact guidelines. It reflects URSUS Breweries SA business activities in Romania and talks about our economic, social and environmental footprints. The report reflects our approach to sustainable development and the actions we have taken during the 2013 financial year (F13) to advance responsible and trust-building practices in our business. We plan to publish such a report every year. Next year we intend to start using the GRI4 reporting framework.

Reference Guidelines

Global Reporting Initiative (GRI)

This report has been produced in accordance with the Global Reporting Initiative (GRI) G.3.1 guidelines and meets the requirements for the B-level application. Disclosure levels are noted in the GRI Index at the end of this report.

The United Nations Global Compact

As a subsidiary of SABMiller, Ursus Breweries adheres to the Ten Principles of the United Nations Global Compact.

By developing this report our goal is to qualify as a UN Global Compact Advanced Level reporter.

Reporting Principles

This report has been written in accordance with the principles advised by the Global Reporting Initiative Technical Protocol for defining report content:

Materiality – the report covers topics and indicators that reflect our significant economic, environmental and social impacts as well as the needs of our stakeholders;

Stakeholder Inclusiveness – Stakeholder engagement is a core part of our business approach and the report answers to stakeholders' expectations and interests. Not only is our dialogue ongoing, but we have also tried to tailor our sustainable development reporting to our stakeholders' information needs together with our external consultant who has competences in respect to stakeholder engagement as defined by in AA1000 Stakeholder Engagement Standard (AA1000SES);

Sustainability Context – the report presents our performance in the wider contexts of sustainability issues; and

Completeness – the report provides evidence that reflects significant economic, environmental and social impacts and enables stakeholders to assess our performance.

Our sustainable development report also serves as a progress report (Communication on Progress) in conjunction with the United Nations Global Compact.

External assurance

We feel that the assurance would add value to our report, therefore all indicators in this report have been externally verified and the processes assured to the three principles of the AA 1000 Assurance Standard (materiality, inclusiveness and responsiveness) by Denkstatt, an independent third party. Please see page 60 for the assurance statement and details of our validation process.

In addition, in collecting information for this report our external consultant has visited most of our operating sites (Bucharest, Timisoara, Cluj-Napoca and Buzau), interviewing representatives of the local authorities, academia, leaders of NGOs, suppliers, business associations and business partners, and having one-to-one discussions with all members of our management team and a leader of our trade union. Their comments are included in this report.

Definitions: CSR and Sustainability

In the EU strategy 2011-14 for Corporate Social Responsibility, the European Commission put forward a new definition of CSR as "the responsibility of enterprises for their impacts on society," to which we adhere. Respect for applicable legislation, and for collective agreements between social partners, is a prerequisite for meeting that responsibility.

We also embrace the sustainable development definition used in the United Nation's Brundtland Commission's report, "meeting the needs of society today while respecting the ability of future generations to meet their needs." Our definition is further enhanced by the work for the UN Global Compact, Global Reporting Initiative, and others who define sustainable development as encompassing environmental stewardship, economic success, and social responsibility. These three pillars are further defined by the topics covered in this report.

UN Millennium Development Goals (MDGs)

As a subsidiary of SABMiller, Ursus Breweries supports the Millennium Development Goals (MDGs) and tries to contribute to their achievement in the Romanian communities in which we operate.

Our Sustainability Strategy

The **Sustainable Development Way** is at the heart of our approach to sustainable development (SD). It provides a consistent and transparent framework for managing SD across SABMiller's operations worldwide, supported by a suite of policies as well as guidelines, training and tools for building capability.

The Sustainable Development Way is focused on 10 global priorities and helps us deal effectively with risks and to identify opportunities for our business and the local communities to whom our success is linked.

SABMiller's 10 priorities agreed at the global level provide us, in URSUS Breweries, with a clear framework for managing these issues and articulate what SD means.

In Romania we focus on three priorities that are material to all our operations - discouraging irresponsible drinking; encouraging enterprise development in our value chains; and supporting communities.

In line with SABMiller's policy, SD performance forms part of our senior managers' performance objectives and remuneration.

Credits

This report has been produced by Ursus Breweries SA management team with the support of an independent CSR & Sustainability consultant, Cristina Bălan.

We would like to thank to all those who have contributed to Ursus Breweries SD overall performance throughout the past years and to this report.

Feedback and suggestions

We look forward to hearing opinions from our stakeholders. For this purpose, please contact our sustainability focal point, Ms. Andreea Pâslaru.

Email: andreea.paslaru@ro.sabmiller.com.

Tel: 021.314.04.20 / Fax: 021.315.98.04.



Introduction

In this section:

Statement from the President of the company

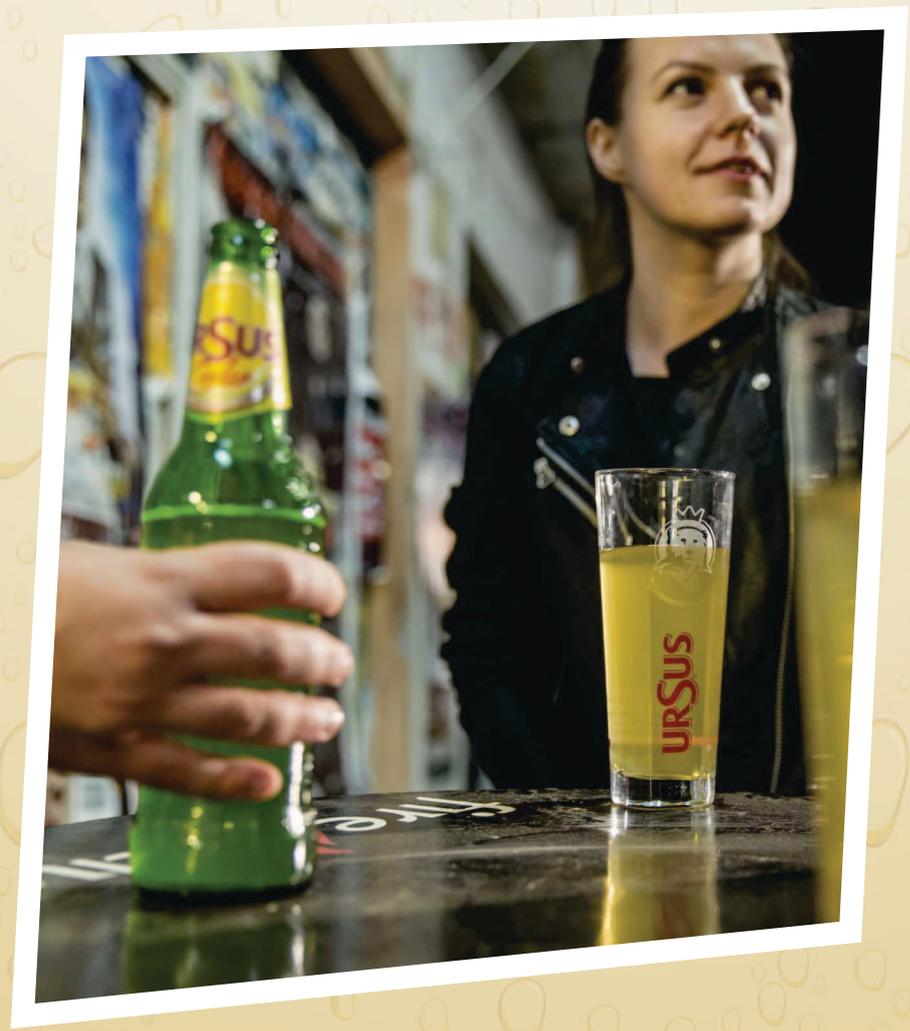
Our market at a glance

Our company

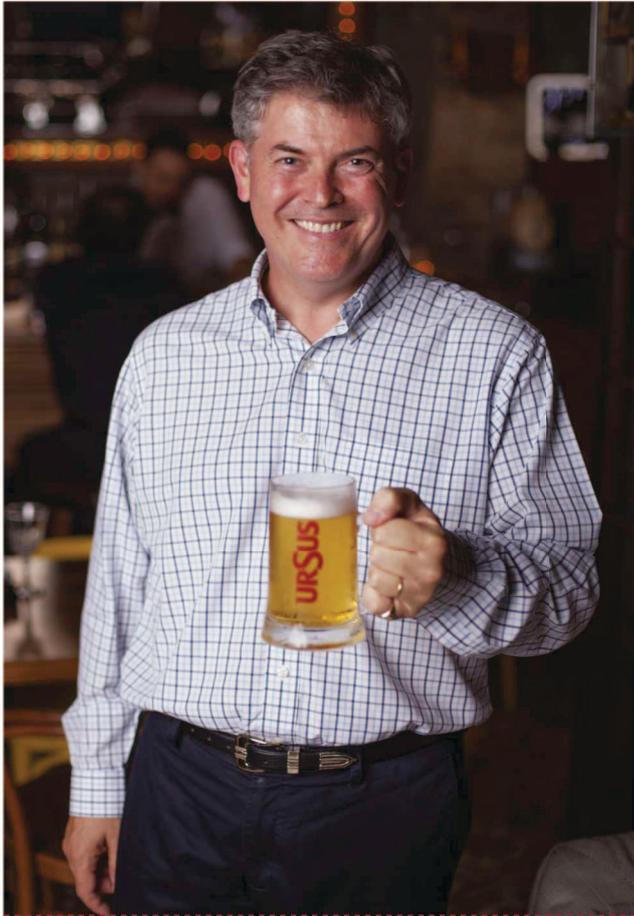
Our good governance

Our sustainable development approach

Our stakeholder engagement approach



Statement from the President of Ursus Breweries



“ I am pleased to introduce you the second Ursus Breweries Sustainable Development Report, still the first issued in accordance with Global Reporting Initiative (GRI 3.1) and the UN Global Compact reporting principles. ”

Andrew Highcock,
President of Ursus Breweries

We have a clear **vision – to be the most admired company in the Romanian beer industry** – thereby an obligation to create a sustainable business and contribute to the local economic growth, while generating returns for our shareholders.

We have a **strategy, known as the Sustainable Development Way, and ten global priorities:**

- discouraging irresponsible drinking;
- making more beer, but using less water;
- reducing our energy and carbon footprint;
- packaging, reuse and recycling;
- working towards zero-waste operations;
- encouraging enterprise development in our value chain;
- benefitting communities;
- contributing to the reduction of HIV/ AIDS;
- respecting human rights;
- transparency and ethics.

Of these, three are in our view material to the Romanian market: promoting responsible alcohol consumption; encouraging enterprise development; and bringing benefits to the communities we serve. For all priorities we keep track of our performance and are accountable to our stakeholders.

During 2012 (calendar year, as per Romanian legislation), we have recorded a robust economic performance: our company revenue increased by 15.8 percent, which allowed us to hire more people and invest more in their training and also to contribute more to the economy and society.

Ursus Breweries is a subsidiary of SABMiller and therefore we must also comply with the UK Corporate Governance Code. Our **Group Code of Business Conduct and Ethics** (the “Code”) that is distributed to

each and all our employees and that is publicly available at www.sabmiller.com

(http://www.sabmiller.com/files/pdf/code_of_business_conduct_and_ethics.pdf)

is a clear, purposeful and personal commitment to doing what is right. Our employees must adhere to the core principles of business conduct and ethics, which are set out in this Code. Honesty, integrity and fairness are expected in all aspects of our business.

One of our main responsibilities is related to alcohol consumption. Discouraging irresponsible drinking is our top sustainable development priority. Our six core principles on alcohol guide our daily business decisions. We operate within the limits of a Policy of Commercial Communication, which sets the standards for our marketing and sales communications. We have developed an online platform, www.desprealcool.ro, and a series of applications that are meant to provide our adult consumers accurate and balanced information about alcohol consumption.

Our employees – about 1,400 people of which close to a third are women – benefit from wages above the local average. They have access to training, excellent health services, career opportunities and are free to join any of our three unions. Their innovative ideas are encouraged and rewarded, and they identify themselves with our mission, vision and values. The fact that our staff turnover rate is low (less than 1.5 percent) and that we have people working in our company for more than 40 years are indications that we are a good employer.

We are proud to have led the way in contributing to sustainable development in Romania with various initiatives. We set ourselves an ambitious target: by 2015, to use only 3.5 liters of water for every liter of beer we produce. We were about to meet it: our F13 result is 3.53 liters of water / 1 liter of beer. The organic by-products from our brewing process are almost completely recycled. We invested about 2 million euro in energy efficiency projects and saved about 9,500,000 kWh in the past two years. Another priority was to make more use of renewable energy in our operations. The amounts of biogas we used from our wastewater treatment plant increased by 35.7 percent in F13.

We are not perfect and we know there is a lot more we should do. One area we need to work more on is packaging. We are determined to find innovative solutions and diminish the use of PET quantities through light weighting. Another area we need to fine tune is our stakeholder engagement process. We trust this report would serve as a starting point of discussion with our stakeholders (our employees, consumers, investors, authorities, NGOs and the media) and we would

incorporate their views and feedback in the next report. Last but not least, we are reporting one incident of breach of our anti-bribery policy. This was very seriously treated by us (the employment has been immediately terminated) and led to a series of measures aimed at introducing a relevant zero-tolerance policy.

.....

As a fully responsible business, we are the first beer company in Romania to issue a GRI report and committed to become even more transparent.

.....

As the main sponsor of the Romanian National Football Team and as a sponsor of the Romanian National Rugby Team we strive to be guided by fair play and honesty. That helps us to increase our positive impacts in the community and our clients to perceive us as a committed and fully responsible company.

We are committed to the progress of Romania by creating opportunities through helping individuals and businesses to prosper and grow. We support local suppliers to ensure the communities in which we operate participate in our growth and development. Our operations have generated last year more than 13,000 indirect jobs and about 1,400 direct jobs across Romania. Also, about 80 of our total production value was spent on good and services, having an important impact on our suppliers.

I hope you will take the time to discover how we demonstrate our performance and commitments to our 10 sustainable development priorities. We welcome your comments and feedback.

Thank you.

Andrew Ghisla

Our market at a glance



21.39
Population (millions)

17,882¹
Total size of beer market (hl 000)

84L²
Beer consumption per capita

The Romanian agricultural sector accounts for 7 percent of GDP, over 8 percent of total exports and 30 percent of the total employment.

Total grain output fell to 40 percent (2012 compared to 2011), the second largest decline recorded in the past 25 years. This followed a long series of phenomena like the floods in 2005, 2006 and 2010, and the extreme droughts in 2007 that affected the whole country.

The United Nations³ shows that extreme weather has impacted severely on the country's productivity and particularly on an already vulnerable agricultural sector, contributing to a more than harsh weakening of its contribution to GDP, resulting in a surge in food imports which has likewise increased the vulnerability of the country's external position.

Foreign Investors Council⁴ shows that inward foreign direct investment declined in Romania by 25 percent in 2012.

Domestic demand was held back by low consumer confidence, uncertainty about the future path of reforms, and limited credit growth. The negative trend of consumption was also felt across the beer industry⁵, beer production decreasing in all European Union markets, including Romania.

Table 1:
Beer production (000 hl)

Year	EU-27	Romania
2009	388018	17600
2010	384827	16920
2011	377512	16900

¹ Forecast figures for 2012 from Plato Logic, March 2013.

² Idem.

³ Millennium Development Goals – Romania, 2010. A report by the United Nations System in Romania, Government of Romania.

⁴ White Book 2013, The Future Starts Now. A report by the Foreign Investors Council.

⁵ Beer statistics 2012 edition, The Brewers of Europe.

EBRD's forecast in January 2013 for GDP growth in Romania was 1.4 percent.

With Romania's PPP adjusted per capita GDP at less than 50 percent of the EU average, says the Foreign Investors Council, the convergence potential of the Romanian economy over the medium term is quite high.

Fluctuation of exchange rates remains a significant risk given that part of our supplies and imports are invoiced in Euro, while we operate in RON. The risk is mitigated by a specialized Credit Risk Committee by closely monitoring the overall Eurozone risk and by concluding our contracts in local currency (RON).

With 35¹ Mtoe (million tons of oil equivalent) of energy consumed each year (2 percent of the total energy consumption in Europe) Romania is one of the lowest energy consuming countries in the world.

Approval of the mid-term plan for the deregulation timetable for energy prices and the implementation of the

EU third liberalization package for the gas and electricity markets by the Government of Romania have translated into increases in energy purchasing costs (electricity, oil, gas and heat).

The 2013 World Bank Doing Business Report ranks Romania 72nd out of 185 economies on overall ease of doing business.

Romania ranks 82nd out of 148 countries on the World Economic Forum's Global Competitiveness Indicator.

Transparency International's Corruption Perceptions Index places Romania among the most corrupt EU countries (66th out of 176 countries).

Romania reports one of the lowest unemployment rates in emerging Europe, says the FIC – 6.7 percent at the end of 2012 compared with 7.3 percent in the previous year – although labour force participation rates are low in comparison with most other EU countries.

¹ Global Energy Statistical Yearbook 2013, Enerdata.



Our company



1996

Our first year of investment

3

Number of breweries and a mini brewery in Cluj-Napoca

5,061¹

lager volume (hl 000)

Ursus Breweries SA, a subsidiary of SABMiller Plc (which owns 98.66 percent of company's stock), is one of the largest beer producers in Romania. We currently operate three large breweries (Brasov, Buzau and Timisoara) and a mini-production facility in Cluj-Napoca. Our operations also include bottling and packaging, and wholesale of beer.

Our vision

To be the most admired company in the Romanian beer industry.

Our mission

We inspire people to enjoy spending time together by building a vibrant beer culture in Romania.

Our values

- **Initiative:** We think and we act with responsibility.
- **Creativity:** We are curious and creative.
- **Courage:** We think and do great things.
- **Team:** Together like water, malt and hops.
- **Agility:** We are fast as the beer freshly poured in the glass.
- **Focus:** We go all the way with battles that matter.

Our SABMiller group strategic priorities

- creating a balanced and attractive local spread of business;
- developing strong, relevant brand portfolios that win in the local market;
- constantly raising the profitability of local businesses, sustainably;
- leveraging our skills and local scale.

¹ SABMiller preliminary results year ended 31 March 2013.

Our product portfolio

Our product portfolio includes the following brands: Ursus, Timisoreana, Ciucas, Grolsch, Peroni Nastro Azzurro, Redd's, Pilsner Urquell, Azuga and Stejar. The fact that about one third of Romanian customers choose to consume a beer produced by URSUS Breweries SA indicates their appreciation towards both the quality of our products and our performances.

Well crafted brands

Values / first produced / packaging



Ursus, known as the King of Beer in Romania, continues to represent **the national values**. It takes challenges and stands for: **ambition, evolution, strength and personal excellence**.

1878

NRB 0.33L, RLB 0.5L bottle, 0,33L can, 0.5L can, 1L PET bottle, keg 30L, keg 50L.



Timisoreana stands for: **common sense, honesty, hard work & integrity**. Everyone can have a fulfilling life if you respect these values. The best proof is our history & tradition.

1718

RBL 0.5L bottle, 0.5L can, 1L PET bottle, 2L PET bottle, 2.2L PET bottle, 2.5L PET bottle.

In Timisoara only: keg 50L, keg unfiltered 30L, tank beer unpasteurized.



Ciucas believes in ongoing development and has been dedicated to this creed for more than 100 years. It stands for: **authenticity, the real mountain spirit and relaxation**.

1892

RBL 0.5L bottle, 2L PET bottle, 0.5L can, 50L keg.



Grolsch is known as "the official beer of contemporary art" in Europe. It stands for: **the passion and courage of making things in your own way, creativity, originality and free form of expression**.

In Romania since 2010

Swing Top 0.45L; 30L Keg, 0.5L can.



Peroni believes in a style that comes naturally. It stands for: **passion, quality and image, the perfection of appearance and content alike**.

In Romania since 2005

NRB 0.33L bottle, RBL 0.5L bottle, 30L keg, 0.5L can.

Well crafted brands

Values / first produced / packaging



Redd's is not only an opener and leader of the flavored beers category, but it is also the first beer brand addressed directly to women. It is a 'taste-imonial' expressed by women in a beer world dominated by men and stands for: **attention to details, and exigencies.**

In Romania since 2008

NRB 0.4L bottle, 0.5L can.



Pilsner Urquell is a benchmark for lager beers and continues to be brewed based on the original recipe. It stands for: **self-confidence, transparency, things that are truly valuable in life.**

1842

NRB 0.33L bottle, 30L keg.



Azuga gathers at the same table all kinds of people each with a life story. It stands for **friendship, family, and joyful moments and is always close to you.**

1899

RBL 0.5L bottle, 2L PET bottle.



Stejar means an experience of an intense taste, well defined, which leaves no room for compromise. It stands for: **power, team spirit, fair play, courage, life principles and a code of honour.**

2005

RBL 0.5L glass bottle, 0.5L can, 2L PET bottle, 50L keg.

Good governance

Ursus Breweries is a joint stock company, administered in the dual system, based in Bucharest, district 1, 145, Calea Victoriei, floor 4-5, with the Trade Registry number J40/20456/2005 of 06.12.2005 and unique registration code 199095. Subscribed and paid up capital of Ursus Breweries SA is worth 26,568,425.70 RON.



As a subsidiary of SABMiller Plc, a company listed on the London Stock Exchange and Johannesburg Stock Exchange and a constituent of the FTSE 100, URSUS Breweries has complied throughout 2012 with the UK Corporate Governance Code.

Please visit www.sabmiller.com and read our 2013 group Annual Report for explanations on how we apply the UK Code.

Our **Group Code of Business Conduct and Ethics** (the “Code”), disseminated to every employee and publicly available at www.sabmiller.com (http://www.sabmiller.com/files/pdf/code_of_business_conduct_and_ethics.pdf), is a clear, conscious and personal commitment to doing what is right. All our employees must adhere to the core principles of business conduct and ethics, which are set out in this Code. Honesty, integrity and fairness are expected in all aspects of our business.

The Code is divided in four major chapters (Compliance and Business Ethics, Our People and the Work Environment, Customers and Consumers, and Society: Sustainable Development) and sets out our standards on key ethics and compliance matters, including policies related to protecting company interests and assets, relationships with business partners, customers, suppliers, and competitors, dealings with governments, respecting colleagues and communities, and data protection. The Code also explains the responsibility of employees to report wrongdoing.

The Code is supported by many policies already in force. ▶ Employees can visit the HR Portal on the SABMiller website, where they find the Code and applicable Corporate Centre and Groupwide policies, and provide recommendations to the members of the Board. **Read more on our corporate governance.** <http://www.sabmiller.com/index.asp?pageid=90>



URSUS Breweries financial statements are consolidated into the financial statements of our parent company and are prepared in accordance with International Financial Reporting Standards. **Read more about our reporting.** <http://www.sabmiller.com/index.asp?pageid=75>



Figure 1: Operational structure of Ursus Breweries SA



1.

1. Andrew Mark Highcock
President



2.

2. Tiarnan Ó hAimhirgin
Vice President S&D



3.

3. Mihai Barsan
Vice President Marketing



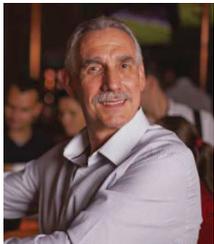
4.

4. Cristian Popescu
Vice President HR



5.

5. Simon Fearnhead
Vice President Finance



6.

6. Alan Sikora
Vice President Technical

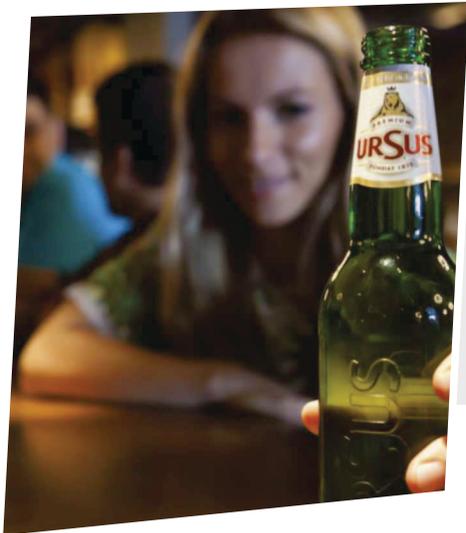


7.

7. Diana Klusch
Corporate Affairs Director



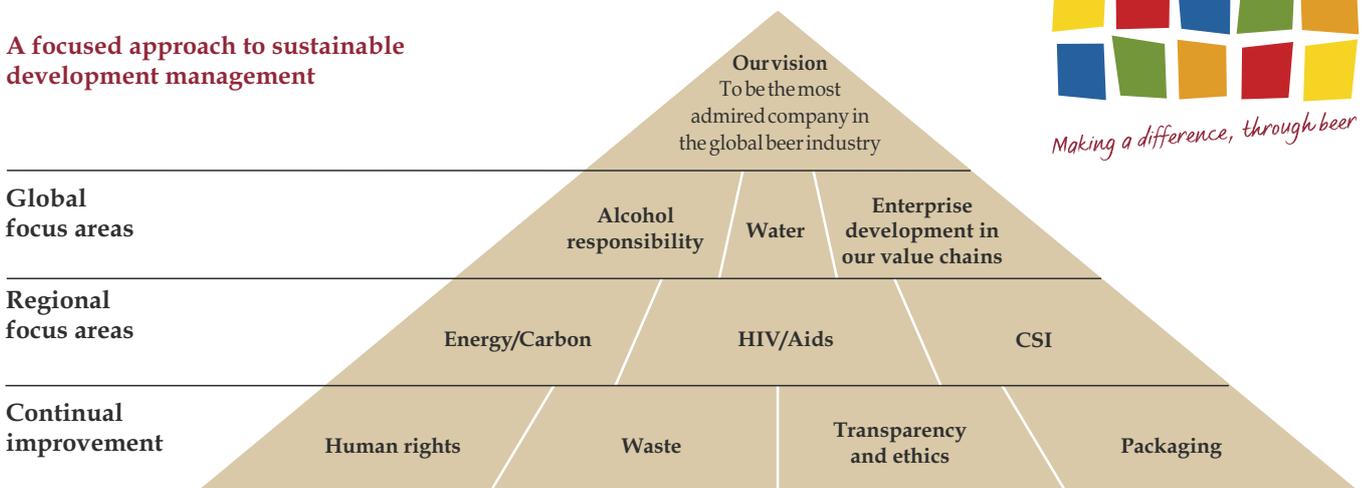
Our sustainable development approach: 10 priorities. One future.



Our 10 sustainable development priorities developed at the SABMiller group level help us focus on what is important both globally and locally and to build sustainable development into our business planning and future growth. They provide a consistent framework for managing our most significant social, environmental and economic impacts. They help us deal effectively with risks and identify opportunities for our business and the communities to whom our success is linked.

Figure 2: SABMiller sustainability matrix: 10 priorities. One future.

A focused approach to sustainable development management



Discouraging irresponsible drinking

As one of the world's largest brewers, we believe our beer adds to the enjoyment of life for the overwhelming majority of consumers, who drink responsibly. We care, however, about the harmful effects of irresponsible alcohol consumption on individuals and society.



Making more beer, but using less water

Water quality and availability are under threat in some parts of the world. We aim to be more efficient in our water use, understand our watersheds and engage with our suppliers. This will cut costs, reduce risks and benefit local communities.



CO₂

Reducing our energy and carbon footprint

We are beginning to understand which parts of our value chain create the most emissions, helping to target our reduction programs. We use energy to produce our products. We must become more efficient, manage our carbon footprint and explore cleaner sources of energy. This will save money and resources and reduce our greenhouse gas emissions.



Packaging reuse and recycling

Packaging protects our products but has wider environmental impacts. We are reducing the weight of our packaging, reusing bottles and encouraging recycling, thereby saving money and raw materials and reducing pressure on local waste services.



Working towards zero-waste operations

Zero-waste from our breweries is now becoming a possibility. Much of our waste can be a valuable resource for farmers and food producers, as well as be a potential energy source. We aim at minimizing the amount of waste we send to landfill, therefore at saving money and reducing our environmental impact.



Encouraging enterprise development in our value chain

We recognize that our influence extends beyond our own immediate operations to include those of our value chain partners such as raw material supplier or our product distributors. Encouraging enterprise development in our value chain is one of our local priorities.



Benefiting communities

The prosperity of the communities in which we work and of our operations are co-dependent. Our corporate social investment activities aim to improve the quality of life for local people, helping to build strong relationships with suppliers, consumers and our employees.



Respecting human rights

We conduct our business with respect for national values and local laws, norms and traditions. We promote international values, especially the UN Universal Declaration of Human Rights and the European Convention on Human Rights.



Transparency and ethics

We are committed both to transparent sustainable development reporting and to high ethical standards in general. External stakeholders can easily access information that enables them to assess our performance against stated values and make informed judgments about our business. We will further improve our reporting in response to stakeholders needs.



Contributing to the reduction of HIV/AIDS

We are working to contribute to the reduction of HIV/AIDS within our sphere of influence. The HIV/AIDS pandemic is particularly relevant to our operations in Africa, but we are fully aware that the number of new HIV infections in Romania has increased in 2012 to 31¹ percent of the total registered infections. We have programmes in place for our employees, their families, local communities and suppliers and we are ready to share our experiences.

¹ Data from ARAS (Romanian Anti-HIV Association), www.arasnet.ro.

Out of the ten priorities listed above, three are particularly important to us in Romania – promoting responsible alcohol consumption; encouraging enterprise development; and bringing benefits to the communities we serve.

Keeping track of our performance

Developed by SABMiller to explore our business performance across the 10 sustainable development priorities, the Sustainability Assessment Matrix (SAM) enables us to measure the progress of our local operations. For each of our priorities there are five levels of performance (see Table 2). The SAM reporting tool shows us our performance against these levels.

In addition to the level assessment scores presented below, we collect a wide range of additional performance indicators.

Table 2: Performance levels

5	Leading edge	Performance that represents genuine global leadership on an issue.
4	Best practice	Achieving what is currently considered to be global best practice in a particular field.
3	Developing leadership	Applying a comprehensive approach including innovative tools and widespread engagement.
2	Progressing	Ensuring consistent performance is achieved in a particular field.
1	Minimum standard	All our operations must achieve level 1, or have a plan in place to do so, as it represents management of our key sustainable development risks.

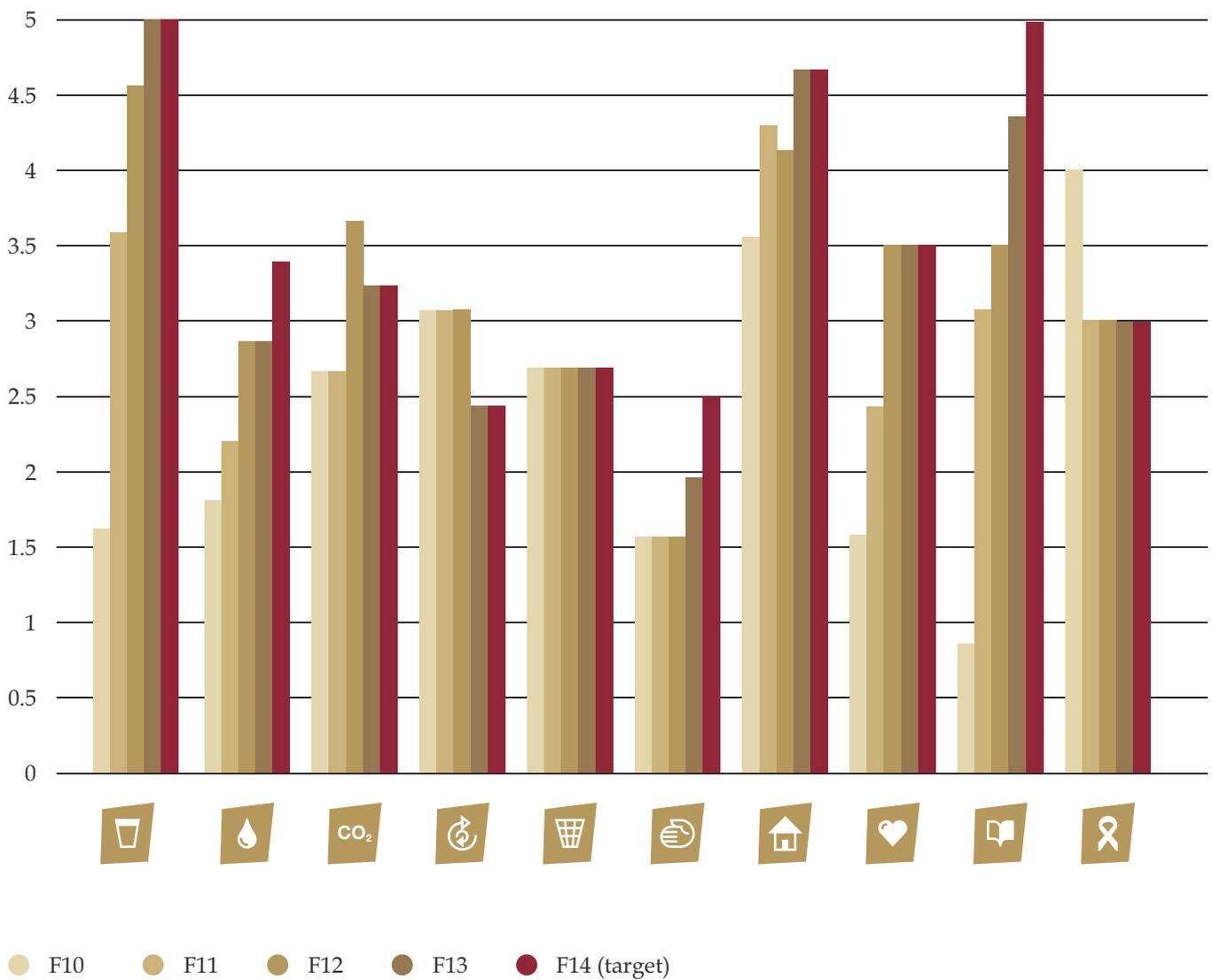
Table 3: Sustainable development: our targets, our progress

SD Priority / material issue	F12 results	F13 results	F14 target
Alcohol	4.65	5.00	5.00
Water	2.80	2.80	3.40
Energy and carbon	3.60	3.33	3.33
Packaging and packaging waste	3.04	2.41	2.41
Waste ¹	2.60	2.60	2.60
Enterprise development and value chain	1.58	1.91	2.50
Corporate Social Investment	4.30	4.60	4.60
Human rights	3.50	3.50	3.50
Transparency and ethics	3.50	4.30	5.00
HIV/AIDS	3.00	3.00	3.00

¹ Reported as waste recycled / reused or sold on (excluding hazardous waste).

Most of our scores increased due to our investment in training programs in alcohol policies (responsible commercial communication, employee behaviour, responsible consumption), to the financial impact of our company's Corporate Social Investment in communities and environment, to our first SD report (published in F12). Our environmental-friendly measures also increased our performance: we reduced our CO2 emissions per hl, and work on reducing the weight of packaging.

Figure 3: Sustainable development scores evolution (F10 – F13 and F14 targets)



Our Stakeholder Engagement approach

We, in Ursus Breweries SA, are proactively shaping up the future of our business by building long-term credibility, achieving balanced regulatory outcomes and leading our industry peers in alcohol responsibility initiatives.

Challenges

The changes and challenges that impact our shareholder value fall into three areas:

- Societal perceptions of our product and us as a brewer and marketer;
- Increasing regulation of alcohol marketing and availability;
- Structure and rates of product taxation and levies on alcohol sale.

A four-step approach

Our strategy includes activities and identifies supporting initiatives like issuing guidelines, templates, reference documents based on internal and external resources and case studies. Our planned outcome is to achieve a larger societal acceptance of our business.

Step 1: Strategic Context and Value Impact - This is where the key process of matching stakeholders to issues starts. We begin by establishing, understanding, and prioritizing key alcohol and license matters to trade related risks and opportunities, along with identifying those stakeholders impacted by and/or having the potential to be impacted by our business.

Step 2: Scenarios and Priorities - Once we have identified our strategic priorities, we move on to addressing alcohol and commercial license needs. We test various alcohol-related scenarios in the market. Any further endeavours are managed by group exercises.

Step 3: Strategic Initiatives/Action Plans - We create a plan and communicate actions.

Step 4: Monitoring performance and improvement - We evaluate our performance against the specific requirements of our action plan, ensuring that KPIs are achieved or adjusted.

Our stakeholder engagement is part of a wider, continuous engagement of the Romanian beer industry on agreeing a regulatory environment, which recognizes beer's rightful place in society and encourages fair competition based on transparency and shared responsibility.

The overall engagement covers the following areas:

1. Responsible alcohol consumption;
2. Taxation;
3. Environment/Packaging;
4. Trade.

The Industry's Status on Responsible Alcohol Consumption

The Brewers of Romania seconded by Ursus Breweries has organized regular meetings (usually once a year) with the Ministry of Health, the National Institute for Public Health, Romanian Traffic Police and National Audio-Visual Council. In 2012, our focus was on alcohol responsibility programmes implemented either by The Brewers of Romania or by Ursus Breweries.

Another subject of interest to the industry was the Code of Commercial Communication. Developed in partnership with the Romanian Advertising Council, the document is widely considered a good practice of the brewing industry's commitments to society.

The Industry's Status on Taxation

With The Brewers of Romania, we have organized quarterly or bi-annual meetings with the Government (Ministry of Finance, Ministry of Agriculture, Ministry of Economy) and relevant Parliament Commissions.

The level of alcohol excise was the industry's primary goal in terms of taxation and was driven as a joint effort. Naturally, due to the increase of the excise rate in January 2013, the frequency of our meetings with key Government/Parliament decision makers increased substantially.

The Industry's Status on Environment/Packaging

Ursus Breweries is working with The Brewers of Romania, ECOROM (an organization established by the industry to manage packaging waste recovery and recycling) and the Romanian Association for Packaging and Environment. In 2012, our main discussions with the Ministry of Environment and other relevant Government agencies tackled the status of recycling objectives and ways to improve waste collection.

Additional stakeholder engagement activities are coordinated by professional associations who Ursus Breweries is affiliated with.

Membership

We are members of the following professional associations:

- **AmCham Romania** (American Chamber of Commerce in Romania), a non-profit and non-political organization that promotes the commercial and economic interests of U.S., international and local business community in Romania.

www.amcham.ro

- **ARAM** (Romanian Association of Packaging and Environment), a non-profit association packaging and packed product manufacturers and importers in Romania. It implements integrated, transparent, cost-effective and efficient packaging waste management systems and supports reasonable solutions to reduce the packaging impact on environment.

www.aram.org.ro

- **BR** (Brewers of Romania Association), an industry leader that stands for 90per cent of the local beer industry, and a trustworthy partner of the national authorities, educating the public and promoting responsible beer consumption. All the member companies of the "Brewers of Romania" Association sustain and develop a business framework that promotes fair-play and ethics.

www.berariromaniei.ro/en/

- **BRCC** (The British Romanian Chamber of Commerce), not for profit organisation entirely membership owned and membership driven, with the mission to use its good offices and activities to increase British-Romanian business and investments.

www.brconline.eu/

- **ECOROM Ambalaje**, an organisation acting as an interface in fulfilling a public interest mission: environmental protection by observing the commitments to reach packaging waste recovery and recycling objectives.

www.ecoromambalaje.ro/en/

- **Foreign Investors Council** (FIC), the most influential body of foreign companies operating in the Romanian market, with a mission to stimulate Romanian economic development. Ursus Breweries holds a Board position in FIC.

www.fic.ro

- **International Advertising Association** (IAA) Romania is a tripartite integrated advertising trade organization representing advertisers, agencies and the media. Its members promote the benefits of advertising, brand building, protecting and advancing the freedom of commercial speech and consumer choice, and promote sustainable development initiatives across the industry.

- **Romanian Advertising Council** (RAC), an advertising self-regulation body whose activity is based on the Code of Advertising Practice, a set of ethical rules all those involved in advertising and any type of commercial communication abide by.

www.rac.ro/EN/

Our Business

In this section:

- Our priorities
- Key focus areas
- Best practices

1 in 3

Romanians¹ drink a beer produced by Ursus Breweries

70 percent

of the barley we use is produced in Romania

3

breweries

9

brands

10

sustainable development priorities

a 295

year long brewing tradition



¹ People aged over 18, as per Romanian legislation, estimation.

Our priorities

Encouraging enterprise development in our value chain is one of our 10 fundamental sustainable development priorities.

As a consumer goods company, we sell beer to Romanian consumers. Our business depends on the community in Romania.

Every day we make decisions about where to buy raw ingredients, equipment or services. Local businesses can benefit from our decision to buy products more locally and use the local workforce.

We understand that the more we use local resources, the more we reduce our sustainability impacts. Also, we feel that Romania has greater potential for economic growth when companies contribute to strengthen the economic environment.

Creating economic opportunities for small businesses near our breweries, training our suppliers and purchasing from the local market not only helps the local community, it helps our business, too. We benefit from not having to pay import duties, from having access to direct and secure supply chains, from acquiring quality services and securing innovation.

We believe that supporting the development of small and medium-sized enterprises will boost the local economy, improve public services (including healthcare and education) and bring work to the area.

F12	F13	Target F14
1.58	1.91	2.50

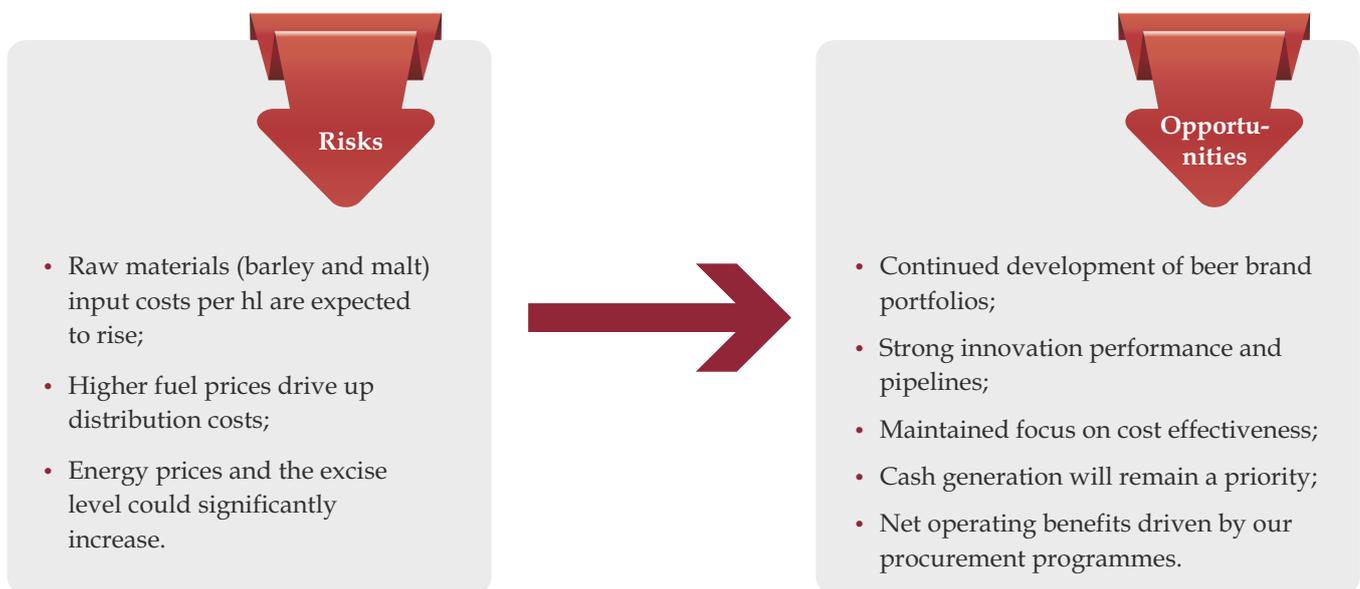
These scores are represented by our actions in the area of improving understanding and compliance of social and environmental issues in the supply chain and by continuing the projects we started in this area.

Our local approach to brand management does not preclude the global approach to generating the efficiencies necessary to invest for growth and local competitive advantage. We routinely test, update and reapply global standards and best practice across a range of disciplines, from technical standards and distribution, to marketing, sales, finance and people management.

Investments in our production units, commercial capability and distribution reach correlated with a growth of the beer market in 2012 and a focus on operating efficiencies helped us achieve growth in profit margins.

We generate value by maintaining a leading position in Romania and offering long-term growth opportunities, building and sustaining successful local brands as part of our comprehensive portfolio. We maximize the efficiency of our business and utilize our local supply chain to ensure that the communities in which we operate participate in our growth and development.

Figure 4: Risks and opportunities



Our ability to build and sustain long-term partnerships is a core strength of the business. We are engaged in a shared endeavour with institutions, distributors, retailers, suppliers and the community at large to support the social and economic development of the communities in which we operate.

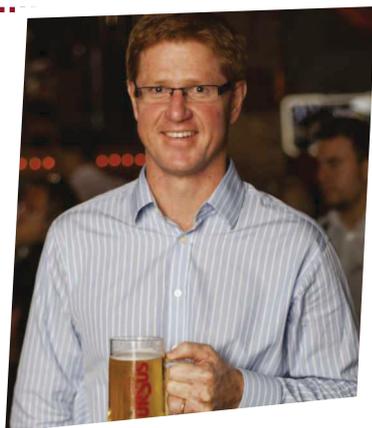


Constantin Bratu, General Manager,
Brewers of Romania Association

“ Romanian beer industry is a zero-evasion economic sector, with 98.4 percent of local demand being covered by products made in Romania. It is a national sector that generates 80,000 jobs created by strong companies willing to continue to invest, a market they are prepared to further develop.

Overall, until now the investments made by our member companies exceed 1.2 billion euro. The average annual amount of their investments is about 80 million euro.

Beer is one of the few national industries where four international and two national producers compete to each other. The sector is extremely competitive and has developed extensively over the past two decades. Both the know-how and the competition resulted in a double-fold expansion of the market and a constant increase in the quality of the products.



Simon Fearnhead,
Vicepresident, Finance, Legal, IT
and Procurement
URSUS Breweries

“ The decisions we take today impact the company in the future.

A first decision is to purchase as much as possible from Romania because we are a Romanian business. We have a global procurement function, which is based in Switzerland, but we try to buy our barley locally rather than importing it for two reasons: firstly, it is more efficient from a cost point of view to source it locally. Secondly enterprise development is one of our top priorities. Our local barley target is 70 per cent. We don't achieve the target every year as the local barley crops do not always meet our quality standards, but in 2013 the Romanian barley crop was excellent.

Another aspect we focus on internally is pack-mix. We sell PET bottles that have an environmental impact, and we work very hard on promoting returnable bottles, which have far less environmental impact.

The third target has more to do with ethics and integrity, and compliance. As a UK-listed company we comply with the British anti-bribery laws and the Romanian relevant legislation. We work hard on ethics, compliance and anti-bribery and have reported one breach of our anti-bribery policy.

We want to conduct our business here, in Romania, ethically and in compliance not only with the global laws (such as the Anti-Bribery Act UK), but also with Romanian legislation.

Our goals

Our financial goals have been set and agreed internally, and are always clear. In terms of procurement, we are looking at making sure that we have the right products ready, that we have suppliers and back-up suppliers in order to keep operations running. Over the next few years we are looking at bigger goals and we continuously ask ourselves – what can we do to compete more effectively and more efficiently in Romania? How can we offer a better product that is more appealing to our consumers? ”

Key focus areas

Our procurement policy

We work as far as possible with local suppliers (i.e. companies registered and located in Romania) and make all efforts to select those suppliers who share our values, our commitment to uncompromising quality and our passion for delighting our consumers.

Our rigorous supplier accreditation program assesses our prospective suppliers' compliance to our standards in terms of ethics, business governance, financial stability and where appropriate technical compliance. URSUS Breweries Procurement will only contract with suppliers who have been accredited to our global standards.

Our accreditation process requires our suppliers to be transparent about their business and sustainable practices and actively engage in our policies and processes with a combination of self-assessment questionnaires and possibly ethical and technical audits on site.

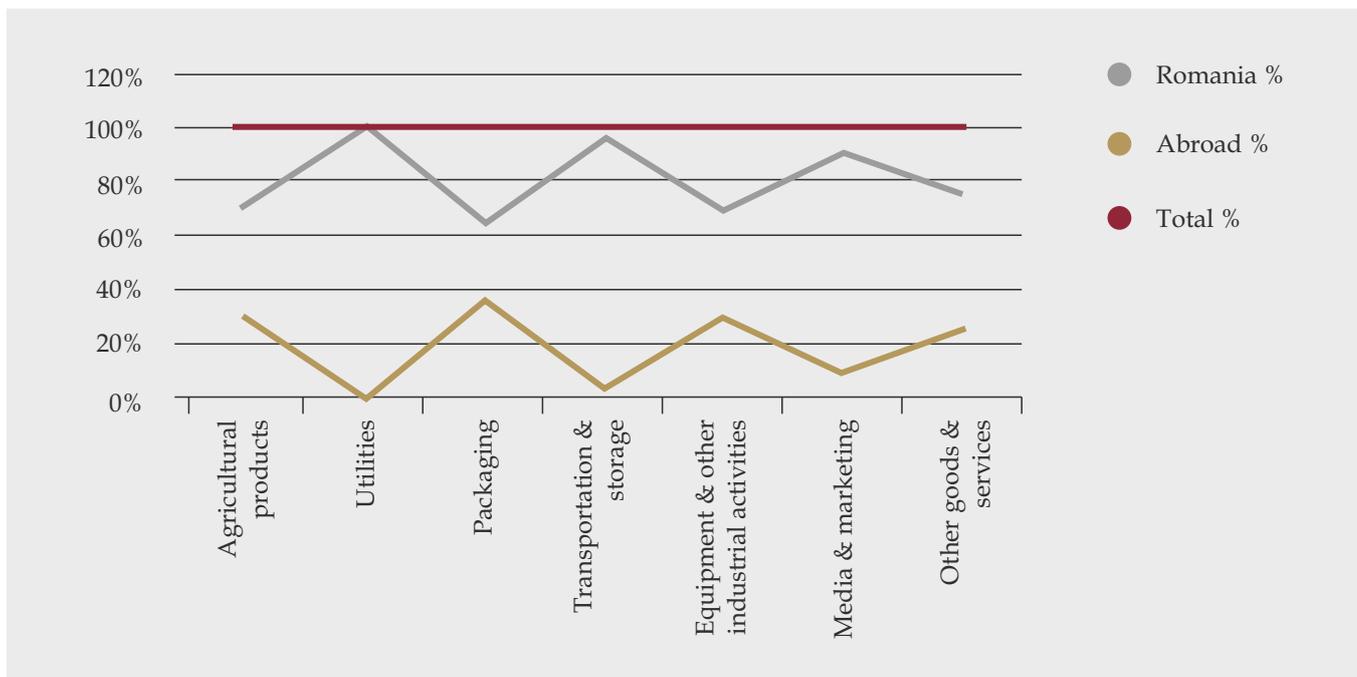
We build strong relationships with our key suppliers and we work with them to ensure that our global standards are continuously maintained. With our supplier

development initiatives, we support suppliers in building and strengthening capability where required.

Ursus Breweries' commitment to Sustainable Development is integral to the way we do business. We believe that we have an active role to play in driving social, economic and environmental improvements in our supply chain and ultimately help to improve our society at large.

We recognize that the long-term sustainable development of our suppliers is critical to our joint success. In our endeavour to build close and equitable business relationships with our suppliers, and actively select and favor those who share our values and our ethical commitments, we have formulated a **Supplier Code of Conduct and Sustainable Development Standards** (http://www.sabmiller.com/files/pdf/Supplier_Code_of_Conduct_and_Sustainable_Development_Standards.pdf). These standards cover the protection of Human Rights and Labour Standards, Transparency and Business Ethics as well as the reduction of our Environmental Impact.

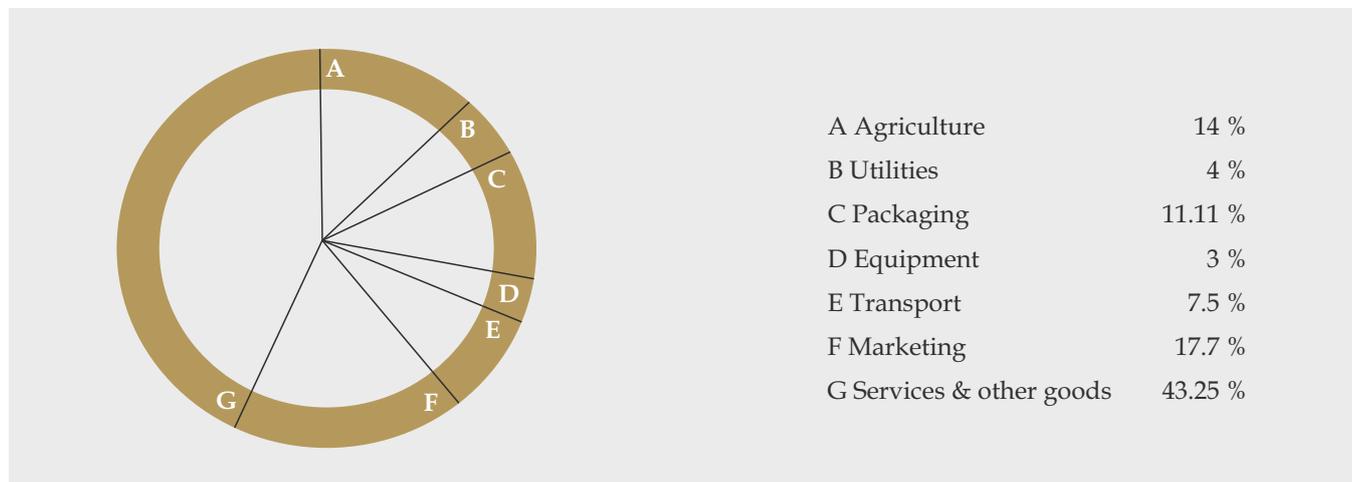
Figure 5: The origin of Ursus Breweries SA purchased goods and services in 2012¹



¹ Data from the 2013 Regioplan Policy Research and Ernst & Young study on the contribution of SABMiller to the European economy.

By spending 80¹ percent of the total production value on goods and services, our company has an important economic impact on local suppliers. The largest proportion of our local expenditures goes into the services and goods sector, marketing and agriculture.

Figure 6: Domestic purchases²



Procurement and fighting corruption in the value chain

We also expect our suppliers to act to ensure that our high anti-corruption standards are continually achieved. We have a group policy to fight corruption risk in our value chain and we require that our suppliers are not only compliant with all applicable legal and ethical standards, but that they are equally committed to stamping out corruption in any of its forms, including bribery, facilitation payments, extortion, money laundering and other illegal or unethical gratuities.

Procurement commitment to reduce environmental impact

We are committed to improve our environmental impact in all our breweries. We expect our suppliers to equally engage in an environmentally responsible and efficient manner in their ways of working, and to make best efforts to minimise adverse impacts on the environment. In addition, we encourage our suppliers to actively participate in projects that contribute towards our Sustainable Development Priorities, in order to jointly make a difference to our environment.

Supply management

We uphold URSUS Breweries values in our supply chain by encouraging our suppliers to adhere to the same high standards we set for our own behaviour.

Suppliers must adhere to all laws, embody and promote best practice in business operations, treat employees well, and respect the environment, as indicated in our Supplier Code of Conduct and Sustainable Development. The Supplier Code contains human rights and social standards, transparency and business ethics as well as environmental principles.

We actively engage with our suppliers at a very early stage in our procurement activities to ensure the Supplier Code is put into practice. In the years to come, we will ask our suppliers to register with Sedex (the Supplier Ethical Data Exchange) and complete a questionnaire on how they manage social and ethical risk in each of their sites. Existing suppliers will be required to submit updates on a regular basis.

In addition to helping our partners in the supply chain improve their understanding the compliance of social, environmental and ethical issues, we plan to better communicate our sustainable development priorities and Group Responsible Sourcing Guidelines to our suppliers, make reference to them in our future contracts and run a supplier risk segmentation.

Continuing the series of Ursus Breweries – suppliers joint projects, benchmarking them against other projects on the market and communicating our progress in the area will also increase our scores in the priority area Contribution to local Enterprise Development.

¹ Data from the 2013 study The contribution made by SABMiller to the Romanian Economy, Ernst & Young 2013.

² Data from the 2013 study The contribution made by SABMiller to the Romanian Economy, Ernst & Young 2013.

Figure 7: Sustainability in our value chain

Growing sustainably in our value chains

When we talk about ‘local value chains’, we mean the suppliers and businesses – both large and small – that contribute to our success in the markets where we operate

Beer is a local product typically brewed, sold and consumed within the same community.

We seek opportunities to drive economic growth and stimulate social development in these communities, while using scarce natural resources efficiently.

Most of our brewery waste is organic: spent grain and yeast are often used as animal feed on nearby farms. In some markets, including India, we use agricultural waste – such as rice husks – to fuel our brewery boilers.

Beer creates jobs within local communities: in Africa and South Africa we employ more than 24,000 people and support more than a million jobs indirectly through our supply chain and the distribution and retail of our beers.



Best practices

Evolutio – a route-to-market programme

Evolutio is multi-year programme aimed at providing our supply chain with expertise in marketing and management and has been developed as a win-win partnership between Ursus Breweries and its distributors.

Talking business planning, optimization or good governance to small merchandisers is a constant challenge. Many of them need our support in developing their commercial skills or understanding their responsibilities. Therefore we chose to design a programme that would support our distributors increasing their profits and would guide them through managing their clients.

The programme has three major pillars (transparency, honesty and communication) and focuses on five main areas: commercial skills, account prospecting, general management, financial planning, and chain management.

Evolutio started back in 2011 with 648 sales people for which we organized 175 training sessions. The program registered a robust growth over the past year and we can report we shared our knowledge to 1,400 people over 1,180 training hours.

Our approach is to constantly develop our distributors' skills, abilities and attitudes, monitoring results and measuring year-to-year impacts in the supply chain.

Leaders Academy/Leaders School

Leaders Foundation has created a series of educational programs meant to develop the leadership potential of young adults (18-25 and 25-35 years old) based on knowledge sharing, experiences and ideas. It uses innovative methodologies and themes tailored to anyone interested in leadership, no matter of age or experience. Last year, Ursus Breweries sponsored the participation in this program of six employees. They had the chance to interact with exceptional young leaders, learn from highly qualified trainers and meet top business leaders. Asked to evaluate the program, our participants said it has been very useful in identifying individual talents, testing the team spirit, meeting outstanding leaders and learning from their experience. They also considered the unconventional leadership teaching techniques as very useful in their future professional development.

Enterprise development
in our value chains



Our Employees

In this section:

- Our priorities
- Key focus areas
- Best practices

98.5 percent
the retention of employees

25 percent
of our employees have
a university degree

31.42 percent
of our people
are women

36 percent
of our staff are
union members



Our priorities

Respecting human rights and Transparency and ethics are two of our 10 sustainable development priorities.

Human rights impact on every aspect of our employees' lives, both at work and in the communities we operate. They are directly linked to access to health services, access to education, housing and strengthening communities. We are aware of the diverse local cultures in Romania and value the traditions across the country.

We have aligned our employment policies to international labour standards and are committed to respecting the human rights of our employees in the workplace and in the communities in which we develop our business.

As a subsidiary of SABMiller, we are a signatory of the UN Global Compact and are committed to conducting our business in line with the Principles of the UN Universal Declaration of Human Rights, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the ILO Core Conventions on Labour Standards and the UN Guiding Principles on Business and Human Rights.

Our internal set of Human Rights Principles cover issues such as: freedom of association and collective bargaining, safe and healthy working environments, fair and competitive wages and benefits, and intolerance of discrimination.

We are also committed to promoting human rights in our supply chain, something that is set out in our group Responsible Sourcing Principles.

Transparency and ethics underpins our approach to sustainable development and our business activity more widely. Our customers want to know that our beer is of good quality and is safe to drink. Our employees want to work for a company they know is honest and that tries to behave in a responsible way. Our suppliers want a fair deal and our local communities want to know that we try not to damage the local environment or the quality of their life. We also work with authorities and NGOs who need to trust us, too. All these people trust us, therefore we need to be transparent in everything we do, especially when we report on our activities.

Below are a few examples of how we understand to manage these two sustainable development priorities.

F12	F13	Target F14
3.50	3.50	3.50

These scores represent our actions in the area of human rights: employees' rights, trainings for personal and professional development but also health and safety.



F12	F13	Target F14
3.50	4.30	5.00

These scores represent the setting the targets for managing SD priorities for the next 3 years, through the process of SD Report preparation.



Key focus areas

Ursus Breweries employs close to approximately 1,400 people across the country. Our success is driven by each individual's contribution and we recognize the advantages of a diverse workforce with the right skills, commitment and motivation.

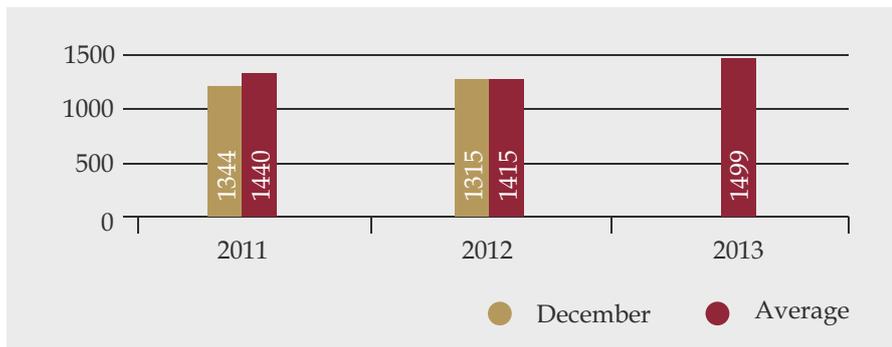
There is a wide spectrum of career development options in our company. We have implemented a talent management process that provides access to both internal and external (group wide) opportunities. All our employees (100 percent) receive regular performance or career development review, no matter their gender.

Each member of the Board is assessed twice a year (360 degree evaluation) to measure the performance of the business in the areas of strategy and planning, sustainability, risk management, tone at the top, measuring and monitoring performance, management evaluation, compensation and planning, disclosures, and board dynamics.

Each senior manager has an individual development plan and receives twice a year a 360 feedback over his or her performance and leadership skills. All other employees are subject to an annual performance appraisal and feedback. We encourage our people to develop their area of expertise thus enabling them to compete for senior management positions. Their training opportunities are aligned to our business strategy and are constantly reviewed in a way that increases their future employment alternatives. We are proud to report a retention of 98.5%.

We seek to treat all our employees and contractors equitably and with respect and to provide a safe working environment. We reward them fairly by providing a variety of benefits (both full-time and part-time employees have access to similar remuneration plans), along with opportunities to reach their potential and enjoy long, fulfilling careers with us.

Figure 8: Number of employees



We know people of different educational backgrounds contribute to a rich exchange of ideas: 25 percent of our workforce has undergone university studies while 27 percent of our people have finalized secondary studies.

All employees have the tools and resources required to guarantee human rights are respected and protected in our business conduct. We formulated both appropriate policies and regulative frameworks and also ensured that our policies and regulations are openly communicated to our staff, respected and carried out in our day-to-day operations.

The Future We Want

Rio+20 UN Outcome Document, Paragraph 51:

We stress the importance of the participation of workers and trade unions to the promotion of sustainable development. As the representatives of working people, trade unions are important partners in facilitating the achievement of sustainable development in particular the social dimension. Information, education and training on sustainability at all levels, including in the workplace, are key to strengthening workers' and trade unions' capacity to support sustainable development.



Best practices

Diversity / non-discrimination

Women are usually more affected by unemployment than man. The European Union¹ data shows, however, that this is not the pattern for Romania. In 2007, the unemployment rate among Romanian women was 5.4 percent, while the rate for men was close to 8 percent (7.6 percent). The gender gap has narrowed down by 2012, when these rates were 7.6 percent for male and 6.4 for female. Young adults (<25 years old) are the most affected group, the unemployment rate raising exponentially in 2012 and reaching a 22.7-percent peak of the unemployed compared to 5.6 percent rate among those aged 25-54 years.

We provide equal opportunities in employment without discrimination on grounds of race, religion and gender or any other arbitrary means. This includes the treatment of people with respect. In 2012, our workforce was on average 32 percent female based, 30 percent of executive positions being held by women and one woman being a member of our Board. We expect these percentages to increase in the following years, reaching the global targets.

In Ursus Breweries, 471 of the total number of employees are women. Our gender profiles show that women count for 49.7 percent of our workforce aged <30 years, 43.47 percent among those aged 30-50 years and 54.2 percent of those over 50 years.

Women hold about 47 percent of all management positions, while 26.7 percent comprise for non-management positions.

Out of the total number of employees taking paid parental leave in F13, 100 percent (13 people) were women. Nine of them (69 percent) have returned to work, while the rest have decided to leave the company. In addition, four employees entered their one- or two-year paid parental leave in F13, of which 75 percent are women.

Our focus:

- Performance management;
- Talent management;
- Positive working environment.

¹Eurostat, Unemployment statistics.



A study conducted by Ernst&Young in 2013 reveals that Ursus Breweries' operations have generated 13,300 indirect jobs across Romania.

As about 80 percent of the total production value of our company is spent on goods and services, we also have an important impact on our suppliers.

Approximately 1400 jobs directly created represent the effect of our activity.

Wages and hours

In line with our human resources policy and procedures, pay must not be lower than required by local law and the level paid must be within that of the industry. Each year, the gross average salary in Ursus Breweries was 150 percent higher than the national average salary. When we hire people temporarily, these incentives are pro-rated. Moreover, we recognize the allegiance of our staff and provide 5-year loyalty bonuses to each employee spending 5, 10, 15 or more years of their professional life in our company. Good performance is also rewarded through mechanisms such as awards programme and other means.

Employment / forced labour

Forced or compulsory labour is prohibited in our company. Employees must not be forced into voluntary labour, and coercion at work is unacceptable. Intimidation, in any form, or harassment has no place either in our company or in our supply chain.

Child labour

We respect Romanian employment legislation and operate in full accordance with the relevant ILO conventions related to prohibition of child labour. Although we have no control over our suppliers, no child labour incidents have been reported in our supply chain.

Freedom of association / Unions

There is a constant and constructive dialogue between workers and management.

Our people are free to join any of the three unions (covering our employees in Brasov, Timisoara and Buzau) representing their interests. Until now, 533 of our employees (35.56 percent) decided to become a union member.

Transparency and ethics

In order to better set the targets for managing our sustainable development priorities for the next three years, we have decided to initiate the process of a GRI report preparation. Once it is finalized, we plan to invite an independent panel of stakeholders to comment on our SD disclosures.

In addition to our Business Ethics Policy, in April 2012 Ursus Breweries has put in place an Anti-Bribery Policy. These two procedures are currently part of the induction process across all our units and 100 per cent of our newly hired employee must go through it. Moreover, all our employees (100 percent) are requested to commit themselves to disclose any information related to a potential conflict of interests. Any employee found to have breached this policy is subject to disciplinary proceedings and potential penalties include the termination of employment. Our entire workforce (100 percent) has been requested to sign an anti-bribery policy statement following an incident that has been signaled to us during the period covered by this report. Our management treated this incident very seriously and decided to immediately end the employment of that person. Formal anti-bribery training for certain categories of employees (marketing, sales and procurement in particular) will be developed, introduced and delivered in the near future. Also, as no corruption assessment risk has been performed in the past year, we plan to introduce this formal procedure in all business units.



To better respond to the local market requirements, we redefined our mission and set of local values. In August 2012, when the process was completed, we have invited all our employees to participate in a Mission, vision, values survey. Out of the 850 employees who participated in the review, 89 percent said they identify themselves with Ursus Breweries mission, vision and values (MVV) and 92 percent said the new MVV fits our company. In terms of performance recognition, about 60 percent of our employees considered that their line managers promote recognition for good or outstanding results. Also, over 50 percent of those surveyed felt their work is fairly appreciated and rewarded by the company.

However, one of the outcomes showed that our staff awareness on MVV is relatively low especially due to the lack of exposure of our technical and S&D (Sales and Development) staff to our MVV activities.

Based on these results and the comments received, we decided to further improve our internal communication by reinforcing and further explaining the values, by developing our Intranet (we intend to include a dedicated MVV section) and by running a similar survey in the first half of 2013.

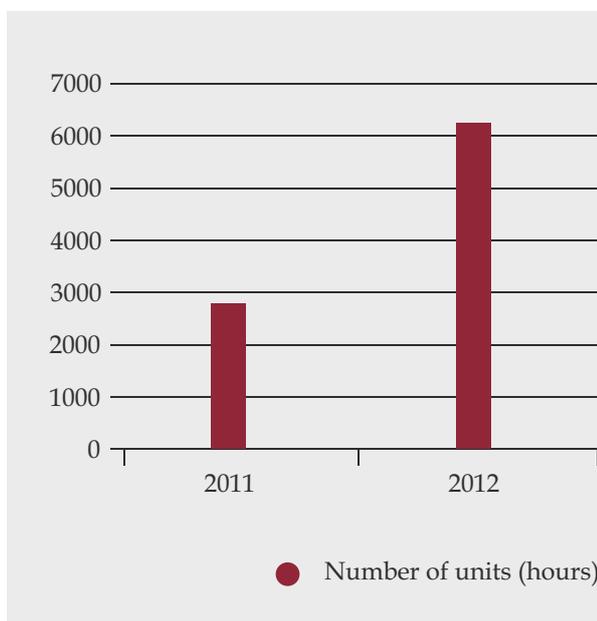
Working conditions

Our health & safety policies and procedures exceed local legal requirements. The abuse of drugs or alcohol in the workplace is forbidden and we provide adequate protection for the wellbeing of our employees through the provision of a safe and secure work environment. However, in 2012 a series of incidents in our workplace resulted in four work-related injuries and 112 days of absence (sick leave). Based on the lessons learned, we intend to introduce tailored health and safety training to employees at a higher risk of injury in our facilities, warehouse and sales staff who transport products.

Training

Every employee in the company takes part in the annual Individual Development Program (IDP), which is the main tool for assessing and planning employees training. The IDP identifies opportunities for recognition and advancement and reviews skills and performance. In 2012, we allocated 6,240 hours of training (an average of 4.16 hours of training per staff member, including courses, seminars, one-on-one instruction, and tuition reimbursement) to develop the capabilities and future potential of our people.

Figure 9: Training



Support and recognition

In order to enable our staff to balance their work and personal commitments and to manage workflow within our department more effectively, we plan to introduce the flexi-time scheme. Within agreed limits, that will allow our employees decide when they begin and end work and enable them to attend their domestic or other responsibilities.

Innovation Club

Is a new process that encourages innovation and improvement, and was implemented in our Buzau,

Brasov and Timisoara breweries. In Ursus Breweries, INNOVATORS are encouraged to make their ideas come true as this brings value to our company, helps us achieve our team and the individual objectives, and offers prestige and recognition to employees that come with new ideas, valuable ones. Innovation Club also creates a formal frame of recognizing innovators in which the ideas are analyzed, evaluated and implemented in the locations they come from. Thanks to the internal newsletter and the area dedicated to the Technical Department, the innovations are shared with every colleague in our company. It is our way of implementing good initiatives in all our factories in the same time.

Stakeholder commentary

In this section:

Stakeholder commentary



Stakeholder commentary

Florin Morosanu,
Executive Director,
Cluj Cultural Foundation

Ursus succeeded in mitigating the impact of shutting down their brewery in Cluj-Napoca two years ago. Given a significant contribution we received from the company, 90 percent of the citizens of Cluj-Napoca are aware that our city is competing for the 2021 European Capital of Culture title, and 80 percent of the people support this initiative. I would suggest Ursus to build up a social trust fund and invite NGOs to compete for financing. A challenge among NGOs would generate solutions that are more socially efficient in the long run.

Simona Serban,
Executive Director,
Cluj-Napoca
Community Foundation

Ursus proved a real interest in supporting the social entrepreneurship in Cluj. When a large business is gone, many small initiatives could develop. Ursus could further encourage the local entrepreneurship especially in IT, where our people have lots of potential and the return of investment is significant. They could also contribute to social marketing, and creative industries. Also, given that the municipality is currently drafting the next 7-year development strategy, Ursus could align their intervention plans to those priorities identified by our local authorities.

Mihai Petre,
Union Leader,
Brasov

From our perspective, Ursus Breweries priorities are the long-term economic performance and the safe and sound working climate. We would like our business to expand, to reach a larger market share, to increase the number of brands and products while keeping high quality standards. That will give our employees an assurance over their job stability. Of course, we would also like to see our salaries increased.

Quality is a key element of our business. We therefore need more investments. It's good to see that our management has already developed new investment plans for all three breweries. We are now waiting for the go signal.

Ovidiu Campean,
Communications Director,
Cluj-Napoca
municipality

Before Ursus stopped producing beer in Cluj-Napoca, the brewery was not only a local brand, but also a social presence. Our citizens were truly attached to Ursus as a trademark. By continuing to invest here, Ursus Breweries made their social footprint perpetual. Our city has a good academic reputation, therefore an increased investment in research and development projects, especially if they are related to water or renewable energy, could bring significant benefits to both the company and the community.

Prof. univ. dr. Lutas,
Vice-rector, Babes Bolyai
University of Cluj-Napoca

We are proud to partner with Ursus in offering our students private scholarships. The company worked with us along the selection process, and set the path for other companies in the city. We are delighted that students competing for these scholarships must prove they give their community something in return. Needless to say, we would like Ursus to engage our students even more in areas like market research projects, innovation initiatives, internship programmes.

Constantin Boscodeala,
Mayor of Buzau

Ursus Breweries is the largest investor of the city of Buzau. From 1996 onwards I have signed and authorized each investment made by SABMiller in our local brewery. Ursus Breweries is a significant contributor to our local budget and is very diligent in paying its taxes. Along its economic contribution, the company also brings in job opportunities and helps us keep the unemployment rate below 2 percent.

Ursus has an excellent national as well as international reputation both as a company and as a brand. Not only is it our largest investor, but it is also the vehicle that takes the city of Buzau on a long-term sustainability journey.

Dan Diaconu,
Vicemayor of Timisoara

The brewery in Timisoara is a vital economic element for our city. By creating direct and indirect jobs and by lowering the burden on our local budget, Ursus Breweries has a positive social and economic impact. Environmentally, the brewery is a model-to-follow for all companies in Timisoara.

The brewery is a crest; it is part of our local history. We would be proud to be able to turn it into a tourist attraction.

Ioana Szatmari,
Programme Director,
Community Relations
Association (ARC) Romania

It must be appreciated that a company like Ursus Breweries continues to invest in our community. In the long-term, they could expand their community and implement projects related to social marketing, or employee philanthropy and volunteerism. Also, they could make their community presence more visible.



Our Environment

In this section:

- Our priorities
- Key focus areas
- Best practices

35.7 percent

increase in the use of renewable energy against the previous year

3.53

hl of water for each hl of beer we produce

99.95 percent

rate of recycled organic by-products from brewing process

100 percent

of our hazardous waste is safely disposed of



Our priorities

Water, energy/carbon, waste and packaging represent the environmental pillar of our 10 sustainable development priorities.

Brewing beer uses lots of **water** not only in manufacturing process, but also in growing the crops it relies on. When water becomes scarce, the cost of collecting and supplying it increases, too. And this affects all of us. Managing water efficiently is one of the key ways we can protect local environments and the communities around our breweries.

We set ourselves a challenging target that by 2015 we will use only 3.5 liters of water for every liter of beer we produce.

We are all using **energy** every day, at work and at leisure. It is important that we understand its value and use it wisely as saving energy reduces our costs and makes the business more sustainable.

Using energy efficiently, investing in renewable energy sources or generating our own energy are key ways we can help to protect the environment. This will not only save money and resources, but it will also reduce our greenhouse gas emissions and our carbon footprint.

We have assessed our carbon footprint and beginning to understand which parts of our value chain create the most emissions. We have set ourselves the task of reducing the greenhouse gas emissions from our beer production by 50% per liter of beer producer by 2020. We are working with our suppliers to look for improvements throughout our operations.

F12	F13	Target F14
2.80	2.80	3.40

These scores represent the efforts made on water in all the representative areas: waste water management, water efficiency, water supply assessment, water foot printing.

F12	F13	Target F14
3.60	3.33	3.33

These scores represent the efforts made on energy in all the representative areas: Total energy use (electric+thermal), Renewable energy, Carbon footprint, CO2 emissions and other emissions.





The economic growth has led to an increase in the amount of **waste** being generated in Romania. There is now far greater awareness of the environmental impact of waste among consumers, manufacturers, local authorities and NGOs.

How we deal with our waste is becoming a critical issue. Traditional methods of burying or burning waste create significant environmental impacts.

There are strong financial incentives for us to use resources more efficiently, therefore minimizing the amount of waste we produce and finding alternative uses for it are the key ways we can protect local environments.

Packaging can be a cause of environmental impacts throughout its lifecycle. As the cost of raw materials continues to rise, we are forced to consider more sustainable packaging alternatives.

By reducing the weight of our packaging, reusing the bottles and encouraging recycling, we are saving money and raw materials, and reducing the pressure on local waste services.

Under SABMiller's new energy and carbon strategy, we seek to expand our use of packaging and access materials with a lower carbon footprint.

F12	F13	Target F14
2.60	2.60	2.60

These scores represent the efforts made on waste in all the representative areas: Waste generation and disposal, Waste management and waste minimization.

F12	F13	Target F14
3.04	2.41	2.41

These scores represent the efforts made on packaging in all the representative areas: Environmental impact analysis and recycling.

Key focus areas



Ursus Breweries has invested more than 2 million euros in energy efficiency projects

We are fully aware that our operations impact on the environment as we use natural resources (energy and water) and generate waste. Therefore, in line with our global strategy, we are committed to halve our CO₂ by 2020, to reduce our overall negative impacts and strive to constantly improve our environmental performances.

As part of Ursus Breweries risk management process, our environmental aspects are thoroughly assessed and mitigated as much as possible. Our technology is aligned with the ISO 14001 standards and we consider it is our obligation to make sure our facilities are as green as possible and are fully compliant with local law and meet European standards. In 2012, we were compliant with Romanian legal requirements in the environmental sector according to permits and zero penalties and sanctions.

Our climate change strategy focuses on seven elements: energy efficiency, switching to cleaner fuels, renewable energy and carbon trading that relate directly to our operations; and refrigeration and packaging manufacture. We collect data from our production

facilities and report bi-annually against targets via our global system. Before submitting it, our data is checked to reflect accuracy and comprehensiveness.

All investments we have made throughout the past two years have been aligned to our environmental policy and aimed at decreasing our direct impacts by limiting resource use and by efficiently employing sustainable technologies. Our target is to reduce the greenhouse gas emissions from our beer production by 50 per cent per hl of beer produced by 2020.

Ursus Breweries has invested more than 2 million euros in energy efficiency projects having one major goal: reducing the water and energy consumption. Most of our expenditures were allocated to air compressing equipment, adjusting cooling equipment to our production processes, thermal insulation, control technology to manage energy consumption, as well as cooling and ventilation systems of our production equipment.

Best practices

Energy

Brewing beer uses lots of energy not just in the brewing process, but also in manufacturing drink bottles and in chilling the finished product.

Meeting our targets is a key priority, therefore the investments made in financial year 2012 and financial year 2013 resulted in reduced electricity and heat consumption.

Our main initiatives to reduce electricity & heat energy consumption consisted of capital investments and operational improvements.

Several of our capital investments oriented for electricity and heat energy saving were implemented on refrigeration plant area, as follows:

Electricity:

- Ammonia drying system;
- Automatic air purging for glycol circuits;
- Natural ventilation.

Heat energy savings:

- Heat energy recovery system upgrade;
- Thermo-insulations;
- Higher efficiency heat exchangers.

Table 4: Evolution of emissions by type

Type of emissions	Financial year 2012 (tones)	Financial year 2013 (tones)	Year-to-year variance (%)
CO2 emissions (direct, indirect, aggregated electricity and heat)	35,841	34,967	-2.44
NOx + SOx	16.19	20.09	+24.1

We are focusing on increasing the percentage of renewable energy we consume. The amounts of biogas we use from our wastewater treatment plant as an auxiliary fuel for brewing increased by 35.7 percent (from 33,445,012 MJ in F12 to 45,405,665 MJ in F13).

Water

Water is a critical element into beer industry and we are fully aware that this essential resource is under threat. One of our challenges is to generate savings and make the most efficient use of existing water uses.

Our water strategy has been developed taking into account the complete water cycle in our breweries. Group wide, our 2015 target is to use no more than 3.5 liters of water for every liter of beer we produce. Our plants are designed for minimum water use and one of the options we have identified was the recirculation of cascaded water in machine cooling.

Table 5: Water consumption by year

Year	Financial year F12	Financial year F13	Evolution towards our goal	Target for the financial year F14
Hl of water / hl of beer we produce	4.18	3.53	+15%	3.49

Along with reducing the amounts of water we use, we discharge pre-treated waste water into the municipal sewage and waste water treatment plants of the cities our breweries are linked to. Our waste water is discharged to third party bodies and we have obtained written assurances that the waste water is treated in accordance with acceptable standards (COD ≤ 125 mg/l).

Water saving projects indirectly contributed to electricity and heat energy usage reduction.

Operational improvements significantly contributed to reduce water and energy usage. Primary focus was to optimize consumption according to the needs, cleaning in place installation being a priority. Subsequently, we oriented our focus for partial use of cascaded water on cooling applications, e.g. cooling towers, pavements.

Waste

Our two main sources of waste come from our brewing processes and our product packaging.

We focus on three areas: separating waste products to allow reuse or recycling, reducing the amount of waste we send to waste landfills and reducing the impact on the environment from the waste we dispose. Also, we have a sustainable approach to the design, use and disposal of packaging.

Our long-term ambition is to reduce the environmental footprint of our operations by creating a zero-waste brewing system. We valued spent grains into animal feed and last year the percentage of valued organic by-products from brewing process reached 99.95 percent. Across our breweries, 100 percent of hazardous waste is safely disposed of through incineration.

Packaging

Packaging can be a cause of environmental impacts throughout its lifecycle, from raw material manufacture to ultimate disposal.

Increased regulation of packaging and packaging waste such as the European Union Packaging and Packaging Waste Directive and higher costs associated with compliance are having a direct impact on our business.

However, packaging protects and ensures the quality of our products for the enjoyment of our customers and gives our beers a clear identity and branding. Minimizing the impacts from our packaging is one of the key ways we can protect local environment. By reducing the weight of our packaging, reusing bottles and encouraging recycling, we save money and raw materials and reduce pressure on local waste services.

European Commission:
 “If recycling rates
 can reach 70
 percent by 2020,
 an extra 162 000 jobs
 could be created
 in the EU.”

As a subsidiary of SABMiller, we have a detailed packaging strategy to ensure all our packaging materials are consistent in terms of their quality and environmental credentials. Based on our energy and carbon strategy, we also seek to expand our use of materials with a lower carbon footprint. We try to reuse packaging materials when and where we can, and increase our returnable bottle schemes as well as keg options throughout the country.

Over the last year, we have continued to embed and implement our sustainable strategy that includes actions aimed at promoting sustainable design, ensuring packaging is safe and fit for purpose, seeking opportunities to eliminate or reduce packaging and contributing to the achievement of water and carbon savings. These resulted in an increased use of returnable glass bottles by 4.1¹ percent, of aluminum cans by 23.55 percent, of nonreturnable glass bottles by 24.12 percent and of keg by 25.26 percent. We are fully aware that PET packaging has been on the rise during the last few years, but we have plans for PET light weighting which will aim to reduce PET usage.

¹Data calculated as financial year 2013 against financial year 2012.

SABMiller has developed a packaging target based on extensive research and benchmarking, which is planned to be launched publicly in 2014.



Stories we've inspired

In this section:

Stories we've inspired



Stories we've inspired

April

The most beautiful expression of love for Timisoreana was received in our brewery of Timisoara in April last year. We have received three letters from our elderly consumers willing to participate in our promotion even if they couldn't send a SMS because they didn't have cell phones. They couldn't register on the website the participating codes either because they didn't know how to do it.

Nothing seemed to stop them and their praise for our Timisoreana beer and they send us both the beer caps and labels in the most traditional way: by regular mail. For us, in Ursus Breweries, and for Timisoreana, their letters were the most beautiful love proof.

Grolsch created Experience Hotel, a space where there is no time and no limit. Fourteen experimentalists have been invited to test their creativity during a four-day experiment, trying to address the relation between time and creativity.

This experiment was inspired by a study undergone by Michel Siffre, known for inventing the human chronobiology. Siffre's most important discovery was that people develop a biological watch, independent from Earth's daily cycles. **Read more about this experiment and its results.** (<http://www.grolsch.ro/>).

May

On Saturday, May 12, our employees gathered in teams and joined Let's Do It, Romania!, the largest cleanup event in the country. About 300 people in Ursus Breweries contributed their time and energy, collecting 1,226 garbage bags and cleaning up five areas: Faget (Cluj county), Cariera (Brasov county), Ghiroda (Timis county), Hales (Buzau county) and Cioflnici (near Bucharest).

June

Ursus was the official sponsor and the brand supporting the TIFF (Transylvania International Film Festival). The event has attracted over years tens of thousands of film professionals and ageless fans.

TIFF is our way of inspiring filmgoers' community and an occasion to meet the people of Cluj-Napoca, the place where Ursus' heart beats. Keeping up with the tradition, Ursus offered again the 2012 TIFF best debut award, recognizing the talent of a storyteller early in his career.

Stejar Strong, Romanian Rugby's beer, supported for the sixth consecutive time the IRB Nations Cup, the most important rugby competition organized at Arcul de Triumf stadium of Bucharest.

Stejar Strong was on the stadium along all rugby supporters in the arena, supporting Romania's national team. We also launched a communication campaign aimed at promoting rugby as a sport, as a competition and as a strong relationship between Stejar beer and the 2012 IRB Nations Cup winner, the Romanian rugby team.

September

Timisoreana, the most beloved beer in Romania, took the story of the Romanian Football further, as the 3-year main sponsor of the National Football Team.

Timisoreana continues to be the sponsor of the Romanian Football Cup, a competition that has grown and become more than a run for a trophy. The 90-year history of the Romanian National Team, with its moments of pride and passion, passed from one generation to another just like Timisoareana beer.

Ciucas, the nature's favorite beer, celebrated its 120th anniversary. The story of this brand originates in Brasov, the nature's favorite land. Ciucas, a beer made of natural ingredients and blessed by nature's kindness, is best consumed in the middle of nature.

Our Brasov brewery opened-up its doors and the anniversary spirit was shared with 450 people – consumers and our employee's family members and friends.

November

Ursus Breweries was the winner of the "Resource utilization" section (industry/production sector) of the Green Business Index 2012 competition.

Green Business Index is a project that assesses and rewards environmental responsibility of companies in Romania. Overall, Ursus Breweries ranked third among companies considered as environmental-friendly.

Ursus Breweries also gained recognition in the "Waste Management", "Environmental Impact" and "Sustainable Development" sections.

December

December has brought great news for Ursus as we have launched a new packaging design. The King of Beer in Romania marked the end of an 18-month story of its new bottle. During this time, more than 50 people worked together, spending about 2,300 hours for making this packaging possible and for turning it into consumers' top choice.

January

That was the month when we draw a line to a one-year pilot project, Green Corners. Thanks to our employees in our Bucharest offices (headquarters and Frumoasa), we collected 30 kgs of used batteries and chargers, and 20 kgs of small appliances. The waste was later on properly recycled by Recolamp.

It is very important for us both as a company and as individuals to be aware of the waste we produce at our workplace and to try, as much as we can, to reduce our carbon footprint. A first step to succeed was to recycle.

Our Responsibility

In this section:

Our priorities

Key focus areas

Best practices

100,000 new visitors

accessing our online platform
www.desprealcool.ro

6

principles on alcohol fully applied

1 survey

1,005 young adults
(18-25 years old)

23 percent

of our staff participated in social initiatives

7-fold

increase in the number of people assisted socially by our NGO partners



Our priorities

Discouraging irresponsible drinking, Benefiting communities and HIV/AIDS are part of our 10 sustainable development priorities.

Alcohol abuse in any form is not in our interest. It can harm consumers and society, reflects poorly on our reputation and can become the basis for onerous restrictions.

Drinking alcohol is not appropriate for everyone, particularly those who are underage, pregnant women, driving or suffer from medical conditions. For those choosing to drink, alcohol can be part of a healthy lifestyle when consumed responsibly. Drinking too much, however, can affect the coordination and judgment, slow reaction times, accelerate the pulse or dehydrate the body. This can put people at risk of accidents or injury.

Discouraging irresponsible drinking is one of our sustainable development priorities on which we focus. We have developed six core principles on alcohol (listed in the following pages) and they guide our daily business decisions and our approach to promoting sensible drinking in the Romanian market.

F12	F13	Target F14
4.65	5.00	5.00

We make sure the information we provide about alcohol is accurate and balanced. To support this we work with independent experts and they keep the community and us up-to-date with evidence and issues of concern.

Our business follows a Policy on Commercial Communication, which sets standards for our marketing and sales communications. As a SABMiller subsidiary, we are part of the European Commission's Alcohol & Health Forum (EAHF) and we share common aims with the EU and the World Health Organization (WHO) in reducing the harmful use of alcohol.

Benefiting communities: We have a very good understanding of the challenges facing our consumers, workers and their communities and realize that our breweries and their local communities are dependent on each other. Therefore we want to strengthen these communities.

F12	F13	Target F14
4.30	4.60	4.60

Our purchasing decisions also have a social and environmental impact. We use our buying power to grow enterprises and the local community. Creating economic opportunities for small businesses near our breweries or bringing communities together around an event we organize or sponsor not only helps the local community, it helps our business, too.

We constantly support our local communities as we feel there is a greater potential for business growth where the local economic environment is strong. Our

Guiding Principles on Business and Human Rights:

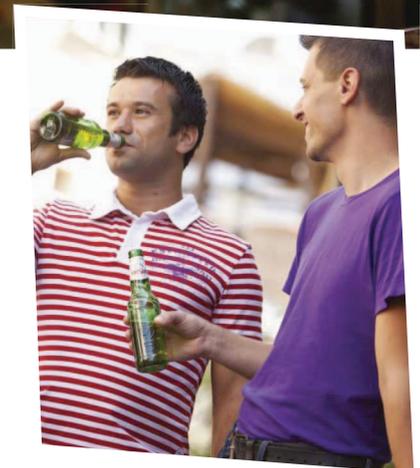
Implementing the United Nations "Protect, Respect and Remedy" Framework

"Business enterprises should respect human rights. This means that they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.

The responsibility to respect human rights requires that business enterprises:

- (a) Avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur;
- (b) Seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products or services by their business relationships, even if they have not contributed to those impacts."





corporate social investment (CSI) aims to improve the quality of life for local people, helping them to build strong relationships with suppliers, consumers and our employees. We focus on investing in local communities and a few examples of our best practices are detailed in the following pages.

Ursus Breweries invests over one million euro per year in sponsoring Romanian sports. We have partnered with the Romanian Football Federation and are the official sponsor of the Romanian National Football Team and of the Romanian Football Cup (Cupa Romaniei Timisoreana). We have partnered as well with the Romanian National Rugby Federation.

We are trying to make Romania more attractive to tourists and therefore invest in locations close to our breweries and regularly organize open-door events. Last year, our breweries in Brasov and Timisoara opened their doors to those interested to see how we brew their favourite beers.

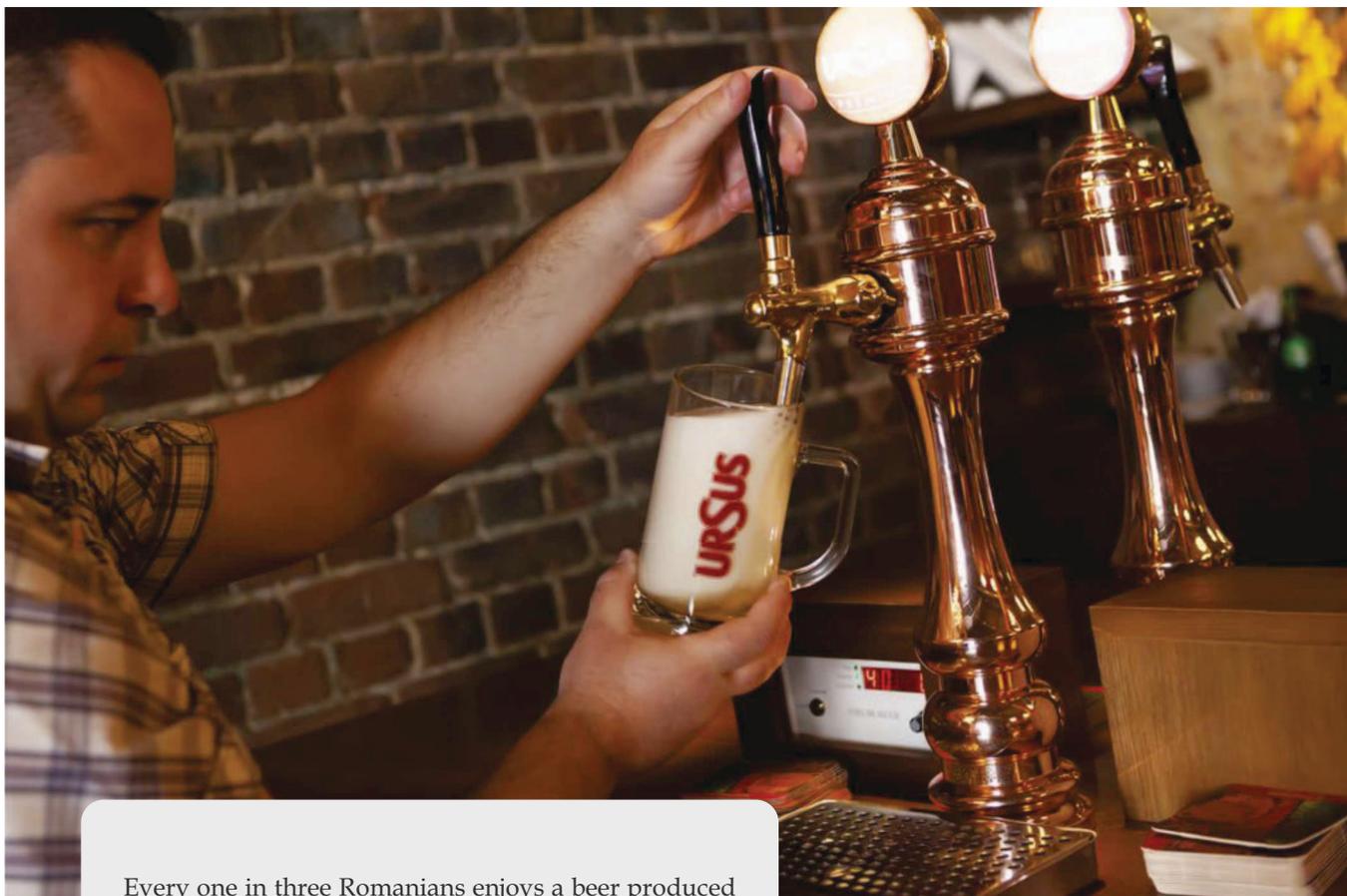
Contributing to the reduction of HIV/AIDS is an issue of particular importance to our investors as our group, SABMiller, has significant operations in Africa. HIV/AIDS has the potential to affect our workforce and people in the communities in which we operate.

F12	F13	Target F14
3.00	3.00	3.00

We are therefore working to contribute to the reduction of HIV/AIDS prevalence in order to ensure the wellbeing of our staff and the stability of our workforce.

Our approach is consistent across the group and is flexible enough to allow our operations to adapt and respond to local conditions. For this reason, we take into account the country prevalence percentage as documented on the UNAIDS Global Report, the particular nature of the epidemic in Romania and co-existing factors that could fuel the epidemic.

Key focus areas



Every one in three Romanians enjoys a beer produced by Ursus Breweries. While the vast majority of them drink responsibly, we assume there could be a small number who drink too much, putting themselves and the people around them at risk of harm.

The excessive use of alcohol associated with societal issues such as violence, drink-driving and underage drinking are a cause of concern both in Romania and around the world. According to the World Health Organization¹, half of the 2.3 million annual deaths from non-communicable diseases are from harmful drinking.

Romania is one of the four countries in the European Union that have legislated a zero-tolerance drink-driving level across all populations (general population, young/novice drivers and professional/commercial drivers). Also, it is one of the only two EU countries where indicating the pure alcohol content in percentage by volume on the beverage packaging is mandatory.

¹ Noncommunicable diseases fact sheet, March 2013, World Health Organization.

Best practices

Alcohol responsibility

Discouraging irresponsible drinking is one of our top sustainable development priorities. We are fully aware that only 10¹ percent of those at risk of becoming hazardous and harmful drinkers are identified.

Therefore, we have developed a solid and continuous programme – www.desprealcool.ro – that encourages consumers to take informed decisions about alcohol.

The website offers visitors accurate and balanced information about various aspects of alcohol consumption and is a source of information for all stakeholders interested in discouraging irresponsible alcohol consumption. It includes education and information campaigns, health promotion initiatives, self-evaluation quizzes, suggestions of control mechanisms and mobile applications useful in planning a responsible party.

In terms of effectiveness, over 100,000 new visitors have accessed www.desprealcool.ro in the past year, representing a 35 percent increase in comparison with the previous year. Also, 10,076 users have downloaded our 0 per mille mobile application.

Figure 10: Six principles on alcohol

Our six principles on alcohol help guide the decisions we make every day. They are:

- Our beer adds to the enjoyment of life for the overwhelming majority of our consumers;
- We care about the harmful effects of irresponsible alcohol consumption;
- We engage stakeholders and work collectively with them to address irresponsible consumption;
- Alcohol consumption is for adults and is a matter of individual judgement and accountability;
- Information provided to consumers about alcohol consumption should be accurate and balanced;
- We expect our employees to aspire to high levels of conduct in relation to alcohol consumption.

Control Generation

Control Generation, our initiative launched in October 2012, was based on the results of a survey among 1,005 young adults (18 – 25 years old). The study revealed that 41 percent of those interviewed exercise a certain level of control over their colleagues and friends consuming alcohol, while 25 percent said they didn't consider they should stop one of their peers when abusing alcohol. According to the survey, young adults are extremely careful about their online image, 20 percent of them saying social networks have a significant impact over their life. As they admitted their online profiles reflect their “wanna-be”, not their own personalities. Control Generation offers them a set of instruments – among them a Decision Maker Quiz – useful in safely navigating the Internet, taking well-informed decisions and reminding them that alcohol can also harm their reputation.

¹ Evidence for the effectiveness and cost-effectiveness of interventions to reduce alcohol-related harm, WHO, Regional Office for Europe.

Control Generation has turned into the most 'in control' online community. Control Generation is a vibrant call to a well-balanced life-style spiced up by responsible parties and mature life choices. This new communication tool added to our community 9,495 new users in less than a month, reaching 48,000 people.

Hai la Petre

Hai la Petre is a party-planner web application. It is available for download on our www.desprealcool.ro website and can be used by any member of our online community.

Petre (the first five letters of the Romanian word petrecere, in English party) is the character helping our customers organize a responsible party.

In June and July 2012, this app turned more interactive and helped our users compete in organizing the most responsible party in their neighborhood. Young adults having a Facebook account could invite as many friends in their Facebook list as they wanted, come up with a joint music playlist and print out a shopping list generated by the number of friends' confirmations. Petre helped them organize the party and increased our online engagement rate (Facebook and website combined): in less than a month we had 2,540 app users, 1,541 parties and 1,089 accepted invitations.

We also created a special Petre application for the winter holiday season.

Hai la Petre de Sarbatori

Hai la Petre de Sarbatori had one major objective: discouraging irresponsible drinking during the winter holiday season when most of car accidents caused by drink-drivers aging less than 25-year old occur.

The app functioned similarly to the previous one, except that our website users could issue personalized invitations via our www.desprealcool.ro platform. In less than a month, the app registered 369 impressions, 250 users and 257 party confirmations.

Zero per mil (Zero la Mie)

is another application developed by Ursus Breweries for www.desprealcool.ro website. It comes in both desktop and SMS, and can be also downloaded from the AppStores for iOS and Android. Zero la Mie reminds Romanian drivers that the legal limit of blood-alcohol content in Romania is zero. Based on the user's sex, height and weight, the app calculates how much time should a person consuming alcohol stay away from the driving wheel before the blood-alcohol level falls into the legal limit. The interest towards this application exceeded our

expectations: on February 19, 2013, Zero per mil was the number one app downloaded from AppStore Romania (7,000 downloads).

Ongoing content contributors

The blog section of our www.desprealcool.ro website benefitted from posts written by key media figures and experts such as Cabral, Cristina Bazavan, Vlad Petreanu, Serban Damian, Gyorgy Gaspar, Bogdan Nicolae and Daniela Gheorghe. The topics varied from alcohol and sports to nutrition and lifestyle. In less than a month we run 62 blog posts shared 103 times. Also, the website registered additional 10,231 users.

Facebook content Yes

Building up a strong community around our mission and values and communicating responsibly were always high on our strategy. Therefore we have further enhanced our Facebook page by posting fresh information and relevant experiences related to alcohol consumption. The quality of data increased our engagement rate each month, counting for a 50,000-fan monthly reach.

A Like that matters

Once the official Ursus Breweries Facebook page was launched, we decided to link it to a Christmas CSR cause. For every new Facebook user liking our page during the Xmas week, Ursus Breweries bought an Xmas card made by a child of a disadvantaged family. All the money we raised went to Hope and Homes for Children (HHC Romania), supporting families in need.

Hint me!

www.desprealcool.ro expanded via Twitter with an interactive competition. In March 2013, we launched a weekly contest that linked our website with the Twitter account. We rewarded every right answer on Twitter given to a question related to alcohol that was posted our website with a Control Generation kit.

Our employees are also part of our alcohol-related initiatives, too. We run two training programmes aimed at explaining our staff what are our alcohol principles, our policies and issues of concern at the market level. They are trained and encouraged to share their knowledge with their peers, explaining the basic principles of responsible drinking. Our commercial and marketing teams, as well as partner agencies, attend a one-day training – Alcohol Intelligence Quotient – where they learn how to apply our six principles of alcohol in all our communication campaigns and messages.

In addition, Ursus Breweries assumes the responsibility of setting and respecting a set of self-regulatory principles

that apply in all activities of building, communicating and selling its brands. These principles have been developed across the SABMiller group and equally apply in all countries where the group operates.

As member of Brewers of Romania Association, Ursus Breweries supports the beer industry efforts to promote a responsible behavior towards the consumption of alcohol, reflected also within the principles of the association's Code of Commercial Communication. In this sense, anyone, a person, an organization or entity of the State, may refer to us in relation with any possible deviation or breach of the principles of Ursus Breweries' Policy on Commercial Communication, by submitting all the

relevant and necessary information related to the case at: comunicare.comerciala@ro.sabmiller.com.

For lodging a complaint correctly, therefore simplifying the registration and its resolution, submitters are invited to explain clearly and concisely their complaint mentioning elements that are in breach of the Policy on Commercial Communication, the provisions that Ursus Breweries' Commercial Communication may infringe, and giving proper indications where they have seen the commercial communication (e.g. the TV or radio station, day and hour; the date, name of the publication, the page and the title; or a link to a website.)



Social efficiency

Contributing to our local community is both an opportunity and a responsibility. It helps us inspire employees, assist beneficiaries, improve our reputation, and meet our obligations.

A study prepared by the Association for Community Relations (ARC Romania) in 2012¹ certifies the efficiency of our social investments.

¹ London Benchmarking Group (LBG) Data analysis report, ARC Romania 2012.

Figure 11: Ursus Breweries social efficiency by numbers

- Each person covered in 2011 benefited from a 7 RON financial, time and in-kind contribution from our company.
- Each 12 RON invested by Ursus Breweries in communities were matched by a 1 RON investment made by our employees.
- About 23 per cent of our staff participated in social initiatives, volunteering an average of 6 hours / person.
- The total number of people assisted socially by our NGO partners increased by 7 times compared to the previous year.

Last year, Ursus Breweries and ARC Romania have also evaluated 3 corporate social investment projects using the SROI (Social Return on Investment) methodological principles as defined in SAM SROI Guidance Note and **A Guide to Social Return on Investment** published by the SROI Network¹ organization. (<http://www.thesroinetwork.org/sroi-analysis/the-sroi-guide>).

SROI ratio equals:
Impact value /
Value of
investment
= 1.8

The first project was the scholarship programme we organize in partnership with Babes Bolyai University of Cluj-Napoca, ranked 601st in the World University Rankings 2012. Its main goal was to increase the level of student participation in their local community life and promote volunteering among students. The winners of the 10 annual scholarship have been selected by University officials not only based on their academic records, but also on their contribution to any community-related projects. **Read more about this project.** (http://centre.ubbcluj.ro/fundraising/burse_ursus/)

SROI ratio equals:
Impact value /
Value of
investment
= 2.15

Secondly, we have evaluated Leaders Academy / Leaders School. These included a series of lectures, case-study debates and practical exercises and are aimed at developing and strengthening leadership skills of young employees and students, and promoting entrepreneurship and leadership skills among young adults. **Learn more about this project.** (<http://www.desprealcool.ro/campanii/leadership-school-leadership-academy-7/>)

SROI ratio equals:
Impact value /
Value of
investment
= 2.22

Last, but not least, we have assessed our employees' participation in the Let's Do It, Romania! annual event. This is a largest countrywide one-day cleanup initiative aiming to collect tones of rubbish dumped in public spaces, mainly protected areas. In September 2012, our employees located in the cities we operate in volunteered 1,735 hours to Let's Do It, Romania!, contributing to the national 35 percent recycle rate scored by the event. **Read more about this project.** (<http://www.letsdoitromania.ro/>)

¹ SROI is a framework based on social generally accepted accounting principles (SGAAP) that can be used to help manage and understand the social, economic and environmental outcomes created by your activity or organisation.

Beer sips

In this section:

Beer sips



Beer sips

Simon Fearnhead,
VP for Finance

Enjoyment – that's what I'd like it to contain. If it does contain that, everything else (i.e. finances) will sort itself out. If it doesn't incorporate some fun and friendship, financially we will struggle to be profitable and to be here for the long term.

Cristian Popescu,
VP for Human Resources

My glass of beer is a reference. It has a bit of employee engagement, talent management, and productivity. There is also a lot of pride in there because we make the best beer and we trust that its quality will be the same 100 years from now.

Diana Klusch,
Corporate Affairs Director

In my glass of Ursus, Timisoreana, Grolsch or Peroni you can find first of all a lot of passion and story. I have always been fascinated by the way that my brewers colleagues talk about beer, the love and passion they put in their words, it is like talking about a dear and close person. In the fresh, crispy taste of beer I find their enthusiasm and their joy. The beer in my glass has the taste of nature, the one who gives us the richness of the ingredients or the one we protect through our actions. The beer has the taste of team spirit and of working together, because many people work together to put one glass of beer on the table: the farmer, cultivating the needed ingredients, the brewer, proud of his beer tradition, the marketing, communication and sales specialists, building aspirational brands and putting the product on the shelves, the finance and human resources people, the waiter who puts your cold beer on the table with a smile, just to mention few of them. And not of the least, in my glass of beer you can find the satisfaction of seeing joyful and responsible people around a pint, the contribution we bring to the development of our communities and having interesting and interested stakeholders to find out about the positive difference we can make through beer.

Dan Diaconu,
Vice mayor of Timisoara

A glass of Timisoreana beer is a tool for promoting our city. It is a best-seller, and Ursus had a great contribution by keeping the brand alive and promoting it countrywide. Essentially, a glass of Timisoreana beer is our identity and we proud to give Ursus a role model – Mr. Ioan Berchi, the employees with the longest career in Ursus Breweries, a citizen of Timisoara.

Mihai Petre,
Trade Union leader,
Brasov brewery

As glass of beer produced by Ursus Breweries makes me very proud. I am particularly proud of the Ciucas brand, which is produced in Brasov where I work. I even advocate for this beer and encourage my friends to try it. I guarantee for its quality and for its excellent taste. Ciucas can compete with any other international brand. There is no other beer like the ones produced by Ursus Breweries.

Sorin Harabagiu,
Director of
Buzau Brewery

Apart of excellent ingredients, my glass of beer is full of commitment, knowledge, high-tech equipment, a double-layer health and safety assurance (product and people) and high environmental standards. Whoever tries a glass of our beer should feel that a responsible company, which abides by law and operates in accordance with high quality standards, has produced it.

Appendices

In this section:

Appendix 1 – Denkstatt assurance statement

Appendix 2 – Global Reporting Initiative Index

Appendix 3 – UN Global Compact Index and GRI Cross Reference Table

“ Next to doing the right thing, the most important thing is to let people know you are doing the right thing. ”

John D. Rockefeller

Appendix 1 – Denkstatt assurance statement



Independent assurance statement on URSUS Breweries 2013 Sustainable Development Report

To the management and the stakeholders of URUS Breweries Romania:

Denkstatt was commissioned by the URSUS Breweries Romania S.A. (hereinafter referred to as “the Company”) to provide independent third-party assurance in accordance with the AA1000AS (2008) Assurance Standard for the printed and downloadable pdf versions of the Company's 2013 Sustainable Development Report (hereinafter referred to as “the Report”). Financial data have not been reviewed within this process. The assurance engagement covered the nature and extent of the Company's incorporation of the inclusivity, materiality and responsiveness principles for stakeholder dialogue contained in the AccountAbility Principles Standard AA1000APS(2008). The application level of the guidelines of the Global Reporting Initiative (GRI G3.1, level B) was verified.

Management responsibilities

The Company's management is responsible for preparing the Report and statements within, defining commitments with respect to sustainability performance, establishing and maintaining appropriate performance management and internal control systems from which reported information is derived.

Assurance provider's responsibilities

Our responsibilities are:

- to express a conclusion and make recommendations on the nature and extent of the Company's adherence to the AA1000APS(2008) principles; and
- to express a conclusion on how the Company manage and communicate its sustainability performance, on the basis of our work.

Our team of experts has extensive professional experience of assurance engagements related to non-financial information, sustainability management and sustainability reporting, making it qualified to conduct this independent assurance engagement. During 2013 we did not perform any tasks or services for the Company or other clients which would lead to a conflict of interest, nor were we responsible for the preparation of any part of the Report.

Denkstatt assurance team members are:

- Willibald Kaltenbrunner – Managing Director Denkstatt Austria & Denkstatt Romania;
- Andrei Churican – Senior Consultant Denkstatt Romania;
- Aida Szilagy – Senior Consultant Denkstatt Romania.

Scope, standards and criteria used

We planned and performed our work based on the GRI G3.1 guidelines and in accordance with AA1000AS (2008). We used the criteria in AA1000APS to perform a Type 1 engagement and to provide a moderate assurance regarding the nature and extent of the Company's adherence to the principles of inclusivity, materiality and responsiveness.

Methodology and limitation

We planned and performed our work in order to obtain all the evidence, information and explanations that we considered necessary in relation to the above scope. Our work included the following procedures:

- Gathering information and conducting interviews with members of the Executive Management, staff from the Sustainability Department as well as various functional managers. Key topics of the interviews conducted are: sustainability management, governance, packaging and supply chain management, human resources and social performance;
- Gaining an understanding of the relevant documentation;
- Timisoara plant audit, with a focus on sustainability strategy implementation;
- Verifying the GRI index in the Report to ensure consistency with the requirements of GRI 3.1, level B.

Analysis and evaluation of the information on processes and activities undertaken by the Company to implement its commitments, its principles and its declarations was done through phone interviews with a total of three company representatives.

Status of implementation of the Company policies has been analyzed for one out of three national plants, Timisoara plant.

Findings and recommendations

Inclusivity

- The Company expressed, communicated and implemented its commitments to be accountable to those on which it has an impact by adhering at the 10 priorities established at group level by SABMiller and through adopting local policies and process on each priority;
- We identified best practices and relevant initiatives regarding the active integration of stakeholders in developing strategies, policies and actions especially in the area of discouraging irresponsible drinking, human rights, legal requirement compliance and specific sectoral codes (responsible communication);
- During the assurance process we identified as future improvement the expansion of the inclusivity approach in areas such as packaging and waste and indirect impacts in the value chain for which the Company has already started engagement activities.

Materiality

- The Company adhered to the materiality issues identified within the 10 group priorities and is using SAM as steering tool to constantly update its yearly sustainability priorities;
- During the reporting process, The Company developed together with selected stakeholders the “materiality matrix” illustrating strong progress in identifying material issues. We recommend a national-wide extension of the range of analyzed issues and engaged stakeholders to ensure increased effectiveness of the materiality assessment;
- Incorporation of the SABMiller values was impressive. Various instances of best practice in internal communications and implementation were evident especially in the areas of energy and water responsibility.

Responsiveness

- The Company performs a continuous prioritization process for its response to issues determined material by planning the level of achievement for each of its 10 sustainability priorities;
- Response mechanisms are oriented mainly in the area of “discouraging irresponsible drinking, enterprise development and respecting human rights”. The Company is currently developing response mechanisms relevant to the other issues deemed material, but the maturity of these mechanisms is not yet at the level applied in the above mentioned areas;
- The company has developed and applied a strong communication process at national and local level, in particular with public authorities, organizations in the same sector, employees and their representatives (unions). Our activities, demonstrated a quick and high level of responsiveness towards the needs and concerns of employees.

Performance information

- The findings of the assurance engagement highlight the effectiveness of the systems and processes used for managing and reporting information on sustainability performance. Company's Sustainability Assessment Matrix offers the necessary methods and tools for performance planning and monitoring;
- Packaging related activities (e.g. light-weighting, packaging recycling and bottles reusing) could be further developed together with global and local suppliers;
- There is a continuous and strong development related with renewable energy usage based on bio-gas production out of waste-water treatment facilities at plant level.

The Company proves relevant stakeholder engagement, concern for expectations and interests of its stakeholders, a reasonable level of determination of materiality and integration of stakeholders in its response to the sustainability challenges.

Based on our review, we believe that the information presented in the Report of the Company is free of material misstatements and has been stated in accordance with the criteria outlined above. Furthermore, nothing has come to our attention which suggests that the Company does not adhere to the AA1000APS (2008) principles.

Regarding the guiding principles of the Global Reporting Initiative (GRI) we recommend an increase performance disclosure level regarding areas such as: waste, packaging, indirect economic and environmental impacts.

Additional conclusions and recommendations

- Long-term targets with respect to waste, packaging and indirect environmental impacts (e.g. raw material transportation, product delivery, energy consumption and CO2 emissions during product use and end-of-life stages) do not exist yet and could be approach as the next improvement cycle within the mid and long term sustainability strategy;
- Development of sourcing guidelines addressing key raw materials provided by the agriculture sector, together with relevant stakeholders could provide the necessary means to address not only the environmental indirect impact but also the economical performance of Romanian suppliers, contributing to one of key national sustainability issues.



Timisoara - 27 November 2013
denkstatt GmbH Consultancy for
Sustainable Development

Willibald Kaltenbrunner
Lead Auditor
Managing Director, Denkstatt

A handwritten signature in black ink, appearing to read "Willibald Kaltenbrunner".



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Appendix 2 – Global Reporting Initiative Index

The Global Reporting Initiative (GRI) is an international framework for voluntary reporting of the economic, environmental and social impacts of company performance.

The table below indicates the areas of our report that covers the GRI 3.1 framework (the third generation of guidelines) and whether we have done this fully, in part or not at all. We believe that Ursus Breweries 2013 SD Report represents a balanced and reasonable presentation of our company's performance and have self declared our reporting level against the criteria in the GRI application levels as B.

Application level criteria

Reports intended to qualify for level C, C+, B, B+, A or A+ must contain each of the criteria that are presented in the column for the relevant level.

REPORT APPLICATION LEVEL	C	C+	B	B+	A	A+
Profile Disclosures Output	Report on: 1.1 2.1-2.10 3.1-3.8,3.10-3.12 4.1-4.4,4.14-4.15		Report on all criteria listed for Level C plus: 1.2 3.9,3.13 4.5-4.13,4.16-4.17		Same as requirement for Level B	
Management Approach Disclosures Output	Not required	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured	Management Approach Disclosures for each Indicator Category	Report Externally Assured
Performance Indicators & Sector Supplement Performance Indicators Output	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic and environment	Report Externally Assured	Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labour, society, product responsibility	Report Externally Assured	Report on each core and Sector Supplement indicator with due regard to the Materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission	Report Externally Assured



Statement GRI Application Level Check

GRI hereby states that **Ursus Breweries** has presented its report “Sustainable Development Report F13” to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level B+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 10 December 2013

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The “+” has been added to this Application Level because Ursus Breweries has submitted (part of) this report for external assurance. GRI accepts the reporter’s own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 29 November 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

GRI Index

Strategy and analysis		Where to find it	Level of reporting	Comments
1.1	Statement by Ursus Breweries President & CEO	Pg. 8-9	Fully	
1.2	Key impacts, risks, and opportunities	Pg. 10-11, 24-25	Fully	
Organisational profile		Where to find it	Level of reporting	Comments
2.1	Name of the organisation	Pg. 12, 15	Fully	
2.2	Primary brands and products	Pg. 13-14	Fully	
2.3	Operational structure of the organization	Pg. 16	Fully	
2.4	Location of organization's headquarters	Pg. 15	Fully	
2.5	Number of locations where the organization operates and name of locations with major operations	Pg. 12	Fully	
2.6	Nature of ownership and legal form	Pg. 12	Fully	
2.7	Markets served	Pg. 10, 12, 26	Fully	
2.8	Scale of the reporting organization	Pg. 1, 12, 23, 30	Partially	Net sales data cannot be reported for legal reasons.
2.9	Significant changes during the reporting period regarding size, structure, or ownership	Here	Fully	There were no significant changes in the size, structure and ownership during the reporting period.
2.10	Awards received	Pg. 48	Fully	
Report parameters		Where to find it	Level of reporting	Comments
3.1	Reporting period	Pg. 5	Fully	
3.2	Date of most recent previous report	Pg. 5	Fully	
3.3	Reporting cycle	Pg. 5	Fully	
3.4	Contact point for questions	Pg. 6	Fully	
3.5	Process for defining report content	Pg. 5, 6, 17-21, Here	Fully	In addition to following GRI guidelines for defining report content, we consulted our stakeholders public authorities, employees, NGOs (including professional associations) and suppliers, and incorporated their views in our report. Once finalised, the report will be further discussed with our stakeholders.

Report parameters		Where to find it	Level of reporting	Comments
3.6	Boundary of the report	Pg. 5	Fully	
3.7	Specific limitations on the scope or boundary of the report	Pg. 5	Fully	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Here	Fully	We have no access to information about significant aspects related to the impact of outsourced operations (HR payroll and transportation, including the leased commercial fleet).
3.9	Data collection and calculation methods	Pg. 5	Fully	This is our first SD report issued in accordance with GRI guidelines. In the past we didn't use any measurement techniques or estimates in line with GRI recommendations. However, third parties have audited all data in this report.
3.10	Restatements or changes in the presentation of information	Here	Fully	This is the first Ursus Breweries SD report issued in accordance with GRI guidelines.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	Pg. 5	Fully	
3.12	Location of Standard Disclosure in the report	Pg. 65-71	Fully	
3.13	Assurance	Pg. 5, 60-62	Fully	
Governance, commitments and engagements		Where to find it	Level of reporting	Comments
4.1	Governance structure, including responsibility for sustainability	Pg. 16, 32, Here	Fully	The President / CEO, Corporate Affairs Director and VP Technical are responsible for sustainability issues. SD performance is embedded in their performance appraisal.
4.2	Indication on whether the Chair of the highest governance body is also an executive officer	Pg. 8, Here	Fully	The President of Ursus Breweries is also the Chief Executive Officer of the company.
4.3	For organizations that have a unitary broad structure, state the number and gender of members of the highest governance body	Pg. 16	Fully	

Governance, commitments and engagements		Where to find it	Level of reporting	Comments
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Pg. 15, 34	Fully	URSUS Breweries are un Consiliu de Supraveghere.
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance	Pg. 5	Fully	
4.6	Processes in place to ensure conflicts of interest are avoided	Pg. 15	Fully	
4.7	Process for determining the qualifications and expertise of the members of the highest governance body in the field of sustainability	Pg. 32	Fully	
4.8	Internally developed statements of mission or values, codes of conduct, and principles	Pg. 12, 15, 30, 34	Fully	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social opportunities and risks	Pg. 5, 15, 18, 26, 30, 33, 39, 41, 46, 49	Fully	
4.10	Processes for evaluating the highest governance body's sustainability performance	Pg. 32	Fully	
4.11	Implementation of the precautionary approach or principle	Pg. 15, 25-27, 33-34	Fully	
4.12	Participation in and support for external initiatives	Pg. 5, 22, 31, 50	Fully	
4.13	Memberships in associations	Pg. 22	Fully	
4.14	Stakeholder groups engaged by the organisation	Pg. 20-21, 36-37	Fully	During our reporting process we have engaged the following stakeholders groups: public authorities, employees, NGOs (including professional associations) and suppliers.
4.15	Basis for the selection of stakeholders	Pg. 21	Fully	
4.16	Stakeholder dialog	Pg. 5, 21, 37-38	Fully	
4.17	Topics and concerns raised by stakeholders and our response	Pg. 8-9, 15, 21, 37-38	Fully	

Economic performance indicators		Where to find it	Level of reporting	Comments
	Management approach disclosure	Pg. 24-26	Fully	
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	Pg. 2	Partially	
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	Pg. 10-11, 24-25	Fully	
EC4	Financial assistance received from government	Here	Fully	No financial assistance has been received from the Romanian government.
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	Pg. 34	Partially	
EC6	Policy, practices and proportion of spending on local-based suppliers	Pg. 26-28	Fully	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	Pg. 9, 26-27, 32	Fully	
Environmental performance indicators		Where to find it	Level of reporting	Comments
	Management approach disclosure	Pg. 17-19, 37-38	Fully	
EN2	Percentage of materials used that are recycled	Pg. 39	Fully	
EN4	Indirect energy consumption	Pg. 43	Fully	
EN5	Energy saved as a result of conservation and efficiency improvements	Pg. 43	Fully	
EN6	Initiatives for the creation of products and services with increased energy efficiency	Pg. 42	Fully	
EN11	Location and size of land in or adjacent to protected areas	Here	Fully	Not relevant, as no land is owned in protected areas
EN16	Direct and indirect greenhouse gas emissions	Pg. 43	Partially	
EN17	Other relevant indirect greenhouse gas emissions	Pg. 43	Fully	

Environmental performance indicators		Where to find it	Level of reporting	Comments
EN18	Initiatives aimed at reducing greenhouse gas emissions	Pg. 43	Fully	
EN19	Emissions of ozone-depleting substances	Pg. 43	Fully	
EN20	NOx, SOx and other significant air emissions	Pg. 43	Fully	
EN22	Total weight of waste by type and disposal method	Pg. 44	Partially	
EN23	Number and volumes of spills	Here	Fully	Our operations did not generate any spills
EN26	Initiatives to mitigate environmental impacts of products and services	Pg. 43-45	Fully	
EN28	Sanctions for non-compliance with legal requirements in the environmental sector	Here	Fully	Zero
Employment, labour practices and working conditions		Where to find it	Level of reporting	Comments
	Management approach disclosures	Pg. 31-35	Fully	
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Pg. 30	Partially	
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pg. 34, Here	Fully	All our employees receive the same benefits. The package for part-time employees is prorated by working time.
LA4	Percentage of employees covered by collective bargaining agreements	Pg. 30, 34	Fully	
LA5	Minimum notice period, including whether it is specified in collective agreements	Here	Fully	30-day notice as per Romanian Labour Code
LA7	Rates of injury, occupational diseases, lost days, etc.	Pg. 35	Partially	
LA8	Education, training, counseling, prevention, and risk-control programs in place	Pg. 1, 32, 35, 50	Fully	
LA12	Percentage of employees receiving regular performance and career development reviews	Pg. 32	Fully	

Employment, labour practices and working conditions		Where to find it	Level of reporting	Comments
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Pg. 8, 16, 33	Fully	
LA15	Return to work and retention rates after parental leave by gender	Pg. 33	Fully	

Human rights		Where to find it	Level of reporting	Comments
	Management approach disclosure	Pg. 31	Fully	
HR4	Total number of incidents of discrimination and actions taken	Here	Fully	There have been no discrimination incidents during the reporting cycle.
HR5	Freedom of association/collective bargaining	Pg. 34	Fully	
HR6	Prevention of child labor	Pg. 34	Fully	
HR7	Forced and compulsory labour	Pg. 34	Fully	
HR9	Total number of incidents of violation involving rights of indigenous people and actions taken	Here	Fully	There have been no such incidents.
HR11	Number of grievances related to human rights filled, addressed, and resolved through formal grievance mechanisms	Here	Fully	There have been no such grievances

Society and local communities		Where to find it	Level of reporting	Comments
	Management approach disclosure	Pg. 50-55	Fully	
SO9	Operations with significant potential or actual negative impacts on local communities	Here	Fully	During the reporting cycle, Ursus Breweries had no operations that could negatively impact a local community.
SO10	Mitigation measures implemented in locations where our operations have negative impacts on local communities	Here	Fully	As Ursus Breweries did not negatively impact any community during the reporting period (please see SO9), we did not implement any mitigation measure.

Corruption		Where to find it	Level of reporting	Comments
	Management approach disclosure	Pg. 27, 34	Fully	
SO2	Measures and initiatives aimed at combating corruption	Pg. 34	Fully	
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	Pg. 34	Fully	
SO4	Actions taken in response to incidents of corruption	Pg. 34	Fully	

Public policy		Where to find it	Level of reporting	Comments
SO5	Public policy positions and participation in public policy development and lobbying	Pg. 21-22	Fully	
SO6	Value of financial and in-kind contributions to political parties, politicians and related institutions	Here	Fully	Zero

Anticompetitive behaviour		Where to find it	Level of reporting	Comments
SO7	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	Here	Fully	Zero

Compliance		Where to find it	Level of reporting	Comments
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Here	Fully	Zero

Product responsibility		Where to find it	Level of reporting	Comments
	Management approach disclosure	Pg. 49-52	Fully	
PR6	Programs for adherence to laws, standards, and voluntary codes related to advertising	Pg. 50-53	Fully	
PR7	Marketing communication non-compliance incidents	Here	Fully	Zero
PR8	Complaints regarding breaches of customer privacy or losses of customer data	Here	Fully	Zero
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Here	Fully	Zero

Appendix 3 – UN Global Compact Index and GRI Cross Reference Table

UN Global Compact Principles		GRI Indicators	
Human rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights	LA3, LA4, HR4, HR5, HR6, HR7, HR9, HR11
	Principle 2	Business should make sure that they are not complicit in human rights abuses	LA5, HR4, HR6, HR7, HR9
Labour	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	DMA Employment, labour practices and working conditions, DMA Human Rights, 1.1, LA4, HR5
	Principle 4	Businesses should support the elimination of all forms of forced and compulsory labour	HR7
	Principle 5	Businesses should support the effective abolition of child labour	HR6
	Principle 6	Businesses should support the elimination of discrimination in respect of employment and occupation	LA3, LA10, LA12, HR4
Environment	Principle 7	Businesses should support a precautionary approach to environmental challenges	EC2, DMA Environment, EN2 - EN6
	Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	1.1, DMA Environment, EN11 - EN28
	Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies	EN18
Anti-corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	1.1, DMA Society and local communities, SO2, SO3, SO4

Abbreviation list

In this section:

Abbreviation list



Abbreviation list

CEO	Chief Executive Officer
CO2	Carbon dioxide
CSR	Corporate Social Responsibility
EBITDA	Earnings Before Interest, taxes, depreciation and amortization
EBRD	European Bank for Reconstruction and Development
EU	European Union
F10...F14	Financial year 2010...2014
GDP	Gross Domestic Product
GRI	Global Reporting Initiative
KPI	Key performance indicator
kWh	Kilowatt hour
ILO	International Labour Organization
ISO	International Organization for Standardization
MJ	Mega joule
NGO	Non-governmental organization
NRB	Non returnable bottle
NOx	Mono-nitrogen oxides
PET	Polyethylene terephthlate
PPP	Purchasing power parity
RBL	Returnable bottle
RON	Romanian currency
SAM	Sustainability Assessment Matrix
SD	Sustainable development
SOx	Sulfur oxide
SROI	Social Return on Investment
UK	The United Kingdom of Great Britain and Northern Ireland
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNGC	United Nations Global Compact
VP	Vice-President



Sustainable Development

Report 2013 (financial year 2012-2013)