# CĒSU ALUS CORPORATE SOCIAL RESPONSIBILITY REPORT









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# CESU ALUS SUSTAINABILITY DEVELOPMENT













2010

2011

2012

2013

2014

2015

Invitation from the Employers' Confederation of Latvia

The first self-assessment

360 Degree Employee Satisfaction Survey Value implementation project

Employee Satisfaction Survey

Social responsibility section on the website

Market of Good Intentions – voluntary work initiative by employees

Creation of sustainability team

Be Independent! – alcohol addiction prevention project

Introduction of coaching method

CSR priorities and industry position

Introduction of environmental monitoring documentation

Beer Master Class

Construction of a skatepark in Cēsis

Environmental audit in the company

Customer Survey

Employee Satisfaction Survey

Introduction of mentoring method

Largest brewery in Latvia

Cēsu alus = Latvian product

Improvement of the work environment

Stress relief and bureaucracy reduction projects

Cēsu alus scholarships

Post Missions project in the company

Sustainability mission

Experience transfer to an international sustainability project of the group

Introduction of LEAN

Bureaucracy reduction projects – digitalisation of reports

The biggest taxpayer in the region and the second biggest in the food industry

**Best Professional Organisation** 

# **CESU ALUS** SUSTAINABILITY TEAM / AREAS OF RESPONSIBILITY

CORPORATE **GOVERNANCE**  CONTRIBUTION TO THE PUBLIC

**WORK WITH CUSTOMERS** AND **SUPPLIERS** 

SOCIAL RESPONSIBILITY IN PRODUCT **DEVELOPMENT** 

PERSONNEL DEVELOPMENT

WORK SAFETY

CARE **FOR THE ENVIRONMENT** 

**Board Chairwoman Eva Sietinsone** 

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Sales and Marketing Director **Gustavs Zatlers** 

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Head of the Trade Union Laila Ābola

Head of the Personnel Department

Daiga Ozolina – Punāne

Labour Protection and **Environment Specialist** Kristīne Kursīte

Labour Protection and **Environment Specialist** Kristīne Kursīte

Production and Technical Department Manager Māris Strazds

# **CORPORATE GOVERNANCE**

- STRATEGIES
- REPRESENTATION OF INTERESTS
- STAKEHOLDERS
- ECONOMIC RESPONSIBILITY
  - IBILITY INDU
- INDUSTRY DEVELOPMENT

REPUTATION

#### CĒSU ALUS HAS CREATED ITS SUSTAINABILITY MISSION: "CĒSU ALUS IS A SOCIALLY RESPONSIBLE COMPANY, WHICH MAKES SURE ALL IMPLEMENTED PROJECTS FEATURE SUSTAINABLE OBJECTIVES."

Following the Cēsu alus good sustainability practice transfer model, the company has created a corporate social responsibility project within Olvi Group, the mother company of Cēsu alus (spanning the Baltics, Finland and Belarus).

Conclusion of the full-time educational programme cycle in 17 Latvian secondary schools within the Be Independent! project for our primary stakeholders – youths as a responsible future adult society.

#### Implementation of bureaucracy reduction projects – digitalisation of processes and introduction of electronic signature.

Cēsu alus' contribution to the public economy – the biggest taxpayer in the region and the second biggest in the food industry.

## Representation of the industry's interests in the following matters:

- 1. Planned excise tax policy.
- 2. Potential beer commercial restrictions.
- 3. Energy drink sale restrictions.

#### Innovation study – a comparative study on the environment of innovations and introduction thereof among industry companies.

#### STRATEGY

- The company performs systematic and strategic work in the area of corporate social responsibility. We have created a Sustainability Team, which consists of responsible representatives from all key areas of activity and departments. Each year the company defines the social responsibility priorities.
- One of the priority areas defined by the alcohol producer AS Cēsu alus is educating the public about alcohol addiction prevention, with the main target audience being youths and secondary school students.
- The local community within the scope of Cesu alus social responsibility is the public of Cesis and its municipality.
- The company publishes its financial statements (annual accounts) and non-financial statements in the form of Corporate Social Responsibility Reports on its website www.cesualus.lv.
- The company nurtures its reputation by implementing

- social responsibility projects both within the context of product development and the entire beer industry.
- When defining its position on industry development matters, Cēsu alus realises the representation of the company's and industry's interests through the agency of professional associations. The company is a member of both beer and non-alcoholic beverage industry associations, as well as of institutions representing food companies.
- As the largest operating brewery in Latvia, Cesu alus initiates and implements projects promoting beer culture, for example, the series of public educational events Beer Master Class.

The Olvi Group corporate social responsibility project is part of the introduction of non-financial reporting in line with EC Directive 2014/95/EU.

Creation of a new
Cesu alus website as
an interactive tool for
cooperation with the
public and stakeholders.
It also serves as a public
source of non-financial
reports and a channel of
sustainability information.

of Cēsu alus to
the education of
business and public
sector companies –
the model of good
practice examples
(sharing experience
of implementing
certain projects with
the associations of
small and large Latvian
companies, as well as
government agencies
and institutions).

The contribution

#### THE YEAR OF DIGITALISATION

- 1. Wireless internet in the entire territory of the production plant.
- 2. Improvement of logistics equipment phone/tablet and printer for making corrections in waybills at the customer's site.
- 3. TVs in employee lounges for broadcasting current company information.
- 4. Introduction of scanners in the warehouse.
- 5. Computers in employee lounges to ensure a selfservice system for registering vacations electronically, viewing salary sheets, informing of absence, etc.
- 6. Introduction of a digital communication platform for the efficient exchange of information with cooperation partners.
- 7. Modernisation of meeting rooms interactive whiteboards, TVs, and tablets.
- 8. The use of phones in store audits.
- Creation of a mobile application for faster turnover of documentation (submissions regarding illness, vacations, etc.).

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#### STAKEHOLDERS & AREAS OF SUSTAINABILITY:

Youths (educate) – the Be Independent!, and Healthy projects.

Employees (take care, develop) – the Excellent Action model, employee survey, development of internal training, LEAN.

Industry (create and enrich beer culture, innovations) – Olvi scholarships, guest lectures (sharing knowledge), CSR Idea Market.

Beer lovers (quality products) – the Brūža beer series, Cēsu Premium Weissbier. the board of the New Vocational School of Cēsis with the aim of participating in the development of a modern technical education programme, new format of the Cēsnieks competition with wider engagement of the local community.

Cēsis - Cēsu alus on

Public economy – Cēsu alus is the largest operating brewery in Latvia. Customers / cooperation partners – customer day / master class, educational master classes for Horeca sector customers on the specifics of producing and tasting beer and other drinks. Training project for logistics cooperation partners (drivers) on excellent customer service.

#### **PRIORITIES**

#### STAKEHOLDERS & AREAS OF SUSTAINABILITY:

Youths – digitalisation and introduction of the Be Independent! alcohol addiction prevention project throughout Latvia.

#### **Employees** – bureaucracy red

bureaucracy reduction projects: digitalisation of processes for a more efficient work performance. Industry – creation and enrichment of beer culture: Cēsu alus scholarships for specialisations significant to the beer production industry, guest lectures (sharing knowledge).

Cēsis – in support of the local community, Cēsu alus has become the organiser and supporter of the celebration of the 810th anniversary of Cēsis. Beer lovers – digital educational project on the new Cēsu alus website, new social network communication strategy, public engagement campaigns.

Public economy – Cēsu alus is the largest beer producer in Latvia and the biggest taxpayer in the Vidzeme region. Customers /
cooperation
partners – educational
customer events.

Latvian companies and public authorities – sharing examples of good practice and educating representatives of small and big Latvian companies and government institutions on the implementation of sustainability projects.

# POSITION OF CESU ALUS IN INDUSTRY DEVELOPMENT MATTERS

(representation of interests within associations):

## 1. Planned excise tax policy

Monitoring the introduction of the industry's proposals to gradually increase excise tax over a period of three years (2015–2017), preventing unplanned and sudden changes in the decisions made.

## Potential beer commercial restrictions

The industry's proposals for combating alcoholism by gradually raising excise tax and thus affecting consumption by making price an important choice criterion. The industry's proposal to not restrict beer TV commercials and sponsoring of sports teams and competitions, to reduce outdoor advertising restrictions and to not limit advertising, contending with examples of studies and experiences abroad that the influence of commercials on beer consumption is insignificant compared to their influence on building brand value. The industry's support for the Ministry of Health's intention to renew health education classes in schools, acknowledging the importance of education in building a responsible future society.

### 3. Potential energy drink sale restriction

The industry's involvement in creating legislation that does not discriminate a specific product category, contending with scientific studies and studies conducted by world health organisations that prove the safety of energy drinks. Examples of failed attempts to restrict energy drink sales abroad. The contradictions between the planned restrictions and EU standards and latest studies. The aim is to reduce the scope of restrictions.

# CONTRIBUTION TO THE PUBLIC

CONTRIBUTION TO THE LOCAL COMMUNITY

SOCIAL INVESTMENTS

SPONSORING

#### Sponsoring Strategy for 2015

Support the development and growth of professional education in Cesis Municipality.

Social investment -Cēsnieks competition with the engagement of the local community.

#### Development of the Cesu alus Pensioners' Club.

Sharing knowledge good practice examples for implementing sustainability projects both within Olvi Group and agencies of small and large Latvian companies.

#### Cēsu alus scholarships

for specialisations significant to the beer production industry.

Be Independent! alcohol addiction prevention project conclusion of the full-time programme in the Kurzeme region. The project educated a total of 800 students from 17 Latvian secondary schools.

Long-term support of the Saules taka day centre of Cēsis event organisation for children from risk families (visit to the Railway Museum and safety lesson on safety near railways, which is important as there are several railway crossings in Cesis), support with nonalcoholic production.

#### **STRATEGY**

- Each year the company defines the priority sponsoring and support areas, but the sponsoring strategy remains the same – AS Cēsu alus supports events of long-term significance which run for several years and become traditions. By continuously improving the company's operation, we choose to support events which create true values and bring lasting emotions to their visitors.
- In addition to the defined financial support and sponsoring projects, we review submitted projects that the company might choose to support by providing our products at events.
- The priority of support events in a specific field is the local community, which in the scope of Cesu alus' social responsibility work is the public of Cesis and its municipality;

- One of the priorities within support projects is educating the public, which the company meets by implementing the Be Independent! alcohol addiction prevention project in Latvian secondary schools, as well as the unique educational series of events Beer Master Class.
- The charitable side of Cesu alus' social contribution is apparent in its long-term support of the Saules taka day centre of Cesis, which connects and takes care of children from disadvantageous families in Cesis Municipality.
- The company runs the Cesu alus Pensioners' Club, which unites its former and current long-term employees, creates and maintains the social link and sense of belonging to the company, as well positively affects the quality of their social life.

#### Creation of the sponsoring strategy for 2016 -

www.cesualus.lv

**Application for** the support and evaluation thereof development of a digital system on the new Cēsu alus website.

The creation of the Be Independent! project's digital format and introduction throughout Latvia, targeting both youth audiences and local communities in Latvian regions.

810th anniversary of Cēsis – Cēsu alus participates as an organiser and supporter, creating an entertainment programme and educational activities.

Long-term support of the Saules taka day centre of Cēsis event organisation for children from at-risk families (visit to active leisure park), support with nonalcoholic production.

# WORK WITH CUSTOMERS AND SUPPLIERS

- COOPERATION
- STUDIES
- WORK WITH COMPLAINTS
- GREEN PROCUREMENT

#### Customer Day –

an educating master class.

Horeca customer education programme.

# Training for logistics cooperation partners (drivers) on excellent delivery service, and an

Regular audits of principal suppliers.

e-studies film.

Resource
optimisation
project for product
packaging design –
reduced number of three
designs and the amount
of colours in them.

Informing customers about each new product by delivering a declaration of quality and informative material.

#### STRATEGY

- The Cesu alus Quality Policy prescribes that efficient partnerships with customers and suppliers ensure their trust in the company as a safe producer and supplier.
- Our objective is to continuously improve the company's quality management system on the basis of measurements, comprehensive analysis and successful cooperation with our partners.
- Cēsu alus customers are representatives of the trade industry – shops and chain store networks, as well as cafés, restaurants and hotels. The customers of Cēsu alus can be roughly divided into two segments – trade customers (retail establishments) and Horeca sector customers (hotels, restaurants, and cafés).
- Whereas Cēsu alus suppliers are companies both from Latvia and abroad which supply us with beverage raw materials, technological equipment and other resources necessary for support functions.
- Work with customers is carried out systematically in accordance with the requirements of the BRC quality

- standard (BRC for Food Safety certificate) we perform the Customer Satisfaction and Retention Survey once a year and publish our informative material, the Cēsu alus Customer Newspaper, three times a year. We have also developed a special procedure for submitting and reviewing complaints, which allows our customers and suppliers to submit suggestions and complaints in the most convenient manner, form and time, as well as receive feedback.
- Work with the company's suppliers the biggest purchases and tenders and selection of suppliers is mostly carried out at the Olvi Group level, which allows both time and financial resources to be optimised in order to ensure the best supply process.
- Suppliers are selected on the basis of their international recognition (quality standards). We randomly perform supplier audits and once every three years carry out a supplier survey as a questionnaire.

#### Informing customers about changes in legislation, product markings, and quality criteria.

Customer survey – learning the opinion of our customers and engaging them in decision-making. Supplier audits – the demand for thorough traceability of raw materials and materials has been satisfied in accordance with the Cēsu alus Quality Policy.

Audits at customers' points of sales (layout, packaging quality, safety), annual HACCP system audit in the company with a guest auditor. The global BRC food safety and quality certificate – audit against Issue 7 of the standard.

Receiving and responding to customer complaints – digitalised solution for the faster processing of complaints.

Green procurement in the primary product packaging (the weight of PET preforms has been reduced).

# NOVELTIES IN MARKET RELATIONS IN 2016

#### PRIVACY PROTECTION PRINCIPLES

To inform the company's stakeholders about the most significant principles of operation, Cēsu alus publishes customer privacy protection principles in its Corporate Social Responsibility Report:

- customer data is stored in sites in Latvia and the European Union, which conform to EU safety standards;
- employment contracts define employees' responsibilities regarding the retention of customer data and non-disclosure of confidential information;
- customer data safety is guaranteed both by physical means and the highest level of technical data protection (protection mechanisms, technologies);
- customer information is used only for direct business objectives and is not disclosed to third parties for use in aims not related to the business activity of Cesu alus;
- the contracts between Cesu alus and customers include confidential data protection requirements;
- data is regularly updated in line with the latest received information.

#### A CALL TO OUR CUSTOMERS FOR A RESPONSIBLE BUSINESS APPROACH

The Cēsu alus customer and supplier questionnaires include a call for evaluating and improving their level of social responsibility and growing together with us:

- AS Cēsu alus is a socially responsible company, which abides by high corporate management, business ethics and sustainability principles. Our Gold Level Sustainability Index also confirms it;
- we encourage your company, as a cooperation partner of Cēsu alus, to join in promoting a sustainable business environment and use the Responsible Business Evaluation, with large Latvian companies participating in the Sustainability Index Initiative;
- and small and average companies in the Responsible Business Evaluation.

# RECOGNITIONS AND ACHIEVEMENTS IN 2015

The State Revenue Service award – the biggest taxpayer in the region and the second biggest in the food industry.

The Free Trade Union Confederation of Latvia award to the Cēsu alus brewery for an outstanding contribution to the promotion of social dialogue over a period of 25 years. The Free Trade Union Confederation of Latvia award to the Cēsu alus Trade Union as the Best Professional Organisation in Latvia.

Sustainability Index - Gold Level.

Responsible Business Initiative of the Year award by the Institute for Corporate Sustainability and Responsibility.

**CrefoCert** high solvency certificate.

Cēsu alus has been included in the State Revenue Service's **White List**.

#### LATVIAN ANNUAL BEER AWARDS:

- Success of the Year award for growth during the year – the largest operating brewery in Latvia;
- the biggest growth in the beer export market;
- the most environmentally friendly production company.

# SOCIAL RESPONSIBILITY IN PRODUCT DEVELOPMENT

RESPONSIBLE MARKETINGQUALITY

 USE OF LATVIAN RAW MATERIALS IN BEER BREWING Cesu Premium Weissbier – introduction of the globally popular wheat beer in the Latvian beer market. Education of the public on wheat beer serving rituals and traditions.

Use of Latvian symbols on packaging.

Engagement in the patriotism promotion movement Latvian Product.

Expansion of the use of Latvian barley in beer production.

Creation of a new lifestyle drinks segment (Vitamin Performance and Protein Performance brands).

**Use of natural colour** in drinks of certain categories.

#### STRATEGY

- Cēsu alus' vision is to be the leader of Latvian beverage market development, which the company accomplishes with its portfolio of innovative products – by creating and introducing new product categories, segments, flavours and packaging.
- The company actively involves its employees in product development by organising Innovation Week once a year, where the company departments create and present their innovative product ideas. Employees also have the opportunity to submit their product ideas daily by using the Idea Box.
- Cēsu alus also involves beer lovers and consumers in the generation of new product ideas and the improvement of current products through an active dialogue on social networks: Draugiem.lv, Facebook.com and Twitter.com.
- For several years now, Cēsu alus has promoted public engagement in product development through the annual campaign of its leading brand Cēsu Premium; for instance, by giving everyone the opportunity to create their own

- unique beer can design. Each year these campaigns carry a cultural-historical significance in relation to popular events taking place in Latvia; for example, in 2013 it was the Cēsu Premium For Song / For Dance campaign, within the framework of which the Cēsu Premium Fund was established to support the growth of Latvian song and dance culture.
- Cēsu alus builds its operation on responsible marketing both by initiating and following the Latvian Brewery Self-Regulating Code of Ethics, and entering into a cooperation agreement with the Ministry of Health of the Republic of Latvia regarding compliance with responsible marketing, and educating child audiences instead of directing communication and advertising activities towards them.
- High and constant quality is the priority in production, filling and sales, which is confirmed both by strict adherence to legal requirements in our brewery and the globally recognised food production quality certificate BRC for Food Safety, which Cēsu alus was the first food industry company in Latvia to voluntarily introduce.

Creation of a new Cēsu alus website – user-friendly and easy-to-use digital information resource.

Creation of the new Brūža

created by the Cesu alus master

brewer Māris Grambergs, which

includes various beers popular among Latvian beer lovers.

**beer brand** – beer series

Implementation of a socially responsible policy and self-regulation principle for the development of the energy drinks market – opportunities for the introduction of a non-caffeinated drinks segment.

Public awareness campaigns on the consumption habits of energy drinks and the specifics thereof – creation of the Latvian version of the European Drinks Europe digital communication platform.

Implementation of the Performance Challenge public engagement campaign, which promotes healthy lifestyle of the public. Use of Latvian-made malt in beer brewing – malt procurement from Latraps, the only malt house in Latvia, becoming its biggest customer.

# PERSONNEL DEVELOPMENT

PERSONNEL DEVELOPMENT

SOCIAL DIALOGUE

#### **STRATEGY**

- The company's values provide that professional, satisfied and loyal employees are the most important resources of Cesu alus, which help to meet the set objectives.
- The Cesu alus Personnel Development Vision is as follows: "Our employees truly strive for and achieve outstanding results!" According to this vision, we systematically and strategically carry out work on personnel development, motivation and training.
- One of the most important values of the company are team and teamwork. Teamwork allows the setting and meeting of challenging objectives, collaboration in the decision-making process, and responsibility to be taken.
- Once every two years Cēsu alus carries out the Employee Engagement and Satisfaction Survey, which is a group level project.
- Each year we organise Annual Development Discussions with all employees and draft Individual Development Maps, which serve as the basis for meeting the employees' training needs.
- Training is developed and carried out systematically in accordance with the individual needs and development

- goals of each employee and team. The company carries out both internal and external training, engaging the necessary specialists.
- The Cēsu alus personnel development method of choice is coaching for individuals, teams and groups. Mentoring has been introduced as a means for the transfer and continuity of knowledge, which our current employees use to help new managers and employees to adapt to the work environment.
- Each year we also define the priority areas of development in order to improve the overall knowledge of our employees; the most efficient means of increasing and standardising knowledge is the new Employee Master Class concept project, which has been carried out in the company since autumn 2012.
- The employee guide to the company's culture and values is the Manual of an Outstanding Employee, which has been handed out to every employee of the company since 2012.
- Another internal employee communication channel besides the informal ones is the company's internal

newspaper lesaliņš and, since 2013, also the internal Olvi Group newspaper My Olvi.

- The Trade Union, which is an excellent partner in maintaining an efficient relationship between the employer and employees, has been operating in the company for many years. We also have a long-running collective agreement with the trade union, which ensures a variety of social benefits in addition to those prescribed by law.
- In 2014, Cēsu alus began a work efficiency promotion project, which is also a contribution to industry development as it ensures the employment of interns. It relieves the professional activities of our employees and contributes to the development of beer-industry-related education by ensuring long-term internship positions in the respective specialisations.
- The company regularly participates in career selection projects, promoting the company's image as a stable and sustainable employer, the respectable image of the future profession, and the necessity of food industry and technology studies.

## Projects for the promotion of a culture of continuous development:

- Coaching and mentoring.
- Employee Satisfaction Survey – preparatory work.
- Individual development discussions – the new Excellent Action model and IT solution.
- Post Missions visualisation project.
- Creation of LEAN policy and projects in various departments (Logistics, Production, and Marketing).

## Projects for the promotion of a culture of continuous development:

- Employee Master Class and manual.
- LEAN in various departments, creation of standards and training based on them.

#### Sustainability projects:

- Engagement of interns in various departments (Marketing, Financial, Logistics, and Production).
- Cēsu alus scholarships for professions significant to the beer production industry.

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#### **Key training:**

- LEAN for Logistics, Sales and Administration employees.
- Individual training in accordance with goals.
- Socionics with the objective of improving mutual communication and cooperation by increasing manager knowledge about emotional intelligence.

#### **Personnel Department** development projects:

- Personnel management and salary programme research project.
- Innovations in personnel selection video advertisements on job portals and social networks.

#### OLVI Group's international projects:

- My OLVI newspaper for all employees of the group.
- OLVI Academy good practice examples within the group.

#### Training projects:

- I FAN.
- Internal training excellent project management, coaching, feedback, annual development discussions.
- Individual training in accordance with goals.

Sustainability projects:

Cēsu alus scholarships for

Intern engagement project.

beer production industry.

Regular outplacement

Cēsu alus Trade Union -

the Best Professional

Organisation in Latvia.

professions significant to the

discussions with employees.

- Employee visits to international industry fairs in their professional areas.
- Creation of the Zero Incidents Policy in the Logistics Department e-training film.
- Super Visions pilot project for improving individual/team efficiency.

#### **Personnel Department** development projects:

 Creation of a personnel management, salary and self-service IT programme.

#### International projects:

- Employee Engagement and Satisfaction Survey.
- My OLVI newspaper for all employees of the group with editorship by Cēsu alus.
- OLVI Academy.
- Research of an e-training system.

#### Cēsu alus – a Quality Work Place project by the Trade Union.

# **WORK SAFETY**

SAFETY

PROTECTION

HEALTHY LIFESTYLE

#### Fire safety:

- Fire safety audit (provision of additional equipment).
- Revision of evacuation plans.
- Theoretical and practical (evacuation) training -Logistics and Production Departments.

#### Safety and wellbeing improvement projects:

- Introduction of the Zero Accidents Policy.
- Renovation of logistics offices.
- Provision of bus traffic to/from AS Cēsu alus for employees.
- Installation of a glass crusher, training, improvement of employee safety.
- Safety reflectors for employees.

#### Promotion of a healthy lifestyle:

- Creation of a dedicated smoking area.
- Participation in Lattelecom Riga and Tartu marathons.

#### Fire safety:

- Reconstruction of the fire safety system (expansion of the current board). automatic notification.
- Creation of a fork-lift battery charging station.
- Creation of a plan of new areas (detectors, alarm buttons, etc.).

#### Improvement of safety and wellbeing:

- On-going Zero Accidents Policy implementation projects in the Logistics Department and new projects in other departments.
- Purchasing of work clothes of a new design for promoting a safe work environment and recognition.
- Promotion of information exchange (video training, good practice examples, etc.), TVs in employee lounges.

#### Promotion of a healthy lifestyle:

- Installation of a bicycle parking rack within the territory of the brewery.
- Implementation of stress relief measures at work (Administration and Sales Departments).
- Participation in the Lattelecom Riga Marathon.
- Smoking eradication project.

# CARE FOR THE ENVIRONMENT

- ENVIRONMENTAL AUDIT & MONITORING
- ENERGY EFFICIENCY

# Creation of the environmental vision and objectives for the period until 2020:

- Conformity to the ISO 14001 standard, acquisition of the certificate.
- Cēsu alus Work Environment Aspects – updating of the documentation.
- Environmental audit, inclusion of proposals from its results in investment projects.
- Inclusion of category B proposals in investment plans.

Assessment of the impact of surrounding companies on the environment and AS Cesu alus.

Organisation and improvement of the current lightning protection system.

#### Paper saving project:

- reviewing the waybill process and reducing paper consumption (from four to three copies of waybills and introduction of electronic signature);
- sending comparison documents to customers electronically;
- reducing the number of printed bank statements – accounting and storage of documents is only done electronically.

#### **STRATEGY**

- The strategic objective of the AS Cēsu alus environmental policy is to ensure sustainable development in accordance with environmental protection requirements strict adherence to legal requirements and self-initiatives are at the basis of the company's environmental strategy.
- Care and concern for continuous improvements, along with adherence to the current and consideration of the future environmental legal requirements, are at the basis of the company's economic activity.
- The company regularly evaluates and decreases the consumption of natural resources (energy resources, fuel, water, etc.) and pollutant emissions to the extent possible, carries out recycling, and reduces the amount of waste at its place of origin wherever possible.
- In order to identify, assess and monitor potential environmental risks, Cēsu alus implemented two comprehensive projects at its production plant in 2013: an independent Environmental Aspect Audit and a group level Risk Assessment Project. Within these two projects, we developed suggestions and proposals which have been evaluated and will be included in investment and development plans to be implemented in the coming years.

- One of the most extensive recent investments in the Cesu alus production plant has been the installation of biological water pre-treatment equipment with the purpose of ensuring environmental preservation.
- The economy of energy resources is implemented by systematically integrating it in our technology development and investment projects.
- One of the aspects of Cesu alus' social responsibility in the context of environmental preservation is green procurement, which is implemented through the ecological versions of primary and secondary packaging of certain products and recycling projects, thus reducing the environmental impact of products and making the implementation of certain stages of the product life cycle greener.
- The company also invests in the improvement of the local community's urban environment both by taking care of the production plant and its adjacent territories, and by implementing separate large-scale projects such as the construction of a new skatepark in Cesis in 2013, which gives youths an opportunity to spend their free time productively (youths are one of the primary social responsibility target audiences of Cesu alus as an alcohol producer).

#### Creation of the environmental vision and objectives for the period until 2020:

- Introduction of the ISO 14001 standard requirements and measures.
- Cēsu alus Work Environment Aspects updating of the documentation.
- Environmental audit, inclusion of proposals from its results in investment projects.
- Inclusion of category B proposals in investment plans.

Going Green project for making the territory greener.

Energy efficiency improvement measures – insulation of the warehouse, etc.

Green office.

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