



STOCK SPIRITS GROUP

Stock Spirits Group PLC

### Sustainability Accounting Standards Board (SASB) Framework

This is our first report against the Sustainable Accounting Standards Board's standards applicable to the Alcoholic Beverages industry. We recognise that this is the start of a journey during which we will improve our processes for data gathering, reporting and assurance and accordingly we will build on the disclosures below going forward. We also intend to engage independent assurance specialists to provide limited assurance of the key data.

Energy management																					
Metric	Response																				
(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	All countries where we operate are covered by the CO2-emission report and use electrical power purchased from external suppliers. We report the values in kWh. Self-generated energy comes from: natural gas; coal dust; oil; heat and steam; LPG. The data is provided in different units. See page 49-50 of the 2019 annual report.																				
Water management																					
Metric	Response																				
(1) Total water withdrawn, (2) total water consumed, (3) percentage of each in regions with High or Extremely High Baseline Water Stress	<p>Our factories have the greatest impact on the amount of water consumed by Stock Spirits Group. Water is used for the production of soft water, osmotic water, rinsing processes and as a component of the finished product.</p> <p>Production plants owned by the Stock Spirits Group use water from their own underground intakes and water supplied by external suppliers. Water management in the plants is supported by: the constant monitoring of water intake and water quality; maintenance of installations/devices based on fixed and developed guidelines in order to maintain their efficiency at a high level. In terms of legal requirements, we have all the required water intake permits and contracts with suppliers. Each plant has specific water consumption targets per litre of finished product:</p> <table border="1"> <thead> <tr> <th>Country</th> <th>Category</th> <th>Target [ l / l FG]</th> <th>water consumption in 2019 [l/FG]</th> </tr> </thead> <tbody> <tr> <td>Group</td> <td>Water</td> <td>3.7</td> <td>2.98</td> </tr> <tr> <td>Czech</td> <td>Water</td> <td>1.6</td> <td>1.31</td> </tr> <tr> <td>Germany</td> <td>Water</td> <td>14.3</td> <td>12.79</td> </tr> <tr> <td>Poland</td> <td>Water</td> <td>2.3</td> <td>1.53</td> </tr> </tbody> </table> <p>See page 50 of the 2019 annual report for details of water stress.</p>	Country	Category	Target [ l / l FG]	water consumption in 2019 [l/FG]	Group	Water	3.7	2.98	Czech	Water	1.6	1.31	Germany	Water	14.3	12.79	Poland	Water	2.3	1.53
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Description of water management risks and discussion of strategies and practices to mitigate those risks	<p>Water quality is regularly monitored in accordance with accepted schedules by commercial and internal laboratories. Test samples are taken from drinking and industrial water intakes. Risk management: periodic inspections of water softening / osmosis stations are carried out; in addition, the cold water system is regularly disinfected. External suppliers use several sources of water to ensure its constant supply. Each factory has policies and procedures in place for responding in the event of incorrect water quality or lack of it.</p> <p>Waste water is discharged to the municipal sewage system and to the municipal sewage treatment plant. Waste water from sewage treatment plants have parameters enabling reuse or direct discharge into the natural environment.</p>																				
Responsible drinking and marketing																					
Metric	Response																				



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<p>Percentage of total advertising impressions made on individuals at or above the legal drinking</p>	<p>All advertising impressions are targeted to those above the legal drinking age in each country. We comply with the UK Code of Advertising Practice (CAP) and the equivalent guidance in each of our countries that no digital marketing media should be used to advertise alcohol if over 25% of its audience is younger than the legal drinking age, which is 18 years of age in all our core markets.</p>
<p>Number of incidents of non-compliance with industry or regulatory labelling and/or marketing</p>	<p>We are aware of only one complaint made during the year to the Polish Advertising Council relating to use of social media which was rejected by the Council.</p>
<p>Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labelling</p>	<p>Zero</p>
<p>Description of efforts to promote responsible consumption</p>	<p>We are conscious that our products should be enjoyed responsibly by those who choose to drink them, and we do not want irresponsible drinking to harm the health of our consumers or others who may be affected. We believe that efforts to reduce the misuse of alcohol are most effective if all parties involved (including authorities, individuals and producers) work together.</p> <p>In the UK, we subscribe to Drinkaware, Portman Group Code of Practice and the alcoholic drinks section of the UK Code of Advertising Practice. Below sets out what each market has done during the year to encourage responsible drinking.</p> <p><b>Poland</b>          Stock Polska is a long-standing and highly active member of ZP Polski Przemysł Spirytusowy (ZP PPS), the trade organisation which, as part of its work, promotes responsible drinking through educational programmes and public campaigns. Campaigns during 2019 included ‘Don’t drink and drive’; ‘Better start for your child’ aimed at pregnant women; ‘Here we check Adulthood’, ‘Have you been Drinking? Don’t Drive’, ‘Drink Responsibly, Sell Responsibly’ aimed at retailers and ‘Alcohol. Always responsibly’.</p> <p>A significant part of the responsible drinking activity in Poland is carried out across social media and through campaigns held at universities, industry meetings and events. There are also workshops for retailers, during which guidelines on ‘Responsible selling and serving alcohol beverages’ are communicated and ZP PPS actively supports both local and national responsible alcohol campaigns.</p> <p>During the year, social media influencers were involved in a campaign to show the impact of too much alcohol on your image, which was targeted at the under 30s, and was supported by Vogule, a popular website in Poland.</p> <p><b>Czech Republic and Slovakia</b>          Our companies in these markets are founding and active members of ‘Fórum PSR’ (drink responsibly), which brings together the countries’ major spirits producers and distributors to work against alcohol abuse. This Forum addresses issues related to alcohol consumption and tries to raise awareness of the negative effects of irresponsible drinking. We continued to use the ‘PSR, (drink responsibly)’ platform within our media, in-store and other brand communication. Forum members have also pledged to observe a code of conduct that strictly regulates their advertising activities.</p> <p>Some of the main activities in Slovakia during 2019 included participation of “alco-watch” at the biggest Slovakian festival ‘POHODA’, where volunteers from the Forum offered visitors free alcohol testing, to make sure they drove home safely, and ‘Let’s talk about alcohol’, an initiative aimed at teenagers, parents and schools to raise awareness about the dangers of alcohol use <a href="http://www.hovormeoalkohole.sk">www.hovormeoalkohole.sk</a>.</p> <p>Stock Plzeň Božkov is a member of the Spirits Trade Association and was active during 2019 in supporting the Czech government in its ongoing efforts to implement a strong regulatory environment in the spirits industry. They are also members of UVDL (Union of Spirit Producers</p>



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	<p>and Distributors), aimed at educating school children and students over the age of 13 across the country. During 2019, 9520 pupils attended this programme and received lessons on topics including: what is alcohol, why alcohol is only allowed to be consumed from 18 and first aid if children meet a friend who has consumed alcohol and is ill. Since the start of the project, more than 80,000 pupils have been trained throughout the Czech Republic.</p> <p>We also promote <a href="http://www.pijsrozumem.cz">www.pijsrozumem.cz</a>, a responsible drinking programme through UVDL and ourselves.</p> <p>At all events we include preventive messages and strictly adhere to the ethical code of UVDL. In our targeted communication, we only target consumers above 18 years of age. During 2019, Stock Plzeň Božkov was part of the Stock Mix Fest tour, where the Company supplied free water and had a team offering free alcohol tests and promoting responsible drinking to consumers.</p> <p><b>Italy</b></p> <p>In Italy we are a member of Federvini, the national trade association founded in 1917 which, as part of its role, promotes responsible drinking using educational and informative programmes.</p>
<b>Packaging lifecycle management</b>	
Metric	Response
(1) Total weight of packaging, (2) percentage made from recycled and/or renewable materials, (3) percentage that is recyclable, reusable, and/or compostable	<p>Packaging consists mainly of paper (boxes), glass (bottles), aluminum (caps) and plastic (labels and caps).</p> <p>100% of our glass packaging is recyclable.</p> <p>All paper packaging suppliers use recycled materials to varying degrees in their production.</p> <p>We work with packaging recovery organisations to achieve the required levels of recycling of our packaging.</p> <p>Our offices recycle packaging.</p>
Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	<p>When designing and implementing our packaging, we are guided by the following:</p> <ul style="list-style-type: none"> <li>• optimisation of packaging mass</li> <li>• optimisation of packaging volume</li> <li>• use of alternative packaging materials</li> <li>• packaging design so that it can be reused</li> </ul>
<b>Environmental and social impact of ingredient supply chain</b>	
Metric	Response
Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances	<p>In connection with the implementation of the requirements of BRC (British Retail Consortium Food), IFS (International Food Standard) and HACCP (Hazard Analysis and Critical Control Points System), the plant in Poland has internal procedures for the selection and assessment of raw material suppliers in order to:</p> <ul style="list-style-type: none"> <li>• ensure a smooth supply of the plant with materials and services necessary to keep the production processes going</li> <li>• ensure compliance with relevant requirements,</li> <li>• enable an effective selection, assessment, approval and monitoring of material and service providers.</li> </ul> <p>Risk assessment criteria for raw materials have been designed that highlight the main threats that may appear at the production stage, at the supplier, or at the stage of delivery.</p> <p>Each supplier is approved, based on a supplier assessment questionnaire and positive audit results.</p> <p>Co-operation with suppliers is subject to an annual assessment performed by the key production and purchasing departments and auditors. The frequency of audits is determined based on the results of initial and periodic assessments. As part of audits, the degree of waste management is assessed. After the implementation of ISO 14001 and ISO 45001, audits at suppliers will be broadened to include the requirements of the above standards.</p>



	In 2019, we did not find any serious non-compliance during our audits with our suppliers.
<b>Ingredient sourcing</b>	
<b>Metric</b>	<b>Response</b>
Percentage of beverage ingredients sourced from regions with High or Extremely High Baseline Water Stress	Currently, we do not have this data with the level of detail set out in the standard. We will look to report on this in the future.
List of priority beverage ingredients and description of sourcing risks due to environmental and social considerations	Currently, we do not have this data with the level of detail set out in the standard. We will look to report on this in the future.