

BarthHaas Group Risk Management

Last Update on
October 31st, 2022

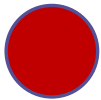
Business Disruption Impact Dashboard traffic lights



Green light: Business practices have been sufficiently enacted to avoid significant issues and disruptions.



Yellow light: We are monitoring a possible issue.



Red light: An issue has been identified. We are working on the specific case.

Legal disclaimer

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BarthHaas Group Risk Management



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Business Disruption Impact Dashboard: BarthHaas Germany

Status	Operational Risks	Status	Legal and IT Risks
	<p>Sourcing & Harvest</p> <ul style="list-style-type: none"> Significant under-deliveries of purchase contracts due to poor harvest 2022. Alpha values of most varieties are below long-term average. Hop growers are under financial pressure due to the combination of increase of production cost and poor yields 2022. Cost increase in hop production have a lasting impact of the profitability of existing long-term contracts. 		<p>Changes in regulation & Legal</p> <ul style="list-style-type: none"> No notable changes to local regulations.
	<p>Processing & Warehousing</p> <ul style="list-style-type: none"> Long term contracts with CO2, Gas and Electricity are in place Increase of operating cost due the Ukraine crisis Processing currently not severely impacted. Covid-19 continuous could be an issue. Warehouse capacity is sufficient. 		<p>Compliance</p> <ul style="list-style-type: none"> We actively monitor all regulatory standards of our customers' countries to comply with the local laws.
	<p>Logistics & International Trade</p> <ul style="list-style-type: none"> Still tight container availability (especially reefer) and delays are to be expected. So far, the sanctions due to Russian-Ukraine-War have been handled well. The development of the sanctions is currently not foreseeable. We recommend to call off higher volumes above the individual demand to build up some safety cushions at the breweries. 		<p>Data & IT Security</p> <ul style="list-style-type: none"> We minimize the risk of cyber attacks through staff training (awareness for attacks). We have implemented various protective measures.
	<p>Business Continuity Planning</p> <ul style="list-style-type: none"> Our risk management has measures in place of for all relevant risks to ensure process and business continuity. We are constantly in close contact with our suppliers Gas shutdowns could be handled - due to redundant heading system at our plant starting the upcoming weeks. 		<p>Product Safety</p> <ul style="list-style-type: none"> Our hops and products are extensively analyzed based on our HACCP concept. This ensures the best possible quality. Further information is available on our website.







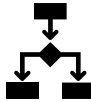

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BarthHaas Group Risk Management

Business Disruption Impact Dashboard: John I. Haas



Status	Operational Risks	Status	Legal and IT Risks
	 <p>Sourcing & Harvest</p> <ul style="list-style-type: none"> • Grower associations actively monitoring any regulatory developments • Growers individually have labor/management contingency plans • Growers individually have hygiene/sanitation/distancing/quarantine protocols in place for farm crews and closely monitor employee health 		 <p>Changes in regulation & Legal</p> <ul style="list-style-type: none"> • No notable changes to local regulations.
	 <p>Processing & Warehousing</p> <ul style="list-style-type: none"> • Increases in operating costs due to inflation. • Processing currently normal. All plants will finish out the season without issue. • Warehouse capacity is sufficient. 		 <p>Compliance</p> <ul style="list-style-type: none"> • We actively monitor all regulatory standards of our customers' countries to comply with the local laws. • Haas complies with all U.S. legal and tax requirements
	 <p>Logistics & International Trade</p> <ul style="list-style-type: none"> • Ocean container availability and delays are to be expected • Port congestion continues, disrupting sailing schedules of ETA and ETD. • Unpredictable reliability of drivers to service container transport at the ports. • USA West Coast Port employee labor contract will expire 1-July-2022. Negotiations commence 12-May-2022 • Russia/Ukraine war has transport and trade implications not fully understood at this time. 		 <p>Data & IT Security</p> <ul style="list-style-type: none"> • Additional IT-related Business Continuity planning is documented, regularly reviewed and tested. • Employees are trained to identify potential cyber-attacks through regular awareness training.
	 <p>Business Continuity Planning</p> <ul style="list-style-type: none"> • Emergency response and business continuity plans are documented, regularly reviewed and tested. • Monitoring closely situations surrounding COVID-19 response. 		 <p>Product Safety</p> <ul style="list-style-type: none"> • Our hops and products are analyzed following our HACCP program. • We are Food Safety System and ISO9001 Certified, demonstrating we prioritize food safety and are dedicated to continuous improvement.

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Business Disruption Impact Dashboard: Hop Products Australia



Status	Operational Risks	Status	Legal and IT Risks
	<p>Sourcing & Harvest</p> <ul style="list-style-type: none"> Long range forecast is for La Nina system (wet weather), similar to 2021-22 growing season Critical inputs for crop 2023 identified and addressed Labour market tightness continues to be proactively managed 		<p>Changes in regulation & Legal</p> <ul style="list-style-type: none"> No notable changes to local regulations
	<p>Processing & Warehousing</p> <ul style="list-style-type: none"> Processing season complete Warehouse partners are operating under normal conditions with some labour tightness 		<p>Compliance</p> <ul style="list-style-type: none"> Through the BarthHaas Group we actively monitor all regulatory standards of our customers' countries to comply with the local laws. HPA complies with all Australian legal and tax requirements
	<p>Logistics & International Trade</p> <ul style="list-style-type: none"> Prior period disruptions have been managed, disruption to inventory availability minimal Export shipments 95% complete Container logistics has seen marginal improvement but costs are yet to decrease 		<p>Data & IT Security</p> <ul style="list-style-type: none"> Ongoing investment in resourcing of IT continues to strengthen in-house capability and data security System security hardware upgraded to better guard against digital attacks Business systems security and staff awareness tested via external provider
	<p>Business Continuity Planning</p> <ul style="list-style-type: none"> Review of critical inputs for crop 2023 and beyond Business Risk Appetite and appropriate controls reviewed and agreed by HPA Board of Directors 		<p>Product Safety</p> <ul style="list-style-type: none"> Currently HACCP certified ISO9001 and HACCP audits undertaken for Crop 2022

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Business Disruption Impact Dashboard: BarthHaas UK



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Status	Operational Risks	Status	Legal and IT Risks
	<p>Sourcing & Harvest</p> <ul style="list-style-type: none"> Tight supply of hop extract for downstream manufacturing. 		<p>Changes in regulation & Legal</p> <ul style="list-style-type: none"> Extended lead-time & documentation due to post-Brexit trading arrangements between UK/EU. Additional changes expected July 2022 have been rescheduled to "late 2023". UK/DE colleagues will continue to monitor to ensure readiness.
	<p>Processing & Warehousing</p> <ul style="list-style-type: none"> Rising costs of energy, packaging and other ancillary materials are being monitored in the context of significant inflationary pressure on UK economy. 		<p>Compliance</p> <ul style="list-style-type: none"> Regulatory and audit requirements are understood and implemented.
	<p>Logistics & International Trade</p> <ul style="list-style-type: none"> Severe disruption to deliveries affecting customers located in Russia/Ukraine region due to ongoing conflict. Limited global ocean freight capacity, especially for temp controlled 'reefer' containers causing some delays. Rising fuel costs are causing carriers to apply surcharges. 		<p>Data & IT Security</p> <ul style="list-style-type: none"> Additional IT-related Business Continuity planning is documented, regularly reviewed and tested.
	<p>Business Continuity Planning</p> <ul style="list-style-type: none"> Emergency response and business continuity plans are documented, regularly reviewed and tested. None are currently activated. 		<p>Product Safety</p> <ul style="list-style-type: none"> Manufacturing operations are conducted according to ISO9001 Quality Management and ISO22000 Food Safety Management standards. Compliance is regularly and independently verified.

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