

A photograph of a birch forest with sunlight filtering through the trees. The sun is positioned in the upper center, creating a bright lens flare and casting long, soft shadows across the forest floor. The birch trees have characteristic white bark with dark, horizontal lenticels and vertical fissures. The ground is covered in lush green grass and low-lying vegetation. The overall atmosphere is serene and natural.

SUSTAINABILITY REPORT

2020



POSITIVE AND ENJOYABLE BEVERAGE EXPERIENCES RESPONSIBLY

The Olvi Group companies offer a wide range of beverages for an extensive consumer base. Alongside traditional brewery products, there is a broad selection of non-alcoholic products, even in alcoholic product categories such as beers, ciders and long drinks. In 2020, our sales volume was higher than ever reaching 766 million litres. Our net sales in 2020 were EUR 415 million.

Our values are based on responsibility, local presence, positivity and customer focus. Sustainable development is part of our strategy and is reflected in our day-to-day operations. We promote responsible and sustainable business operations throughout our value chain, from the procurement of raw materials to the environmental footprints of our products and well-being at work.

Understanding and affecting the impacts of climate change are increasingly important for sus-

tainable development. Olvi Group works to support the fight against climate change and the achievement of climate targets through sustainable business operations. Efforts to reduce greenhouse gas emissions are reflected in new and stricter laws, and through technological development. This enables companies to make their operations more environmentally friendly. Olvi Group has an active approach to this work through its carbon neutrality targets, for example.

This report includes Olvi Group's sustainability report, Board of Directors' report, financial statements, corporate governance statement and remuneration statement for 2020.

The Global Reporting Initiative (GRI) guidelines and accounting principles have been utilized in the reporting of Olvi Group's sustainability work.

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The background is a dark blue, monochromatic image. It features a large wooden barrel, likely for beer, which is the central focus. To the right of the barrel, there is a sack filled with hops, a key ingredient in brewing. The overall aesthetic is rustic and industrial, typical of a brewery or distillery setting.

OLVI GROUP IN 2020

OLVI GROUP IN 2020



SALES VOLUME
765.9 million litres
+6.6%



NET SALES
414.9 million €
+1.5%



INVESTMENTS
32.0 million €



OCCUPATIONAL ACCIDENTS
-9.1%



NUMBER OF PERSONNEL
1,911
+1.8%



OPERATING PROFIT
56.4 million €
+7.5%



EQUITY RATIO
63.8%

TOTAL SHAREHOLDER RETURN
20.7%

PRODUCT LAUNCHES
284 products



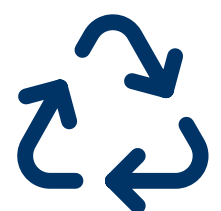
EXPORTS
52 countries



WATER CONSUMPTION
-6.0%, ACHIEVING THE TARGET OF 3 LITRES PER LITRE PRODUCED

BREWERIES:
71% GREEN ELECTRICITY AND 32% BIO-BASED ENERGY

ELECTRICITY CONSUMPTION
-4.5%
ENERGY CONSUMPTION
-8.6%



MIXED WASTE
-40.9%





CEO'S REVIEW:

GROWTH IN CHALLENGING CIRCUMSTANCES

Olvi Group continued to grow in 2020, which was its fifth consecutive year of positive development in terms of sales volume, net sales and operating profit.

The sales volume was strong already in January and continued to grow each month compared with the previous year. The most significant growth factors were strong sales development in the retail sector in Finland and an increase in subsidiaries' export sales. Growth was supported by effective and targeted brand marketing.

The coronavirus pandemic spread rapidly and affected consumer behaviour markedly from mid-March. The scope of the change was also affected by the measures taken by the authorities to significantly limit the number of guests at events and restaurants. The travel restrictions caused consumption to increase in the domestic market, with demand focusing on the retail sector and multipack products. Consumption at restaurants, hotels and events, as well as consumption related to travel, decreased significantly, particularly in the spring and towards the end of the year.

Olvi adapted to the changes rapidly and effectively, focusing on operational efficiency, performance reliability and occupational safety. The company's performance was successfully secured through production adjustments, sales assessment and monitoring in cooperation with customers, and cost-saving measures.

The planned investments were implemented successfully, although later than planned because of travel restrictions. The most significant investments were filling lines in Finland and Belarus. The Group's total investments were EUR 32 million, remaining at the previous year's level.

Olvi's sales volume increased by nearly 50 million litres during the year, representing an increase of 6.6%. Its net sales improved by 1.5% year-on-year, at EUR 415 million. The increase in net sales was slowed by the growth in multipack sales, which reduced the average

price in net sales. Net sales development was also slowed by the devaluation of the Belarusian rouble by around 35% during the year.

The company's operating profit grew impressively to EUR 56.4 million, or 13.6% of net sales.

Interest in sustainable development and responsible operating practices is increasing continuously. Nevertheless, the coronavirus pandemic highlighted the importance of responsible operations in a completely new way. Domestic and locally manufactured products and safe working conditions were particularly significant.

We considered the changes caused by the pandemic in our sustainability work, but continued our work to achieve our goals in all our focus areas. We are closer and closer to our goal of being a company that uses 100% green electricity and bioenergy, and a company with zero accidents. We also

actively provided consumers with more information about our products and their reasonable and responsible use. To support these goals, we identified the UN Sustainable Development Goals that are the most relevant in terms of our responsibility work. In addition, we started a study to achieve carbon-neutral operations through operational development.

Olvi Group had 1,911 employees in 2020. We increased well-being and safety at work by enabling remote work as far as possible. We hired a record number of summer employees for our production plants. We can be very pleased with our performance in 2020. We were able to continue our profitable growth and navigate the exceptional operating environment safely and successfully.

Lasse Aho
CEO
Olvi plc

OLVI GROUP

Olvi is an international brewery and beverage company. Olvi Group consists of Olvi plc and its six subsidiaries in five countries.

Olvi’s story began in 1878, when master brewer William Gideon Åberg and his wife, Onni, established a brewery in Iisalmi, Finland. Their goal was to eliminate alcoholism by offering milder alcoholic beverages to Finns. Finland had 78 breweries at the time. Today, Olvi is the only one that continues to operate as an independent Finnish brewery.

Olvi began its international expansion in 1996 by acquiring a

minority stake in Tarto Õlletehas, a brewery in Estonia. This company is now known as A. Le Coq. Olvi continued its international expansion in 1999 by acquiring a majority stake in Cēsu Alus in Latvia and Ragutis in Lithuania. Today, Ragutis is known as Volfas Engelman.

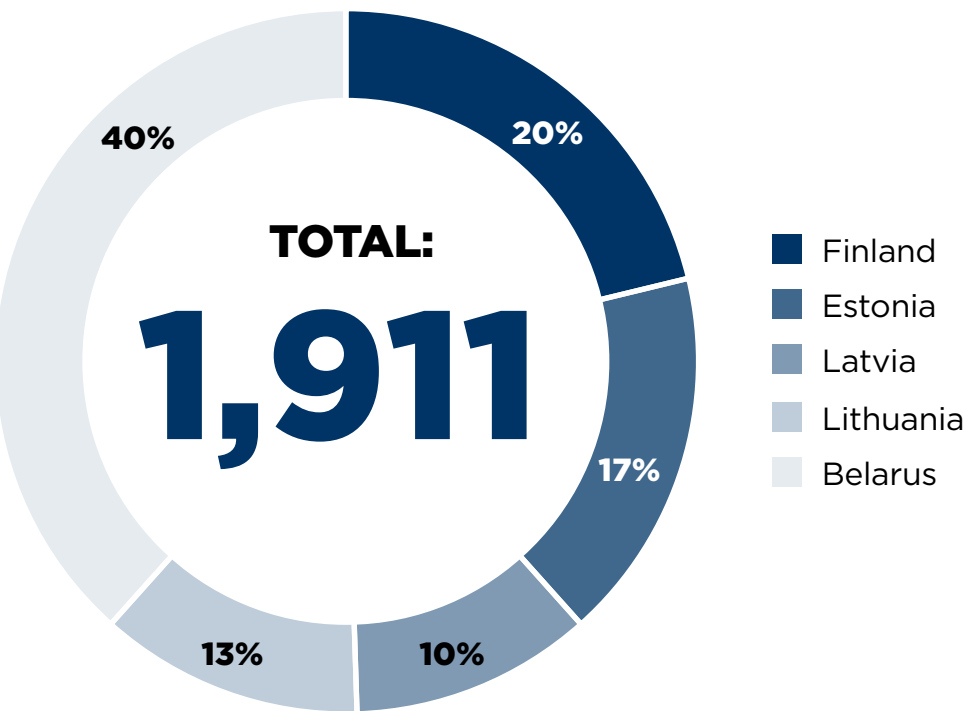
Olvi continued to grow in 2008 by acquiring a majority stake in the Lidskoe Pivo brewery in Belarus. Olvi completed its most recent ac-

quisitions in 2018. These included a majority stake in Servaali, an importer of alcoholic beverages, and The Helsinki Distilling Company in Finland.

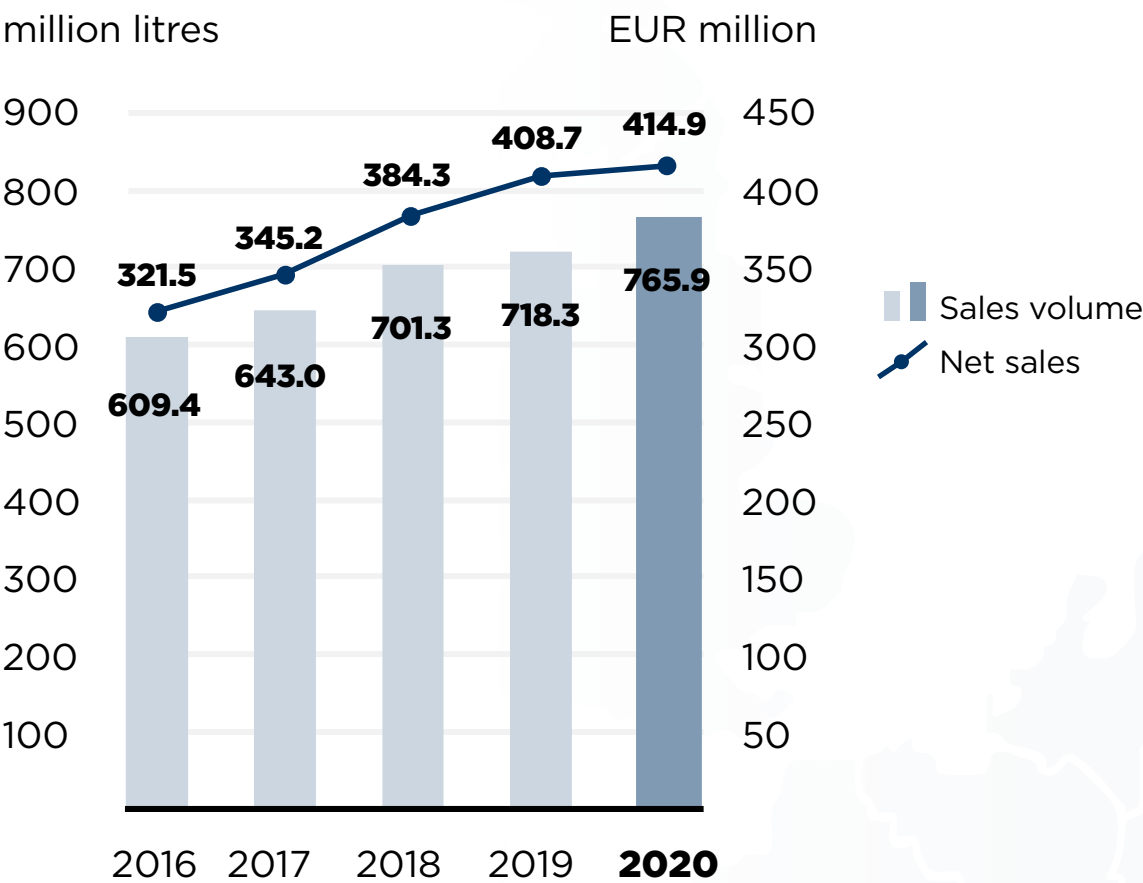
Olvi Group’s largest product categories are beer, kvass, and soft drinks. In the future, the Group aims to increase its sales of non-alcoholic options, such as water and wellness drinks, while also maintaining its strong market position in mild alcoholic beverages. The

Group exported products to 52 countries. Exports grew strongly in 2020 despite the challenges caused by the coronavirus pandemic.

EMPLOYEES BY COUNTRY



SALES VOLUME AND NET SALES 2016-2020



OLVI PLC

Olvi plc, the parent company of Olvi Group, was established more than 140 years ago. Today, the company is Finland's third-largest brewery and beverage manufacturer. Olvi's largest product category is beer. In 2020, Olvi improved its market shares in mild alcoholic beverages. Its product selection development focused on its own brands and premium products in particular. Olvi successfully launched new products, with a focus on non-alcoholic product categories.

In 2020, Olvi plc's market share continued to grow as a result of the strong demand driven by the coronavirus pandemic. During the year, its investments focused on increasing production capacity

through a new syrup kitchen and a new filling line for plastic bottles. Olvi continued to invest in reducing its climate emissions. To support these efforts, the company participated in the CDP's climate emissions reporting for the first time. The company also updated its product safety management system to comply with the IFS standard.

In 2021, Olvi plc is focusing on further expanding and diversifying its selection of non-alcoholic products. The company also continues to invest in capacity increases for improved operational efficiency in its can and glass bottle lines in particular. The ongoing preparation of Olvi Group's digitalisation strategy, as well as its devel-



- **Founded:** 1878
- **Product categories:** Beer, cider, long drinks, other alcoholic drinks, water, soft drinks, energy drinks, sports drinks and wellness product categories

opment work to achieve carbon neutrality for its Iisalmi brewery by 2023, will enable the company to respond better to future challenges and opportunities.



SALES VOLUME
244.4 million litres
+11.5%



NET SALES
180.3 million €
+6.6%



NUMBER OF PERSONNEL
389
+0.8%



OPERATING PROFIT
23.0 million €
+23.4%

Also includes Servaali and The Helsinki Distilling Company



**OLVI USES
100% GREEN
ELECTRICITY AND
97% BIOENERGY IN
ITS PRODUCTION**

**CARBON-
NEUTRAL
FACTORY BY
2023**

**FACTUM
THE MOST
SUSTAINABLE
BREWERY**
according to the
FACTUM survey for
decision-makers in the
grocery trade





SERVAALI

Servaali is one of Finland's largest private importers of alcoholic beverages. Its largest product categories are wine and beer, but its selection also includes a wide range of non-alcoholic options. The company aims to increase

its market share in Finland and expand into new international markets in the near future. Operations of Servaali will be integrated into Olvi plc in terms of governance and sales to the Ho-ReCa sector during 2021.

SERVAALI

- **Established in 1995**
- **Product categories:** Wine, beer, spirits, cider and other products
- **Olvi plc's holding:** 80%



THE HELSINKI DISTILLING COMPANY

Before the establishment of The Helsinki Distilling Company, there had been no distilleries in Helsinki for 100 years. Its main product categories are whiskey and gin. Its products have won a number of international awards over the years. Helsinki Dry Gin in particular has won several gold medals in Finland and abroad.

Due to the coronavirus pandemic, the company launched Helsinki Käsidesi hand sanitiser products in 2020. The Helsinki Distilling Company will implement a product safety management system certified in accordance with the IFS standard in 2021.



- **Established in 2014**
- **Product categories:** Whiskey, gin, liqueurs and other spirits
- **Olvi plc's holding:** 78%

A. LE COQ

A. Le Coq is Estonia's largest brewery and beverage manufacturer. Its largest product categories are beer, water, juice and long drinks.

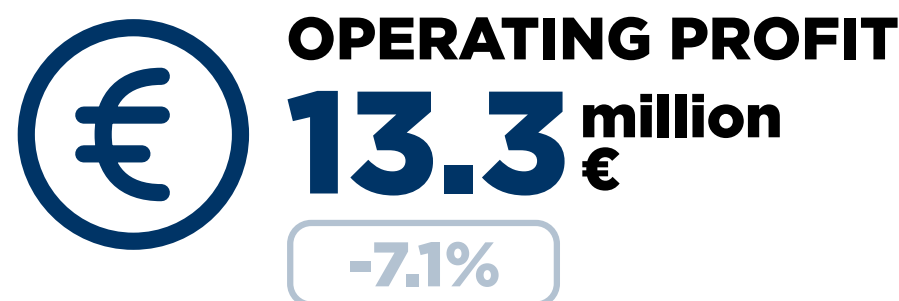
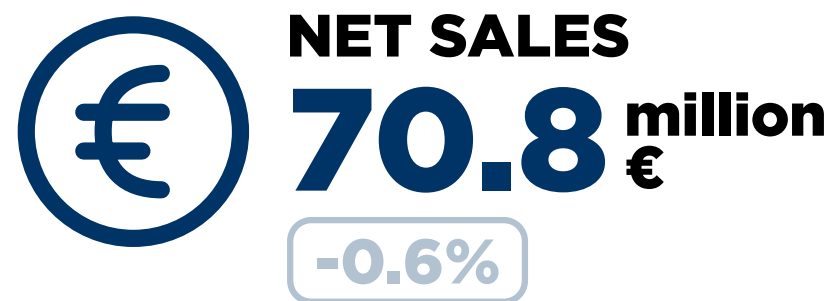
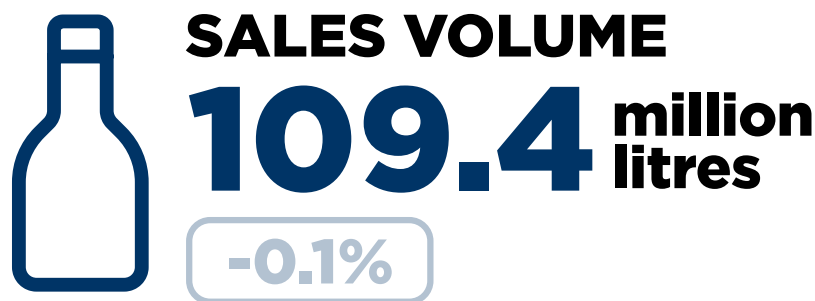
The coronavirus pandemic had a significant impact on its operations in 2020. Various restrictions related to the pandemic reduced HoReCa sales, which are important for A. Le Coq, as well as harbour and onboard sales. However, the company was able to compensate for this loss of sales through increased retail and export sales.

In 2020, A. Le Coq obtained ISO 9001 quality management certification, alongside its ISO 50001 energy management certification. The company paid special attention to its employees' health and well-being at work. The company started the largest environmental project in its history. The project is related to water treatment and a bio power plant.

In 2021, A. Le Coq is focusing especially on the development of responsible business operations through environmental friendliness and the promotion of responsible consumption.



- **Established in 1807**
- **Product categories:** Beer, water, juice, long drinks, soft drinks, cider, kvass, sports and energy drinks, other alcoholic beverages, juice concentrates and wellness product categories
- **Olvi plc's holding:** 100%



Products manufactured using
100% GREEN ELECTRICITY AND 10% BIOENERGY

THE FIRST SOLAR POWER PLANT IMPLEMENTED IN 2020

SILVER RATING IN THE ESTONIAN SUSTAINABILITY INDEX LISTING IN 2020





CĒSU ALUS

Cēsu Alus is Latvia’s oldest and largest brewery. Its largest product category is beer.

In 2020, the coronavirus pandemic led to significant business restrictions especially in the HoReCa sector. This was reflected in the company’s operating result. With the coronavirus crisis, the company prioritised employees’ safety and well-being and the continuity of its production process. In addition, the company started to produce hand sanitiser to prevent the spread of the virus. Its sales increased in soft drinks and water in particular. The company also opened an online store. It continued its production investments by increasing its production capacity of special beers, for example.

In recognition of its long-term sustainability work, Cēsu Alus achieved the highest sustainability rating, Platinum, in the Latvian Sustainability Index listing in 2020 for the fourth consecutive year. In developing the recycling of beverage packaging, Cēsu Alus has played a key role in the preparation of a deposit return system in Latvia, and the work to implement the system continues.

In 2021, Cēsu Alus is focusing on premium products and the diversification of its beer product selection. It is also working to further improve the customer experience by opening an experience and visitor centre near its brewery in Cēsis.



- **Established in 1590**
- **Product categories:** Beer, soft drinks, long drinks, cider, water, kvass, energy and sports drinks, juice, other alcoholic beverages and wellness product categories
- **Olvi plc’s holding:** 99.9%



SALES VOLUME
70.9 million litres
-0.0%



NET SALES
37.4 million €
-3.9%



NUMBER OF PERSONNEL
193
-1.0%



OPERATING PROFIT
3.6 million €
-15.4%

Products manufactured using **100% GREEN ELECTRICITY AND 14% BIOENERGY**

MIXED WASTE
-33%

PLATINUM RATING IN THE LATVIAN SUSTAINABILITY INDEX LISTING IN 2020



VOLFAS ENGELMAN

Volfas Engelman is Lithuania’s second-largest beverage industry operator in its product categories. Its largest product categories include beer and kvass.

Volfas Engelman strengthened its market share in all its main product categories during 2020. The company achieved a record market share of 25% in beer. Overall, sales volumes increased by 12%, despite the restrictions caused by the coronavirus pandemic. Exports increased by almost 50%, with a particular focus on Russia, Korea and China.

Volfas Engelman obtained ISO 14001 environmental certification and ISO 45001 health and safety certification during 2020. Its natural mineral water plant, which was opened in 2019, obtained IFS product safety certification. The company invested in productivity and environmental friendliness by purchasing eco-friendly forklifts, for example.

In 2021, Volfas Engelman is focusing on the development of non-alcoholic beers and other non-alcoholic products, as well as on product premiumisation.



- **Established in 1853**
- **Product categories:** Beer, kvass, cider, long drinks, energy drinks, water, soft drinks, other alcoholic beverages, juice and wellness product categories
- **Olvi plc’s holding:** 99.7%



SALES VOLUME
122.4 million litres
+13.8%



NET SALES
55.5 million €
+12.6%



NUMBER OF PERSONNEL
240
+4.3%



OPERATING PROFIT
4.2 million €
+13.1%



Volfas Engelman
THE MOST VALUABLE BRAND
in Lithuania by Verslo žinios

ISO 14001 ENVIRONMENTAL
and **ISO 45001 HEALTH AND SAFETY**
certification

PRODUCTS MANUFACTURED USING 100% GREEN ELECTRICITY





**LIDSKAE BEER AND
LIDSKY KVASS
CERTIFICATED FOR
DESIGNATION
OF ORIGIN**

**NON-ALCOHOLIC
PRODUCTS:
55%
OF PRODUCT
SELECTION**

**SBT ISO 45000
HEALTH
AND SAFETY
CERTIFICATION
IN 2020**

LIDSKOE PIVO

Lidskoe Pivo is one of the oldest and largest breweries in Belarus. Its largest product categories include beer, kvass and soft drinks.

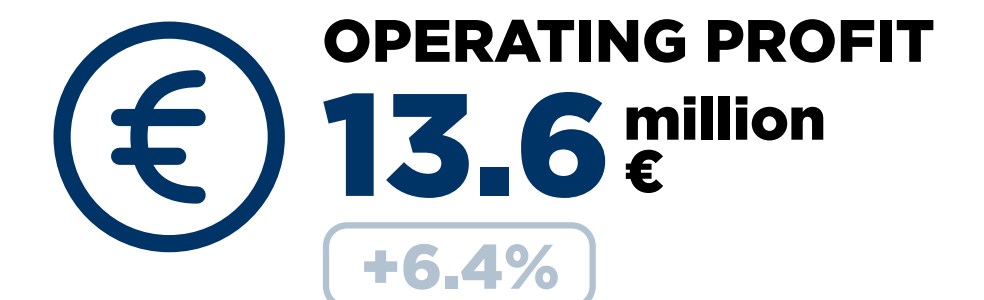
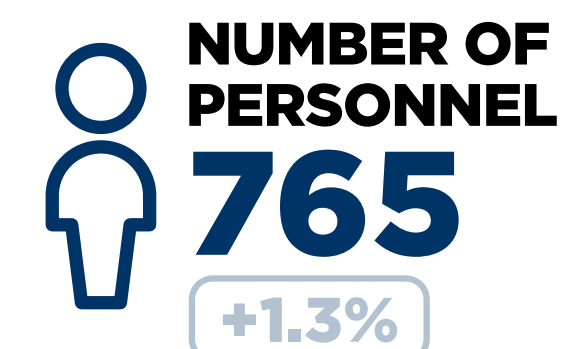
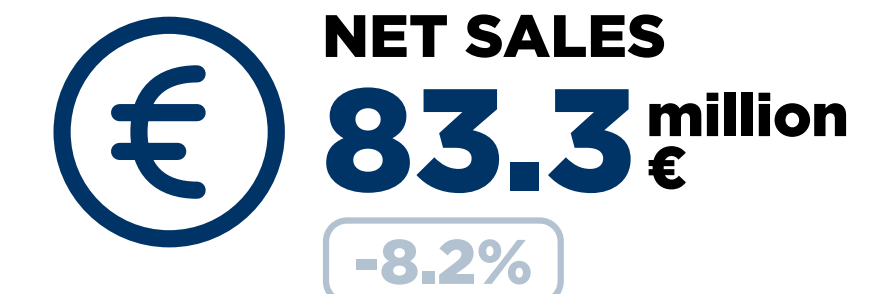
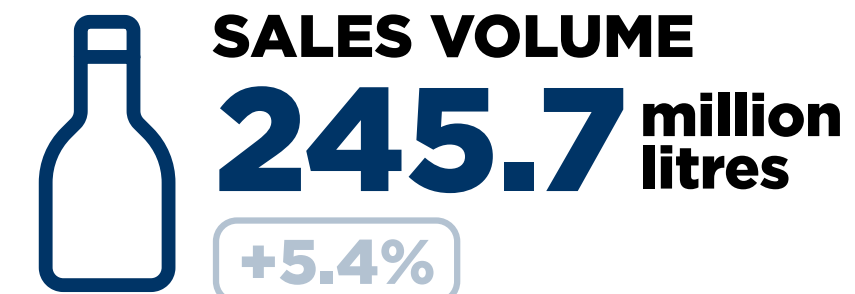
In 2020, with a total volume of 246 million litres, the company became Belarus' leading beverage manufacturer. Its business operations developed favourably: profitability improved by 6.4% despite the many challenges posed by the operating environment, especially the considerable weakening of the Belarusian rouble.

Lidskoe Pivo has responded to changes in consumer behaviour in many ways. In 2020, the company invested in a new can line and continued to focus strongly on product launches. The company is proud of its "Lida origin" certificates in recognition of the special features of Lidskae beer and Lidsky kvass nationally.

Lidskoe Pivo will celebrate its 145th anniversary in 2021. The company aims to continue its strong growth and invest in new premium products.



- **Established in 1876**
- **Product categories:** Beer, kvass, soft drinks, water, wellness and energy drinks, cider, long drinks, juice and wellness product categories
- **Olvi plc's holding: 96.4%**



PRODUCT CATEGORIES

IMAGES OF PRODUCTS LAUNCHED IN 2020



SALES VOLUME BY PRODUCT CATEGORY

| | | Kvass | Soft drinks | Mineral water | Long drinks | Cider | Juice | Other |
|-----|------|-------|-------------|---------------|-------------|-------|-------|-------|
| 59% | Beer | 11% | 10% | 8% | 4 | 3 | 3 | 2 |

BEER

455

million litres

KVASS

84

million litres

SOFT DRINKS

77

million litres

WATER

58

million litres

LONG DRINKS

32

million litres

CIDER

22

million litres

JUICE

20

million litres

ENERGY, SPORTS, WELLNESS AND OTHER DRINKS

18

million litres



STRATEGY

Olvi Group’s mission is to create positive and enjoyable beverage experiences for its customers. Our vision is to be a preferred brewery offering a wide selection of beverages.

Our mission is the purpose of our operations: we want to bring well-being and positivity to consumers’ lives through enjoyable beverage experiences. Our vision materialises when the implementation of our mission is combined with our strategic choices and values. We work to be the preferred choice with the widest selection for consumers and our customers and other stakeholders.

STRATEGIC CHOICES

Our strategic choices determine our work towards our vision. Olvi Group’s way of working and managing business operations are reflected in our choices and their implementation, as well as our values. The Group-level strategy guides the operations of all Group companies, but we also accept local flexibility in strategy implementation, because operating environments and competitive situations vary. Local presence is one of our values, and must also be reflected in our business operations.

Our strategy focuses on strengthening our profitable growth and market position, and on growth opportunities in new markets. We fo-

cus on new products that support profitability, as well as investing in increasing the sales of selected products. We invest in innovative product development in both alcoholic and non-alcoholic products.

We optimise our production capacity and improve efficiency by focusing on dynamic production and sales planning, and operational efficiency. The Lean philosophy and opportunities offered by digitalisation play a key role in this respect. Highly competent and motivated employees with the ability for renewal are important for us. We invest in smooth and productive work, well-being at work, training and expertise.

Our strategic targets include leading the way in sustainability in our industry. We focus on further developing the Group’s common sustainability programme, action plan and targets.

OUR VALUES GUIDE OUR OPERATIONS

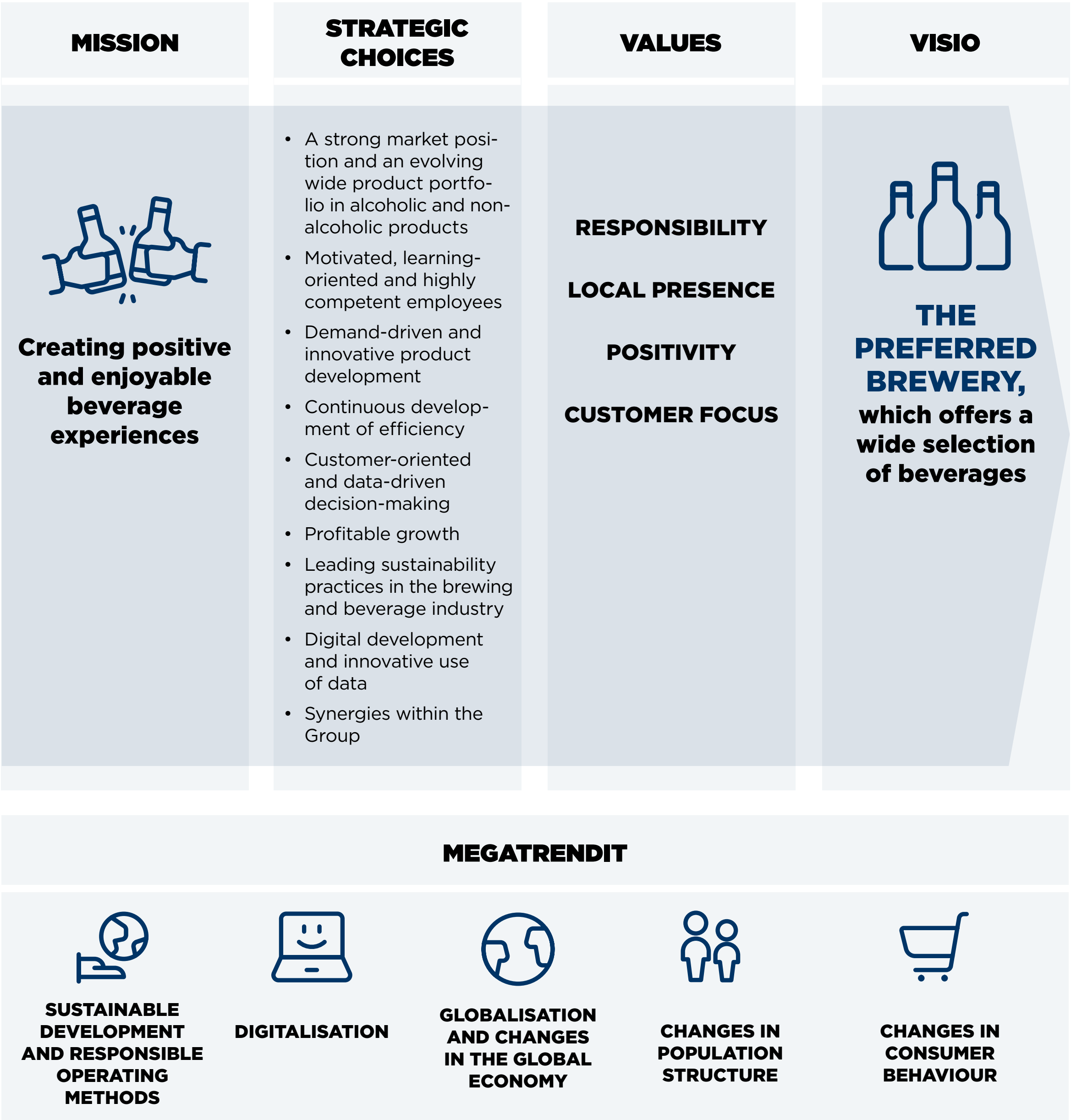
- **Sustainability** – We appreciate sustainability and expect sustainability from all Olvi Group’s employees and partners.

- **Local presence** – We appreciate local operations and manufacture products for local consumers.
- **Positivity** – A positive attitude is our way of working and responding to challenges. Positivity enables us to convert our targets into results and success in an agile manner.
- **Customer focus** – Our existence is founded on customers’ needs. Identifying and meeting customers’ needs are at the core of our operations.






Ethicality and sustainability are an integral part of our operations in line with our values.

MEGATRENDS

In our operations, we consider the challenges and opportunities arising from megatrends that affect Olvi Group. We have identified global changes that shape our operating environment over the long term. Through our strategy and sustainable operating method, we create the future with the choices we make today.



IMPACT OF MEGATRENDS ON OUR BUSINESS OPERATIONS

| |  SUSTAINABLE DEVELOPMENT AND RESPONSIBLE OPERATING METHODS |  DIGITALISATION |  GLOBALISATION AND CHANGES IN THE GLOBAL ECONOMY |  CHANGES IN POPULATION STRUCTURE |  CHANGES IN CONSUMER BEHAVIOUR |
|---------------------|---|--|---|---|---|
| IMPACTS | <ul style="list-style-type: none"> Stakeholders' expectations are growing throughout the value chain Regulations and reporting obligations are increasing The scarcity of natural resources calls for resource efficiency and adaptation to climate change | <ul style="list-style-type: none"> Automation offers opportunities to improve production efficiency Digitalisation is reflected in consumer and customer behaviour Services are expected to be available immediately The amount of information and data is growing Information is distributed, and experiences are exchanged, at an increasing rate | <ul style="list-style-type: none"> Changes in exchange rates, raw material prices, the economic situation and import restrictions Global trends and product ideas spread rapidly | <ul style="list-style-type: none"> Urbanisation continues The number of single-person households is increasing The population is ageing in certain market areas The world's population is growing | <ul style="list-style-type: none"> Choices are increasingly made based on naturalness, healthiness, individuality and product origin Consumer groups are becoming polarised |
| OUR RESPONSE | <ul style="list-style-type: none"> We consider expectations in our products, packaging and marketing We develop our production and value chain sustainably in cooperation with our partners We optimise transport We require our partners to operate more sustainably We share best practices and strengthen the vitality of local communities | <ul style="list-style-type: none"> Data supports our decision-making We combine the opportunities offered by digitalisation with our strategy to ensure future competitiveness We use multiple channels for consumer communication and better customer experiences We have an active presence on social media | <ul style="list-style-type: none"> We focus on differentiating ourselves from the competition in selected markets We monitor global trends and changes We ensure the predictability of prices and availability of materials through long-term procurement agreements We focus on prudent risk management We develop risk management and measures to ensure operational continuity, based on what we have learned during the coronavirus pandemic | <ul style="list-style-type: none"> We consider new opportunities created by new consumer groups and packaging sizes We develop new product and service concepts | <ul style="list-style-type: none"> We invest in innovative products and new product segments We further develop our products We consider trends in taste, raw materials and packaging We increase consumer insight We strengthen marketing, sales and our brand identity |

STAKEHOLDERS

We have identified the Group's stakeholders and their key expectations. In addition to their key expectations, many stakeholders are interested in similar themes related to sustainability and responsibility.

CONSUMERS

Our consumers expect sustainable products and operations from us, as well as transparent and reliable product information. We communicate with our consumers via customer service channels, packaging, surveys, websites and social media.

CUSTOMERS

Our customers' expectations focus on safe and innovative products, good customer service and reliable deliveries. We interact with customers at customer meetings and events, for example. We also develop our operations and products based on their feedback and in cooperation with them.

EMPLOYEES

Our employees expect us to ensure safety at work and maintain

and promote well-being at work in particular. We monitor employees' expectations through daily interaction, feedback, internal communication, employee surveys and performance based and development reviews.

PARTNERS AND SUPPLIERS

Our partners and suppliers want a reputable partner, as well as services and solutions that support their competitiveness. We interact with our partners and suppliers through general interaction, meetings, events and audits.

INVESTORS AND SHAREHOLDERS

Our investors and shareholders expect profitable growth and effective risk and reputation management from us, and they also expect us to promote sustainability. The Annual General Meeting, annual and interim reports, investor events and our website play an important role in our interaction.

SOCIETY, THE AUTHORITIES AND THE MEDIA

Society expects us to promote a responsible drinking culture, as

well as being a good taxpayer and having a responsible product selection. The authorities' expectations focus on compliance with laws and regulations. The media and investors want us to provide transparent and reliable information and communicate rapidly. We comply with the requirements concerning listed companies. We monitor the development of society's and the authorities' expectations. We participate in discussions in the media and cooperate with the media.

ORGANISATIONS, ASSOCIATIONS AND PARTNERS

The expectations of organisations, associations and partners focus on sustainable operations, commitments and risk management. Our contribution to the development of our industry is also important for them. Interaction takes place through continuous discussions, feedback, meetings, events and cooperation projects.



A black and white photograph of several hop cones (hops) hanging from a vine with large, serrated leaves. The hops are in various stages of maturity, with some showing more pronounced cone shapes. The background is a soft, out-of-focus grey.

SUSTAINABILITY

THE IMPORTANCE OF RESPONSIBILITY WAS HIGHLIGHTED

Responsibility and sustainable development concern the company’s operations on an extensive scale. Safe working conditions and domestic products were particularly important in 2020 because of the coronavirus pandemic. Despite this, the circular economy and climate change continued to be strongly present in changes in the operating environment and the development of legislation.

Climate change and global warming are reflected in agricultural production, and Olvi Group depends on agricultural production for raw materials. The impacts of global warming may manifest themselves as better crops, or as crop losses and changes in quality. To reduce climate emissions, the EU aims for carbon neutrality by 2050, while Finland seeks to achieve this goal by 2035.

In line with the principles of the circular economy, the manufacture and consumption of products must burden the environment as little as possible, generate minimal waste and keep materials in circulation for a long time. The circular economy concerns plastics in particular. Of the raw material for plastic bottles manufactured in the EU, 25% must be recycled plastic by 2025 and 30% by 2030.

Olvi aims for industry-leading practices in corporate responsibility. In 2020, we identified the UN Sustainable Development Goals that are the most relevant

for our responsibility work, and our parent company participated in the CDP’s climate emissions reporting for the first time.

We also continued our work to improve well-being at work in 2020, and we introduced new operating models in response to the impacts of the coronavirus pandemic on working conditions. In addition, we invested in the environmental friendliness of our products and in further diversifying our product selection.

OLVI PLC CARBON NEUTRAL FACTORY BY 2023

In 2021, we are focusing on Group-wide climate emissions reporting for the CDP, and on further identifying opportunities offered by the circular economy. We will also set carbon neutrality targets for our production in every operating country and examine climate emissions within the value chain. In terms of carbon neutrality, the focus of our work is on reducing emissions, not on compensating for them.

In addition, we are continuing our work to protect biodiversity in terms of Olvi Group’s operations and implement a Group-wide plan concerning the use of plastic. Our core focuses also include promoting well-being and safety at work.

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CORPORATE RESPONSIBILITY AT OLVI

We seek to further develop our operations and the beverage industry as a whole, and we help our partners, customers and consumers make responsible choices.

Our operations are affected by international megatrends, such as values arising from responsibility and sustainable development, as well as climate change, globalisation, population development and consumption habits.

OUR RESPONSIBILITY WORK
REFLECTS WHAT IS EXPECTED
OF US AND HOW WE SEEK TO
DEVELOP OUR OPERATIONS

Our stakeholders' expectations concerning our company's sustainability throughout the value chain continue to increase, as do statutory requirements. Ethical production and procurement, fair and safe working conditions, and environmental measures are increasingly important for our customers and consumers, in addition to a broad, consumer-focused product selection. These are reflected in our focuses and targets. We are currently preparing a materiality analysis, and will further specify our key sustainability focuses and targets based on the analysis if necessary.

KEY FOCUS AREAS

We have determined our key sustainability focuses, considering the megatrends and stakeholder expectations that affect our operations.

Olvi Group's sustainability programme has four focuses:

- Sustainable value chain
- Best place to work
- Creating value for stakeholders
- Consumer communication

In addition to these, ethical business practices are an integral part of all our operations.

OUR COMMITMENT

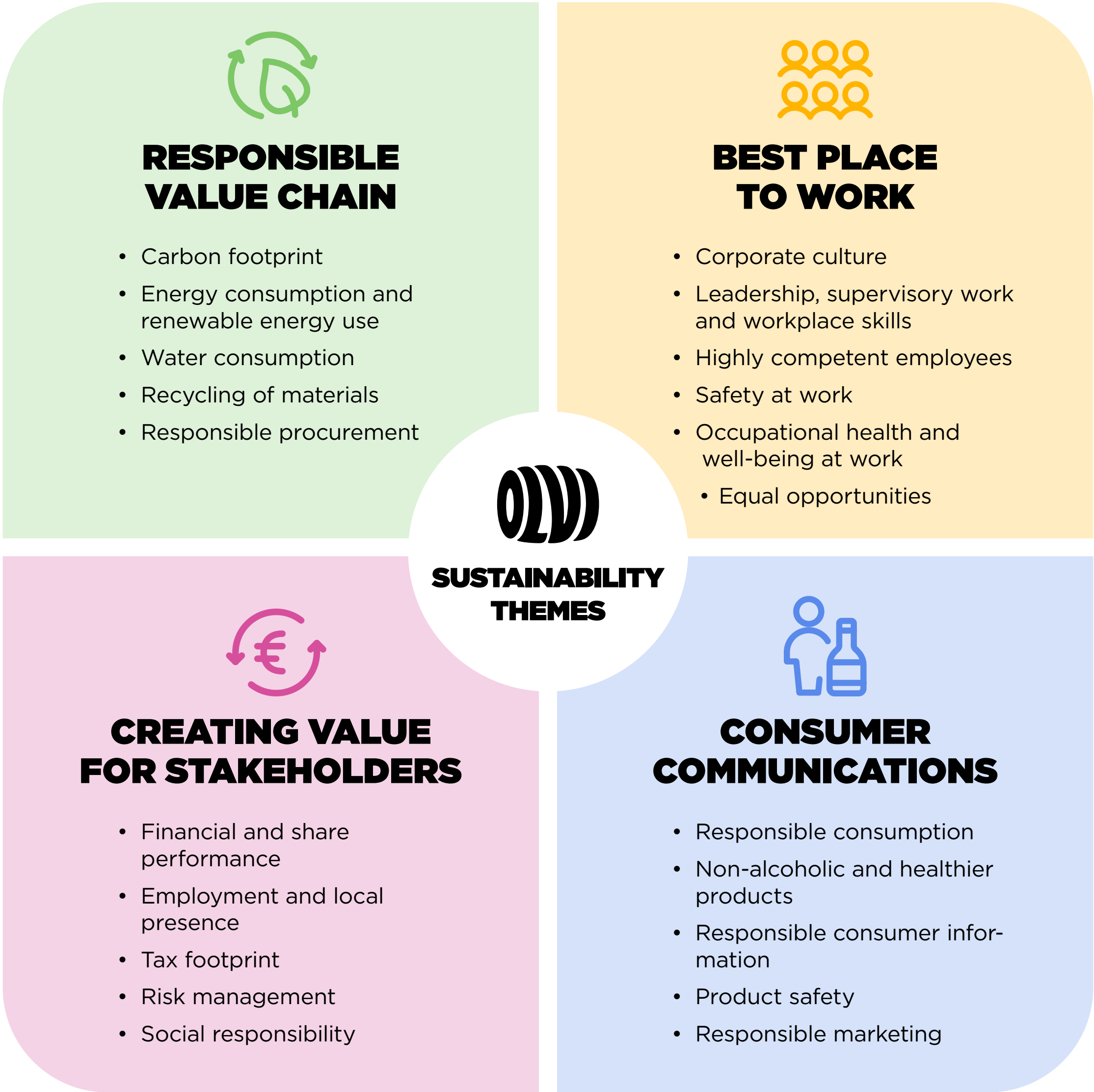
Our sustainability work is also based on international commitments and agreements that bring countries and operators together to promote sustainable and fair development and combat climate change.

We are a member of the UN Global Compact initiative, and are committed to its principles. These principles

guide our work to ensure human rights, labour rights and environmental protection, and to prevent corruption. We are also committed to promoting the UN Sustainable Development Goals through our sustainability programme.

WE COMBINED OUR CURRENT
TARGETS WITH THE MAIN GOALS
AND SUB-GOALS OF THE UN FOR
SUSTAINABLE DEVELOPMENT

We comply with the International Labour Organization's (ILO) fundamental conventions. The ILO monitors its member states' compliance with its conventions and provides support. In addition, we are committed to the guidelines issued by national brewing and soft drink industry associations on responsible marketing and sustainable development. To measure the climate emissions of our operations, we are committed to participating in the CDP's climate emissions reporting at the Group level.





UN SUSTAINABLE DEVELOPMENT GOALS FOR 2016–2030

The programme aims to eradicate poverty and promote sustainable development with equal consideration of the environment, the economy and people. Olvi's responsibility work is related to seven goals in particular.



GOOD HEALTH AND WELL-BEING

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



QUALITY EDUCATION

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



CLEAN WATER AND SANITATION

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



AFFORDABLE AND CLEAN ENERGY

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



DECENT WORK AND ECONOMIC GROWTH

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



RESPONSIBLE CONSUMPTION AND PRODUCTION

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



CLIMATE ACTION

- We develop our emissions reporting to identify the emissions generated by our operations
- We focus on identifying the climate impacts of our operations in more detail
- We develop our operations based on results



GOVERNANCE

The management of sustainable development begins with our strategy and is based on our values, ethical business practices and Group-level policies and guidelines.

Our operations are guided by policies approved by the CEO of Olvi plc. For example, these policies concern the environment and safety at work as well as our products, the procurement of materials and ethical business practices.

We have determined Group-level key themes, indicators and main targets for the focus areas. In ad-

dition, the Group companies have company-specific focuses and indicators. We have also prepared long-term action plans to achieve the targets for each focus area.

SUSTAINABLE DEVELOPMENT BEGINS WITH OUR VALUES AND STRATEGY

We implement action programmes and measures to promote sustainability in all Group units. Olvi plc's Board of Directors annually reviews our sustainability targets in relation to our strategy, and monitors performance

based on the indicators on a regular basis.

The persons in charge of the focus areas are responsible for monitoring the indicators and implementing measures to achieve the targets. Sustainable development is reflected in our day-to-day work through each employee.

OUR WAY OF WORKING

We further develop our problem-solving skills, ways of working and work environment through development projects. Applying the Lean philosophy and operating models makes work processes smoother and more efficient, as

OLVI GROUP'S CERTIFIED MANAGEMENT SYSTEMS

| Company | Quality ISO 9001 | Environment ISO 14001 | Occupational safety ISO 45001 | Food product safety FSSC/ISO 22000 | Energy ISO 50001 |
|-----------------|---------------------|--------------------------|-------------------------------------|--|---------------------|
| Olvi Oyj | ✓ | ✓ | ✓ | IFS 6.1 | |
| A. Le Coq | ✓ | | | | ✓ |
| Cēsu Alus | ✓ | ✓ | ✓ | BRC | ✓ |
| Volfas Engelman | ✓ | ✓ | ✓ | FSSC 22000 | |
| Lidskoe Pivo | ✓ | ✓ | ✓ | FSSC 22000 | |
| Uniqa | | | | IFS 6.1 | |

well as reducing waste and maintaining orderliness. This enables us to reduce our environmental footprint, increase our resource efficiency, improve safety at work and further develop our value creation for stakeholders.

Olvi Group's operations are guided by certified management systems. The management systems enable us to focus on operational quality, environmental considerations, occupational health and safety at work. These are reflected in the management of people and the management, monitoring and development of business matters. Management systems also support our work to ensure product

safety, as well as promoting efficiency measures concerning energy consumption, for example. We assess the effectiveness of our management systems, as well as their ability to support business operations, through external and internal audits and feedback from the management.

Olvi Group's companies have increased their use of certified management systems annually. Our goal was for all Group companies to have environmental systems, health and safety systems and product safety systems in place in 2020, but this work has unfortunately been slowed by the coronavirus pandemic. We

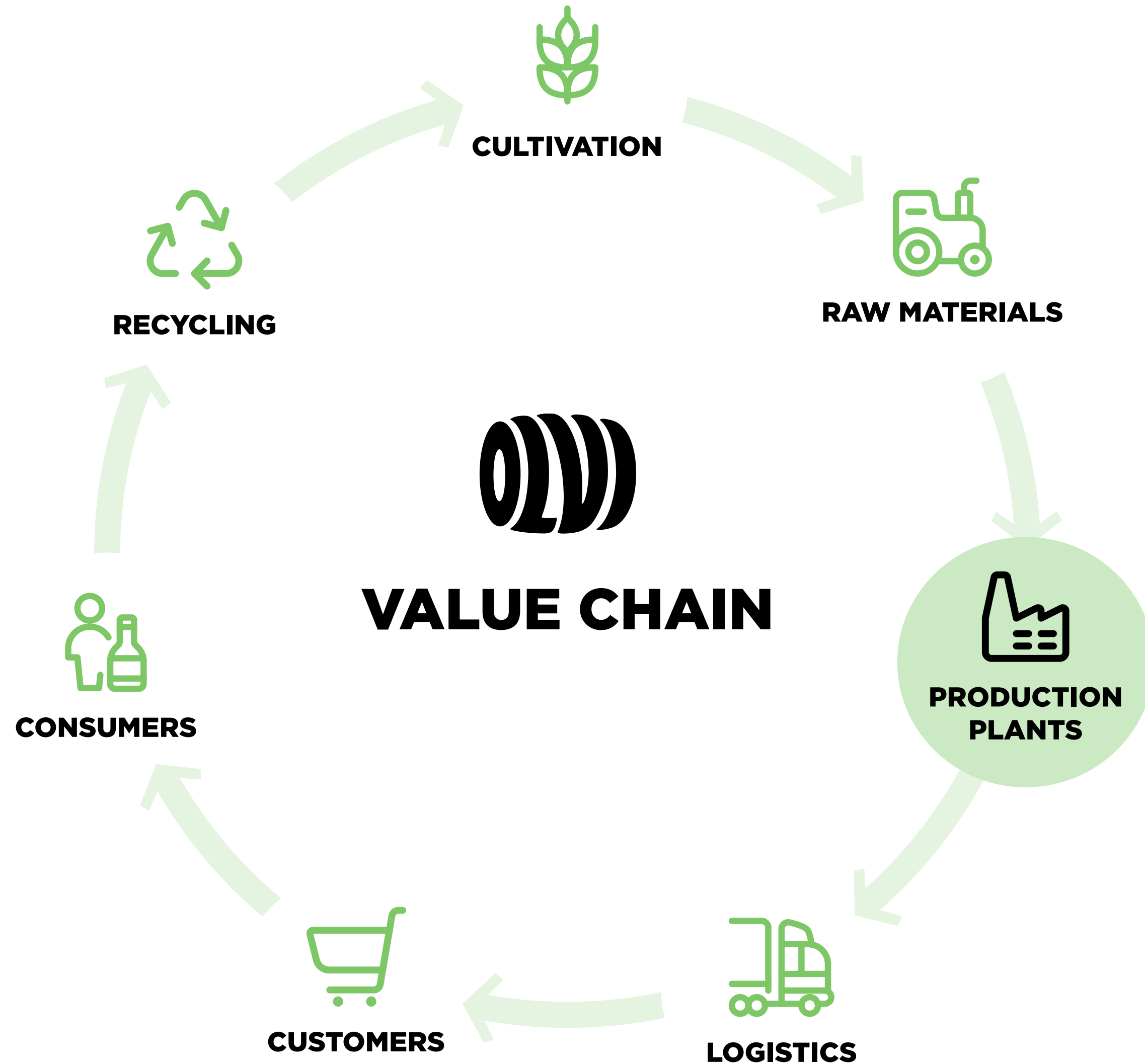
seek to implement these systems during 2022 at the latest.

OUR WAY OF WORKING IS BASED ON THE LEAN PHILOSOPHY AND CERTIFIED MANAGEMENT SYSTEMS



An aerial photograph of a coastal industrial facility, possibly a pulp or paper mill, with a large ship docked at a pier. The facility includes several large buildings, a tall smokestack, and a parking lot. The surrounding area is lush with green trees, and a body of water is visible in the foreground and background. The entire image is overlaid with a semi-transparent green filter.

RESPONSIBLE VALUE CHAIN



RESPONSIBLE VALUE CHAIN

We work to continuously reduce our environmental footprint and improve our resource efficiency. The transparency and traceability of purchases always come first when we make procurement decisions.

The beverage industry uses considerable amounts of raw materials and natural resources. Supply chain management and procurement methods have a significant impact on the environment, the climate and society.

Olvi Group's sustainability footprint is determined throughout the supply chain, covering both its own operations and the entire value chain. Responsible supply chain management involves many areas, and we have identified our most material aspects.

As far as possible, we choose local operators and raw materials. The traceability of raw materials is key. Protecting biodiversity is also important to us. This is one of the reasons the raw materials we use must be grown, and the materi-

als we use must be produced in line with the principles of sustainable development. To ensure this, we only purchase from approved suppliers. Ensuring the quality and safety of each raw material and packaging material is key.

Olvi Group has implemented numerous measures to improve resource efficiency and reduce emissions. During product development, we examine the safety and environmental impacts of the product and its raw materials and packaging materials. Employees' awareness and correct ways of working are important to us in terms of the environment, safe working conditions and well-being at work.

In logistics, we seek to minimise emissions through optimised

routes and distribution. We pay special attention to efficient distribution and storage through solutions that are as environmentally friendly as possible. We work to ensure reliable deliveries and safe products for our customers.

THE RECYCLABILITY OF OUR PRODUCTS PROMOTES THE CIRCULAR ECONOMY

We approach consumers through responsible marketing and clear product information. Promoting responsible consumption is at the core of our operations. Our products and packaging materials are recyclable, enabling the reuse of materials and the promotion of the circular economy.

REDUCING OUR CARBON FOOTPRINT

Olvi Group continuously takes measures to reduce its carbon footprint. The Lean philosophy and operating models are reflected in improved energy efficiency in our manufacturing process. New digital solutions enable the real-time monitoring and optimisation of our steam, heat and electricity use..

EMISSIONS FROM OUR OPERATIONS

The carbon dioxide emissions of our production operations are mainly generated by production plants, transportation and logistics. The most significant sources of emissions from our production plants are heating, steam and electricity, as well as carbon dioxide emissions generated during the fermentation process and cooling phase at our breweries.

WE PARTICIPATED IN THE CDP'S CLIMATE EMISSIONS REPORTING

We aim to minimise our exhaust gas emissions from transportation and distribution by optimising our distribution chain and routes. We focus on shortening our total transport routes and loading lorries more efficiently.

We also pay attention to emissions from commuting and seek

to minimise travel. We therefore seek primarily to hold remote meetings. Remote meetings and remote work increased significantly because of the coronavirus pandemic in 2020. At the same time, the exceptional year accelerated the introduction of digital tools and new operating models. Our goal is that we will not fully return to our previous operating model after the pandemic. Instead, we will seek to reduce flights and business travel days by 50% compared with 2019, excluding sales and store work.

We are further developing our emissions reporting to better identify emissions from various production phases and other operations. In 2020, Olvi plc participated in the CDP's climate emissions reporting for the first time. In 2021, our reporting will cover the entire Group. Our goals for 2021 also include setting carbon neutrality targets for our breweries. The parent company has already set a goal for the Iisalmi factory to achieve carbon neutrality by the end of 2023. Alongside this work, we will identify climate emissions from the entire Group's value chains (upstream and downstream, Scope 3).

IMPROVED RESOURCE EFFICIENCY

We aim to continuously improve our resource efficiency and re-

duce our electricity consumption. In 2020, the Group companies' electricity consumption decreased as a result of operational efficiency and energy-efficient choices. Electricity consumption was 0.088 kWh per litre produced, representing a decrease of 4.5% from 2019. Steam and heat consumption decreased by 8.6% from 2019 and was 0.120 kWh per litre produced as a result of operational optimisation and efficiency.

ELECTRICITY AND ENERGY CONSUMPTION CONTINUES TO DECREASE

Olvi Group has conducted studies to measure energy consumption more effectively and optimise its use of various energy sources. We focus on reducing energy consumption by modernising equipment, for example.

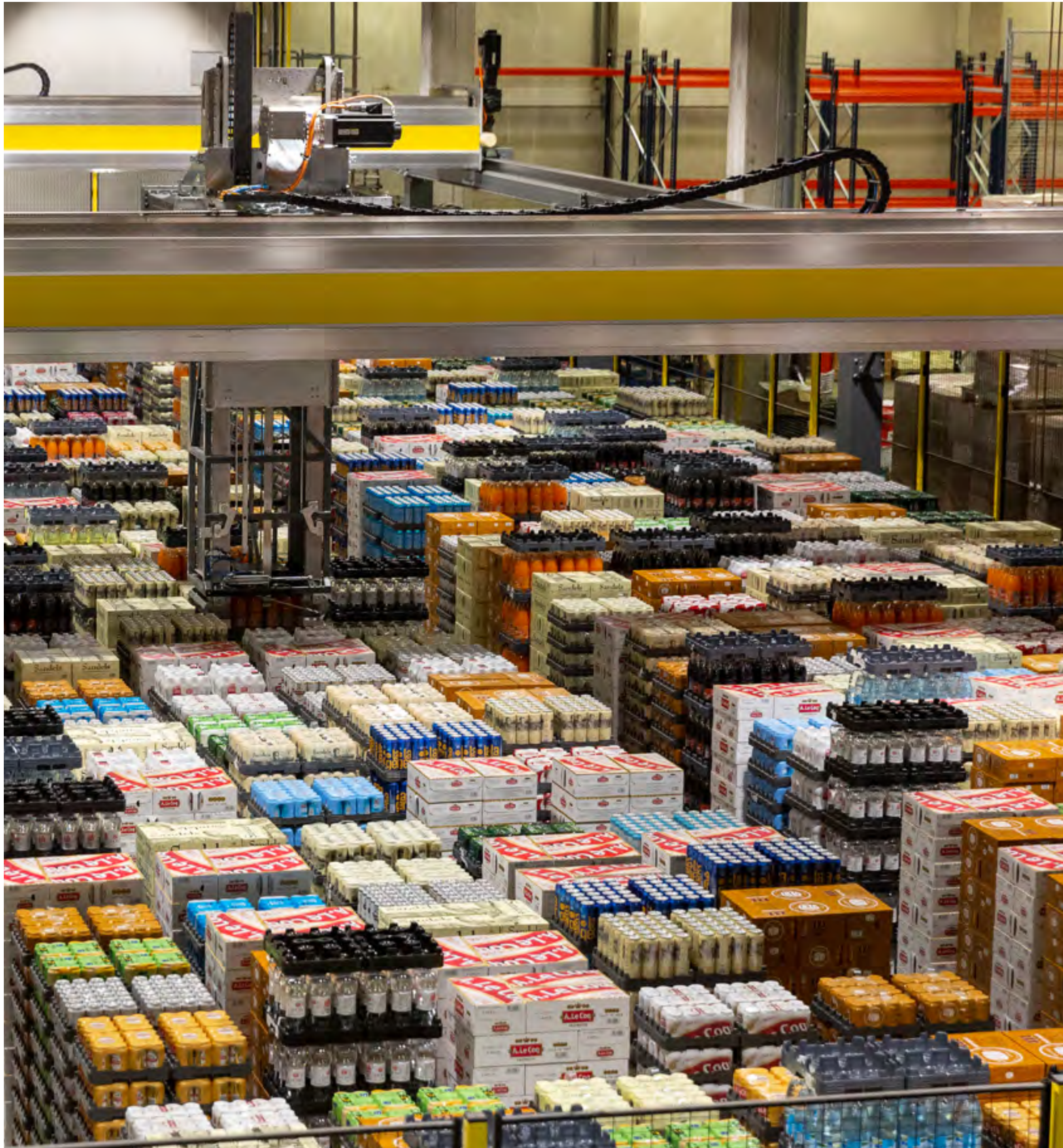
The Group companies have transferred to LED lighting and intelligent lighting control. Nearly all the Group's production plants have LED lighting, which has reduced energy consumption in recent years.



SUSTAINABILITY ACTIONS

- To promote energy efficiency measures:**
- *Olvi plc* has joined the Finnish food industry's energy efficiency agreement
 - *A. Le Coq* and *Cēsu Alus* have ISO 50001 energy certification





We are continuing to develop a monitoring system to analyse and report the consumption of various forms of energy and commodities. The system will enable us to monitor consumption at each process phase in each unit.

Our goal is to increase the share of renewable energy of electricity and energy consumption in the Group companies. We are also seeking to increase the recovery and recycling of the heat generated in the production process.

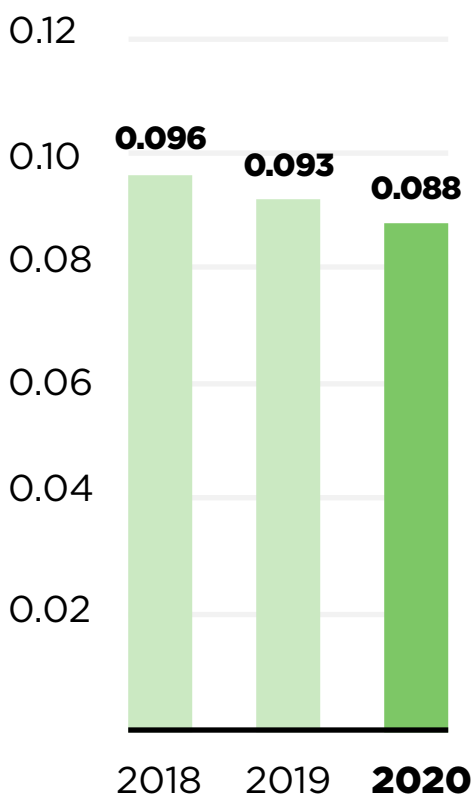
Our goal is for Olvi Group to achieve 100% bio-based energy and heat production by 2030.

OUR BREWERIES USE 71% GREEN ELECTRICITY

Our goal is for Olvi Group to use 100% green electricity by 2023. Of the electricity used by the Group's breweries, 71% was green in 2020. We have identified various opportunities to increase the use of renewable electricity, and one of the most promising options is electricity production through solar panels. The Group's first solar power system and solar panel plant were introduced at A. Le Coq's logistics centre in 2020.

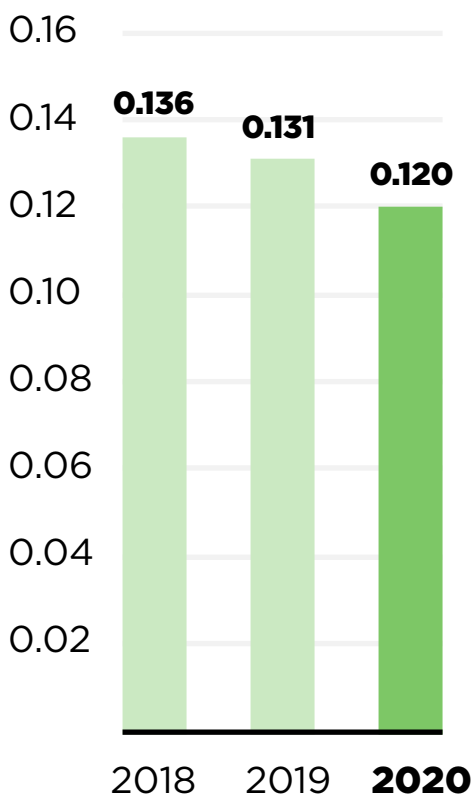
ELECTRICITY CONSUMPTION

kWh per litre produced



STEAM AND HEAT CONSUMPTION

kWh per litre produced



The figures do not include Servaali

SUSTAINABILITY ACTIONS

- *Cēsu Alus* and *The Helsinki Distilling Company* use biogas for heating
- *Olvi plc* has a bio-heating plant and uses 100% green electricity, of which 66% has EKOEnergy certification by the Finnish Association for Nature Conservation
- *A. Le Coq* has the Group's first solar panel plant

TARGET

BY 2023

green electricity

100%

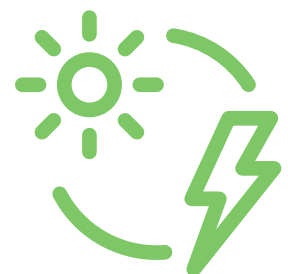


TARGET

BY 2030

biofuel in
energy and heat
production

100%





OPTIMISING OUR WATER USAGE

The production of beverages is a water-intensive industry. Olvi Group seeks to reduce its water consumption per litre produced. In 2020, our water consumption decreased by 6% from 2019, and we achieved our target: our water consumption must be less than 3.0 litres per litre produced by 2023.

Depending on the location, we use local groundwater or our own wells as water sources. The high-quality groundwater comes from a protected area. We use water sustainably.

Olvi Group cooperates extensively with other industries for cleaner water and to protect the natural aquatic ecosystem.

PLANNING AND CHOICES TO REDUCE CONSUMPTION

We seek to reduce our water use through production planning. We optimise our water consumption by paying attention to washing, detergents, planning and technical equipment solutions. We will increase water recycling in the future.

Wastewater from the production process is directed to our own treatment plant or municipal wastewater treatment plants for purification and reuse. In cooperation with municipal wastewater plants, we have improved the efficiency of pre-treatment to improve water quality. This prevents nitrogen and phosphorus, as well as other substances that burden the environment, from entering the wastewater. We also reuse wastewater in the production of biogas.

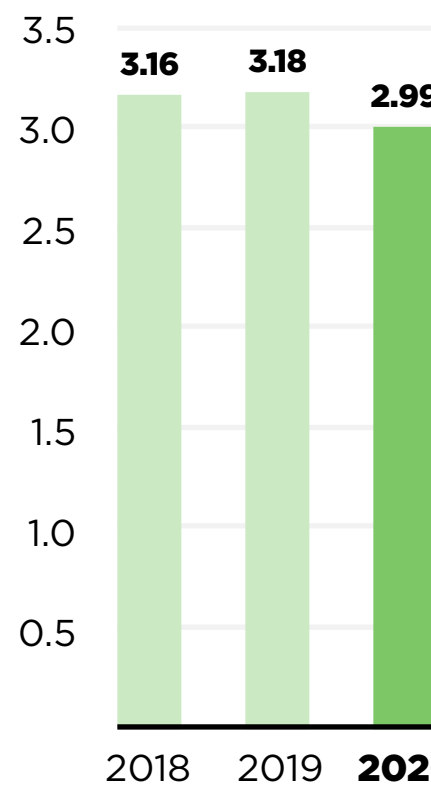
We have developed the management of chemicals used as detergents in the production process by reducing waste and optimising the amount of detergents.

SUSTAINABILITY ACTIONS

- *Lidskoe Pivo* invests in ensuring water quality
- *A. Le Coq* and *Cēsu Alus* produce biogas from wastewater

WATER CONSUMPTION

litres per litre produced



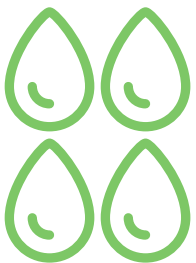
The figures do not include Servaali

TARGET

BY 2023

water consumption under

3,0 litres per produced litre





MATERIALS RECYCLING

Materials recycling includes recycling materials from production, reusing packaging materials, reusing by-products and recycling end products. The circular economy is one of our most important selection criteria for materials procurement.

SORTING AND REUSE

We seek to maximise the reuse of material fractions and side streams generated during the production process. We are further developing the sorting and recycling of materials, and each Group company collects and sorts various materials such as

paperboard, glass, plastic and hazardous substances.

We monitor the volumes of the material fractions generated, and the amount of mixed waste continued to decrease in Olvi Group in 2020, declining by 40.9% from 2019.

In addition to recycling material fractions, reusing side streams is important to us. The Group companies' by-products include spent grain and excess yeast, which we deliver for use as farm animal feed or as a side stream to biogas production, for example. We are also exploring other op-

portunities for their reuse. In addition, we work to increase the reuse of our wastewater in biogas production, for example.

RECYCLING SYSTEM FOR BEVERAGE PACKAGING

We actively cooperate with local organisations to develop recycling systems for beverage packaging. Olvi plc is one of the owners of Palpa, a company founded for beverage container recycling in 2003. Palpa manages the beverage container deposit system in Finland. Estonia and Lithuania have similar systems in place, and such systems are being built in

Latvia and Belarus. Judging from the high recycling rates, these systems are highly effective.

RECYCLED MATERIAL IN PACKAGING

Recyclability is also important in other packaging. Across the Group, raw materials and chemicals are transported to breweries in recyclable packaging, and we use recycled packaging for all our beverage products. Some of the recycled containers are washed and refilled, while some are reused as materials.

The packaging of many of our products is made from recycled materials. The portion of recycled materials can be almost 100% in corrugated cardboard packaging and up to 50% in cans. In the production of glass bottles, the portion of recycled material ranges between 25% and 65%, depending on the bottle type. Recycled plastic is used increasingly in PET bottles, with the goal being at least 25% in 2025.

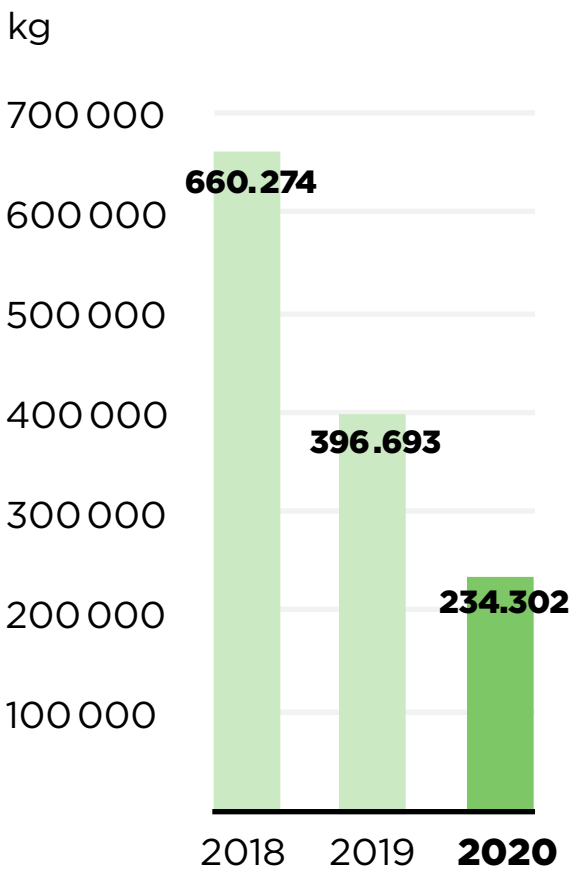
PRODUCT PACKAGING MADE FROM REUSED MATERIALS

Ensuring that the material we use is recyclable and ecological is an essential part of our product development. In the future, we will increase the use of reused mate-

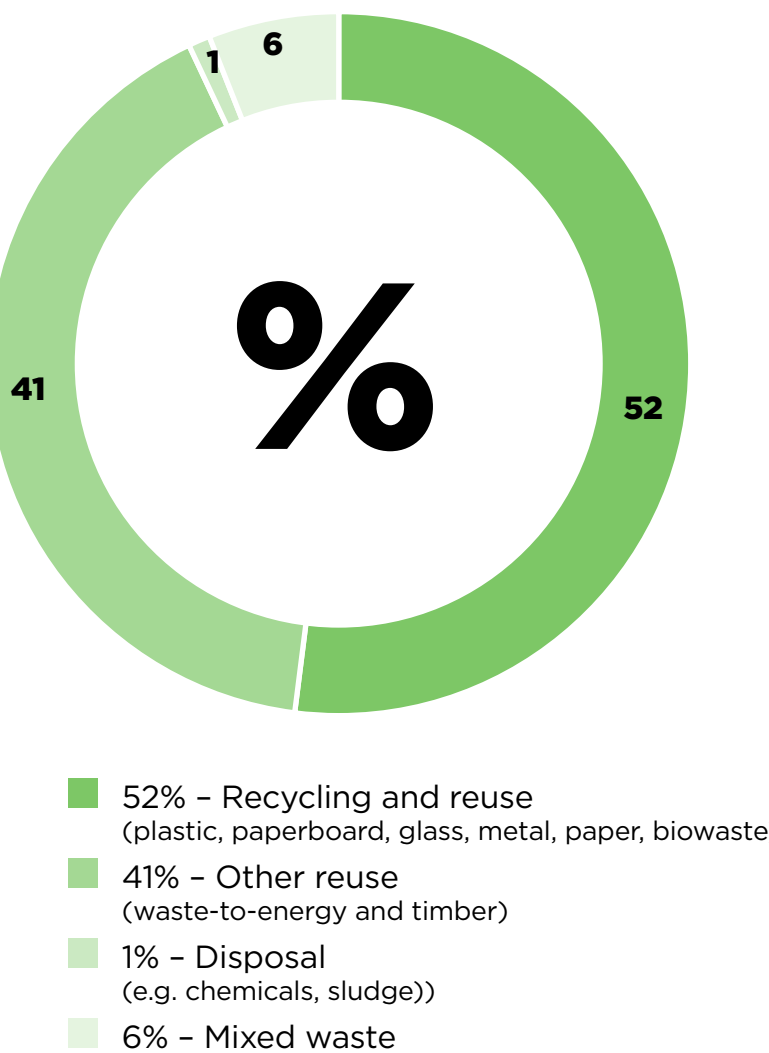
rials and will continue to optimise our use of materials. In packaging materials, we aim to reduce our use of plastic in particular, as well as finding alternative and re-

cyclable materials. In 2021, we will complete and implement our Group-wide plan concerning the use of plastic.


MIXED WASTE



MATERIALS AND WASTE BY TYPE



DEPOSIT-BASED RECYCLING SYSTEM AND RECYCLING RATES



| | Finland | Estonia | Lithuania | Latvia |
|----------------|---------|---------|-----------|--------|
| Plastic bottle | 90% | 85% | 90% | |
| Glass bottle | 87% | 85% | 90% | 41% |
| Can | 95% | 50% | 90% | |

CASE: ECOLOGICAL PACKAGING AND THE CIRCULAR ECONOMY AT OLVI

We want to ensure that all the materials we use are recyclable and ecological. Our goal is to recycle all material fractions from production, such as plastic, paperboard, glass and metal. Of all the materials used and generated at Olvi in Iisalmi, nearly 100% is either recycled, reused or used for waste-to-energy and other purposes. Only around 0.2% of all materials ends up as mixed waste.

The process side streams include excess yeast and spent grain, which are delivered for use as feed for cattle and pigs. The amount of yeast and spent grain generated annually is 33 times higher than the amount of other recyclable materials. Spent grain and yeast are used to feed around 5,000 cattle and 6,000 pigs in nearby areas.

In the procurement of packaging materials, we invest in environmentally friendly materials, and we use recycled packaging materials as far as possible, considering product safety. The aluminium cans and glass we use contain an average of 50% and 29% recycled material, respectively. During 2021, we will introduce plastic bottles made from recycled material. The paperboard packaging we use contains an average of 60% recycled material.

All our products have recyclable or reusable packaging. Thanks to a well-functioning deposit return system, 90% of plastic bottles, 87% of glass bottles and 95% of aluminium cans are returned by consumers to be reused or used as a raw material.

OUR GOAL IS TO INCREASE THE SHARE OF RECYCLED MATERIALS IN PACKAGING

We use plastic trays for the transport of our products. In the transport of cans alone, plastic trays reduce the annual consumption of paperboard by nearly 1 million kilos. When used correctly, plastic trays are also very durable and can be reused dozens of times. This multiplies the amount of paperboard saved.

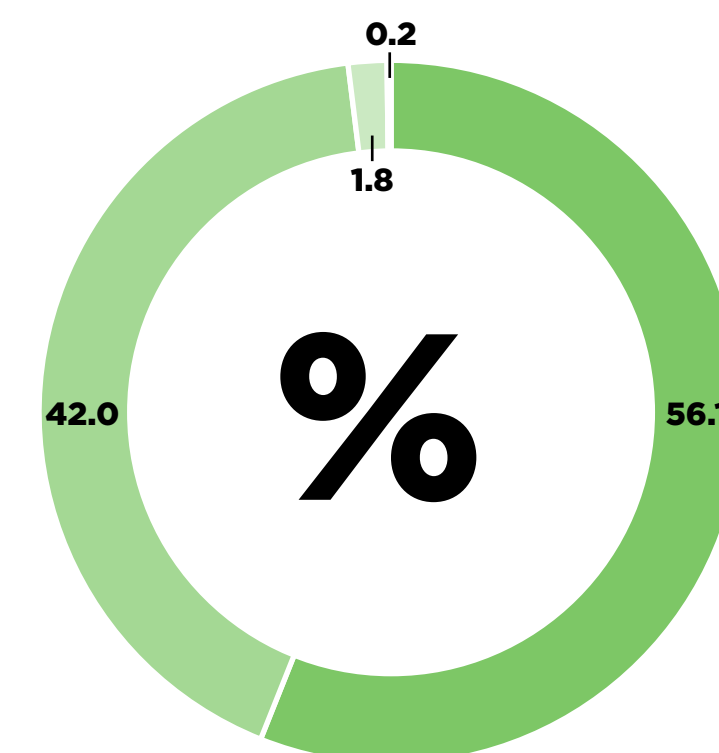


“THE AMOUNT OF MIXED WASTE AT OLVI IS ALMOST ZERO, WHICH IS ONE OF THE FACTORS REDUCING OUR ENVIRONMENTAL FOOTPRINT.”

PIA HORTLING

PUBLIC RELATIONS AND PURCHASING DIRECTOR
OLVI PLC

MATERIALS AND WASTE BY TYPE



- 56.1% – Recycling and reuse (plastic, paperboard, glass, metal, paper, biowaste)
- 42.0% – Other reuse (waste-to-energy and timber)
- 1.8% – Disposal (e.g. chemicals, sludge)
- 0.2% – Mixed waste



RESPONSIBLE PROCUREMENT

In addition to increasing sustainability, we are improving the transparency and traceability of procurement. We choose responsible suppliers of raw materials and other materials. To promote sustainability in our industry, we cooperate with local and international operators.

It is important to us that the raw materials and packaging materials we use, as well as the products made from the raw materials, meet the demands and expectations of our customers and consumers. The quality of raw materials from approved suppliers is always ensured.

MOST OF OUR RAW AND PACKAGING MATERIALS COME FROM FINLAND AND THE BALTIC COUNTRIES, AND FROM BELARUS FOR LIDSKOE PIVO

Olvi Group’s shared procurement principles and operating models are defined in our procurement policy. Suppliers are selected based on predetermined quality criteria. Group-level agreements enable efficient time management and better investments in the development of products

and materials in cooperation with selected suppliers. This approach also improves the optimisation of resources.

At the end of 2020, Olvi Group had 314 suppliers of raw materials and packaging materials. Olvi Group regularly audits its suppliers.

We use local suppliers as far as possible. We use 100% domestic malt barley in Finland, Lithuania and Belarus, and malt barley from the neighbouring markets in other countries. Most of our raw materials and packaging materials come from Finland and the Baltic countries, and from Belarus for Lidskoe Pivo.

CODE OF CONDUCT FOR SUPPLIERS AND PARTNERS

Our partners commit to compliance with our ethical operating methods. Our Code of Conduct for Suppliers and Partners is based on the Group’s Code of Conduct.

By the end of 2020, the Code of Conduct had been signed by 91.7% of our contract partners for raw materials and packaging materials. Our goal is to include the Code of Conduct in all of the Group’s cooperation and procurement agreements by 2022.

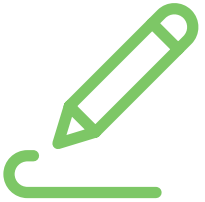
THE CODE OF CONDUCT SIGNED



The figures do not include Servaali

TARGET

BY 2022
All suppliers will have signed the Code of Conduct



A photograph of three people, two men and one woman, standing in front of a building with horizontal siding. They are all wearing work clothes. The woman in the center is wearing a cap and has her arms crossed. The man on the left is wearing a jacket. The man on the right is wearing a jacket. The entire image has a yellow overlay. The text "BEST PLACE TO WORK" is written in white, bold, sans-serif capital letters across the middle of the image.

BEST PLACE TO WORK

BEST PLACE TO WORK

We aim to be the best workplace for our employees. We promote employee comfort and pay attention to health, safety and well-being at work and equal treatment. This enables us to create optimal conditions for work and development.

Our goal is to be a positive, fair and safe workplace. We are a significant local employer in each of our locations. We work to be an attractive workplace, for both our existing and prospective employees.

We take care of our employees' well-being, which is based on productive work that runs smoothly, clear goals and responsibilities, and appropriate competence.

In 2020, Olvi Group had 1,911 employees in five countries. The average service time is around 9 years across the Group companies. Olvi Group also employs summer workers and trainees, 107 in total in 2020.

OLVI GROUP HAS A HIGH NUMBER OF LONG EMPLOYMENT RELATIONSHIPS

PERSONNEL MANAGEMENT

Olvi Group's personnel management is based on shared values

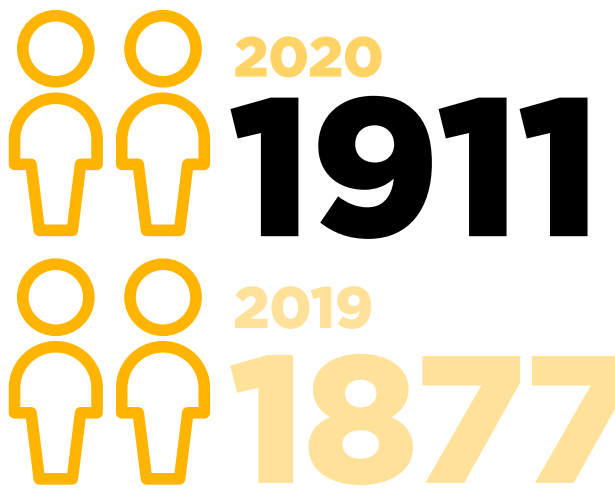
and operating principles. Through personnel management, we ensure that our employees and their knowledge and skills enable the implementation of our business strategy.

82% OF EMPLOYEES PARTICIPATED IN PERFORMANCE BASED AND DEVELOPMENT REVIEWS

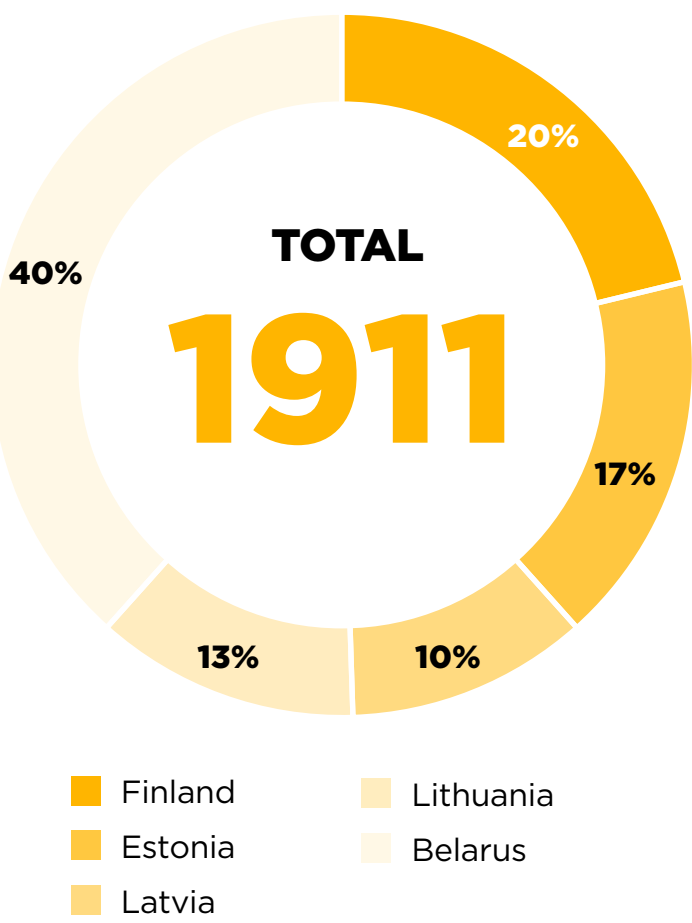
Olvi Group's business strategies and targets are implemented across the organisation by means of scorecards, performance based and development reviews, team and department meetings and day-to-day supervisory work.

We have a joint personnel policy, with focuses that guide and harmonise our operating models. We aim to ensure our ability to work together and use the Group's resources, expertise and experience. These enable continuous renewal and development.

NUMBER OF PERSONNEL



EMPLOYEES BY COUNTRY



CORPORATE CULTURE

Corporate culture includes shared values and attitudes, as well as ways of thinking and working, and is shaped over time with people. It also strongly reflects the spirit of the workplace community, which guides operations and ways of working. Understanding and fostering corporate culture is very important in terms of the company's success.

CORPORATE CULTURE HAS A SIGNIFICANT IMPACT ON SUCCESS

Management and supervisory work, competence development and common ways of working are important aspects of Olvi Group's corporate culture. The Group's success is supported by inspired and motivated employees, which is why we seek to maintain a positive, innovative and agile corporate culture. A positive attitude is our way of working and responding to challenges. Innovation keeps us abreast of the times – or even ahead of the times. Agility is related to local presence, organisation and self-direction. Effective teamwork and independent decision-making play a key role.

Our goal is to maintain an interesting employer brand that promotes the development of em-

ployees' professional skills. We work to be an attractive employer and enable summer workers to commit to Olvi Group.

STRENGTHENING THE GROUP'S CORPORATE CULTURE

We have many practices and operating models in place that support our corporate culture. We operate in line with our values, determine and communicate our strategy, and invest in the development of employees, operations and operating models. We encourage our employees to participate in operational development, which is supported by our continuous development approach based on the Lean principles. Employees are also encouraged to make suggestions for operational development.

In addition, our corporate culture is supported by the traditions and operating models that the Group companies have adopted over the years, and that we use to strengthen the team spirit and further improve the work atmosphere and well-being at work. We want to ensure that everyone is seen and heard, which is why we celebrate our successes and achievements together. We also reward employees for good work.

In 2021, we are continuing our work to determine our corporate



culture and identify aspects that are important for its development and fostering. In addition, we are working to study the impacts of the new ways of working and operating models arising from the pandemic situation.

WE SEEK TO MAINTAIN A POSITIVE, INNOVATIVE AND AGILE CORPORATE CULTURE





MANAGEMENT, SUPERVISORY WORK AND WORKPLACE SKILLS

We are continuously developing management, supervisory work and workplace skills to ensure a functional workplace community and a good work atmosphere. Through effective supervisory and workplace skills and an excellent management culture, we can support our employees' performance and development.

The exceptional year caused by the coronavirus pandemic accelerated the implementation of digital tools and new operating models. This also concerns management, supervisory work and meeting practices.

Our development of management, supervisory work and workplace practices is based on the feedback from performance based and development reviews. We also monitor trends in the results of the employee survey.

EMPLOYEE SURVEY

Our Group focuses on promoting an open work atmosphere that supports development. An employee survey implemented every two to three years is one of our tools for workplace development and monitoring well-being at work.

Based on the employee survey results, we determine common and

department-specific development goals and measures for workplace communities in cooperation with employees. Continuity and team spirit are strengthened by monitoring and communicating the development measures and by the participation of all employees.

DEVELOPMENT MEASURES BASED ON EMPLOYEE SURVEY RESULTS ARE DETERMINED IN COOPERATION WITH EMPLOYEES

In the latest employee survey, Olvi Group's PeoplePower rating improved to AA+. The PeoplePower rating indicates how well the company has succeeded in operational development in cooperation with its employees. It also indicates the employees' level of commitment. Our overall result in all Group companies in the survey was markedly better than the national average in each country. The response rate was 89.4%.

Our results improved in all Group companies in several areas, such as supporting well-being at work and professional development and involving employees in decision-making. All our results were good compared with the average

in each country. Based on the results of the employee survey, we are especially focusing on the development of supervisory work and cooperation. The next survey will start in the autumn of 2021.

THE GROUP'S COMMON OPERATING MODELS

Olvi Group has had Group-wide development teams in place for a long time. The teams are responsible for strategy support and operational development by identifying best practices, seeking synergy benefits and promoting innovation. Each team has experts in key functions from all Group companies as members.

THE GROUP'S DEVELOPMENT TEAMS SUPPORT STRATEGY IMPLEMENTATION

In 2012, we established the Olvi Academy to further develop the Group's operations and expertise and build a common operating culture. Olvi Academy's theme for 2020 was strategy implementation through personal strengths and success. In 2021, we will continue with this theme to strengthen the implementation of our strategy and vision.

COMPETENCE DEVELOPMENT

We work to support our employees as effectively as possible and commit them to high performance. We take care of our employees' expertise and development. We support these through company-level and Group-level training and operational development.

Training and development are based on our business targets and job requirements. Through these measures, we can also ensure that our employees' competence enables the implementation of our business strategy.

Training was provided through online courses and webinars because of the exceptional circumstances caused by the coronavirus pandemic. Remote learning makes it easy to participate in training. We offer a wide range of training through remote learning, which has improved the availability of international courses from around the world.

WE ENCOURAGE COMPETENCE DEVELOPMENT

We monitor our employees' skills and development needs through annual performance based and development reviews. Through these reviews, we ensure that our employees have sufficient com-

petence for their jobs, as well as clear goals and responsibilities. Of our employees, 82% participated in performance based and development reviews in 2020.

AN ONLINE LEARNING ENVIRONMENT FOR TRAINING

We introduced a common online learning environment in 2018. This enables us to provide consistent training across the Group. Online training is available on responsibility, sustainability, occupational safety and data protection, for example.

We provide new employees with induction training by means of traditional personal induction, on-the-job guidance and remote training on general matters. We pay special attention to induction, as well as training for induction instructors. We also collect feedback on induction for operational development purposes.

DEVELOPMENT AND RENEWAL THROUGH REMOTE TRAINING

We monitor how much time each employee spends training. In 2020, the Group's employees spent an average of 6 hours on training, which was less than in the previous year. The decrease in the



time spent on training was a result of the exceptional circumstances caused by the coronavirus pandemic, which forced us to postpone training until a later date to some extent. Our employees have actively participated in the training available, and we are working to develop our practices to ensure appropriate monitoring.

WE WANT TO LEARN FROM ONE ANOTHER

In 2021, we will develop the monitoring of training by focus area. We are also focusing on using digitalisation in personal competence development and job improvement. In addition, we are continuing our work to share good practices between the Group companies, because we want to improve our operations together and learn from one another.





SAFE WORK ENVIRONMENT

Every one of our employees is entitled to a safe work environment. We aim to ensure smooth work without accidents. We focus on increasing employees' awareness of and expertise in safety at work.

Early intervention is important to minimise damage and prevent accidents, injuries and occupational diseases. We are continuously working to detect and eliminate risk factors.

AT OLVI GROUP'S PLANTS, EACH EMPLOYEE HAS THE APPROPRIATE PROTECTIVE EQUIPMENT AND CLOTHING

Sufficient induction, regular safety training and up-to-date guidelines lay the foundation for a safe work environment. We invest in both job-specific and general safety training and guidelines.

Olvi Group has a common occupational safety policy in place. To ensure operational quality and consistency, our goal was to have occupational health and safety certification in place in all Group companies by the end of 2020. Unfortunately, the coronavirus pandemic has slowed this work.

We are now seeking to implement the systems by the end of 2022 at the latest.

SUSTAINABILITY ACTIONS

- *Olvi, Cesu Alus, Volfas Engelman and Lidskoe Pivo* have certified ISO 45001 health and safety systems

AIMING FOR ZERO ACCIDENTS

Every employee at Olvi Group plays a significant role in ensuring a safe work environment. We encourage our employees to actively report safety observations. This is one of the most effective tools to identify and eliminate hazards.

Olvi Group's companies monitor, report and investigate near misses and accidents. Matters related to safety are reported to the management on a monthly basis.

We measure the safety of the work environment based on the total number of accidents and absences caused by accidents. A total of 20 accidents occurred at Olvi Group in 2020, meaning

that the number of accidents decreased by 2, or 9.1%, from 2019. None of the accidents were serious. The Group's accident frequency rate was 5.8 in 2020 (6.7 in 2019), representing a decrease of 13.4%. This is a good level, and the trend is moving in the right direction. The accident frequency level is considerably lower than the average for the Finnish food industry, which was 29.3 in 2019, for example.

The decrease in the number of accidents is largely due to the fact that attention has been paid to the issue, internal communication has been increased, and successful development measures have been implemented. Systems development has aided the identification of accidents and lowered the threshold for reporting them. To further develop the reporting of accidents, we will prepare common guidelines for identifying occupational accidents during 2021.

TARGET

Number of accidents year-on-year

-10%

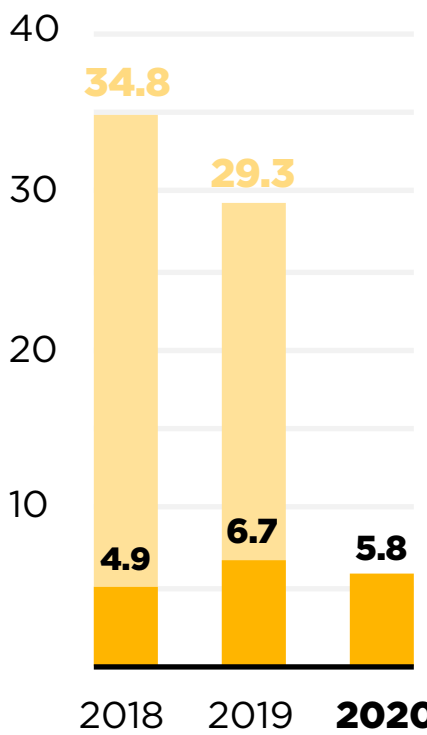


NUMBER OF ACCIDENTS



ACCIDENT FREQUENCY RATE

Accidents per million hours worked



Food industry average in Finland

TARGET

BY 2030

0 accidents and accident related absences

OCCUPATIONAL HEALTH AND WELL-BEING AT WORK

One of our main goals is to ensure employees' working capacity, health and well-being throughout their careers. We are continuously developing our ways of working and our work environment to promote smooth and productive work and eliminate health risks and hazards.

We plan the work and the machines and equipment needed, as well as the work environment and the working conditions, to eliminate any physical or mental health risks and hazards for our employees. We have a substance-free work environment for all Olvi Group's employees.

We seek to identify any factors that affect working capacity as early as possible by encouraging a culture of open discussion, for example. In terms of sickness absences, we ensure effective treatment, measures and rehabilitation through occupational healthcare.

We measure occupational health and working capacity by monitoring sickness absences. Our goal is to reduce sickness absences year-on-year. In 2020, sickness absences represented 4.8% of all working hours across the Group (3.9% in 2019). The number of

sickness absences increased as a result of the impacts of the pandemic, because the possibility of a coronavirus infection needed to be eliminated in all cases with symptoms related to respiratory tract infections. However, the sickness absence rate is still at a good level compared with the average for the Finnish food industry (6.1%), for example.

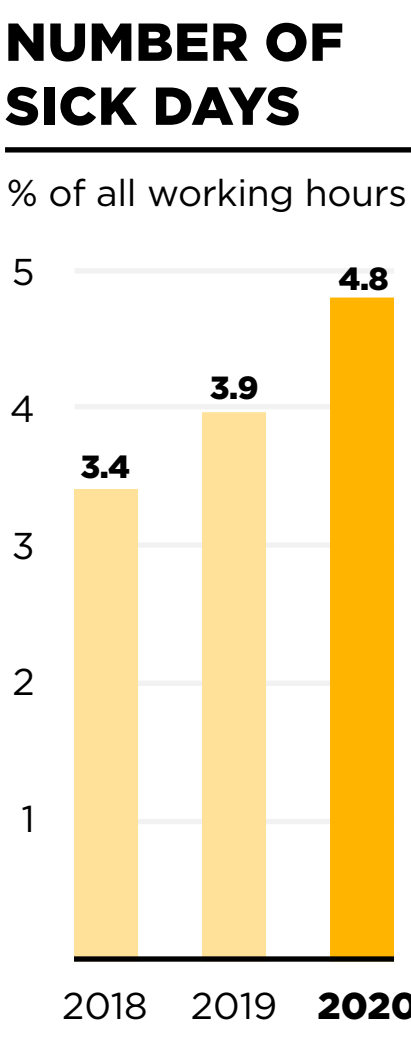
ENCOURAGING HEALTHY LIFESTYLES

We take care of our employees' well-being at work to ensure their physical, emotional and social welfare. The Olvi Group companies promote well-being at work through various measures, events, occasions and lectures. The topics range from healthy lifestyles to ergonomics and coping at work.

We work to create optimal working conditions and increase the flexibility of work. To promote well-being at work, we explore various work shift arrangements and models in the Group companies.

We also support exercise and recreation in our employees' free time. The Group companies encourage their employees to participate in various sporting events.

WE AIM TO REDUCE SICKNESS ABSENCES YEAR-ON-YEAR



CASE: A BREAK ROOM FOR EMPLOYEES

For many employees, A. Le Coq is more than just a workplace. The company has always sought to create a safe and comfortable work environment based on its employees' needs and modern solutions.

An employee well-being survey conducted in 2019 revealed that production employees needed better opportunities for recovery during breaks. Employees needed a break room where they could relax and rest during breaks, in addition to enjoying their meals. The company started a planning process during which employees had the opportunity to affect the location and interior design of the room. When the location had been selected, the construction work to create a sufficiently spacious room began. "We

received a great deal of good advice from the interior designer who participated in the process. We added daylight through skylights, created cosy lighting, used soothing colours and chose furniture based on employees' needs," says Katrin Lember, Director of Administration.

The break room has two massage chairs selected by the employees and equipment for exercise breaks. The kitchen has a new coffee maker, dishwasher and refrigerator, as well as the necessary tableware for enjoying meals during breaks. The break room also has two television sets for employees to choose a music or relaxation programme or watch the production channel, which monitors filling line operations. This enables production operators to take the

necessary breaks and use the opportunities offered by the break room to maintain their working capacity.

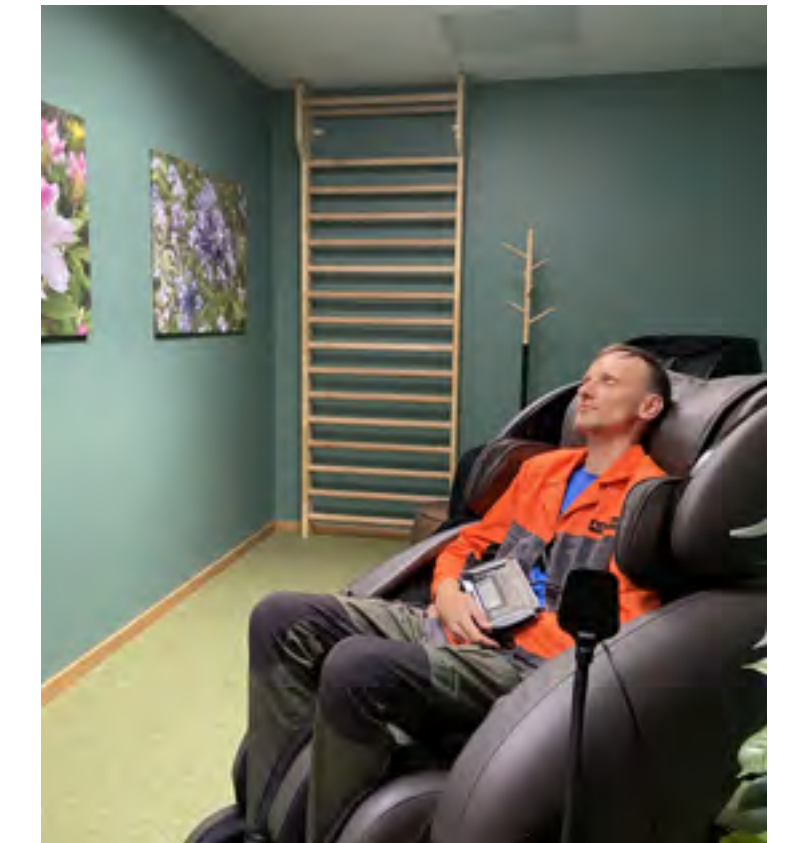
The break room was introduced in July 2020, and has been well received among employees. "We hope that the new break room inspires employees to take care of their coping at work, as well as helping them to achieve the best possible results," says Lember

A. LE COQ SEEKS TO CREATE A SAFE AND COMFORTABLE WORK ENVIRONMENT BY PAYING ATTENTION TO ITS EMPLOYEES' NEEDS



"WE HOPE THAT THE NEW BREAK ROOM INSPIRES EMPLOYEES TO TAKE CARE OF THEIR WELL-BEING."

KATRIN LEMBER
DIRECTOR OF ADMINISTRATION
A. LE COQ



EQUAL OPPORTUNITIES

Our workplace community offers equal opportunities for all employees. We treat all our employees fairly and equally, regardless of their age, gender, religious beliefs, opinions, nationality or similar factors.

In 2020, 62% of Olvi Group's employees were men, and 38% were women. The average age of the Group's employees was 40, and the largest age group was 30-49.

WE TREAT ALL OUR EMPLOYEES FAIRLY AND EQUALLY

Olvi Group has a common Code of Conduct to ensure equal opportunities. We measure equality through employee surveys. According to the results of the most recent employee survey, most of the Group's employees feel they are treated fairly, regardless of their gender and age.

We ensure that diversity is also reflected in our companies' boards of directors and management groups. We pay attention to ensuring that their members' work histories, international experience, age and gender are complementary, for the good of the Group's business operations. The members must also have broad-based

expertise and diverse professional backgrounds.

In 2020, 50% of the members of Olvi plc's Board of Directors were men, and 50% were women. Of the members of country-specific boards and management teams, 55% were men, and 45% were women.

OPERATIONS BASED ON EQUALITY

Fair and equal treatment is reflected in recruitment, salaries and career development opportunities, for example. Recruitment is always based on an identified need for resources and the competence and qualification requirements related to the job. Recruitment supports the achievement of our business goals.

WE MEASURE EQUALITY THROUGH EMPLOYEE SURVEYS

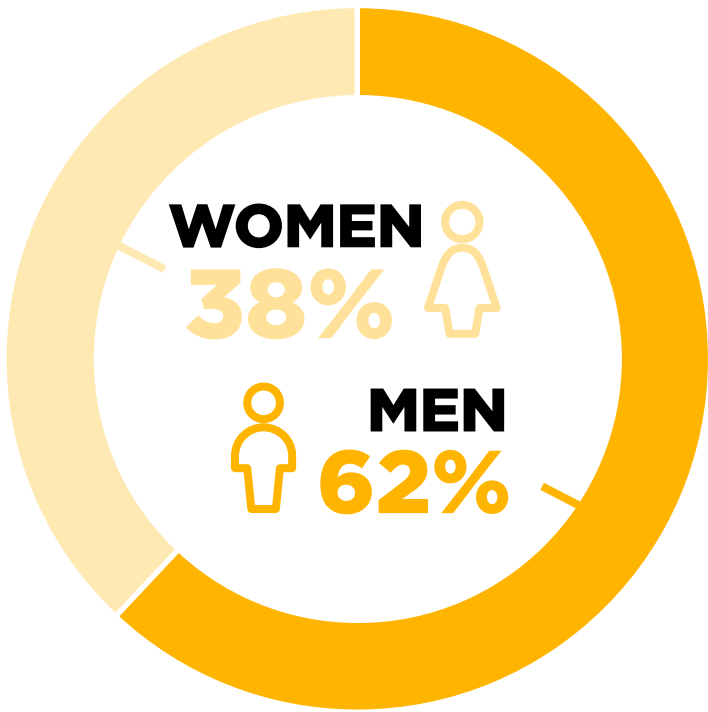
Salaries, employee benefits and incentives are always based on current laws and agreements and on local practices in each country. In addition, salaries are determined based on how demanding the job is and on competence, performance and results.

The Group companies have their own programmes and tools for promoting equality and non-discrimination. We do not condone bullying – that is, behaviour that may give rise to feelings of fear, humiliation or hostility. We address any issues immediately.

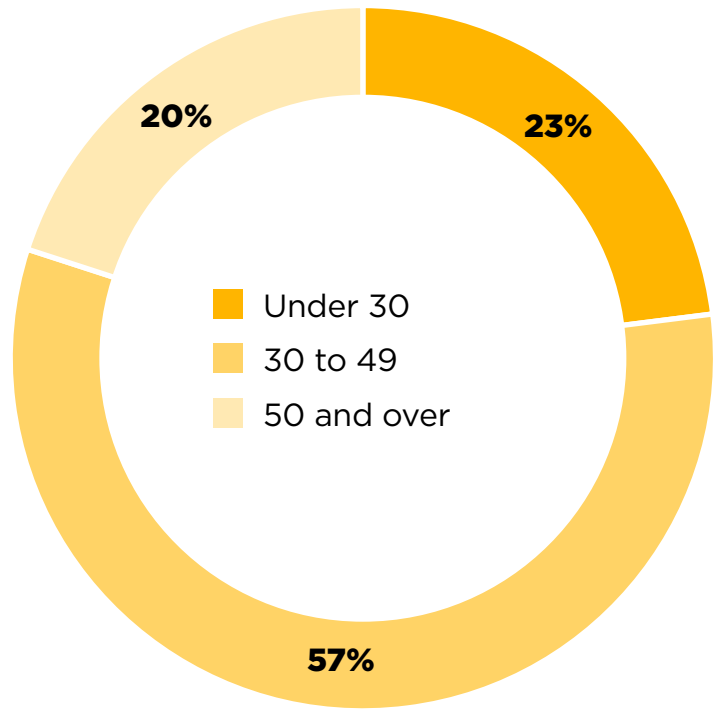
SUSTAINABILITY ACTIONS

- *Olvi plc* has guidelines for the prevention of harassment and inappropriate treatment

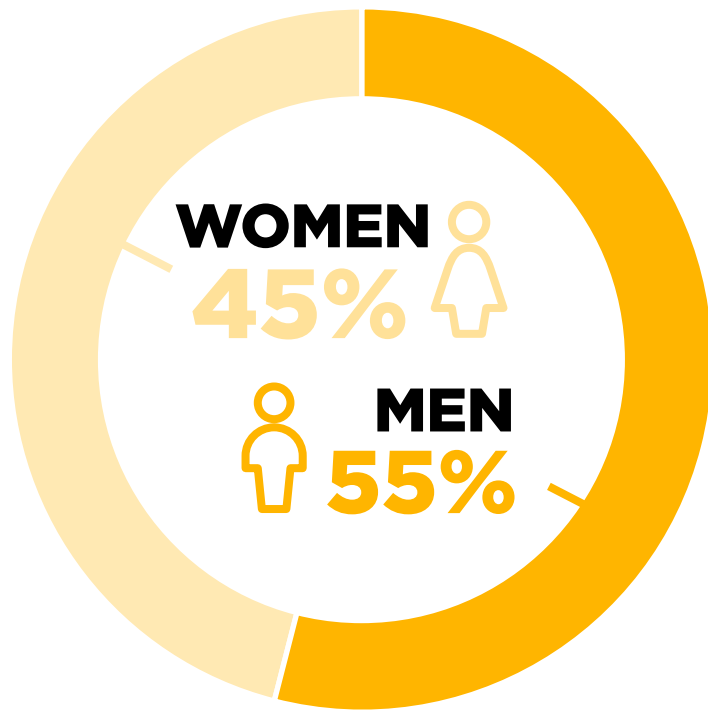
EMPLOYEES' GENDER DISTRIBUTION



EMPLOYEES' AGE DISTRIBUTION



MANAGEMENT GENDER DISTRIBUTION





CREATING VALUE FOR STAKEHOLDERS



CREATING VALUE FOR STAKEHOLDERS

Value creation for stakeholders is key for us. The financial and social impacts of our operations are reflected in our operating environment, particularly through employment, tax payments, social responsibility and local presence.

The positive development of Olvi Group's financial and share performance increases our opportunities to create value for stakeholders and communities. We are a growing and evolving Group committed to long-term development. We have a strong balance sheet and good profitability.

Our strengths include our respected brands and strong market position. Innovative prod-

uct development and efficient processes also help us to create value.

WE ARE A GROWING AND EVOLVING GROUP

We are increasing the transparency of Olvi Group's tax footprint and value creation model in reporting. Our goal is to increase

value creation for stakeholders by focusing on sustainable operational development, which enables the positive development of our financial and share performance to continue.

Olvi Group is a stable payer of dividends. Our long-term target is to pay a dividend equalling 40–60% of earnings per share on average. In 2020, the Group paid EUR 20.8 million in dividends.

EMPLOYMENT AND LOCAL PRESENCE

We employ a considerable number of people directly or indirectly. In 2020, Olvi Group had 1,911 employees. In addition, we offered work for 107 people during high seasons. We employ people indirectly in agriculture, packaging and logistics, for example.

Every year, we also offer a number of students an opportunity for training or writing their thesis.

It is important for us to cooperate closely with our local communities and contribute to local vitality. We choose local suppliers and subcontractors as our partners as far as possible. We support our local communities by using more local raw materials in our products. In addition, we protect natural ecosystems and biodiversity in terms of Olvi Group's operations.

WE OFFER MORE THAN 100 SUMMER JOBS EVERY YEAR

RISK MANAGEMENT

Risk management is part of day-to-day management and operations at Olvi Group. Our goal is to ensure the implementation of our strategy, and secure our financial development and the continuity of our business operations.

Proactive action is one of the purposes of risk management. Its other purposes include creating operating conditions where business risks can be managed comprehensively in all Group companies and at all organisational levels.

Risks are assessed by analysing their probability and possible impacts. The impacts can be financial, or they can be related to our reputation, employees, the local community and the environment. Based on risk analysis, we prepare an annually updated risk management development plan for continuous proactive operational development and the reduction of operational risks.

In 2020, risk management focused strongly on managing the changes caused by the coronavirus pandemic and anticipating their impacts. When the crisis broke out, the Group's management met at least weekly to mon-

itor the situation, update forecasts and continuity plans in line with the risks, and prepare scenarios to understand the business impacts. In 2021, we will develop our risk management as a whole to better meet the Group's requirements.

BUSINESS RISKS ARE MANAGED COMPREHENSIVELY AT ALL ORGANISATIONAL LEVELS

We have divided Olvi Group's risks into strategic and operational risks. Olvi plc's Board of Directors approves the Group's general risk management principles, and the companies' management teams are responsible for their implementation.

STRATEGIC RISKS

Strategic risks are related to the nature of the Group's business operations and its development goals and strategic choices. If they materialise, strategic risks can significantly undermine the Group's operating conditions.

Strategic risks are primarily threats that can hinder the achievement of strategic business goals. They

can also be related to changes in tax and other legislation, or the operating environment and the foreign exchange market, for example.

The Group has operations in several countries, whose social and economic situations, development stages and development trends differ considerably. Other short-term risks and uncertainties are related to the development of the general economic situation, changes in the competitive situation and the possible impacts of these on the Group companies' operations.

AIMING TO ENSURE STRATEGY IMPLEMENTATION





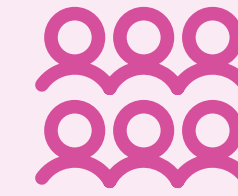
PROCUREMENT

- The prices and availability of materials are affected by economic development and changes in crops
- Interruptions in the quality and delivery of materials may hinder business operations and customer relationships
- ▶ **Consistent long-term procurement agreements, sustainable procurement principles and investment in overall quality**



PRODUCTION

- Unclear documentation and manual work phases may cause fluctuations in operational quality
- Unclear management and decision-making may lead to inefficiency and poor quality
- ▶ **Use of management systems, operational development, a higher level of automation and clear goals and indicators**



PERSONNEL

- Risks related to labour availability, employment relationships, key personnel, competence, well-being at work and accidents may hinder business operations
- ▶ **Maintaining and improving the employer brand, ensuring the availability and commitment of employees, maintaining well-being and safety at work, and developing management, training and remuneration systems**



NON-COMPLIANCE WITH ETHICAL VALUES

- Non-compliance with our values and operating principles, violations of human rights, as well as corruption and bribery, may lead to risks that could have a negative impact on the Group's stakeholder relations, reputation and financial performance
- ▶ **Ethical guidelines, anti-fraud policy and other operating models**



MARKETS AND CUSTOMERS

- Seasonal changes and characteristics are reflected in fluctuations in net sales and operating profit
- The loss of major customer relationships may have a strong impact on all business operations
- Unexpected changes in the operating environment may affect demand for products, the competitive position and consumers' purchasing behaviour
- ▶ **Sales planning, monitoring and active management, a wide selection of products and a broad customer base**

MANAGEMENT OF MAJOR OPERATIONAL RISKS



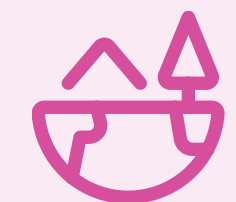
FINANCING

- Risks related to credit, solvency, capital, currencies and interest rates may have a negative impact on financial performance, equity and solvency
- ▶ **Centralised management of financing to optimise cash flows and financial expenses**



INFORMATION SECURITY

- Information security and system risks are reflected in functional failures and defects
- ▶ **Operations in line with the information security policy, operating methods and technical solutions to ensure the usability and accuracy of information, as well as regular operational analysis**



THE ENVIRONMENT

- Environmental risks may arise from wastewater treatment, chemical management and poor waste management. Any materialised risks will have a negative impact on the company's reputation and stakeholder relations and the Group's financial performance, in addition to the environment
- ▶ **The condition of production machinery, appropriate wastewater treatment, sufficient training for employees, and the continuous monitoring and development of the production process**

VALUE CREATION

Value is created for Olvi and its stakeholders as a result of Olvi Group’s operations and value chain. To create value, we need resources that enable our value chain to produce outputs.

Olvi Group’s companies produce and sell a wide range of beverages to a broad customer base in both non-alcoholic and alcoholic product categories. To manufacture products, we need high-quality raw materials and other materials, which our highly competent and innovative people convert into products wanted and appreciated by customers and consumers.

We cannot do this without appropriate production equipment, and the materials and natural resources required for its operation. Production must be efficient, safe and of a high quality. It is also important that we have the best and the right partners. Through their operations, our partners ensure that we can produce the planned volumes of carefully specified products in a cost-effective, timely and high-quality manner. We also want to ensure that we can deliver products that we have manufactured and sold to all our customers in a timely manner.

All this must be achieved responsibly and sustainably throughout the value chain. We work to minimise the environmental footprint

of our products. Therefore, recycling and the circular economy, as well as protecting natural ecosystems and biodiversity, are important priorities in our operations. .

TAX FOOTPRINT

Profitable operations and good financial results ensure that we can also implement our social responsibility in the best possible way. In terms of social responsibility, our most significant inputs include taxes and tax-like payments. We pay our taxes and other payments in accordance with the local legislation in each of our countries of operation. We comply with current local tax laws, rules and regulations. We report the various forms of taxation at the Group and country levels.

In 2020, Olvi Group paid EUR 533.0 million in taxes and employer contributions. Excise duties represented 71% of all our taxes. The Group’s excise duties include taxes on alcoholic beverages, soft drinks and packaging. Within the Group, its companies in Finland paid the highest amount of excise duties. In 2020, the Group paid EUR 379.7 million in excise duties, including EUR 294.3 million in Finland.

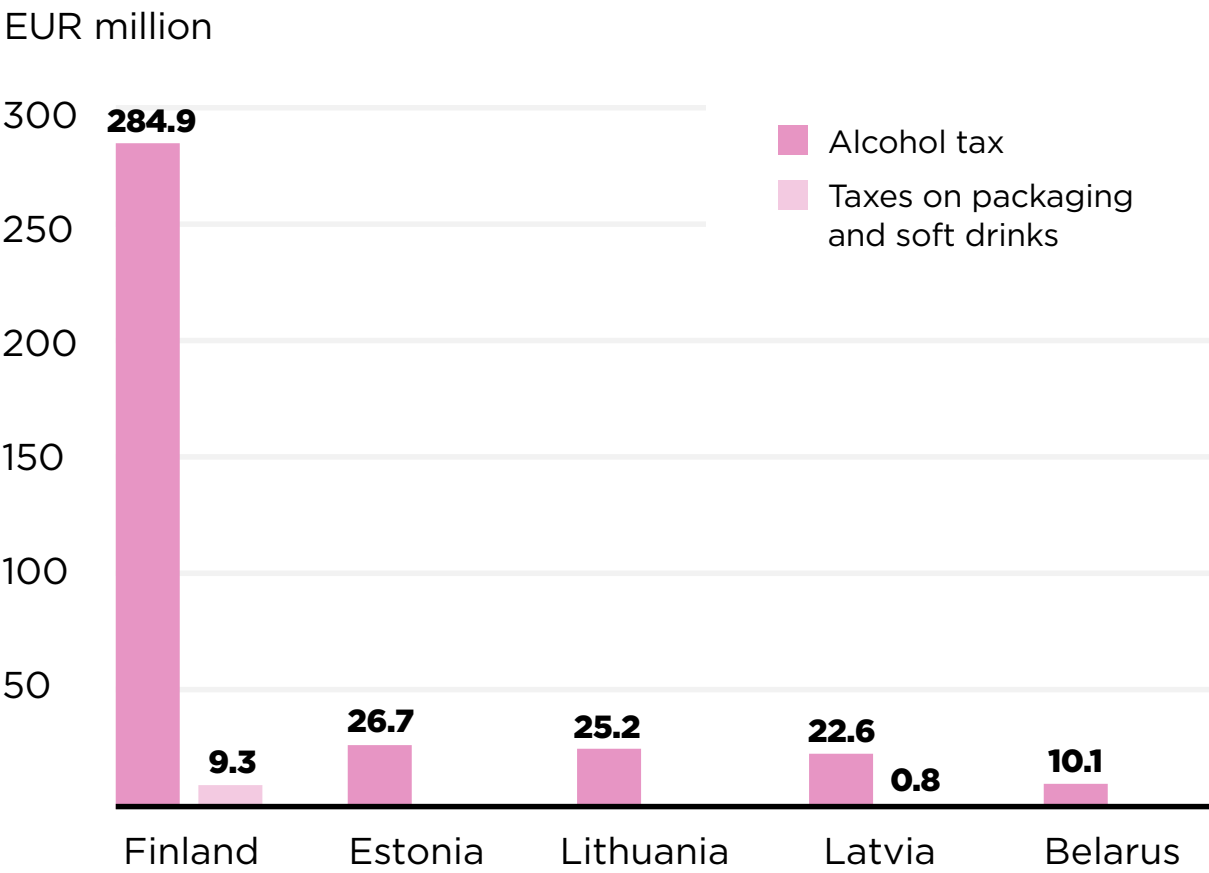
Value added tax represented 23% of the Group’s taxes. In 2020, we paid EUR 121.7 million in value

added tax. The remaining 6% consists of income tax, real estate tax, employer contributions and other

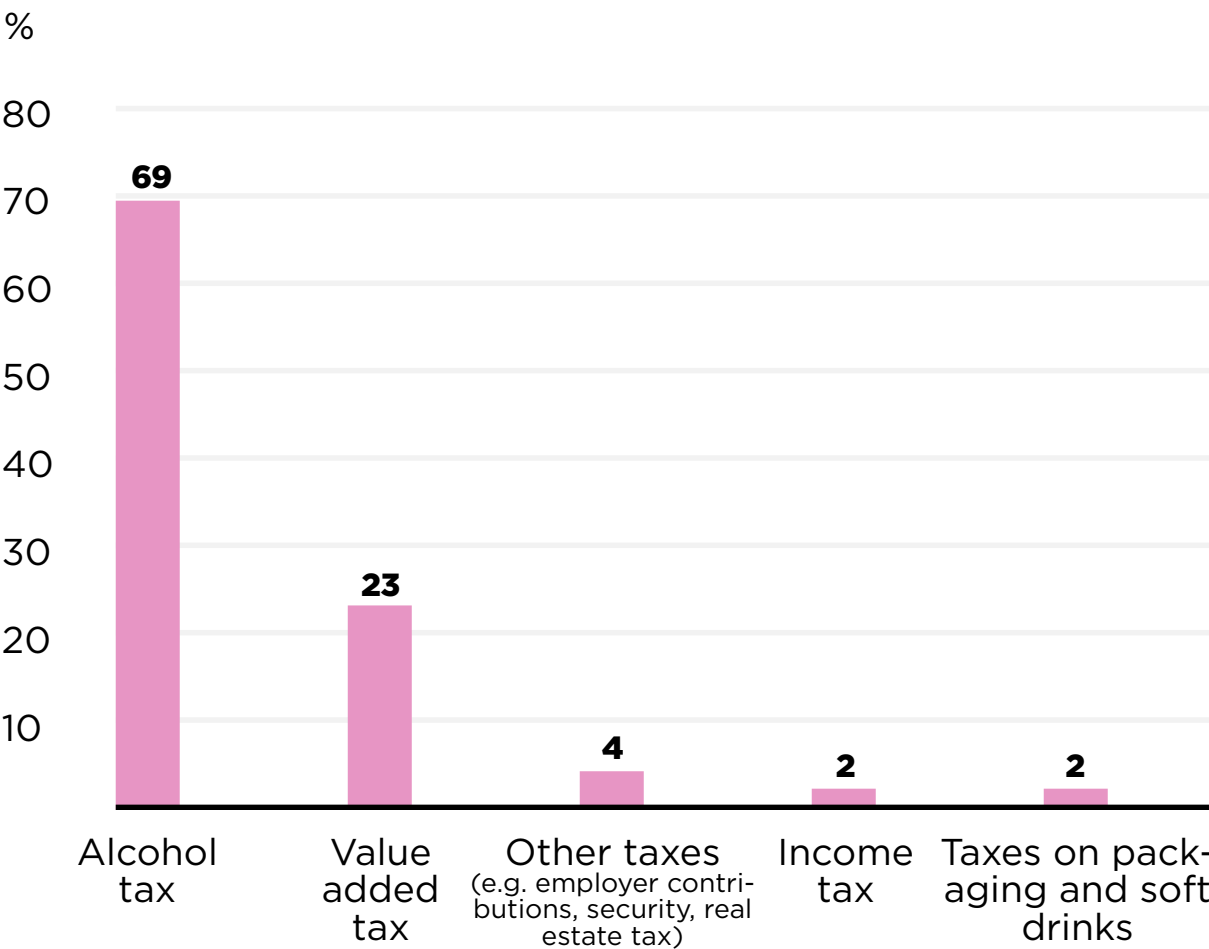
taxes. These totalled EUR 31.6 million in 2020.



EXCISE DUTIES BY COUNTRY



TAX FOOTPRINT IN 2020



VALUE CREATION AT OLVI GROUP IN 2020

RESOURCES



PERSONNEL

- At Olvi Group: 1,911



NATURAL RESOURCES

- Raw and packaging materials for products: 4,493 pcs
- Water: 2.243 million litres
- 32% renewable energy and 71% green electricity



INTANGIBLE RESOURCES

- Brands and trademarks 243
- Product development and innovation processes: EUR 0.7 million
- Competence: 9 years of work experience on average



FINANCIAL RESOURCES

- Strong balance sheet: equity ratio 63.8%
- Good profitability: operating profit 13.6% of net sales
- Stable payer of dividends: 56.2% of the Group's net profit
- Investments: EUR 32.0 million



OWN PRODUCTION

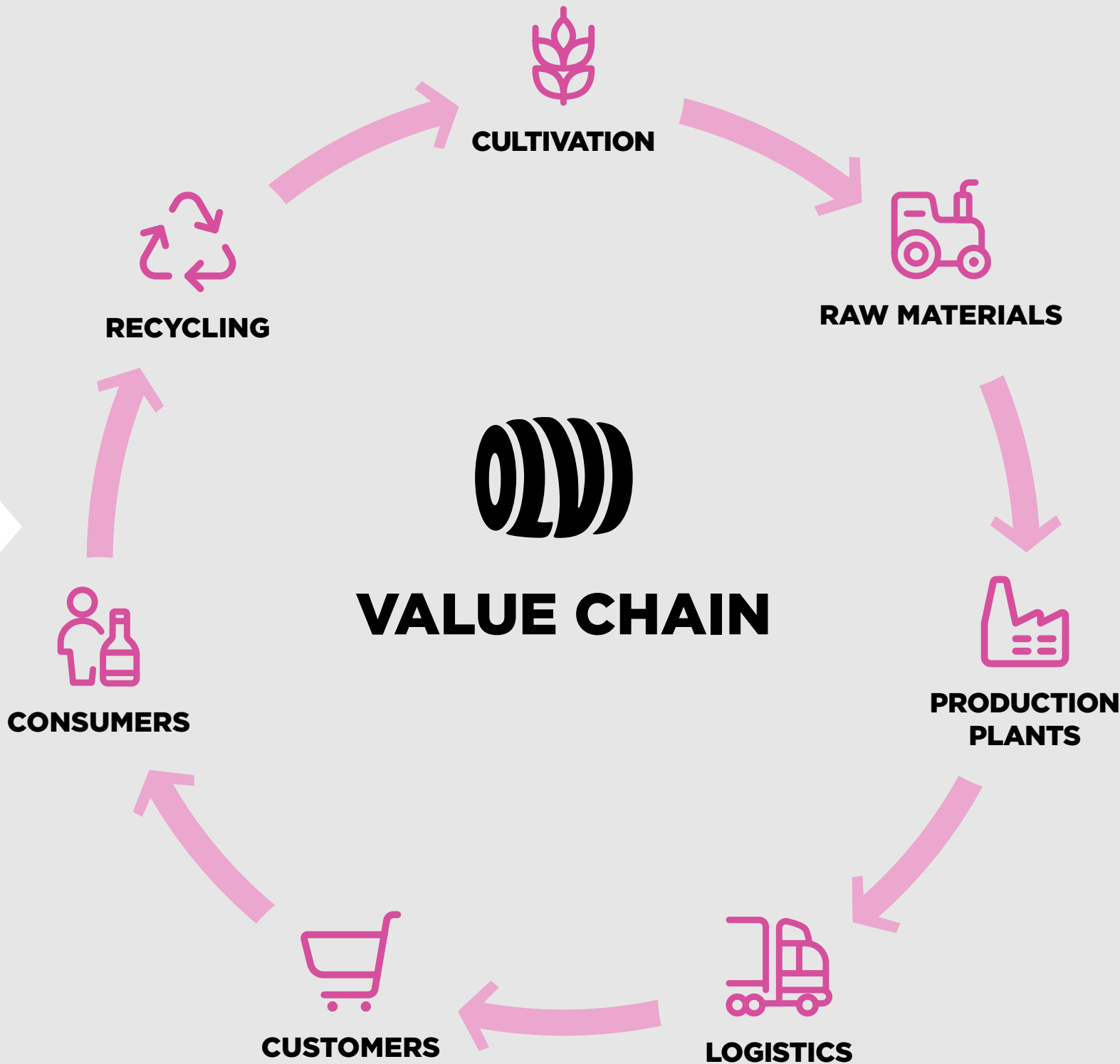
- 5 breweries and beverage factories
- 1 juice factory
- 1 mineral water plant
- 1 distillery



PARTNERS

- Customers: 10,773
- Suppliers 321
- Other stakeholders and partners

OLVI-GROUP



OUTPUT



FOR EMPLOYEES

- Direct and indirect employment
- An inspiring and healthy work environment for Olvi Group's employees AA+
- An accident-free work environment at Olvi Group by 2030, accident frequency rate 5.8



FOR CUSTOMERS AND CONSUMERS

- A wide product selection that responds to consumer trends in alcoholic and non-alcoholic product categories 4,122 product lines
- Innovative, healthy and local products 284 new products
- Refreshing and positive experiences for daily life and special occasions



FOR THE ENVIRONMENT

- Recycling and reuse of materials and side streams and minimisation of mixed waste Mixed waste -40.9%
- Optimisation of water consumption Consumption -6%
- Minimising climate emissions



DISTRIBUTION OF FINANCIAL VALUE

- Employees' salaries and fees EUR 46.0 million
- Shareholders EUR 20.8 million in dividends
- Financiers EUR 0.6 million
- Partners EUR 544.8 million
- Business development investments + operating profit = EUR 88.5 million
- Taxes EUR 533.0 million
- Donations and partnerships EUR 1.4 million



SOCIAL RESPONSIBILITY

Olvi Group creates value for its stakeholders by operating responsibly in society. All Group companies have operating principles for sponsorship and charity. The Group companies support sporting and cultural events, as well as work for the benefit of children, young people and the elderly.



“WE WANTED TO USE OUR EXPERTISE TO HELP”

EVA SIETIŅŠONE
CEO
CĒSU ALUS

CASE: HAND SANITISER FOR THE FIGHT AGAINST THE CORONAVIRUS PANDEMIC

Demand for hand sanitiser increased rapidly with the coronavirus pandemic. To contribute to the fight against the spread of the coronavirus, The Helsinki Distilling Company and Cēsu Alus began to manufacture hand sanitiser at their production plants.

The Helsinki Distilling Company started to produce hand sanitiser in March at a rate of around 5,000 litres per week.

OUR EMPLOYEES ARE PROUD OF THEIR CONTRIBUTION TO RESOLVING A GLOBAL CRISIS

“We decided to use our expertise and distillery for the production of disinfectants needed by everyone. Our employees were proud of their work and the product, which

has played a key role during this serious crisis,” says Mikko Mykkänen, Master Distiller, CEO of The Helsinki Distilling Company.

DONATIONS TO PUBLIC HEALTHCARE

In Latvia, Cēsu Alus began to produce hand sanitiser and surface disinfectant in March. The first batch consisted of 70,000 bottles of disinfectant.

“There was an urgent need for disinfectants. We wanted to contribute and use our expertise to ensure the availability of disinfectants,” says Eva Sietiņšone, CEO of Cēsu Alus.

Cēsu Alus donated 5,000 bottles of disinfectant to the Cēsis Clinic, Vidzeme Hospital and Cēsis first-aid service department.

“We wanted to thank the doctors for their contribution and hard work in public healthcare. We also provided our employees with disinfectants.”





OLVI FOUNDATION

- Established in 1955
- Founded by Industrial Counsellor E. W. Åberg and Hedvig Åberg
- The foundation supports activities that benefit children and the elderly. It also supports young people's studies and opportunities for further education. In addition, the foundation supports local heritage work, and promotes the development of the food industry and the efficient use of natural resources
- In 2020, the foundation provided a total of EUR 3.3 million in grants



CASE: YRITYSKYLÄ EASTERN FINLAND

The Olvi Foundation has supported the operations of Yrityskylä Eastern Finland, a business village in Kuopio, since 2011. “Intended for Year 6 and Year 9 pupils, Yrityskylä is a learning environment focusing on society, the economy and working life.

Its purpose is to encourage and foster an entrepreneurial mindset,” says Mervi Toivainen, Executive Assistant at the Olvi Foundation. The pupils learn about financial concepts and responsible business operations, and they can practise working life skills in a miniature city integrated with the learning environment. Depending on the pupils’ year level at school, the content varies from working in a profession and responsible consumption to financial knowledge and digitalisation, for example.

SKILLS ACQUIRED THROUGH THE BUSINESS VILLAGE MAKE IT EASIER FOR YOUNG PEOPLE TO ENTER WORKING LIFE

One of the companies employing pupils is a miniature Olvi, where they can learn about jobs and processes in the food industry. Through the partnership, Olvi can educate young people about the food industry and increase its popularity. Pupils can try out work in practice, which can be an inspiring experience, especially for pupils who are unable to realise their potential through traditional teaching methods.

The business village increases young people’s awareness of

local job opportunities and thereby contributes to the vitality of eastern Finland. Information about jobs and skills acquired through the learning environment make it easier for young people to enter working life. The partnership also contributes to Olvi’s positive employer brand.

Support from the foundation promotes sustainable development goals, particularly in terms of equal education, decent work and responsible consumption.

“PARTNERSHIP WITH THE BUSINESS VILLAGE IS ONE WAY TO IMPLEMENT SOCIAL RESPONSIBILITY”

MERVI TOIVAINEN
ASIAMIES, OLVI-SÄÄTIÖ



A blue-tinted photograph of a woman smiling and holding a strawberry. In the foreground, there is a bottle of 'HEALTH LAB' water and a container of strawberries. The text 'CONSUMER COMMUNICATION' is overlaid in the center.

CONSUMER COMMUNICATION



CONSUMER COMMUNICATION

We are committed to promoting a culture of responsible and moderate drinking in all the countries we operate in. Open and responsible consumer communication is a prerequisite for our operations, in addition to product safety.

RESPONSIBLE CONSUMPTION

Great-tasting products that have been produced sustainably and better meet consumers' various expectations are crucial for our long-term success.

Consumer expectations can be related to the product content in terms of its composition or raw materials, for example, or to the product packaging and its environmental footprint. Lifestyles can also steer consumption habits towards specific types of product. In such a case, the responsibility of the product concept, as well as the production method, location and manufacturer, can be very significant factors for the consumer.

MODERATE CONSUMPTION HABITS

We guide consumers to enjoy alcohol and other products in moderation, bearing in mind that alcohol does not suit some people at all, and that these people should entirely abstain from alcohol. To support responsible drinking, Olvi Group organises activities in each of its countries of operation annually. We also cooperate closely with national and international operators and organisations to promote the moderate consumption of alcohol.

NON-ALCOHOLIC OPTIONS

The coronavirus pandemic has generally increased concerns

about personal health and the impacts of long-term alcohol consumption on health. According to GlobalData (2020), 26% of Finns intend to reduce their alcohol consumption for health reasons.

Demand for non-alcoholic products increases when people want to continue to enjoy the moments of consumption by replacing traditional alcoholic beverages with non-alcoholic options (GlobalData 2020). We have continued to expand our selection of non-alcoholic products in response to demand and to promote a responsible drinking culture.

In 2020, each of Olvi Group's breweries expanded its non-alcoholic beer selection. This was also reflected in the seasonal beer products. Olvi's traditional Christmas beer product family was supplemented by A. Le Coq 0.0%, a non-alcoholic Christmas beer.

Non-alcoholic products also gained a foothold in the cider product category: the non-alcoholic Fizz 0.0% cider was launched in Finland, and the non-alcoholic Dārza cider in Latvia. The non-alcoholic Hoggy's cider had been launched in Estonia previously.

Strong growth has continued in beers, long drinks and ciders. We have also continued to expand our non-alcoholic product fami-

lies. In addition, we have launched completely new products such as Olvi's KevytOlo Kombucha, a fermented tea beverage with organic green tea, available in two flavours: blackcurrant and strawberry-pomegranate.

TARGET

To increase the number of NON-ALCOHOLIC PRODUCTS in Group companies each year



SUSTAINABILITY ACTIONS

- *Olvi plc* is involved in the Pakka operating model to prevent substance abuse among young people through a community-based approach
- *A. Le Coq* and *Cesu Alus* participated in campaigns against driving under the influence around Midsummer
- *Cesu Alus* provides pupils at schools with information about lifestyles that support well-being through "Be Independent" events

HEALTHIER BEVERAGES

Consumers are increasingly expecting beverage manufacturers to use healthy and natural ingredients. We therefore focus on natural and local raw materials.

Many consumers are also actively reducing their sugar intake (GlobalData). In response to this change, we have reduced the sugar content of soft drinks and alcoholic beverages, as well as launching sugar-free products.

A. Le Coq has reduced the sugar content of 10 products without compromising on taste and mouth-feel. Projects to reduce sugar content have also been implemented in other Group companies.

THE SUGAR CONTENT OF MANY BEVERAGES HAS BEEN REDUCED

In 2020, the Group companies also added sugar-free products and products with no added sugar in their selections. Successful launches included Hoggy's cider by A. Le Coq and the Hard Seltzer product family by Olvi, A. Le Coq, Cēsu Alus and Volfas Engelman, as well as the TEHO Sport Peach and TEHO Sport Salty Liquorice recovery drinks by Olvi.

We also increased our investment in the water product category dur-

ing 2020 by introducing new product sizes and packaging options. Aura mineral water is now also available with a sports cap. Strong growth continued in the water product category.

SUSTAINABLE PACKAGING

In addition to focusing on new non-alcoholic and value-added products, we have invested in a diverse range of sustainable product packaging. Our glass and plastic bottles contain recycled material, as do our corrugated cardboard packaging and shrink wrap. We are working to increase the use of recycled materials in these packaging options, which we want to communicate to consumers more clearly than before. To promote responsible consumption, we are also including smaller sizes in our product categories.

SUSTAINABILITY ACTIONS

- *Olvi plc* uses plastic trays for transporting cans, which reduces the amount of corrugated cardboard used for transport by around 1 million kilos each year





“WE FEEL THAT IT’S OUR DUTY TO
HELP AND SUPPORT HEALTHCARE
COMMUNITIES.”

MARIUS HORBAČAUSKAS
CEO
VOLFAS ENGELMAN



CASE: MINERAL WATER FOR HEALTHCARE UNITS

The coronavirus pandemic highlighted the importance of hand hygiene and personal protective equipment such as face masks, and their proper use for everyone. In addition to external measures, a strong immune system protects against disease.

The Uniqa water factory in Lithuania produces mineral water that contains natural iodine and is one of the healthiest sources of iodine. Iodine is an important mineral for the human body. According to a study by UNICEF in 2007, as many as one in three Lithuanians may suffer from a lack of iodine. Iodine promotes the metabolism, the normal functioning of the nervous system, the production of thyroid hormones and the functioning of the thyroid.

Since the beginning of the quarantine caused by the coronavirus pandemic, Volfas Engelman has donated more than 19,000 bottles (14,400 litres) of mineral water to healthcare facilities. Water has been delivered to hospitals, first-aid facilities, healthcare centres and basic healthcare facilities.

“During the pandemic, it has been important to show solidarity and help others. We feel that it’s our duty to support the Lithuanian healthcare community, which we can do by delivering mineral water,” says Marius Horbačas, CEO of Volfas Engelman.

Similar product donations have also been made to healthcare centres by other Group companies.

A STRONG IMMUNE SYSTEM
PROTECTS AGAINST DISEASE

RESPONSIBLE CONSUMER INFORMATION

Product labels and the Group companies' websites provide consumers with clear product information. Ingredient lists and energy content are provided voluntarily for many of our alcoholic products. With the help of product labelling, every product can also be traced all the way from the ingredients to the shop shelves.

Our goal is for all the Group's alcoholic product packaging to have warning labels by 2022. The warning labels indicate that you must not drink alcohol if you are underage, pregnant or driving a car. In 2020, most of our alcoholic product packaging had warning signs.

TARGET
BY 2022
all our alcoholic product packaging will have warning labels



In 2021, we are continuing to harmonise the information that we provide on our websites in different countries about responsible consumption, packaging and nutritional content, as well as the composition and recycling of packaging materials.

We closely monitor feedback from consumers on our products via various channels and respond quickly. We further develop our operations based on feedback from consumers and customers.

PRODUCT SAFETY

Product safety plays a key role in our manufacturing. By product safety, we mean the safety of the product content, as well as the safety of the product throughout its life cycle. The product must not be harmful to consumers' health in any way.

Olvi Group's product development and quality control functions ensure product safety. Our products are manufactured in ac-

cordance with high standards, and they must meet the relevant legal requirements, statutory obligations and quality standards.

Product quality is ensured through sensory, chemical and microbiological analysis.

PRODUCT SAFETY PLAYS A KEY ROLE

Ensuring product safety and complying with factory hygiene rules concern every employee in the production chain. We manage product safety risks by following the HACCP (Hazard Analysis and Critical Control Points) monitoring system, and through self-monitoring.

Most of the Group's breweries have certified product safety systems.





RESPONSIBLE MARKETING

Marketing plays a key role in ensuring sustainability. We are committed to responsible product advertising and marketing based on guidelines such as the following:

- The International Chamber of Commerce's Framework for Responsible Food and Beverage Marketing Communications
- The guidelines of Food-DrinkEurope
- The guidelines of the Brewers of Europe
- The guidelines of the Union of European Soft Drinks Associations (UNESDA)
- The guidelines of the European Cider and Fruit Wine Association (AICV)
- The guidelines of local brewing and soft drink industry associations

In addition to regulations and guidelines, we follow a self-regulatory system that exceeds statutory requirements in some respects. This enables us to respond to the expectations of the operating environment and lead the way in developing sustainability practices in our industry. In addition to marketing, marketing ethics also apply to sponsorship activities.

IN ADDITION TO REGULATIONS
AND GUIDELINES, WE FOLLOW
A SELF-REGULATORY SYSTEM

TARGET

**No marketing cases
contrary to the
PRINCIPLES OF
RESPONSIBILITY**





ETHICAL OPERATING PRACTICES

ETHICAL OPERATING PRACTICES

Ethical and good ways of working are an integral part of our values and business operations in all our market areas. Responsible ways of working are necessary for maintaining trust between Olvi Group and its stakeholders.

We want to foster our reputation as a Group known for its honesty and reliability. To ensure the continuity of ethical business practices, it is essential that we have up-to-date ethical guidelines and operating models. Such guidelines determine the basic principles of internal and external ethical business practices.

CODE OF CONDUCT FOR OPERATIONS

Our Code of Conduct describes the foundation of our responsible operations. We comply with the laws and regulations concerning our operations. We promote healthy and effective competition, and comply with current competition regulations. Protecting Olvi Group's tangible and intangible assets is also important.

In our operations, we consider occupational health and safety, as well as working towards a cleaner environment. We also work to ensure that we communicate honestly and respectfully with our stakeholders and provide our investors with timely and reliable information. The Group companies

do not participate in politics, and we avoid conflicts of interest between our jobs and private lives.

We focus on the equal treatment of our employees. At Olvi Group, everyone is treated equally and respectfully.

We respect international human rights and pay attention to their implementation. We have zero tolerance for forced labour and child labour in our supply chain. We require our suppliers and partners to comply with our Code of Conduct for them.

The Group's management, employees and partners must comply with anti-bribery and anti-corruption laws in all our locations.

WE WANT TO FOSTER OUR REPUTATION AS A GROUP KNOWN FOR ITS HONESTY AND RELIABILITY

We do not pay or offer to pay illegal or inappropriate payments or bribes, nor do we accept them

to secure deals or maintain business operations or for any other reason. The management and employees must not abuse their power to achieve financial or other benefits for themselves.

We provide our employees with guidance on respecting human rights and preventing corruption and bribery. These aspects are discussed in our personnel policy and our anti-fraud policy. We also provide training on these topics. We have zero tolerance for human rights violations, corruption and bribery.

CHANNEL FOR REPORTING ETHICAL NON-COMPLIANCE

Olvi Group has had a whistleblowing channel in place since 2018. The whistleblowing channel enables our employees and stakeholders to file a confidential report if they detect non-compliance with our Code of Conduct or values. One report was submitted via the whistleblowing channel in 2020.

