



# Non-financial Information Statement

AmRest Holdings SE capital Group  
28 FEBRUARY 2022

# AmRest





# Non-financial Information Statement

According to the Royal Decree-Law 11/2018 of 28 December, relating to non-financial information and diversity, the Board of Directors of AmRest Holdings SE is issuing this Non-financial Information Statement (NFIS) for the 2021 Financial Year as part of the Consolidated Directors' Report, which is presented with Consolidated Annual Accounts. This statement has a public character and may be reviewed on the following website: [www.amrest.eu](http://www.amrest.eu).

For the purposes of this document, the following should be understood to mean the same: AmRest Holdings SE, AmRest, the AmRest Group and the Group. The reporting scope is from 1 January 2021 to 31 December 2021. All the data is presented as of 31 December 2021 unless stated otherwise.

The statement is an independent part of the Consolidated Directors' Report for 2021 and includes information concerning all the subsidiaries of AmRest Holdings SE. In the cases where the data presented does not apply to all AmRest units, the scope is specified exactly. As of 31 December 2021, AmRest operated 2 436 equity and franchised restaurants and coffee houses in 25 countries, and the Group's registered office was Paseo de la Castellana 163 (10<sup>th</sup> floor), 28046 Madrid, Spain. Although the franchised restaurants of AmRest are a part of its portfolio, the Group does not disclose information regarding these restaurants, as they are operated by third parties.

The following NFIS has been prepared in accordance with the GRI Sustainability Reporting Standards (used when appropriate to present quantitative information), which are listed in the table at the end of the statement. The material topics covered in the following document were diagnosed during the materiality analysis, as further explained in Section 3 (Materiality analysis) herein.

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## AmRest's business model and operations in 2021

AmRest Holdings SE with its subsidiaries is Europe's leading listed restaurant operator with a portfolio of leading brands in 25 countries. The Group delivers exceptional food and excellent service, winning the hearts of 30 million guests every month. AmRest operates franchised brands such as KFC, Starbucks, Pizza Hut and Burger King, as well as proprietary brands such as La Tagliatella, Sushi Shop, Blue Frog and Bacoa. In addition, AmRest also has several virtual brands in its portfolio. The offer of virtual brands in Poland is available also under Food About concept - an umbrella brand that enables ordering different virtual brand dishes within one order. Food About holds its own e-commerce that contributes to Virtual Brands sales.

Currently, AmRest operates 2 436 restaurants in 25 countries: Armenia, Austria, Azerbaijan, Belgium, Bulgaria, China, Croatia, the Czech Republic, France, Germany, Hungary, Italy, Luxembourg, Poland, Portugal, Romania, Russia, Saudi Arabia, Serbia, Slovakia, Slovenia, Spain, Switzerland, the UAE and the UK.

AmRest's operations are well-diversified across five main categories of the restaurant industry:

- Quick Service Restaurants ("QSR"), represented by KFC and Burger King
- Fast Casual Restaurants ("FCR"), represented by Pizza Hut Fast Casual Dine In, Sushi Shop and Bacoa
- Casual Dining Restaurants ("CDR"), represented by Pizza Hut Dine In, La Tagliatella, Blue Frog
- Coffee category, represented by Starbucks
- Virtual brands, whose offer is available only online, represented by Pokaï, Lepieje, 'Oi Poke, Moya Misa Ramen, Pierwsze i Drugie, Sushi Tone, Eat's Fine, Mr. Kebs, Tacos Square, Potato Patata, Viva Salad! and Cremonano.

## Business strategy

AmRest's business approach to running a multi-branded company is based on crucial elements that have been at the center of company's attention; managing a profitable, sustainable operation to deliver growth.

### Purpose

Service is our recipe for winning.

### Vision

To become the European leader who inspires the global restaurant industry.

### Mission

Winning our guest's hearts through unique service, product and experience in our restaurants, delivered by passionate AmRestees, makes our scalable and sustainable brands thrive.

**Table. Brands operated by AmRest in 2021**

Proprietary brands		Franchise brands		Virtual brands
La Tagliatella	Sushi Shop	KFC	Starbucks	Pokaï, Lepieje, 'Oi Poke, Moya Misa Ramen, Pierwsze i Drugie, Sushi Tone, Eat's Fine, Mr. Kebs, Tacos Square, Potato Patata, Viva Salad! and Cremonano
Blue Frog	Bacoa	Pizza Hut	Burger King	

**Table. Restaurant count**

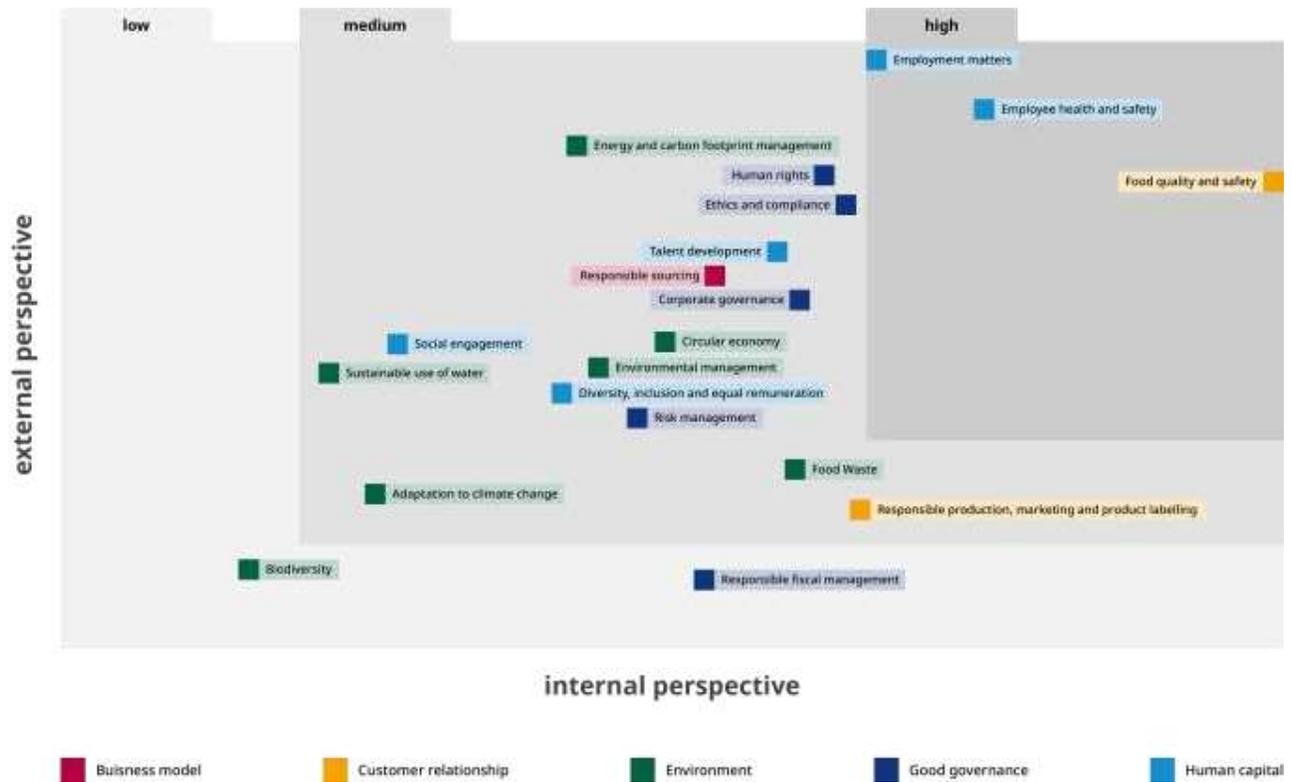
Brand	Restaurant count (total)	Self-owned restaurants	Franchise restaurants
KFC	951	951	-
Starbucks	387	363	24
Pizza Hut	482	229	253
Burger King	93	93	-
La Tagliatella	235	75	160
Sushi Shop	201	139	62
Blue Frog	77	66	11
Bacoa	5	1	4
Virtual brand outlets	5	5	-
<b>Total number of restaurant and coffee houses</b>	<b>2 436</b>	<b>1 922</b>	<b>514</b>

## Materiality analysis

In 2020, AmRest conducted a comprehensive materiality analysis to identify the social, environmental and ethical issues relevant to defining its approach to sustainability. These issues were included in AmRest Non-financial Information Statement for 2020.

In 2021, AmRest conducted an internal review of the materiality matrix. AmRest Management Team and heads of key functions assessed and prioritized 20 material topics in 5 areas: business model, customer relationships, environment, good governance and Human Resources. The topics that were evaluated to be material to AmRest, with relevant Key Performance Indicators, have been included in this statement.

### Infographic. AmRest material topics assessment



## Sustainability strategy and governance

In 2021, AmRest updated the Global Sustainability Strategy. The strategy is centred on three pillars – Our Food, Our People and Our Environment. It applies to all AmRest employees and executives, in every geography, across each brand operated by AmRest.

### Infographic. AmRest Global Sustainability Strategy



The strategy is based on global sustainability standards, benchmarks and trends and reflects the existing and forthcoming legislation applying to ESG (Environmental, Social and Governance) areas.

AmRest defined its sustainability strategy pillars and key initiatives in line with five United Nations Sustainable Development Goals (SDGs):



**Table. Topics covered in AmRest Global Sustainability Strategy**

Our Food	Our People	Our Environment
Responsible sourcing	Fair employment practices	Circular economy
Nutrition and balanced choice	Diversity & Equality	Climate change
Food safety	Social engagement	

## Governance model

Overall ownership of the sustainability strategy rests with the Sustainability, Health and Safety Committee composed of three independent members of the AmRest Board of Directors. Responsibility for each pillar rests with AmRest Management Team Members: Chief Food Services Officer (Our Food), Chief People Officer (Our People), and Chief Operations Officer (Our Environment). The Executive Chairman leads the Social Engagement agenda. The pillar owners are responsible for delivering the goals and KPIs set under the strategy and for reporting progress to the AmRest Board of Directors.

The member of AmRest Management Team including CEO and global heads of key functions participate in the governance of the strategy through sessions dedicated to sustainability matters held during regular meetings of the Management Team.

Sustainability-related matters, as well as non-financial reporting, are coordinated globally by the External Communications and Corporate Affairs department, whose head reports directly to the Executive Chairman.

### Infographic. Sustainability-related matters governance



## Risk management at AmRest

AmRest identifies financial and non-financial risks and manages them both at the Group level and at the level of individual companies. The risk management system, internal control system and the review of the effectiveness of these systems, have been supervised by each Risk Owner at the company, Chief Risk and Compliance Officer, Risk and Compliance Committee, Management Team, Audit and Risk Committee and ultimately by the Board of Directors of AmRest Holdings SE.

The Global Risk and Compliance department was established at the beginning of 2021 with the department head reporting directly to the Audit and Risk Committee Chairman (Board of Directors level). Their key responsibilities include:

- Promoting and guiding the organization to establish a consistent risk management culture, through adequate communication, training and awareness building, among all AmRest employees
- Periodically updating the risk catalogue and the risk map
- Overseeing the adequate functioning of the Enterprise Risk Management (ERM) System, specifically to the identify, assess, respond and report to the Audit and Risk Committee critical risks to which the Group is exposed, including emerging risks.
- Fostering the implementation of efficient and complete risk response strategies to mitigate or reduce critical risks to which the Group is exposed, within the risk appetite and tolerance levels approved by the company.
- Reporting to the Audit and Risk Committee regarding the performance and functioning of the Enterprise Risk Management.

AmRest's risk management process begins with the organization's long-term and short-term objective setting. This leads to the identification of risks defined as any event which might pose a threat to the fulfilment of these objectives. Risks are assessed on a periodic basis, at inherent and residual level, based on their expected impact, likelihood and the organization's vulnerability, and are prioritized in the risk map.

For all risks identified as critical, the management defines response strategies to mitigate the inherent risk to a reasonable risk appetite level. The response strategies combine the monitoring of risk performance indicators and the execution of control activities, which are assessed for operating effectiveness purposes on a periodical basis.

The trends in critical risks performance and the effectiveness of the control activities are reported on a quarterly basis to the Risk and Compliance Committee and the Audit and Risk Committee. When risks exceed the defined tolerance level, the action plans implemented to address them are also reported.

**Table. Risks that may have a considerable adverse effect on operating areas of AmRest including corruption prevention, environment protection, respect for human rights and others<sup>2</sup>**

Risks <sup>3</sup>
Adverse impact on the image of the Group or the Brands
Cyber threats
Disruption in the supply chain
ESG priorities not adequately engrained within overall business strategy
Failure to adapt to stakeholders' interests
Failure to foster an ethical culture
Global crisis and disruptions
Inadequate sourcing process
Increase in the cost of commodities, raw material and goods
Key personnel turnover
Non-compliance with internal regulations regarding Health & Safety, Data Protection, Tax or other areas
Quality issues affecting products and services
Threat of financial crime

Through having implemented the Code of Ethics and Business Conduct and the Global Sustainability Strategy, AmRest aims to minimize among others, exposure to the following risks:

<sup>2</sup> Other risks identified by AmRest are presented in the Directors' Report in section "Basic risks and threats the Group is exposed to".

<sup>3</sup> Listed in alphabetical order.

- damage to AmRest's reputation caused by cooperation with suppliers who behave unethically;
- inadequate response to environmental trends;
- lack of awareness and sensitivity of managers with regard to the ethics and rules of a responsible business;
- lack of public knowledge of AmRest's implementation of practices in the area of ethics and responsible business;
- major negative impact of the company's operations on the environment;
- negative perception of the company by the public in connection with undue care paid by AmRest to social/public interests;
- unethical practices by AmRest and AmRest employees.

## The response to COVID-19 pandemic

The COVID-19 pandemic had a significant impact on the restaurant sector. Periods of closures, bans or significant restrictions on customer numbers and trading hours were imposed in practically all AmRest markets and limited the company's ability to operate to its full potential. Additionally, customers concerns about health and safety influenced their behavior patterns and impacted the demand for eating out.

With employee and customer health and safety as the priority, AmRest quickly adapted to the changing hygiene and safety regimes. Additionally, through introducing innovative technological solutions such as contactless payments, online ordering and curb pick up AmRest managed to maintain its customer base. As a result, the Group was able to successfully navigate through the pandemic, delivering on its promises to all key stakeholders: employees, customers, investors and business partners.



# Our Food

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One of the most relevant topics for AmRest as a food company is to ensure the safety and quality of the products served in its restaurants and coffee houses. The Group is committed to applying the highest product safety and quality standards throughout the supply chain and the production process. Wherever possible, fresh products are sourced from local suppliers.

AmRest identified the following key topics in 'Our Food' area of its Global Sustainability Strategy:

- **Responsible sourcing**
  - Animal welfare
  - Ethical practices
  - Sustainable packaging
- **Nutrition and balanced choice**
  - Ingredients
  - Recipes and profile
  - Transparency
- **Food safety**
  - Suppliers
  - Logistics
  - Central Kitchen
  - Restaurants

### Responsible sourcing

Each supplier cooperating with AmRest must meet strict product quality criteria and requirements for sustainable production standards, animal husbandry, and crop cultivation. They must also uphold employment standards, respect human rights and maintain health and safety rules in the workplace.

As of 31 Dec 2021 over 92% of food suppliers in CEE region were signatories of Code of Conduct for AmRest Suppliers, addressing social and environmental matters such as prevention of child labor, discrimination, health and safety and protection of the environment. In other regions, suppliers were covered by the requirements and standards set by AmRest franchisors (YUM, Starbucks, RBI). For example, AmRest KFC operations in Western Europe sourced from suppliers managed by YUM and maintained their standards.

In 2021, the Food Services Sustainability Project Group, under the leadership of the Chief Food Services Officer, regularly monitored and addressed crucial supply chain issues at AmRest. The scope of the team's work included defining and monitoring progress on issues such as responsible sourcing of raw materials, sustainable packaging, and cage free eggs.

Area	Description
<b>Palm oil</b>	In 2021 AmRest sourced solely RSPO (Roundtable on Sustainable Palm Oil) certified palm oil globally in 96% <sup>4</sup> of its operations.
<b>Sustainable packaging</b>	In line with relevant EU law, in 2021 AmRest eliminated single-use plastic products e.g. straws and cutlery in all EU markets. The same solution was introduced in China.
<b>Cage free eggs</b>	In 2021 AmRest completed transition to cage-free eggs in all brands across all EU markets where the company operates.

### Nutrition and balanced choice

AmRest has been working to meet customers' expectations and needs for wellbeing, nutrition and balanced choice, through varied menus and specific dietary choices, including vegetarian and vegan products.

### Food safety

AmRest places the highest priority on food safety, complying with relevant legislation, standards and codes of practice. Through programs and training, the Group develops the employee competencies, increases awareness, and manages risk. AmRest constantly works to establish a food safety mindset and to ensure the right behaviors across the organization.

This objective is achieved through:

- an order management system that helps restaurant and coffee house managers optimize the quantity of products they order and to ensure that the inventory is always fresh;
- applying highly effective, professional cleaning agents/disinfectants as well as specific devices to make dosing more efficient; continual monitoring of agent concentration to ensure maximum effectiveness;
- conducting unannounced audits in restaurants by internal and external, independent auditors;

<sup>4</sup> Taking into account the number of equity restaurants.

- designing, constructing and maintaining restaurants, equipment, small wares, and consumables to standards that allow the company to maintain safety of our products;
- identifying possible risks and mitigating or eliminating them;
- implementing and executing strict hygiene, food safety and quality standards and procedures;
- implementing systems and procedures for the prevention of pest entry and activity;
- periodic training sessions on hygiene, quality, and food safety maintenance standards;
- systems designed to track expiration dates and manage inventory rotation;
- systems for temperature control throughout the supply chain (from producer to restaurant to customer).

### Quality and food safety audits

In 2021, Food Safety and Quality Systems, Distribution Center and Transportation audits were conducted for every brand and market, taking into account location-specific requirements. Additionally, AmRest-operated restaurants and coffee houses were meticulously audited for hygiene and food safety programs. Individual audit standards and schedules were applied across the different brands to account for their specific needs.

All audit reports with results were uploaded to an online system and analyzed. If the results were not satisfactory, a Corrective Action Plan was put in place.

The total number of audits conducted in restaurants and among suppliers in 2021 was 7 687.

### Customer relations

Customer feedback plays an extremely important role in AmRest operations worldwide. Guests can give their feedback via phone, e-mails, letters, online contact forms, customer satisfaction surveys, third party delivery service provider systems, and social media accounts. They can also voice their opinions directly to the staff at a restaurant, who may invite them to file their comments in writing.

In stores, customers are invited to take part in an online Customer Satisfaction Survey, which frequency is determined at POS (point of sale) level. Every operational leader: restaurant or coffee house manager may access the survey results. The guest satisfaction survey program delivers valuable insights every day, which allow AmRest managers and staff to continuously improve their service. Based on the customer feedback reports, AmRest restaurant managers set weekly priorities to increase customer satisfaction at the restaurant, regional, district and market level.

In 2021 AmRest's equity restaurants and coffee houses handled approx. 220 million transactions.

The total number of complaints received in 2021 was 92 061<sup>5</sup>. The complaint-handling processes are governed by separate procedures for different markets and are in compliance with local legislation. Each complaint is evaluated by the subject matter experts and a dedicated Customer Care representative. Based on its nature, the complaint gets assigned to an appropriate grid tier, which determines the necessary path to follow and the maximum time allowed to solve it. The complaints are resolved by the AmRest restaurant managers and the whole process is carefully monitored.

Customer satisfaction results are distributed to all AmRest's restaurant managers every day. Additionally, once a month, each Brand President communicates the next steps to improve customer satisfaction.

**Table. Summary of main documents at AmRest in terms of food-related matters**

Name of the document	
Food Safety Policy <sup>6</sup>	Procurement Procedure [SCM] <sup>7</sup>
Food Safety Fundamentals (FSF)	Supplier Approval Procedure
Brand Protection Monitoring System	Supply Sourcing Code of Practice <sup>8</sup>
Code of Ethics and Business Conduct	Global Procurement Procedure

<sup>5</sup> AmRest ensures support with handling customer inquiries for the franchisees. The number of complaints may contain complaints from franchisee restaurants, which are not directly run by AmRest.

<sup>6</sup> Document under internal approval process.

<sup>7</sup> Document under internal approval process.

<sup>8</sup> Document under internal approval process.



# Our People

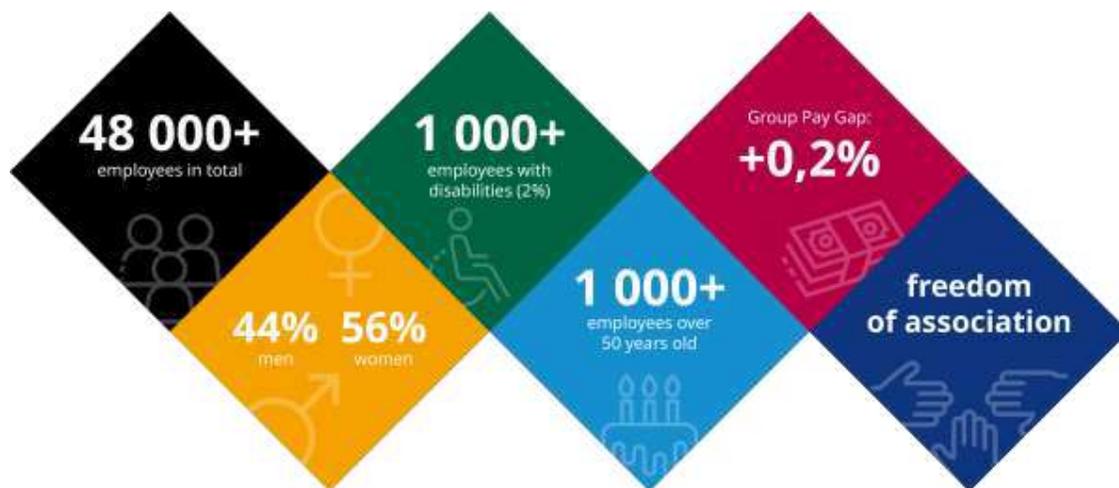
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AmRest's success is built on people and the communities they serve. In towns and cities, across diverse countries, AmRest employees share values that create a safe and friendly workplace and nurture ambition that anyone can succeed and make an impact. That impact is not only professional growth; it means making a difference and supporting those in need.

Main areas of focus in "Our People" pillar of AmRest Global Sustainability Strategy are:

- **Fair employment practices**
  - Work ethics
  - Occupational Health & Safety
  - Talent Development
- **Diversity & Equality**
  - Diversity
  - Pay Equality
- **Social engagement**



AmRest employees and associates<sup>9</sup> are expected to maintain the required working conditions of the staff under their responsibility, including contract workers. This means ensuring compliance with all applicable labour regulations, in particular, those related to hygiene, health and safety at work, as well as working hours and rest periods, payment of wages according to law, and no minors at the work place (except in cases provided by law).

Basic employment matters, including internal organization, employee and employer rights and responsibilities are regulated by separate documents adopted by AmRest subsidiaries in accordance with the relevant national laws.

#### Work ethics

AmRest is committed to conduct business to the highest ethical standards and in compliance with all relevant law and regulation. The Group has put in place clear practices so that all employees live by consistent work ethics. This includes a company-wide Code of Ethics and Business Conduct and a global Whistleblowing Policy.

The Code of Ethics and Business Conduct is a set of guidelines and rules that all people who make up the company must follow. The Code is an essential tool that serves as a cornerstone for AmRest, informing of actions and setting out the principles of conduct all employees must observe, both when performing their professional duties and in relationships with all stakeholders.

The Group has zero tolerance for any form of corruption, bribery, extortion or kickbacks. AmRest employees must never receive, accept, provide or offer any payments or anything of value for the purpose of obtaining any kind of benefit, advantage or undue consideration, when interacting with public officials or business partners.

AmRest undertakes to comply with all applicable international legislation and provisions to fight against money laundering and terrorist financing.

AmRest recognizes the importance of reporting irregularities related to the Group's operations and therefore the need for protection of anyone making such a report being able to do so in good faith. To this effect, in 2021, AmRest Board of Directors approved the updated Whistleblowing Policy to ensure those standards are protected in accordance with the law. The document gives clear guidelines on how to report irregularities, how to conduct investigations and how to take remedial measures in a way that ensures the protection of "whistleblower". The online service "Speak Openly" guarantees that the communication between the reporting person and case operator can be performed on fully anonymous basis.

The number of potential irregularities filed by the "Speak Openly" in 2021 was 107.<sup>10</sup>

<sup>9</sup> Natural persons or legal entities that have an ongoing relationship with AmRest.

<sup>10</sup> In total 5 cases were related to human rights area.

Observing human rights is a fundamental responsibility for the Group and is a standard that derives from the AmRest's corporate culture. Respect for human rights governs the relations with internal (employees) and external stakeholders (e.g. customers, suppliers, local communities). The Group does not operate or participate in projects that would infringe on human rights nor does it encourage anybody to do so.

### Occupational health and safety

AmRest applies firm principles and organizational commitment to prevent occupational risks. As a responsible company, AmRest integrates these principles into the general system of management to ensure the safety of employees, partners and customers, during all activities and at all levels. The health & safety at workplace culture is implemented in all countries of operation.

AmRest Board of Directors assumes the role of directly promoting the integration of occupational risk prevention into the Group's management systems, promoting the safety and health of AmRest employees through the application of measures and the development of activities, necessary for the prevention of occupational risks.

In 2021, the Health & Safety Global Guidelines for AmRest were developed, establishing 10 basic principles to follow in order to ensure a safe and stable workplace.

During the continued COVID-19 pandemic, AmRest maintained a strict hygiene regime to protect employee health and safety, both in the AmRest restaurants and while delivering orders to customers through contactless delivery.

### Talent Development

AmRest places a strong emphasis on people development. The Group offers a wide array of internal training courses (vocational and occupational) led by qualified instructors. Managers support their teams, acting as coaches and mentors.

Store-level managers participate in dedicated development programs depending on their position. They are offered training to develop the skills necessary to effectively manage people and restaurants, including food safety, human resource management, customer service, product marketing, promotion and sales.

Restaurant staff are given training that includes a customer-focused approach. Employees who are not covered by the above-mentioned development programs are offered other training opportunities as part of the People Development Initiatives.

**Table. The total number of training hours of AmRest employees. OPS - Employees of restaurants and coffee houses. RST - Restaurant support team**

	2020	2021
OPS	742 591	1 843 427
RST	6 246	21 024

Selected employee development initiatives at AmRest:

- Internal and External Training - AmRest regularly conducts internal training sessions dedicated to progressing employee development. Employees also have the opportunity and are encouraged to take part in external training sessions.
- Mentoring – AmRest leadership teams in local markets conduct special training sessions under mentoring schemes.
- Relocation - AmRest as a global company creates opportunities for employees to work abroad and to continue the career in another market.
- Internships - AmRest offers a range of internships for students, with the possibility of a full-time position afterwards.

### Equality at AmRest<sup>11</sup>

AmRest takes steps to ensure equal treatment and opportunity, regardless of, among others, gender, race or disability. For example:

- Avoiding discriminatory words or inappropriate expressions in internal or external communication channels.
- Including Group's commitment to equal opportunities in job advertisements.
- Training staff responsible for pre-selection (CV review) and selection (telephone and face-to-face interviews) on equality processes to ensure that candidates are assessed solely on their competences.
- Collaborating with non-profit associations that facilitate the labor integration of people at risk of exclusion.

### Work-life balance

The Group uses a flexible working time system. Restaurant employees can adapt their work schedules, which makes it easier for them to maintain a work-life balance.

Continuously in 2021, due to the continuing COVID-19 pandemic, offices in many countries were open, but with limited number of staff performing essential tasks. Work from home (Home Office) was a daily routine for the majority of AmRest office workers. The offices in many countries operated to a limited extent.

<sup>11</sup> In compliance with local labor law, in Spain equality plans are implemented.

## Collective bargaining

AmRest follows local regulations regarding the freedom of association.

**Table. Organization of dialogue and negotiating with staff in main markets applicable**

Country	Description
France	All French entities are covered by Working Councils (French "Comité Economique et Social"). The company representatives must meet with the councils at least 12 times a year. Moreover, AmRest negotiates collective company agreements with unions when required by law. The company is represented by the HR department.
Germany	AmRest representatives in Germany (HR and Legal Departments) meet regularly with Unions and Workers Councils. All company projects and activities that may impact the employees must be discussed with the Councils.
Spain	Following the National Labor Law, each AmRest entity has the <i>Convenio Colectivo</i> (Collective agreement). The negotiations are held regularly between the work council and the labor law manager who represents the company (with the support of other representatives if needed).

**Table. Summary of main documents at AmRest in terms of personnel-related matters**

Name of the document	
Code of Ethics and Business Conduct	Social Media Policy
Criminal Compliance Policy	Gender Equality Policy
Diversity Policy	Community Relations Policy (CSR Policy)
Whistleblowing Policy	Global Health & Safety Guidelines

## Social engagement

AmRest encourages employees to engage in voluntary work to the benefit of their communities. Each year AmRest makes contributions to social or charitable organizations.

### Strategic partnership – SIEMACHA Spot Wrocław

An important project under AmRest social engagement is the strategic partnership with SIEMACHA Spot Wrocław run by SIEMACHA Association. It is an educational space for children, where they can develop their talents and gain new experiences. The facility was officially opened in June 2017. The total value of AmRest financial support for the place between 2016 and 2021 reached over 500 000 EUR. During a 5-year cooperation with SIEMACHA, more than 600 children have been members of the SIEMACHA Spot Wrocław community. In 2021, SIEMACHA Association and AmRest signed a new cooperation agreement for the next 3 years.

### Employees engagement in charity

In November 2021 AmRest organized a Food Sharing Day in Poland and Spain. The initiative was conducted in cooperation with non-governmental organizations caring for children and youth from underprivileged families such as SIEMACHA Association in Poland and Cuantaya Association in Spain. In total, over 1600 children participated in the event. AmRest volunteers from the offices and restaurants helped to prepare food and delivered it to gathering, where they took part in social activities together with children.

**Table. AmRest engagement in numbers**

<b>Number of projects</b>	171
<b>Number of volunteers</b>	864
<b>Number of beneficiaries</b>	3 807

## Saving food

AmRest is determined to reduce organic waste, and especially food waste. In 2021, AmRest's brands were involved in two global food waste prevention schemes: Harvest and Too Good To Go.

**Table. AmRest food waste prevention programs**

Name of the project	Harvest	Too Good To Go
<b>Short description</b>	Donating surplus products to people in need. Cooperation with Food Banks	Selling food products with short expiry date via mobile app. Partnership with Too Good To Go company
<b>AmRest brands involved</b>	KFC, Pizza Hut, Burger King	Starbucks, Pizza Hut, La Tagliatella, Sushi Shop
<b>Number of stores involved</b>	333	407
<b>Amount of food saved in 2021</b>	178 943 kilograms	294 528 boxes saved (950 000 food items)

**Table. Summary of AmRest documents governing social issues**

Name of the document
Code of Ethics and Business Conduct
Community Relations Policy (CSR)



# Our Environment

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AmRest is committed to managing its environmental impact in a thoughtful and responsible manner across all its operations. AmRest aims to develop a coherent, organization-wide understanding of the significance of environmental protection among all internal stakeholders. This understanding must be consistent across all countries and regions in which the Group operates, regardless of any cultural differences.

AmRest Global Sustainability Strategy is focused on the following environmental areas:

- **Circular economy**
  - Management of bio/organic waste
  - Waste recycling
- **Climate change**
  - Carbon footprint
  - Energy efficiency

In 2021, AmRest restaurants and coffee houses were working to minimize the environmental impact of their operations in accordance with the procedures specified for each brand operated by the Group.

Although the Group has no direct operations in protected areas, it has been working closely with suppliers to ensure the highest environmental standards across the whole supply chain regarding protection of biodiversity.

### Circular economy

AmRest aims to minimize waste produced in every aspect of its operations and has implemented food waste prevention programs globally (more information on this topic can be found in "Saving food" sub-chapter in "Our People").

In 2021, all AmRest brands in European markets and in China replaced single-use plastic in restaurants with sustainable materials such as paper straws and wooden cutlery. Moreover, the Group has been gradually increasing the level of sustainable packaging across its operations, introducing recyclable packaging and packaging made from recycled materials.

AmRest restaurants produce different categories of waste. The waste management solutions used by the Group are based on different legal requirements across individual countries, and are designed for store type and location (such as shopping malls, drive through, in-line street). Management of waste from restaurants in specific categories is done in compliance with the relevant laws, standards and good practices specific to that type of restaurant.

### Climate change

Climate change is an important element of the AmRest Sustainability Strategy. In 2021 AmRest calculated its Scope 1 and Scope 2 emissions. The Group has been continuously reducing greenhouse gas emissions, especially through optimizing energy use or reducing electricity consumption levels.

All of AmRest's restaurants and coffee houses in Poland are monitored by a remotely-operated energy consumption system (media readings), providing analysis of energy use at the store level, in order to conserve energy and identify opportunities to improve efficiency. AmRest is working on implementing this system in each of its operated stores.

- In all core markets AmRest uses optimized equipment-operating procedures that are explained in detail to employees in information materials.
- AmRest restaurants use motion detectors in utility rooms and restrooms as well as energy efficient ventilators. AmRest also uses air conditioning systems with heat pumps.
- Most of the deep fryers, freezers, ovens and other equipment used in the restaurants are energy-saving devices with ENERGY STAR certificates. Fryers are fitted with a special, energy-saving system that makes it possible to reduce the amount of oil used.
- KFC, Burger King and Pizza Hut restaurants in Poland recover heat from their refrigeration systems and use it to heat water.
- KFC and Burger King restaurants recover heat from the kitchen exhaust system to pre-heat fresh air and optimize the consumption of electricity.
- AmRest is working on the development of BMS (Building Management System) to optimize energy consumption by remote supervision of most important equipment and installations. The BMS will provide more functionalities to the currently used system (Media Readings).

### Water

Water consumption at AmRest is mainly related to meal preparation. Consumption is constantly monitored and the Group strives to make every effort to achieve greater efficiency, implementing water-saving aerators and proximity sensors in newly built restaurants and coffee houses.

### Environmental risk prevention

Environmental risks are managed through a dedicated role in the Operations structure. Facility Management and/or Maintenance departments are responsible for ensuring that the national requirements regarding environment are met, including waste management and sustainable use of land and water resources.

With regards to provisions and guarantees for environmental risks, AmRest has no specific environmental insurance.

## AmRest Taxonomy disclosure

AmRest as an entity subject to the obligation to disclose non-financial data in accordance with The Non-financial Reporting Directive (NFDR), falls under the Taxonomy Regulation<sup>1</sup>, together with the delegated acts in force: Delegated Act supplementing Article 8 of the Taxonomy Regulation ("the Disclosures Delegated Act<sup>2</sup>") and the EU Taxonomy Climate Delegated Act<sup>3</sup>, officially published on 9th December 2021.

To meet the obligation under above quoted regulations, AmRest has conducted an analysis of its activities to identify those that are Taxonomy eligible. The analysis was based on the description of Taxonomy-eligible activities according to the final version of Climate Delegated Act, Annex I and Annex II.

Determination whether a given activity was considered taxonomy eligible was based on applying the two taxonomy criteria: 1. Substantial contribution to climate mitigation and 2. Substantial contribution to climate adaptation.

**Table. Taxonomy eligible activities by AmRest in 2021<sup>12</sup>**

Sector	No.	Activity	Description of the activity	Technical screening criteria		Explanation of cost calculation method
				substantial contribution to climate mitigation	substantial contribution to climate adaptation	
Energy	4.16	Installation and operation of electric heat pumps	Installation and operation of electric heat pumps	Yes	Yes	Heat pumps are an element of the HVAC system used by AmRest. The comments related to a calculation of related Capex and Opex are included in the related part referring to activity 7.3.
	7.3	Installation, maintenance and repair of energy efficiency equipment	Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment such as: installation, replacement, maintenance and repair of heating, ventilation and air conditioning (HVAC) and water heating systems, including equipment related to district heating services, with highly efficient technologies;	Yes	Yes	Total maintenance costs of complete HVAC installations based on heat pumps which were installed in 2021. Calculation was estimated on the basis of average energy consumption and average market cost of maintenance for a given country. The costs of installation of technological equipment other than HVAC which can be classified as energy saving (installed in 2021). Calculation made based on purchase prices. No maintenance cost were included as the equipment was covered by the producer warranty.
			Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Yes	Yes	Costs of installation and maintenance of equipment designed for remote energy reading or for remote control over energy consuming installations. This refers only to media-reading equipment and BMS.
Construction and real estate	7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Yes	Yes	Costs of installation and maintenance of equipment designed for remote energy reading or for remote control over energy consuming installations. This refers only to media-reading equipment and BMS.
	7.6	Installation, maintenance and repair of renewable energy technologies	Installation, maintenance and repair of renewable energy technologies, on-site	Yes	Yes	Costs of photovoltaic installations in AmRest restaurants. For 2021 these costs are non-material.
Information and communication	8.2	Data-driven solutions for GHG emissions reductions	Development or use of ICT solutions that are aimed at collecting, transmitting, storing data and at its modelling and use where those activities are predominantly aimed at the provision of data and analytics enabling GHG emission reductions.	Yes	No	This activity relates to media reading equipment and BMS which are included in the activity in point 7.5. The cost aspect has been addressed in the relevant section referring to the activity 7.5.

While making the calculations of costs related to activities listed in the table, AmRest Group took into account only CapEx/OpEx directly related to each of the activities, as a result the risk of double counting was eliminated.

<sup>12</sup> Calculation of CapEx numerator - due to lack of detailed information for the first year of reporting, it has been considered that all the new solutions implemented regarding the activity 7.3. in Germany are energy efficient. For the same reason, in some cases the installation and transport costs of the equipment are also included in CapEx.

## AmRest Taxonomy KPIs for 2021

According to the Article 8 Delegated Act, in the fiscal year 2021 AmRest Group is required to only disclose the proportion of Taxonomy-eligible and Taxonomy non-eligible economic activities in the total turnover, CapEx and OpEx.

### Consolidation of CapEx and OpEx data which are considered as taxonomy eligible (numerator) and total turnover, CapEx and OpEx (denominator) at the Group level.

#### Contextual information

AmRest core business is running and developing restaurant chains. A description of activities conducted by the Group in the year 2021 can be found in the chapter "AmRest business model and operations in 2021" (section 1 of this Statement). **AmRest core activities are not included in the list of activities that are substantially contributing to the first two of the environmental objectives of Taxonomy Regulation: climate change mitigation and adaptation to climate change.** The revenues generated by AmRest in 2021 were derived from activities which did not qualify as environmentally sustainable. Therefore, in 2021 AmRest achieved no turnover meeting taxonomy eligibility criteria.

- **Turnover:** In 2021, AmRest Turnover KPI for taxonomy eligible activities equals to 0%.
- **CapEx:** In 2021, CapEx considered as taxonomy eligible amounted to 9% of the Group capital expenditures. As explained above, the nominator was calculated as the CapEx related to activities listed in table *Taxonomy eligible activities by AmRest in 2021*.

Denominator: additions to tangible and intangible assets in 2021. Denominator amounted to EUR 163.8 million.

KPI	Eligible (%)	Non-eligible (%)
Capital expenditure (CapEx)	9	91

- **OpEx:** In 2021 total operating expenses of AmRest Group excluding amortization and depreciation amounted to EUR 1 605.4 million and are described in the note 8 of the Consolidated Financial Statements for the year ended 31 December 2021. Out of that amount, EUR 34.9 million (2,2%) constitutes building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking that are necessary to ensure the continued and effective functioning of such assets incurred during the relevant financial year (mainly direct maintenance expenses).

In 2021, the taxonomy OpEx for AmRest was non material (under 5%) with respect to the total OpEx of the Group. Therefore, according to section 1.1.3.2 of Annex I of Delegated Regulation of July 6th, **AmRest reports the OpEx numerator as 0 and only discloses the denominator.**

2021 OpEx denominator: EUR 34.9 million.

## Accounting policy

### ■ Turnover:

The turnover covers the revenue recognized pursuant to International Accounting Standard IAS 1.

The Group operates chains of own restaurants under own brands as well as under franchise license agreements. Additionally, Group operates as a franchisor (for own brands) and master-franchisee (for some franchised brand), and develops chains of franchisee businesses, organizing marketing activities for the brands, and supply chain.

Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Detailed policy is presented in the note 6 and 38d of the Consolidated Financial Statements for the year ended 31 December 2021.

**Numerator** – revenues derived from products/services associated with economic activities that qualify as environmentally sustainable. None of the activities were classified as Taxonomy-eligible hence the numerator equals zero in the year 2021.

**Denominator** – total revenues presented in the Consolidated income statement for the year ended 31 December 2021.

### ■ Capital Expenditure (CapEx):

**Numerator** – equals to the part of the capital expenditure included in the denominator that is any of the following:

- a) related to assets or processes that are associated with Taxonomy-aligned economic activities
- b) part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned ("CapEx plan")
- c) related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or lead to greenhouse gas reductions and provided that such measures are implemented and operational within 18 months.

**Denominator** – additions to tangible and intangible assets during the financial year considered before depreciation, amortization and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The denominator shall also cover additions to tangible and intangible assets resulting from business combinations.

References to the Consolidated Financial Statements for the year ended 31 December 2021:

- a) Intangible assets – note 15
- b) Property, plant and equipment – note 13
- c) Right-of-use assets – note 14

■ **Operating Expenditure (OpEx):**

**Numerator** – The numerator equals to the part of the operating expenditure included in the denominator that is any of the following:

- a) related to assets or processes associated with Taxonomy-aligned economic activities, including training and other human resources adaptation needs, and direct non capitalized costs that represent research and development;
- b) part of the CapEx plan to expand Taxonomy-aligned economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned within a predefined timeframe as set out in the second paragraph of this point 1.1.3.2;
- c) related to the purchase of output from Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions as well as individual building renovation measures as identified in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) or Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

**Denominator** – shall cover direct noncapitalized costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking that are necessary to ensure the continued and effective functioning of such assets, incurred during the relevant financial year. Only direct costs should be included, as consequence AmRest includes in the denominator related part of the Restaurant expenses and Franchise and other expenses (lines above Gross Profit).

Denominators of turnover and CapEx KPIs does not differ from any Alternative Performance Measures (APMs) as defined in ESMA.

## Key metrics

### 1. Table. Number of suppliers by type<sup>13</sup>

	2021
Total suppliers	7 307
(incl. food suppliers):	1 363

### 2. Table. Main raw material consumption [t]<sup>14</sup>

	2020	2021
Meat (incl. Fish)	40 013	46 737
Flour	10 564	13 601
Dairy	10 643	12 882
Fruits & Vegetables	6 051	8 473
Cold drinks	16 517	20 420

### 3. Table. AmRest electricity consumption [GJ]<sup>15</sup>

	2020	2021
AmRest	1 088 268	1 226 507 <sup>16</sup>

### 4. Table. Fuel consumption of AmRest car fleet [liter]<sup>17</sup>

	2020		2021	
	DIESEL	PETROL	DIESEL	PETROL
AmRest	650 363	726 907	649 419	1 132 387

### 5. Table. Scope 1 and Scope 2 for AmRest [tCO<sub>2</sub>e]<sup>18</sup>

Carbon footprint		
AmRest	Scope 1	213 536
	Scope 2	157 333 <sup>19</sup>

### 6. Table. Total amount of waste generated by type [tonnes]<sup>20</sup>

	Mixed waste	Type of waste				
		Paper and cardboard	Plastic	Glass	Organic	Used oil
2020	21 357	57% recycled	27% recycled	89% recycled	-	100% reused
<b>2021</b>	<b>39 484</b>	42% recycled	26% recycled	99% recycled	8% segregated	100% reused

### 7. Table. Water consumption [m<sup>3</sup>]<sup>21</sup>

	2020	2021
AmRest	1 934 161	2 532 010

<sup>13</sup> The data for 2020 are not presented due to the change in the calculation method in 2021. Therefore the data for 2020 would not be comparable.

<sup>14</sup> Data collected from 6 biggest AmRest markets.

<sup>15</sup> 8 countries reported the data based on estimations.

<sup>16</sup> In 2021, 10 990 GJ of AmRest energy consumption came from renewable energy sources.

<sup>17</sup> 8 countries reported the data based on estimations.

<sup>18</sup> 8 countries reported the data based on estimations.

<sup>19</sup> Potential saved emission in 2021, due to using renewable energy sources: 1 315 tCO<sub>2</sub>e.

<sup>20</sup> 8 countries reported the data based on estimations.

<sup>21</sup> 8 countries reported the data based on estimations.

**8. Table. AmRest employees by gender [headcount]**

	Women	Men	Total
<b>Total</b>	<b>27 308</b>	<b>21 231</b>	<b>48 539</b>
incl. Permanent contract	18 897	14 178	33 075
incl. Temporary contract	8 411	7 053	15 464
incl. Full-time	12 608	9 283	21 891
incl. Part-time	14 700	11 948	26 648
Dismissals	2 102	2 489	4 591

**9. Table. AmRest employees by age [headcount]**

	<30	30-50	>50	Total
<b>Total</b>	<b>34 721</b>	<b>12 323</b>	<b>1 495</b>	<b>48 539</b>
incl. Permanent contract	20 668	11 136	1 271	33 075
incl. Temporary contract	14 053	1 187	224	15 464
incl. Full-time	13 505	7 630	756	21 891
incl. Part-time	21 216	4 693	739	26 648
Dismissals	3 215	1 266	110	4 591

**10. Table. AmRest employees by work classification [headcount]**

OPS - Employees of restaurants and coffee houses. RST - Restaurant support team

	OPS	RST	Total
<b>Total</b>	<b>46 328</b>	<b>2 211</b>	<b>48 539</b>
incl. Permanent contract	30 957	2 118	33 075
incl. Temporary contract	15 371	93	15 464
incl. Full-time	19 782	2 109	21 891
incl. Part-time	26 546	102	26 648
Dismissals	3 795	796	4 591

**11. Table. AmRest average annual employment [headcount]**

<b>Average annual number of employees</b>	<b>46 480</b>
Average annual number of men	20 414
Average annual number of women	26 066
Average annual number of permanent contract	32 797
Average annual number of temporary contract	13 683
Average annual number of full-time employees	21 348
Average annual number of part-time employees	25 132
Average annual number of employees <30	32 920
Average annual number of employees 30-50	12 132
Average annual number of employees >50	1 429
Average annual number of OPS employees	44 301
Average annual number of RST employees	2 180

**12. Table. AmRest employees covered by collective bargaining agreements [%]**

	2020	2021
AmRest Group	24%	24% <sup>22</sup>

**13. Table. Average annual salary by gender, positioning within organization<sup>23</sup> and segments, in thousand EUR. The segments are defined in note number 5 of Consolidated Financial Statements. Total salary pay gap between men and women by position within the organization**

Due to data protection and confidentiality, AmRest does not disclose information about remuneration in some segments when there are two or less persons employed on a given level, e.g. China level 6 below.

Division	Level	Women		Men	
		2020	2021	2020	2021
China	Level 1	6.0	7.8	6.1	8.0
	Level 2	12.9	14.6	13.4	16.2
	Level 3	17.5	21.0	18.0	22.6
	Level 4	28.1	32.9	29.6	35.0
	Level 5	59.3	74.3	59.9	77.4
Western Europe	Level 1	15.8	17.4	17.3	18.5
	Level 2	23.1	22.5	22.6	23.0
	Level 3	22.5	26.8	24.6	27.4
	Level 4	37.0	37.4	38.6	38.2
	Level 5	59.3	57.8	59.7	57.8
	Level 6	103.7	106.6	102.6	90.7
Central Europe	Level 1	6.2	6.8	6.0	6.6
	Level 2	10.0	10.2	10.1	10.5
	Level 3	12.9	13.0	13.5	13.8
	Level 4	17.4	17.5	19.1	19.3
	Level 5	35.3	36.3	37.4	36.2
	Level 6	66.8	58.5	74.3	70.7
Russia	Level 1	2.4	2.8	2.6	2.7
	Level 2	4.7	5.6	4.9	5.7
	Level 3	6.5	7.4	7.1	8.5
	Level 4	9.9	10.8	11.1	10.8
	Level 5	25.2	23.3	25.0	22.7
	Level 6	64.7	66.7	38.4	38.7
Group Pay Gap					+0.2% <sup>24</sup>

<sup>22</sup> 11 of formal agreements with unions across AmRest markets covered health & safety topics.

<sup>23</sup> The salaries are presented by level in the organization, which is a basis for payroll analysis.

<sup>24</sup> In total women earn 0,2% more than men.

**14. Table. Total average annual salary by age in thousand EUR**

	thousand EUR
<30	9.1
30-50	17.7
>50	18.3

**15. Table. The average remuneration of directors and executives by gender<sup>25</sup>**

Annual average remuneration	thousand EUR
<b>Board of Directors<sup>26</sup></b>	
women	100
men	85
<b>Management Team<sup>27</sup></b>	
women	n/a
men	302

**16. Table. Indicator of diversity**

	Number of employees	Percentage of all employees
Disability	1 100	2%

**17. Table. Information about occupational health and safety in AmRest Holdings<sup>28, 29</sup>**

Work-related injuries	men	546
	women	490
Absenteeism among employees	men	1 909 860
	women	3 797 548
Type of injuries	broken hands and legs; bone fractures; dislocations or sprains or tears; hot water, steam or chemical burns; internal injuries	

**18. Table. Expenditure on social causes**

	EUR
AmRest	177 502

<sup>25</sup> Jose Pares Gutierrez receives additional remuneration as a compensation package, this amount was not included in the numbers presented in the table, which only covers the directors' fixed remuneration in their capacity as such.

<sup>26</sup> The fixed remuneration of the Board of Directors Members is equal. The differences are related to the Board Committees where the directors are members.

<sup>27</sup> Calculated for the Members of the Management Team active as of 31st December 2021.

<sup>28</sup> No work-related fatalities reported.

<sup>29</sup> Frequency and severity rates have not been calculated due to the lack of required global data for the denominator. The company will report these indicators for 2022.

**19. Table. Membership of industry organization**

Country	Name of the organization
China	Shanghai GiftCard Association
	Shanghai JinQiao Economic and Technological Development Zone Enterprise Association
	Shanghai Pudong Foreign Investment Enterprise Association
	Shanghai Catering and Cooking Industry Association
Croatia	Croatian Chamber of Economics
Czech Republic	International Facility Management Association
France	SNARR (National Professional Restaurant Union)
Germany	Bundesverband Systemgastronomie (The Federal Association of the System Catering)
	Industrie- und Handelskammer (Chamber of Commerce and Industry)
Hungary	Chamber of Commerce
Poland	Związek Pracodawców Hoteli, Restauracji i Cateringu (Association of HORECA Employers)
	Polska Rada Centrów Handlowych (Polish Council of Shopping Centers)
	American Chamber of Commerce
Spain	Comité Horeca de AECOC (HORECA Committee)
	Asociación progreso dirección - APD (Formación) (Association for Progress and Management)
	Asociación Empresarial de Marcas de Restauración-Fehrcarem (Business Association of Restaurant Brands)
	Asociación Española del Franquiciado (Spanish Association of Franchisees)
	Asociación del Cluster Food Service de Cataluña (Association of the Food Service Cluster of Catalonia)
<b>EUR</b>	
Total fees paid	<b>193 558</b>

**20. Table. Profits earned by country**

Country	Profit/(loss) before tax	EUR
Austria		276 301
Belgium		(2 698 959)
Bulgaria		1 880 739
Croatia		946 036
Czech Republic		18 396 832
China		10 724 382
France		(29 393 299)
Germany		(10 535 299)
Hungary		13 472 524
Italy		(61 333)
Luxembourg		15 528
Poland		26 825 660
Portugal		(2 058 207)
Romania		224 908
Russia		10 032 706
Serbia		1 126 060
Slovakia		(95 902)
Slovenia		(210 599)
Spain		(5 917 965)
Switzerland		999 513
UK		620 283
USA		698 867

**21. Table. Income taxes paid (unearned)<sup>30</sup>**

Country	Income taxes paid (unearned)	EUR
Austria		1 363
Belgium		1 289
Bulgaria		122 712
Czech Republic		2 386 488
China		2 347 099
France		369 877
Germany		13 181
Hungary		1 613 621
Luxembourg		30 987
Poland		1 239 188
Portugal		1 546
Romania		-2 908
Russia		2 751 337
Slovakia		-23 176
Spain		654 575

**22. Table. Public subsidies received**

Other operating income and expenses section for year ended 31 December 2021 consists mainly of accounted COVID-19 pandemic governmental programs that amounted to EUR 37.2 million, out of that EUR 10.5 million income was recognized for government assistance programs for payroll and employee benefits (payroll costs EUR 8.9 million and social contribution EUR 1.7 million), whereas EUR 26.7 million was recognized for government support programs for rent and other. The above government grants were in a form of cash grants out of which EUR 1.2 million as of 31 December 2021 was not received yet.

In 2021 grants related to payroll and employee benefits were significantly lower than in the comparative period due to the fact that most of the labour related programs introduced in the previous periods ended gradually in the first half of the 2021.

Country	
<b>Czech Republic</b>	During 2020 the companies have applied for the government aid under special COVID-19 regulations. COVID-19 payroll compensations programs finished at the end of May 2021. During Q3-Q4 the only existing government aid program was about to the reimbursement of the company costs connected with employees in COVID-19 quarantine.
<b>France</b>	The Partial Activity technical unemployment government program started on 15 March 2020 is continued but in the lesser extent (in Q4 2021 when the restaurant is forced to closed due to several cases of COVID-19).
<b>Germany</b>	Reduced working hours (Kurzarbeitergeld) salary government reimbursement program has been introduced effective on 1 March 2020. From July 2021 on the Group is not eligible to get the government payment anymore.
<b>Hungary</b>	Under the Act on Special Provisions During COVID-19 (Regulation of 485/2020) released on 10 November 2020 the Hungarian companies applied for: <ul style="list-style-type: none"> <li>■ 50% reimbursement of gross salaries, but maximum 671 EUR/employee for the period from November 2020 to May 2021,</li> <li>■ suspension for employer social contributions and suspension of employer rehabilitation contribution from November 2020 to May 2021</li> </ul>

<sup>30</sup> AmRest has the obligation to pay legally due taxes in any territory where it operates in accordance with the existing legal provisions. The Group follows the relevant rules when determining the amount of the company's tax liabilities, submitting tax returns, paying taxes and disclosing information to tax authorities. In order to ensure compliance with existing tax laws, regulations and principles, AmRest has put in place effective control mechanisms. AmRest's tax professionals monitor the tax situation of the Group and changes in tax laws and practices which may impact the business and its growth. AmRest makes significant investments in people, material resources and technology to ensure that this tax strategy is applied throughout the organization.

Country	
Poland	Under the Act on special solutions related to the prevention and combating of COVID-19, other infectious diseases and crisis situations caused by them of 2 March 2020 (Journal of Laws of 2020, item 374), in 2020 the Group took effective measures including the application for compensation for the protection of workplaces from the funds of the Fund of Guaranteed Employee Benefits. In 2021 Polish subsidiaries have not received support from government programs.
Spain	In accordance with the provisions of article 47 of the Workers Statute, in relation to Royal Decree 1483/2012 and article 22 and 23 of Royal Decree-Law 8/2020, as well as Royal Decree-Law 30/2020, AmRest companies in Spain have filed before the Spanish labor authority a Temporary Employment Regulation File (Expediente de Regulación Temporal de Empleo or "ERTE"). The ERTE covered 3 288 employees. As of 31 December 2020 the ERTE covered 591 employees, since September 2021 there have been no employees under ERTE.

Similar actions are also taken on other markets. The Group has applied for support programs offered by each country's government, in the form of reimbursement of labor costs, and introducing internal actions, such as shortening of working hours or technical unemployment.

#### Other grants – main programs:

In April 2021, the State-supported loan in Russia in the amount EUR 2.7 million was forgiven. Bank waived it based on the particular indicators (the main indicator being maintaining the required employment rate).

In April 2021 entities operating in Germany applied for "Nov/Dez Hilfe", a state aid program that was meant to support industries hit by the second lockdown and to compensate lost sales in the months of November and December 2020. The Group recognized EUR 12.8 million from that program in H1 2021. In the second part of 2021 the Group applied for another program (Ueberbrueckungshilfe III) that was meant to cover losses from January to June 2021 - the state compensated a part of carried fixed costs, the amount of compensation being dependent on sales decline compared to 2019 – the German entities recognized additional EUR 8.3 million from that program.

Entities operating in Czechia and Slovakia applied for a government program called COVID Najem (government grants for rent costs) and COVID Gastro, entities in France applied for government program called *Fond de solidarité*. The Group has recognized EUR 2.4 million from above described programs in 2021.

Government grants are in some cases associated with requirements to keep the agreed level of workforce for agreed period (or other conditions), there are also subject to external audits. The external audit of the grant received in Germany is expected in June 2022. As of 31 December 2021 the Group does not expect that required conditions would not be met, therefore there is no material risk of returning the government assistance that has been recognised.

## Appendix – 2020 data

### 1. Table. Number of suppliers by type

	2020
Total suppliers	13 493
(incl. food suppliers)	1 253
Local suppliers	79%
Foreign suppliers	21%
Total number of audits conducted in restaurants and among suppliers	4 993

### 2. Table. Scope 1 and Scope 2 for AmRest [tCO<sub>2</sub>eq]

Carbon footprint		
AmRest	Scope 1	531 551
	Scope 2	129 119

### 3. Table. AmRest employees by gender 2020 [headcount]

	Women	Men	Total
<b>Total</b>	<b>24 867</b>	<b>19 913</b>	<b>44 780</b>
incl. Permanent contract	18 403	14 194	32 597
incl. Temporary contract	6 464	5 719	12 183
incl. Full-time	11 611	8 799	20 410
incl. Part-time	13 256	11 114	24 370
Dismissals	1 666	2 217	3 883

### 4. Table. AmRest employees by age 2020 [headcount]

	<30	30-50	>50	Total
incl. Permanent contract	20 816	10 637	1 144	32 597
incl. Temporary contract	11 037	903	243	12 183
Dismissals	2 867	928	88	3 883

### 5. Table. AmRest employees by work classification 2020 [headcount] OPS - Employees of restaurants and coffee houses. RST - Restaurant support team

	OPS	RST	Total
<b>Total</b>	<b>42 549</b>	<b>2 231</b>	<b>44 780</b>
incl. Permanent contract	30 476	2 121	32 597
incl. Temporary contract	12 073	110	12 183
Dismissals	3 801	82	3 883

### 6. Table. AmRest employees by country

Country	2020	2021
Austria	48	49
Belgium	143	155
Bulgaria	329	359
Croatia	154	171
Czech Republic	6 638	7 243

Country	2020	2021
China	2 110	2 108
France	4 783	4 772
Germany	2 735	2 610
Hungary	2 003	2 274
Italy	13	12
Luxembourg	91	81
Poland	14 180	16 008
Portugal	55	91
Romania	720	794
Russia	6 357	6 768
Serbia	363	431
Slovakia	213	261
Slovenia	13	16
Spain	3 576	4 090
Switzerland	179	186
UK	79	60
USA	1	0

#### 7. Table. AmRest average annual employment [headcount]

<b>Permanent</b>	<b>33 285.5</b>
Incl. women	18 649
Inc. men	14 636.5

#### 8. Table. Total average annual salary by age in thousand EUR 2020

	thousand EUR
<30	<b>12.1</b>
30-50	<b>19.9</b>
>50	<b>23.3</b>

#### 9. Table. Gender Pay Gap 2020

<b>Group Pay Gap</b>	<b>2%</b>
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#### 10. Table. The average remuneration of directors and executives by gender 2020

Annual average remuneration	thousand EUR
José Parés Gutiérrez	<b>37.5</b>
Luis Miquel Álvarez Pérez	<b>37.5</b>
Carlos Fernández González	<b>37.5</b>
Pablo Castilla Reparaz	<b>50</b>
Romana Sadurska	<b>50</b>
Emilio Fulloaondo Botella	<b>50</b>
Mustafa Ogretici	<b>50</b>
Mónica Cueva Díaz	<b>50</b>

Total remuneration	thousand EUR
Total	4 071
Fixed	2 975
Variable	607
Share based remuneration schemes	489
Other	-
Allowances	-

#### 11. Table. Indicator of diversity 2020

	Number of employees	Percentage of all employees
Disability	992	2%

#### 12. Table. Information about occupational health and safety in AmRest Holdings 2020

Work-related injuries	men	473
	women	344
Absenteeism among employees (days)	men	214 950
	women	476 572
Type of injuries	Broken hand and legs; bone fractures; dislocations or sprains or tears; hot water, steam or chemical burns; internal injuries	

#### 13. Table. Expenditure on social causes incl. in kind donations 2020

	EUR
AmRest	188 278

#### 14. Table. Total number of complaints received

	Total
Complaints	92 061
Irregularities (Human Right)	0

#### 15. Table. Profits earned by country

Country	Profit/(loss) before tax	EUR
Austria		(18 255.5)
Belgium		(689 357.9)
Bulgaria		404 221.7
Croatia		(287 255.5)
Czech Republic		4 924 469.8
China		4 924 469
France		(43 577 185.6)
Germany		(44 529 494.6)
Hungary		302 424.3
Italy		(7 099.9)
Luxembourg		(417 036.1)

Country	Profit/(loss) before tax	EUR
Malta		(29 934.2)
Netherlands		(451 897.1)
Poland		(68 469 364.4)
Portugal		(1 004 922.5)
Romania		(2 633 978.5)
Russia		(1 835 838.9)
Saudi Arabia		120 020.6
Serbia		(748 564.5)
Slovakia		(1 210 178.4)
Slovenia		(425 563.2)
Spain		(26 854 821.5)
Switzerland		300 847.2
UK		939 264.0
United Arab Emirates		554 515.2
USA		(713 853.4)

#### 16. Table. Income taxes paid (unearned)

Country	Income taxes paid (unearned)	EUR
Czech Republic		4 342 293.1
China		1 232 075.4
France		947 346.3
Germany		523 789.3
Hungary		2 167 800.3
Poland		5 072 338.4
Russia		1 456 076.4
Slovakia		22 146.1
Spain		371 235.6

#### 17. Table. Public subsidies received

For the main markets of operation the Group has filled the following programs in the area of labor costs:

##### ■ Spain

In accordance with the provisions of article 47 of the Workers Statute, in relation to Royal Decree 1483/2012 and article 22 and 23 of Royal Decree-Law 8/2020, as well as Royal Decree-Law 30/2020, AmRest companies in Spain have filed before the Spanish labor authority a Temporary Employment Regulation File (Expediente de Regulación Temporal de Empleo or "ERTE"). The ERTE covered 3 288 employees. Under the ERTE, the employees remain employed with AmRest with suspended salary and at the same time receive unemployment benefits from authorities of up to 70% of their normal salary. One Spanish entity, The Grill Concept, S.L.U. declined to extend the Temporary Employment Regulation (ERTE) in September. As of 31 December 2020 the ERTE covers 591 employees.

##### ■ Poland

Under the Act on special solutions related to the prevention and combating of COVID-19, other infectious diseases and crisis situations caused by them of 2 March 2020 (Journal of Laws of 2020, item 374), the following measures were taken, effective in the period 7 April – 6 July 2020, with respect to 4 050 employees of AmRest Polish companies:

- introduction of reduced working hours and salary by 20% (2 897 employees),
- introduction of economic downtime (3 936 employees),
- application for compensation for the protection of workplaces from the funds of the Fund of Guaranteed Employee Benefits to co-finance the remuneration of employees affected by economic downtime or reduced working hours as a result of COVID-19.

In the period 1 August – 31 October 2020 following measures were taken: application for compensation for the protection of workplaces from the funds of the Fund of Guaranteed Employee Benefits to co-finance the remuneration of employees affected by economic downtime (August 3 736 crew employees, September 3 628 crew employees, October 3 747 crew employees). From 1 December 2020 following measures were taken: application for compensation for the protection of workplaces from specific industries - Fund of Guaranteed Employee Benefits, article 15gga (December 309 crew employees, 247 managers in stores, 33 RST employees). Applications are continued in January and February 2021.

- **France**

Introduced “partial activity” technical unemployment government program for 4 188 employees (Sushi Shop, KFC, Pizza Hut). Employees were partially or 100% unemployed by the Companies. With the suspension of the employment contract the gross salary was maintained at 70% and 100% for minimum salary. The employee social security contributions were also reduced, allowing the employees to receive 84% of net salary (or 100% for those who perceive the minimum salary). The government reimburses 100% of the salary paid to employees in partial activity. The program started from 15 March and is maintained until the end of the year in the same condition. Restaurants continue to use it on rotating employee basis, especially during the second confinement (15 October to 15 December 2020). Refunds requests are in progress. Companies have one year to request the reimbursement.

- **Germany**

Reduced working hours (Kurzarbeitergeld) salary government reimbursement program has been introduced effective on 1 March 2020 for approx. 3 000 employees. The government reimburses 60% of the employee’s net salary and social contributions. In the period July - September 2020 the companies stopped meeting the conditions but after the second wave of restrictions started in Q4 2020 the companies applied for the next governmental help beginning of November 2020. The government reimburses now 60-87% of the net salary and social contribution depending on the individual situations. The reimbursement is based on not worked hours as compared to the contract hours. The company pays the difference up to 90% of the average salary before March 2020.

- **Czech Republic**

The companies have applied for the government aid under special COVID-19 regulations. There were two separate programs:

- employees on downtime between 13 March and 31 May 2020: 80% of salary and social contribution reimbursed by the government (1 600 employees covered),
- employees with 40% reduction of working hours between 13 March and 31 May 2020: 60% of salary and social contribution reimbursed by the government (80 employees covered).

Both programs were extended until the end of February 2021. Governmental help for the period June – September was not material as not many employees were on downtime. During the second wave of restrictions (October – December) the companies applied for governmental help in the amount of EUR 1.55 million.

Similar actions are also taken on other markets. The Group has applied for support programs offered by each country’s government, in the form of reimbursement of labor costs, and introducing internal actions, such as shortening of working hours or technical unemployment. Group’s policy is to present government grants related to income as other operating income. For 12 months period ended 31 December 2020 Group has recognized government grants for payroll costs (EUR 21.6 million) and social contribution (EUR 7.9 million). The total amount of EUR 29.5 million has been recognized as other operating income. The above government grants are in a form of waived social security payables (EUR 3.7 million) and cash grants (EUR 25.8 million, out of which EUR 5.1 million as of 31 December 2020 was not received yet). In August 2020 entities operating in Czechia applied for a government program called COVID Najem, providing the government grants for rent costs (grant limit CZ 20 million per entity). For 12 months period ended 31 December 2020 Group has recognized government grants for rent costs in the amount of EUR 1.7 million as other operating income. Granting of the grant by governments is in some cases associated with requirements to keep the agreed level of workforce for agreed period. As of 31 December 2020 the Group does not expect that such conditions would not be met, therefore there are no material unfulfilled conditions or other contingencies attached to government assistance that has been recognized.

# GRI Standards content index

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