



20  
22

**NON-FINANCIAL  
STATEMENT**



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This non-financial declaration is drawn up in accordance with the requirements of the European Directive 2014/95/EU, MPF Order 1938/2016, MPF Order 3844/2016, MPF Order 3456/2018 and ASF Regulation No. 5.

*“Purcari Wineries PLC is building up its foundation in sustainability and ESG management, by aligning its business and model to the UN Sustainable Development Goals (SDGs).”*

*“We focus our efforts and resources on goals through which we can contribute the most.”*



## MESSAGE FROM CEO

Dear Stakeholders,

Year after year, the world proves not to be short of challenges, nevertheless, we continue to prove our resilience and adaptability time after time. Unfortunately, 2022 was anything but a year of joy, given the unprecedented challenges brought onto our region by the heinous Russian invasion of Ukraine. Despite this, I am proud about the way our team has risen to the occasion, turning our luxury Chateau Purcari into a refugee camp overnight and helping more than thirteen thousand Ukrainians in need.

We are a fortunate group of people, as we have what one would call the best job in the world – we are winemakers, and we are especially fortunate, because beyond enjoyment, we also find real purpose in our work. After the outbreak of the war, we became determined to help our neighbors and contribute, as much as we can, to the Ukrainian cause. Our Freedom Blend, launched in 2014, has become a symbol of our compassion for our neighbors' misfortune, therefore we decided to donate the profits from the sale of this wine to help the victims of the war. In a joint effort with the Group's worldwide partners, we were able to raise more than EUR 150,000 – funds that were used to purchase tablets for almost 500 children from Kharkiv, Herson and Odesa, who were forced to relocate from the war zone and continue their studies online. We will continue donating a part of the proceeds from the sales of this wine, to help those who need it most.

Since the beginning of 2022, we channeled the emotion and rage ensuing from the

war, into energy at work, focusing on the things we can control best. It is our way to contribute to the conviction that CEE has a bright future as a region, emerging stronger from any crisis. Despite the unprecedented times, we remained committed to our cause and continued to work towards fulfilling our ESG agenda, as we remain keen on doing our part in helping minimize our environmental footprint.

2022 was a year of many beginnings. We managed to establish "PURCARI" Foundation, a charity fund that takes upon itself Purcari Wineries' historical philanthropic activity and continues to build upon it with new, valuable projects in domains of social welfare, healthcare, sports, and education. Even though the Foundation is still at the beginning of its activity, it has already managed to make a difference, building a strong basis for further charity efforts.

The Group completed its first investments in renewable energy. A Photovoltaic System with a supply capacity of approximately 230,000 kW/h and a coverage area of 1,025 m<sup>2</sup> was installed on the rooftop of Purcari Winery's production hall, assuring 15% of the winery's annual energy consumption.

Due to persisting risk of water distress, Purcari Wineries also installed a fully automated subsurface drip Irrigation System in 300 ha of its vineyards and built two water storage pools of 11,000 m<sup>3</sup> and 24,000 m<sup>3</sup>. It is one of the most efficient methods of irrigation, placing water directly into the root zone and reducing water evaporation.

We recycled more than 290 tons of waste at the Group level and significantly increased the quantity of sequestered CO<sub>2</sub> to a total of 4,583.9 tons.

Purcari Wineries remains one of the largest and among the very few formal employers in some of the most disadvantaged areas of Moldova, such as Stefan Voda, Vulcanesti, Bardar and Onesti, and we are glad that our success is a catalyst for these communities, that keeps families together and limits emigration by offering more chances for a decent living at home.

We made a significant step in our sustainability journey, but as we know, a journey of a thousand steps continues with the second. As a Group, we will continue to take each challenge as an opportunity to do more for the world in which we live, a journey in which purpose and profits go hand in hand.

Victor Bostan, CEO

Vasile Tofan, Chairman





## ABOUT PURCARI WINERIES PLC

Purcari Wineries Public Company Limited (BVB: **WINE**) with its brands: Purcari, Crama Ceptura, Bostavan, Bardar, Domeniile Cuza and Angel's Estate, is one of the largest wine and brandy groups in the Central and Eastern European (CEE) Region. The Group manages circa 1,450 hectares of vineyards and operates seven production platforms in Romania, Moldova, and Bulgaria, six of which are dedicated to wine production and one dedicated to brandy production. Purcari Wineries is the leader in the Premium wine segment in Romania with a 25% segment share, and the largest wine exporter from Moldova, delivering to over 40 countries in Europe (Poland, Czech Republic, Slovakia, Ukraine, Scandinavian countries, UK, etc.), in Asia (China, Japan, South Korea) and in America (Canada and USA).

Founded in 1827, Château Purcari is the most awarded winery of the CEE Region at Decanter London 2015 – 2021, as well as among the best ranked wineries on Vivino, with an average score of 4.1 out of 5.0, based on over 84,000 reviews.

The Group has 6 brand – platforms with products in a wide range of price segments, both in the still and sparkling wine categories, as well as a brand in the premium brandy segment.

Purcari Wineries PLC is a holding company, listed on the Bucharest Stock Exchange ("BVB") since 2018 under the ticker WINE. It is the first Group of wineries from the CEE Region to be listed on the stock exchange (BVB: **WINE**) and to be included in the FTSE Russell MicroCap Index.

## COMPANY PROFILE

RON **302.5** MIL.  
Consolidated Revenue

**+1 450**  
Ha of vineyards  
under management

**7** Production Platforms  
**3** Countries:  
MD, RO, BG

**700**  
kW renewable energy  
production capacity

**+800**  
Employees

**35 000**  
m<sup>3</sup> irrigation water  
storage capacity

**293.5**  
Tons of waste  
recycled





## BUSINESS PROCESS

Purcari Wineries' business process is comprised of four distinct steps that describe its winemaking activity:

### GRAPE GROWING:

- High quality grapes are essential for the production of great wines. Thus, we grow our grapes with care and choose only first-rate suppliers of Agrochemicals and Phytosanitary products for our production process. Grape growing implies a labor-intensive process.

### HARVESTING AND WINEMAKING:

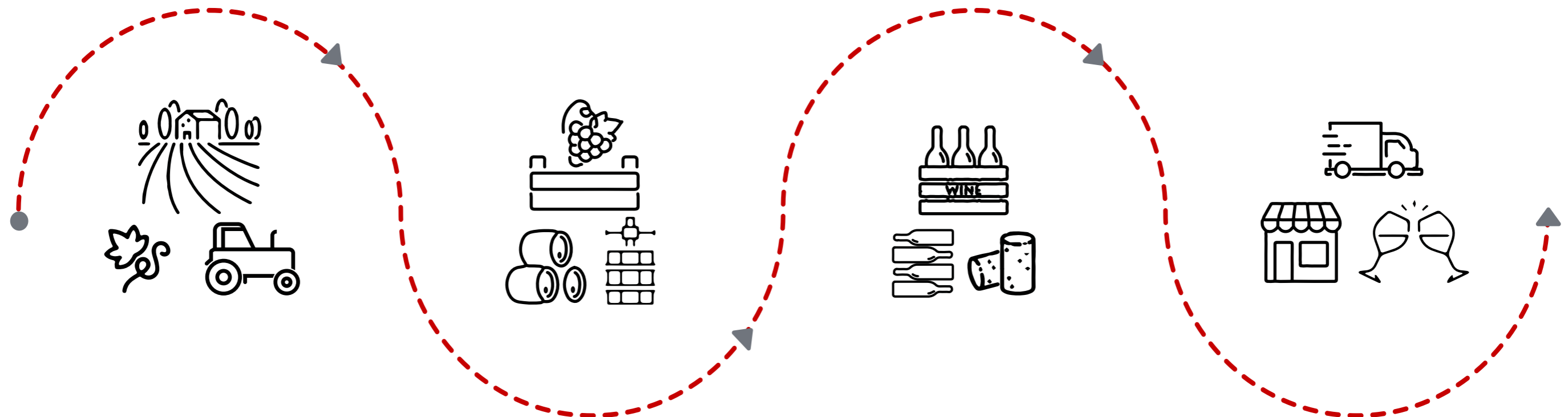
- The grapes are harvested manually and in small crates. At this stage, the winemaking process involves oenological materials only of the best quality, and is closely monitored by experienced personnel, and wine making consultants.

### FROM BARRELS TO BOTTLES:

- We exclusively use technologically advanced solutions from world leading producers. Yet again, the oenological materials used are exclusively of the best quality, the bottling process working at its highest level of efficiency. The materials used within this step undergo continuous optimization.

### DISTRIBUTION TO CONSUMERS:

- We have put in place a logistic approach, tailored to each country of export.





## CORPORATE GOVERNANCE

A company's Corporate Governance supposes a set of principles and recommendations based on which the company's management can exert its leadership and control prerogatives, with the objective of achieving its goals by implementing the adopted strategy and always having a fair conduct towards clients, counterparties, shareholders, investors, and supervisory authorities.

### PURCARI WINERIES MANAGEMENT:

Purcari Wineries PLC's Board of Directors and Committees have an appropriate balance of skills, experience, gender diversity, knowledge, and independence, that enables them to effectively perform their respective duties and responsibilities.

During 2022, the Company's Board of Directors was comprised of five members: two Independent, Non-executive Directors, two Executive Directors and one Non-executive Director. Following the Annual GSM dated 26th of May 2023, the Company extended its Board to seven directors.

After the end of the 2022 Financial Year, Mr. Eugen Comendant resigned from his position as Chief Operating Officer and Executive Director effective 31st of March and was appointed by the Board

Purcari Wineries PLC values a responsible and transparent management and aims to accurately inform and maintain the trust of all its stakeholders. Therefore, Purcari applies the principles defined in the Corporate Governance Code (CGC) of the Bucharest Stock Exchange (BVB).

of Directors as a Non-executive Director effective 5th of April 2023.

Further, in 2023, the Board of Directors increased the number of Board members by appointing Raluca Ioana Man and Paula Catalina Banu as Non-executive, Independent Directors, both effective 5th April 2023.

Currently, the Board comprises four Independent, Non-executive Directors within the meaning of the Code on Corporate Governance of the Bucharest Stock Exchange ("BVB Corporate Governance Code"), two Non-executive Directors and one Executive Director, as follows:



Name	Date of appointment	Title
<b>Monica Cadogan</b>	Listing date (first appointment), re-appointed by the AGM on 28 April 2021	Non-executive, Independent Director
<b>Vasile Tofan</b>	Listing date (first appointment), re-appointed by the AGM on 29 April 2020	Non-executive Director
<b>Neil McGregor</b>	Listing date (first appointment), re-appointed by the AGM on 28 April 2022	Non-executive, Independent Director
<b>Victor Bostan</b>	Listing date	Executive Director
<b>Eugen Comendant</b>	Appointed by the AGM on 26 May 2023	Non-executive Director
<b>Raluca Ioana Man</b>	Appointed by the AGM on 26 May 2023	Non-executive, Independent Director
<b>Paula Catalina Banu</b>	Appointed by the AGM on 26 May 2023	Non-executive, Independent Director



The majority of Purcari Wineries' Board (57%) is comprised of Independent Directors, which meets market practice common to the European markets, requiring that either half or a majority of the Board members to be independent. Only one Executive Director is part of the Board of Directors, Mr. Victor Bostan, who is the founder and majority shareholder of the Group.

Having a board that is composed of both men and women with diverse skills, experience, backgrounds, and perspectives represents a competitive advantage, supposes an understanding of opportunities, issues, and risks, as well as the inclusion of different concepts, ideas, and relationships.

Currently, the composition of the Board of Directors of Purcari Wineries represents a

ratio of 43% women and 57% men, among all directors, and a 50/50 ratio among non-executive directors. This composition is in line with the European Commission's political agreement on Gender Balance on Corporate Boards, reached in June 2022. The Directive sets a target for companies listed on the EU stock exchanges of a 40% share of the underrepresented sex among non-executive directors and 33% among all directors.

The Company believes in diversity as it does not only imply fairness but also is a driver for growth, creativity, and innovation.

## PURCARI WINERIES' COMMITTEES

In 2022, the Board of Directors of the Company had within its composition an Audit Committee and a Nominations, Remuneration and Corporate Governance Committee, in line with the Code of Corporate Governance of Bucharest Stock Exchange.

Following the Annual GSM and the first meeting of the Directors dated 26th of May 2023, the Board established an Environmental Social and Governance Committee ("ESG Committee") with the main purpose to define and support the Company's ongoing commitment to environmental stewardship, health and safety, corporate social responsibility, corporate governance, and sustainability.

### The ESG Committee will:

- Define Purcari Wineries PLC's Environmental and Social Governance priorities, objectives and define a strategy with the goal of further integrating sustainability into the Group's strategy and operations.
- Oversee and coordinate the implementation of the Company's ESG initiatives.
- Monitor and assess the developments related to and improving the Company's understanding of ESG matters.

**The ESG Committee will include Action Teams that will consider employee's expertise in relevant and varied disciplines, which will help fulfill duties and responsibilities of the ESG Committee such as:**

- Reinforce and set the tone of the culture within the Company regarding sustainability and integrate ESG management into the Company's processes and goals.
- Assist in setting the Company's general strategy with respect to ESG matters and recommend policies, practices and disclosures that conform with such strategy.
- Assist in overseeing internal and external communications with employees, investors, customers, suppliers, and other stakeholders regarding the Company's position on ESG matters.
- Consider current and emerging ESG matters that may affect the business, operations, performance, or the public image of the Company.
- Maintain metrics and procedures deemed necessary to monitor and track ESG matters etc.



The Composition of the Committees of the Board, following the Annual GSM held in 2023 is as follows:

Committee	Chairperson	Members
Audit	Monica Cadogan (Independent, Non-executive Director)	Neil McGregor (Independent, Non-executive Director) Paula Catalina Banu (Independent, Non-executive Director) Vasile Tofan (Non-executive Director)
Nominations, Remuneration and Corporate Governance	Neil McGregor (Independent, Non-executive Director)	Monica Cadogan (Independent, Non-executive Director) Eugen Comendant (Non-executive Director) Vasile Tofan (Non-executive Director)
Environmental Social and Governance	Raluca Ioana Man (Independent, Non-executive Director)	Paula Catalina Banu (Independent, Non-executive Director) Eugen Comendant (Non-executive Director)

## THE SENIOR MANAGEMENT TEAM

Purcari Wineries PLC believes in having diversity on the Board, within the senior management team and in business in general and will continue to strive in that direction.

Currently, the Group's Senior Management Team consists of fourteen specialists, (three women and eleven men) all highly qualified based on their experience, education, expertise, judgment, personal qualities, as well as general and sector-specific knowledge. We recognize the role of greater diversity, including gender diversity in contributing to a variety of perspectives in the Boardroom and senior management roles, hence we encourage and ensure appropriate efforts to include women in the list of candidates being considered not only for Board positions, but for Senior Management positions as well.

## POLICIES

Until 2022, Purcari Wineries PLC maintained unchanged a set of Policies in line with the Code of Corporate Governance of Bucharest Stock Exchange, namely: Dividend Policy, Forecasting Policy, Related Parties' Transactions Policy, Board Evaluation Policy, and Remuneration Policy.

Following the Annual General Shareholders' Meeting held on the 28th of April in 2022, Purcari Wineries updated its initial Remuneration Policy, which describes the formal approach used by the Group to establish the remuneration of the members of its Board of Directors and relevant members of the management team.

The goal of the policy is to provide a transparent overview of the compensation principles and methods employed by the Company to ensure sourcing, retention and motivation of relevant persons belonging in the administrative, management or supervisory bodies of the Company or entrusted with the performance of such functions or responsibilities by the Company.

In 2023, following the publication of the Annual Report for the Financial Year of 2022, the Company made available an [Annual Remuneration Report](#) for the year 2022, approved by the Board of Directors of the Company, following a recommendation of the Nomination, Remuneration and Corporate Governance Committee ("NRCC").

The Remuneration Report was also submitted to the advisory vote of the Annual GSM held on the 26th of May 2023 and remains publicly available for a period of 10 years in accordance with the applicable legal provisions.

The Remuneration Report provides an overview of the remunerations, including all benefits, regardless of their form, which are granted or due during the last financial year to the Beneficiaries individually, including the newly appointed and former directors, in accordance with the Remuneration Policy.



The total remuneration for 2022 complies with the adopted Remuneration Policy of the Company and specifically its guiding principles, which are:

- Alignment with long-term value creation for shareholders;
- Sustainability;
- Internal equity and external competitiveness;
- Compensation for professional accountability and career paths; and
- Balance between the remuneration elements.

The Board of Directors considers that total remuneration for 2022 promotes the aims of establishing a close link between achieving strategic objectives and contributing value to shareholders, stimulating mid and long-term motivation and motivation of the Beneficiaries to dedicate sufficient time and apply their skills and experience in the best interests of the Company and its shareholders, offering remuneration packages that are comparable with that of comparable entities on the international scale, appropriately remunerating on the basis of each Beneficiary's professional worth, experience, dedication and responsibility, and establishing a balance remuneration package for the executive directors.

## ORGANIZATIONAL CULTURE

Purcari Wineries Group is mindful of the importance of an organizational culture as it is the collection of values, expectations and practices that guide the actions of the entire team and create the Company's profile.

The Company's main values are:

- Hungry ("We win in the marketplace because we want it more.")
- Ethical ("Always do the right thing and the money will follow.")
- Thrifty ("The only way we can offer better value for money.")
- Different ("We pride ourselves on taking a fresh look on things.")
- Better ("We keep improving – both our wines and our people")

These are the driving forces of Purcari Wineries Public Company Limited's activity and success. Aside from the Company's main action-oriented values, **trust** is another, unspoken value that glues together Purcari Wineries' Team. The employees' trust in the Company's purpose and activity is reflected in the Company's output, image, and overall success.

Purcari Wineries believes in authenticity, excellence and learning capacity and makes a strong emphasis on community care, collective performance and customer inclusion and satisfaction. It encourages its team to be open, honest, and fair, integrity playing a vital role in the overall team dynamic, principles and positive work environment.

As a rule, Purcari Wineries PLC has a long-term goal to promote an organizational culture based on ethics and in alignment with company objectives, therefore the Company has developed an internal Code of Conduct. The document provides structure and guidance for the employees to act with integrity, appropriate behavior and in alignment with the company's values and culture. Purcari Wineries' internal Code of Conduct includes information and norms concerning ethics and values, fair

employment practices, workplace safety policies, etc.

The Group promotes equal opportunities and rights within its companies and encourages inclusion, dignity and respect, performance and merits being major factors within employee recognition and rewards.

Purcari Wineries internal Employment Policy complies with the national laws concerning employment and employment practices (Labor Code), terms and conditions of employment, and any associate laws with respect to labor, in the countries in which it has companies.

## HUMAN RESOURCES MANAGEMENT

The Purcari Group is proud of the team that was built within the Company, a team dedicated to performance, customers, and consumers, that shares the Company's values, objectives, mission and fundamental principles of responsibility and trust.

In 2022, Purcari Wineries' team consisted of more than 800 full-time employees, 45.6% of them women. Within the team, 73 employees held high skilled positions (Corporate managers, Directors and chief executives, Production and operations department managers, Other department managers etc.), 75.3% of which were men and 24.7% - women.

The Company promotes equal opportunities and diversity within its activity, while also encouraging initiatives to advance women. For this purpose, the Group implemented internally an array of policies that support the Company's

employee-oriented objectives such as: Flexible Work Arrangements Policy, Employment Benefits, Fair Compensation Policy, Fair Career Advancement Policy, Leadership Programs and Training, all part of the Group's Internal Regulations.

During 2022, Purcari Wineries conducted more than 17 training programs, both internal and external, in different domains (administrative, commercial, financial, ecology, occupational health and safety etc.). By the end of the financial year, 370 employees benefited from training or instructing programs, 59 of which were trained in other, specific domains (design, foreign languages, etc.).

Employee training and development is a strategic human resources direction through which Purcari Wineries aims to contribute to the performance of its employees, team and implicitly, organization. Through human resources policies and programs, Purcari Wineries Public Company Limited creates a fair working environment, where all its employees can feel valued and respected.

Since 2021, Purcari Wineries launched an Internship Program as an opportunity to bring new, fresh perspectives into the company. The program was developed to attract quality candidates that want to acquire hands-on work experience as well as create mentorship opportunities for existing employees, by providing a well-planned, well-rounded scheme with meaningful and engaging work. By the end of 2022, the program had 19 graduates, with approximately 21% of the candidates being offered an employment opportunity within the Company, following months of hands-on training.



## GENERAL PRINCIPLES OF EMPLOYEE REMUNERATION

Performance evaluation through non-financial indicators aims to motivate staff, optimize the usage of resources, and encourage a healthy competitiveness, by endorsing employee efficiency and generating employee satisfaction. Within the Internal Regulations of Purcari Wineries PLC, there is an Employee Remuneration Policy and an Employment Benefits Policy. Both policies are intended to provide a compensation structure that allows the Group to attract, motivate and retain highly qualified employees.




# EMPLOYEE



**MOTIVATING**

Maintaining competitiveness on the remuneration market.



**REWARDS**

Maintaining a fair balance between the fixed and variable components of the remuneration.



**ACHIEVEMENTS**

Rewarding achievements of set objectives.



**TRANSPARENCY**

Promoting transparency regarding the remuneration policy and its established criteria.



**PROFESSIONALS**

Attraction, retention, and motivation of best professionals.



## ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

Purcari Wineries Public Company Limited is compliant with the applicable environmental and social laws and regulations, including occupational health and safety regulations, fire safety, labor, etc. In November 2010, the Group adopted a group-wide Environment, Health and Safety Policy and implemented an Environmental and Social (E&S) Management System (ESMS) integrating environmental, occupational health and safety management procedures into the Group's management system. The ESMS structure and the Procedure on Environmental Protection and Occupational Health and Safety were developed and fully approved by the Group's Management.

The Group holds itself accountable for its activities in the field of environmental protection, safety, and health, thus all its companies are periodically evaluated in terms of environmental and social compliance. Purcari Wineries PLC conducts its activity in accordance with the policy approved on 16th of November 2010 and operates in accordance with the Procedures related to the "Company activity in the fields of environmental protection, safety and health", approved on 18th of November 2010.

The wineries within Purcari Wineries Public Company Limited comply with the laws and technical regulations enforced, concerning health, safety, and environment, as stated in the ISO certifications (9001:2015: Quality management systems, 22000:2018: Food safety management systems) as follows:



- "Vinaria Purcari" LLC – ISO 9001:2015 and ISO 22000:2018, extended till 14.12.2023.
- "Vinaria Bostavan" LLC – ISO 9001:2015 and ISO 22000:2018, extended till 14.12.2023.
- "Domeniile Cuza" LLC – ISO 9001:2015 and ISO 22000:2018, extended till 22.02.2025.
- "Vinaria Bardar" JSCo – ISO 9001:2015, valid till 04.11.2023 and ISO 22000:2018, valid till 25.10.2023.
- "Crama Ceptura" LLC – ISO 22000:2018, valid till 17.04.2023

Following the implementation of the ISO certificates, the Company adjusts and monitors its activity in accordance with the recommendations offered upon yearly inspections. Till now, the Group has:

- Established a Production Policy, delivering wine products of the highest quality, respecting both customer needs and demand, as well as legislative provisions.
- Determined a strategic direction for the Group by maintaining market leadership based on competitive price conditions, and enhancing the reputation established through loyal and professional employee attitude.

- Identified risks and mitigated their effects, which had possible negative impact on customer satisfaction.
- Identified and analyzed hazards, which is an essential part in the manufactured products control.

The Companies within Purcari Wineries PLC have the required environmental permits and licenses to operate, all with verified and renewed validity dates, as follows:

### "Vinaria Purcari" LLC:

- "Authorization for the emission of pollutants into the atmosphere from fixed sources of pollution."
  - No. P-1554/2021
- "Authorization for special use of water."
  - No. P-0045/2020
- "Permits from local waste disposal authorities."
  - Petition, issued on 23.12.2022.
- Contract with the glass factory for glassware receipt
  - No. 1 issued on 01.02.2012.
- Contract with the cardboard factory for cardboard waste receipt
  - No. S2015/013 issued on 15.06.2015.
- Certificate of registration for Food Safety
  - No. CSA 0001504, issued on 19.06.2018.



**“Vinaria Bostavan” LLC:**

- “Authorization for the emission of pollutants into the atmosphere from fixed sources of pollution.”
  - No. P-1695/2021 (Etulia)
  - No. P-91657/2021 (Moscovei)
  - No. AM no. 0007 (Onesti)
- “Authorization for special use of water”
  - No. P-0053/2020 (Etulia)
  - No. P-0048/2020 (Moscovei)
  - No. P-0052/2020 (Onesti)
- “Permits from the local waste disposal authorities.”
  - No. 68/01 issued on 05.09.2019 (Etulia).
  - No. 144 issued on 04.09.2019 (Moscovei).
  - No. 108 issued on 21.02.2022 (Onesti).
- Contract with the glass factory for glassware receipt
  - No. 19 issued on 01.02.2012. (Etulia) issued on 01.02.2012.
- Contract with the cardboard factory for cardboard waste receipt
  - No. 02-0-2012 issued on 01.02.2012. (Etulia)
- Certificate of registration for Food Safety
  - No. CSA 0001403 issued on 16.07.2018 (Etulia)
  - No. CSA 0003747 issued on 13.12.2019 (Moscovei)
  - No. CSA 0008052 issued on 26.03.2021 (Onesti)

**“Domeniile Cuza” LLC**

- Certificate of registration for Food Safety
  - No. CSA 0005019, issued on 18.06.2021.

**“Vinaria Bardar” JSCo:**

- “Authorization for the emission of pollutants into the atmosphere from fixed sources of pollution”
  - No. P-0397/2020
- “Authorization for special use of water”
  - No. 37A
- “Permits from the local waste disposal authorities.”
  - No. 02-01 issued on 02.01.2019.
- Contract with the cardboard factory for cardboard waste receipt
  - No. 01/2021 issued on 11.01.2021.
- Contract with scrap and metal waste collection services
  - No. 08/07-21 issued on 07.07.2021.
- Certificate of registration for Food Safety
  - No. CSA 0005286 issued on 26.02.2021.

**“Crama Ceptura” LLC:**

- “Authorization for water management, water supply and evacuation of water waste from the workplace”
  - No. 128 issued on 21.07.2022.
- Environmental authorization
  - No. PH – 117 issued on 06.04.2020, revised on 13.04.2021.
- Contract for the collection of recyclable waste
  - No. 53 issued on 19.02.2020.
- Certificate of registration for Food Safety
  - No. 1913 issued on 12.04.2022.
  - No. 1914 issued on 12.04.2022.
  - No. 1915 issued on 12.04.2022.

The Group strictly complies with the laws and technical regulations enforced concerning health and safety, environment, etc. The Group's E&S reporting function is assigned to the Quality Managers who are responsible for the monitorization, assessment and adjustment of the Company's activities in accordance with the laws and regulations concerning health and safety, environment, etc. as well as implementation of the ISO requirements.

In terms of agricultural quality controls, the Group has implemented Pesticides Management Procedures for “Vinaria Purcari” LLC, “Vinaria Bostavan” LLC, and “Crama Ceptura” LLC, describing the

procedure used for the transportation, storage, application, and removal of pesticides. These procedures are developed on an annual basis and include the responsibilities of pesticide suppliers and any other third parties involved in the utilization of pesticides by the Group.

Each winery within the Group operates a testing laboratory that analyzes and monitors the production process and product compliance in line with the requirements of the normative documents. The laboratories from Romania are authorized by the National Sanitary Veterinary and the Food Safety Authority of Romania. The laboratories from Moldova are certified by the Moldovan Accreditation Center (MOLDAC), the Signatory of the Bilateral Recognition Agreement with the European Cooperation for Accreditation and the Signatory of the Mutual Recognition Agreement with ILAC-MRA Laboratory Accreditation for International Accreditation.

All Purcari Wineries' products are subjected to a Quality and Safety Check by the State Enterprise “National Center for Quality Verification of Alcohol Production” (CNVCPA), which ratifies the certificates of conformity and the sanitary permits for each lot of products.

## SUSTAINABILITY AND WASTE MANAGEMENT

**293,488 KG**  
**of Waste Recycled**

**of which:**

**39%**

**Glass**

**39%**

**Paper**

**18%**

**Plastic**

**4%**

**Metal**

The Group has defined energy saving and efficiency as the main environmental targets for 2017-2022 and till 2021 it has made significant progress. The Company has replaced the light sources with energy efficient ones on all its production sites. Additionally, outdoor/street lighting sensors were installed where it was deemed necessary and the entire electricity system at one of the production sites was fully modernized.

In terms of waste utilization, the Group enforced a Policy regarding the collection and sorting of broken glass, paper, cardboard, and other nonfood waste into separate bins placed in a designated area near the production sites. The sorted waste is further sold to relevant processing facilities (e.g. broken glass is delivered to the glass factory located in close proximity to the production site, etc.).

The Company modernized the sewage processing facility at one of the premises and acquired Mythos vinificators, that reduce the CO2 footprint by reusing it during fermentation for cap management.

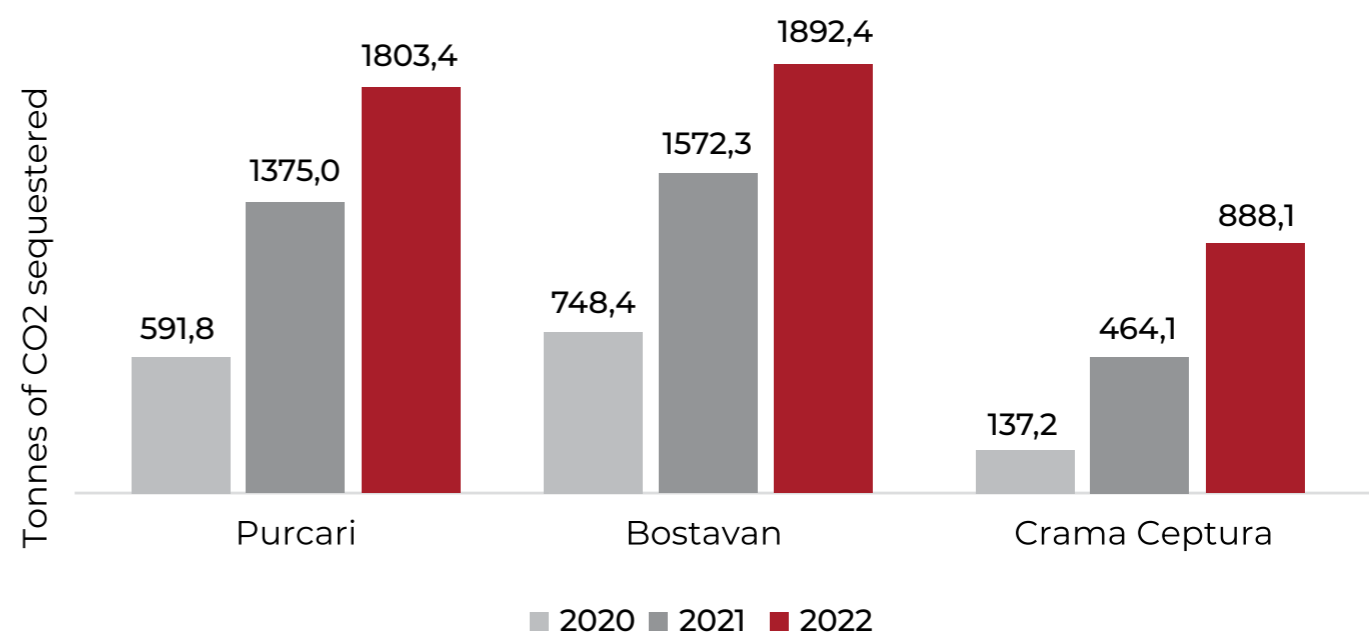
In 2022, Purcari Wineries PLC made a serious step in its sustainability journey. In June of 2022, the Group installed a Photovoltaic System on the rooftop of Purcari Winery's production site. The Solar Panel System consists of 448 monocrystalline Longi panels with an estimated power of 450 W each and dimensions 2094x1038x35, 2 German inverters SMA Sunny 110 with a conversion

capacity of 110 kW, a panel fixing system for the roof and a wiring system. The panel covers an area of 1,025 m<sup>2</sup> and was launched into operation on the 07th of July 2022, generating an average daily amount of 1,200 kW/h. After one year of activity, the system supplied the winery with approximately 230,000 kW/h, which represents 15% of the winery's annual consumption or approximately 750k MDL in savings. The installed Photovoltaic System has a warranty period of 5 years, with a guarantee of proper functioning, while keeping the production parameters of 85%, for 25 years.

Aside from the Solar Panels System, in 2022, the Group also completed the investments in an Irrigation System that covers 300 ha of its vineyards, with the option to further extend the system to an area of 500 ha. The

fully automated subsurface drip irrigation system – Netafim, sources the water from two storage pools of 11,000 m<sup>3</sup> and 24,000 m<sup>3</sup>, located at a distance of 6 km. Subsurface drip irrigation is one of the most efficient methods of irrigation, placing water directly into the root zone, hence reducing evaporation and preventing possible diseases by minimizing water contact with the leaves.

With respect to carbon dioxide management, based on the CO<sub>2</sub> – balance studies carried out by PwC, available at Amorim Cork, in 2022, Purcari Wineries PLC has contributed to the sequestration of approximately 4,583.9 tons of CO<sub>2</sub> through purchase and utilization of cork stoppers during the twelve-month period from January 1st to December 31st, 2022.





In 2023, Purcari Wineries continues its sustainability endeavors by extending its Photovoltaic System located at Purcari Winery and installing a new System on the premises of Bostavan Winery. The Solar System installed in 2022 was extended with an additional 300 kW, now comprising a total capacity of 500 kW. The new capacity is expected to supply 40% of the winery's annual electricity consumption.

On the premises of Bostavan Winery, the Solar Panel System was mounted on the rooftop of the winery's newest warehouse. With a capacity of 200 kW, the investment is expected to ensure the production of approximately 230,000 kWh annually, around 15% of the winery's consumption.



During the next 3 years, the Group intends to continue its investments in increasing its production capacity of renewable energy, with the objective of covering at least 80% of its energy demand from photovoltaic power stations.



## ECOSMART UNION S.A.

Purcari Wineries Public Company Limited has a long-term goal of environmental sustainability in its activity, therefore, in 2017 it contributed to the establishment of Ecosmart Union S.A., a waste recycling management business, with an initial stake of 27%. In October 2021, the Group, through Crama Ceptura LLC, increased its stake from 27% to 65.75%.

Ecosmart Union SA holds the operational license No. 5 as of May 2019, issued by the Ministry of Environment – Supervisory Commission, based on the Order of the Deputy Prime Minister and the Minister of Environment, No.1362/2018, on the approval of the Procedure for authorization, annual notice, and withdrawal of operating rights of organizations that implement obligations regarding the extended liability of the manufacturer.

According to Art. 14 of Law 249/2015 with subsequent amendments and completions, the company has the obligation to reach at least:

(1) The annual targets with respect to energy recovery or incineration in incineration plants with the possibility of energy recovery and, respectively, for the recycling of packaging waste, that are to be achieved at national level, are the following:

a) Recovery or incineration in incineration plants with energy recovery of at least 65% of the weight of the packaging.

b) Recycling of at least 60% of the total weight of packaging materials contained in packaging waste, with the achievement of the minimum values for the recycling of each type of material contained in packaging waste.

(2) The values of the objectives provided in par. (1) let. b) are the following:

a) 65% of the weight of the glass;

b) 65% of the weight of the paper/ cardboard;

c) 60% of the weight of the metal;

d) 20% of the weight of wood;

e) 35% of the weight of plastics, considering only the recycled plastic material.

For 2022, Ecosmart Union met the global recycling target with 56% and the global recovery target with 61% according to the "Situation of the quantities of recovered packaging waste/incinerated with energy recovery for all customers", a document generated monthly from the platform of online reporting, as follows:



	Type of waste							Total
	Paper / Card-board	Glass	Plastic		Metal		Wood	
			Other Plastic	PET	Metal	Aluminum		
<b>Amount taken from customers (kg)</b>	11,600,175	22,569,899	9,006,037	5,371,585	2,038,467	295,979	8,728,320	59,610,463
<b>Amount recycled for customers (kg)</b>	10,092,283	13,639,795	2,063,117	3,128,330	1,169,048	64,585	3,374,255	33,531,413
<b>Recovery target achieved through recycling (%)</b>	87%	60%	23%	58%	57%	22%	39%	56%
<b>Quantity recovered through other recovery means, for all customers (kg)</b>	936,338	0	1,906,635	119,389	0	0	127,757	3,090,119
<b>Global recovery objective (%)</b>	95%	60%	44%	60%	57%	22%	40%	61%

Considering the breakdown of the recycling activity by type of waste, the global recycling and recovery targets for Ecosmart Union objectives have been fulfilled for 2022.

## SOCIAL INITIATIVE

In January 2015, Purcari Wineries PLC launched a Community Development Policy which defines the strategic approach, management system and budget for the Group's contribution to the local communities. In 2022, the Group continued its support to local communities and contribute to a number of charities, social and cultural initiatives dedicated to promoting and preserving traditions, such as:

- CCF/HHC Moldova (a team of people working to give every child the opportunity to grow up in a loving family).
- Hospice Angelus: Medical-social Philanthropic Foundation "Angelus Moldova", 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 in advanced and terminal stages, as well as to their relatives. In 2001, "Angelus Moldova" established Hospice "Angelus Moldova", a home palliative care service and part of the Foundation.

The Purcari Group continues to be the general sponsor of the Moldovan national Olympic Committee and the main partner of USM – Bostavan, a volleyball club with both female and male volleyball teams, since 2010.

Following the war outburst in Ukraine on February 24th, 2022, the Group has actively been involved in supporting Ukrainian refugees. The Purcari team launched a help-center and a 24/7 contact line that offered support in arranging accommodation for the fleeing Ukrainian families. Over 13,000 refugees stopped at the improvised tent to get free-of charge first necessity goods such as water, hot drinks, sandwiches, free SIM cards and warm clothes.

Over 4,000 refugees, mainly women and children, have been provided with accommodation at Chateau Purcari, as well as hotels and guest houses in the Purcari region (fully paid by Purcari), Purcari Partners and homes of Purcari employees.





## PURCARI FOUNDATION

In 2022, Purcari Wineries PLC continued to lay its groundwork for sustainability and Environmental Social Governance, by aligning its business model with Sustainable Development Goals (SDGs) of the UN. Hence, on the 25th of May 2022, the Group decided, through “Vinaria Purcari” LLC, guided by the provisions of Law No. 86 as of June 11, 2022 regarding non-commercial organizations, to establish the “PURCARI” Charity Foundation and approve the Foundation’s statute.

The Purcari Foundation is a non-commercial organization, without members, constituted by one or more persons, endowed with a patrimony distinct and separate from that of the founders, intended to achieve the non-commercial purposes provided in the act of incorporation.

The goal of the Foundation is to contribute to:

- education and training of people, dissemination and accumulation of knowledge;
- science, culture, and art;
- health protection;
- social protection of disabled people, as well as other disadvantaged people and groups;
- promoting peace;
- protecting the environment;
- protection of cultural heritage and historical monuments;
- the local community.

At the establishment of the Foundation, its Board of Directors constituted four Directors, with a mandate until 24th of May 2024: Victor Arapan (CFO), Eugen Comendant (COO), Artur Marin (CCO) and Nicolae Chiosa (CPO). Following the Foundation’s request as of 6th of February 2023, the composition of the Board was reduced to 3 people.

Henceforth, as a result of Eugen Comendant’s resignation (COO) effective 31st of March 2023 and the Foundation’s request, the current composition of the Board of Directors is: Victor Arapan (CFO), Artur Marin (CCO) and Nicolae Chiosa (CPO).

As of December 2022, Ludmila-Ella Ciubida was appointed as the Chairwoman of the “PURCARI” Charity Foundation.

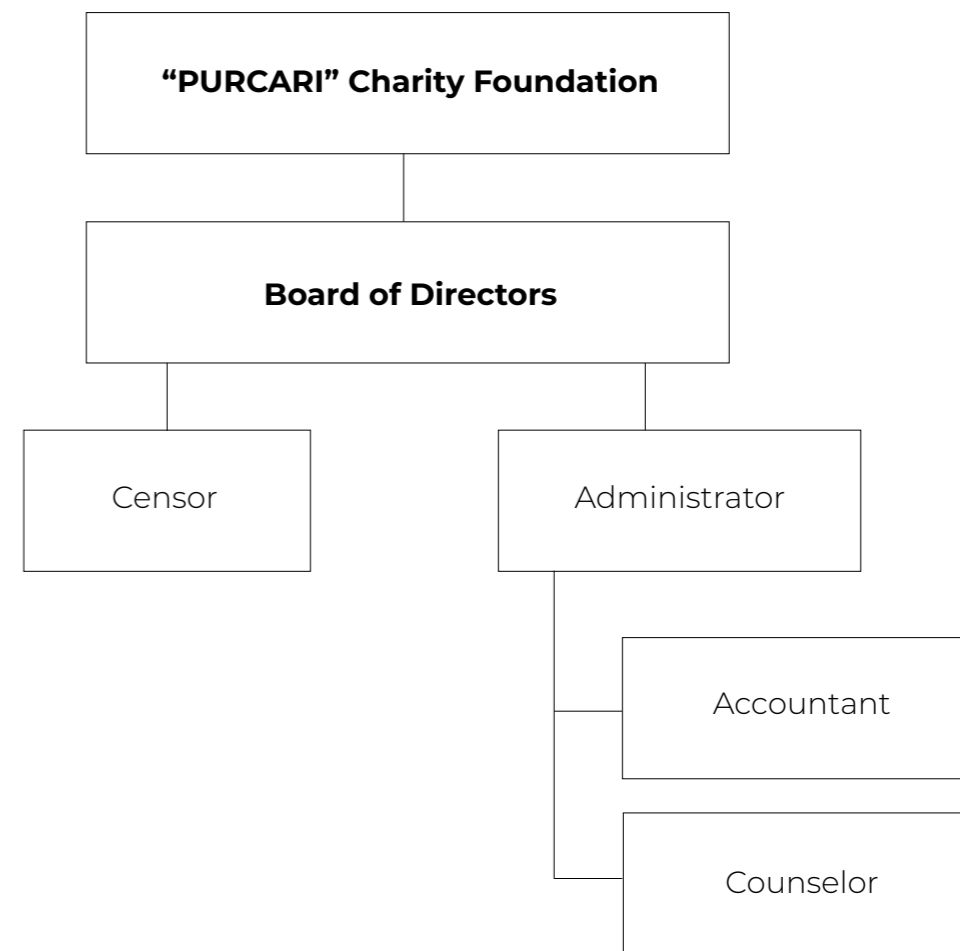




“As the Chairwoman of the “PURCARI” Charity Foundation, it is an honor to lead an organization with the noble cause of improving the quality of life of the underprivileged communities within and beyond the borders of Republic of Moldova and offering a helping hand to those facing difficulties and misfortune. As a Foundation, we have an important mission, that of building a society that values togetherness, empowerment, equality, and environmental sustainability, through various programs such as social welfare, healthcare, sports, education etc. It is no easy task, but our work brings hope to the marginalized, and my heart fills with joy and pride to collaborate shoulder to shoulder with our partners as we pursue our mission together.”

**Ludmila-Ella Ciubida,**  
Chairwoman of “PURCARI” Charity Foundation  
Pure. Simple. From the heart.

The full organizational structure of the “PURCARI” Charity Foundation can be found below:





In 2022, the Purcari Foundation benefited from funding mainly from the Republic of Moldova and Netherlands, 97% of which were special revenue funds used for aid projects in Moldova and Ukraine. After the emergence of the Russian-Ukrainian conflict, Purcari Wineries decided that it will donate the profits from the sale of the Freedom Blend wine to help the victims of the war. In a joint effort with the Group's worldwide partners, especially LFE Netherlands, the Foundation was able to raise more than EUR 150,000 - funds that were used to purchase tablets that will facilitate access to education to almost 500 children in the Kharkiv, Herson, and Odesa Regions, who were forced to relocate from the war zone and continue their studies online.

In 2023, the Foundation continued its activity, by offering aid in areas such as social, health, education, and sports. Since the beginning of the year, the "PURCARI" Charity Foundation managed to offer a helping hand, as follows:

- Equipping the High School of Creativity and Inventiveness Prometheus Prim's computer labs with computers.
- Supporting financially the Public Association Carpen Sports Club for the development of the football club, participation in competitions and the

- formation of the Football Academy.
- Donation package comprised of sleeping bags, camping mats, winter tents, generators, and other important resources delivered to those affected by the devastating earthquake in Turkey, with the help of the Turkish Ambassador, Uygur Mustafa Sertel.
- Delivery of baskets with basic food necessities and to socially vulnerable people from local communities with the help of Social Aid.
- Donation of tablets to almost 500 children from the Kharkiv, Herson, and Odesa Regions, forced to relocate from the war zone and continue their studies online.
- Support of the development of national sports by sponsoring the Sports Center for the Preparation of National Teams from the Republic of Moldova.
- And [many others](#).

The "PURCARI" Foundation is still taking its first steps in its activity, but even at this stage it has already managed to make a difference for those in need of aid, building a strong basis for its further charity efforts.





## ANTI-CORRUPTION AND ANTI-BRIBERY

Purcari Wineries defines bribery as the act of offering or promising financial or other advantages to induce an individual to make decisions that are unlawful, unethical, or that they would not otherwise take under the circumstances, thus, the Company views corruption as any abuse of a position of power to get an illicit advantage and includes but is not limited to bribery.

Corruption and bribery can take many forms, including offering or accepting of direct or indirect payments, excessive gifts, sponsorships, donations, etc. Within the Company, employees are authorized to accept or offer gifts and invitations that are appropriate in certain circumstances, but this fact is subject to limitations, and it is strictly prohibited to offer or receive monetary gifts or equivalents.

Purcari Wineries promotes a zero-tolerance policy to bribery and corruption among its employees and business partners, by ensuring effective risk management, preventing its image from being associated with illegal businesses.

Purcari Wineries takes a proactive approach in identifying and preventing corruption and bribery within the company; hence the Company has enforced a range of internal Policies derivative from the National Laws of Anti-Bribery and Anti-Corruption adjusted to the countries in which the Group has its wineries.

# ZERO TOLERANCE POLICY

## INTELLECTUAL PROPERTY

Given Purcari Wineries' generic activity, intellectual property is a key driver of economic growth and innovation within the business. In the increasingly competitive wine market, intellectual property protection incentivizes us to keep pushing for new advances and projects.

Purcari Wineries Public Company Limited owns more than 250 trademarks and designs (including wine bottle designs). As the Group continues its premiumization

journey, continuously developing new SKU's, it carefully monitors the registration, processing, and validation of intellectual property.

In this area, Purcari works with the best representatives primarily in Moldova and Romania, but also contracts international specialists for the large scale of countries where our products are registered and sold.





[www.purcari.wine](http://www.purcari.wine)