

Purcari Wineries  
Non-Financial Statement 2018



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## *Environmental and Social Management System*

*The Group respects the policies and procedures for identifying and managing the social risks of its clients.*

Based on social risks and performing environmental analyzes and monitoring customer social performance, the Group provides guidance on how to analyze transactions.

As a result of the implementation of the **ISO 9001: 2015 Quality Management Systems** and **ISO 22000: 2005 Food Safety Management Systems** requirements for any organization in the food chain, the Group:

- has established the policy of producing and delivering the highest quality wine products, respecting both the needs and demands of customers, as well as the legislative provisions;

- has determined the Group's strategic direction to maintain market leadership under competitive price conditions and to maintain and enhance reputation based on the loyal and professional attitude of each employee towards the Group;
- identified the risks and act to eliminate and limit their effects, which may have a negative impact on customer satisfaction;
- identified and analyzed the hazards, which is essential for the control of manufactured products.

The Group strictly complies with the laws and technical regulations in force concerning health, safety and the environment.

Each company holds the "Authorization for emission of pollutants into the atmosphere from fixed sources of pollution" and "Special water permit".

The Group aims at obtaining quality wine products without pesticide residues, which is under rigorous control, confirmed by the certificates of harmlessness, ranging from grapes to the finished product.

The Group has a Certificate of Official Food Safety Registration issued by the National Agency for Food Safety in Moldova.

**Each company in the Group** operates a test laboratory that monitors the technological processes and controls production compliance with the requirements of the normative documents.

**All laboratories in Romania are authorized by the National Sanitary Veterinary and Food Safety Authority Romania.**

The laboratories in Moldova are certified by the Moldovan Accreditation Center (MOLDAC), the signatory of the Bilateral Recognition Agreement with the European Co-operation for Accreditation and the Signatory of the Mutual Recognition Agreement with ILAC-MRA Laboratory Accreditation for International Accreditation.

At the same time, the Group's products are subject to the Quality and Safety check by the State Enterprise "National Center for Quality Verification of Alcohol Production" (CNVCPA), which proves the certificates of conformity and the sanitary permits for each product lot.

## *Environment and Waste Management*

*The Group has defined energy efficiency and saving as the main environmental targets for 2014-2018.*

During this time, the Group has replaced standard lighting with energy-efficient lighting in all locations. In addition, lighting fixtures with motion sensors have been installed in the exterior/street, where necessary.

As regards the procurement of new equipment, the Group has given priority to those suppliers offering energy efficient solutions. Regarding the use of waste, there is a group-wide policy for collecting and sorting waste glass, paper and cardboard and other non-food waste in separate containers placed at the Group's premises.

Subsequently, the Group companies sell such waste sorted to the processing facilities (e.g. broken glass is delivered to the nearby glass mill and paper and cardboard waste is delivered for processing at the nearby cardboard factory for further processing).

## *Organizational Culture*

*The Group depends on the trust given to it by the customers and consumers. All the employees have an obligation to gain that trust every day.*

The Group's reputation is built on employees' behavior at work and whenever they represent the Group. The Group's future success begins with such values as: authenticity, excellence, learning, caring for people, performing together and winning with our customers.

The values of the Group require people to be open, honest, fair and to act with integrity. The Group creates a safe, agreeable and positive work environment. The organizational culture of the Group promotes a culture based on ethics and compliance, reflecting our responsibility to provide jobs with a workforce that is fully involved in business, according to the Group's values.

By targeting financial performance and growth, the Group gains excellence in the way it does business and respecting the highest standards of organizational and social responsibility.

Within the Group, equal opportunities are being promoted

Selection and reward is based on merits that are not related to race, colour, religion, gender, sexual orientation, national status, origin or disability.

The Group complies with all labour laws, while the employees are expected to treat each other with dignity and respect.

### ***Risk Management in the Human Resource Activity***

*The Group's risk relates to the likelihood of non-compliance with the set objectives in terms of performance (non-performance of quality standards), program (non-compliance with the execution deadline) and cost (over-budgeting).*

Risk identification is performed on a regular basis. It takes into account both internal and external risks. Internal risks are risks that the management team can control or influence, while external risks are not under its control.

Risk mitigation on the Human Resources field is largely done through training. Many risks are related to work safety.

This influences productivity and quality of work. Through training and awareness programs in the field of occupational safety, we minimize the likelihood of accidents and their effect.

### ***General Principles of Remuneration Policy***

The general principles for setting remuneration policies for Group employees are as follows:

- attracting, retaining and motivating the best professionals;
- rewarding the achievement of set objectives;
- maintaining competitiveness in the remuneration market;
- promoting transparency regarding remuneration and the criteria for establishing it;
- maintaining a fair balance between the fixed component and the variable component of the remuneration.

Evaluating performance through non-financial performance indicators aims at motivating staff, optimizing utilization of resources, improving competitiveness; generating efficiency, effectiveness, satisfaction, and results.

## ***Social Initiatives***

*In January 2015, the Group launched its Community Development Policy, which defines the strategic approach, management system and budgets for the Group's contribution to the local communities.*

In 2018, the Group expanded its support to local communities and participated in several charity, social and cultural initiatives dedicated to promoting the preservation of traditions and participated in several charity, social and cultural initiatives, including the following:

- **Hospice Angelus:** Medical-social Philanthropical Foundation “Angelus Moldova” is a nongovernmental, apolitical and non-profit organization which was founded and legally registered at the Ministry of Justice in 2000, with the purpose of creating a new system of medical and social assistance to incurable patients with cancer in advanced and terminal stages, as well as to their relatives. In 2001, “Angelus Moldova” established HOSPICE “Angelus Moldova” as inalienable part of the Foundation. HOSPICE „Angelus Moldova” is a home palliative care service;
- **Purcari Wine Run 2018:** Purcari Wine Run is a unique trail race in Moldova, which passes through the vineyards of Chateau Purcari.

The competition was held on September 2, 2018 and gathered both amateur and professional sportsmen for a race of 10 km. The Group plans to continue organizing a similar event each year;

- In addition, the Group is the main partner of USM Bostavan, a **volleyball club**, both women and men volleyball teams, since 2010. The USM Bostavan women's team was Silver awarded at the volleyball championship of the Republic of Moldova in 2018.

## ***Anti-corruption and Anti-bribery Issues***

*The group prohibits the involvement of employees in bribery.*

Offering or receiving a bribe is the giving or offering of something of value or an advantage, directly or indirectly, to any person, to cause that person or any other person to perform an inadequate function or activity.

A bribe may be financial or other, and may include receiving or offering money, loans, contributions or donations, travel, employment offers, refunds, discounts, goods, services or anything else that can be considered of value.

Gifts or entertainment can be interpreted as forms of bribe under certain circumstances.

The Group has a zero-tolerance policy on bribery and corruption. Group Policy prohibits promising, offering bribes, as well as requesting, accepting or receiving bribes.

The group also forbids colleagues from accepting gifts, services that could influence business decisions.

## ***Intellectual Property***

*About 50 trademarks and industrial designs are owned by the Group's companies.*

As new products are being developed, the Group files for registration and the process of intellectual property protection is carried out.

In the field of intellectual property, the Group works together with the best and most professional representatives from Romania, Republic of Moldova and other countries where the trademarks are registered.





