



December 18, 2024

To,
BSE Limited
Scrip Code: 532478

National Stock Exchange of India Limited
Symbol: UBL

Dear Sir,

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations')

Re: Productivity Program and related initiatives

As part of our ongoing efforts to enhance our operations and drive growth, we are implementing a productivity program at United Breweries Limited. This program and related change initiatives are designed to improve our efficiency, productivity and competitiveness in the market.

The Board of Directors of United Breweries Limited has today, i.e. on December 18, 2024, has considered and approved the same.

Synopsis of the changes

1. Policies

As part of our ongoing commitment to fostering a supportive and inclusive workplace, we have revamped multiple existing policies to make them more relevant to the current market landscape as well as introduced a set of new policies

- a. We are proud to introduce policies that encourage work-life balance and workplace flexibility, promote well-being and enable best in class parental and childcare support. Special policies are also being introduced keeping Women colleagues' health and well-being in consideration. These changes have been welcomed wholeheartedly and helped drive more engagement with colleagues.
- b. We also are undertaking a comprehensive review of our executive benefits programs to ensure that these not only align with industry best practices but also are fair and equitable for all employees. Keeping this in mind, after careful consideration, we are eliminating certain policy benefits that are no longer relevant or competitive. These benefits were introduced many years ago and no longer align well with our Company values and goals.

The above has not only helped modernise our policies framework but also reduced administrative complexity and yielded savings.

2. Re-design of Supply Chain and Finance functions

We are implementing a new design for our Supply Chain and Finance functions. The new design reflects our strategic choices to enhance our capabilities by:

- Scaling up the procurement function to leverage better value from our suppliers
- Digitising our breweries to improve efficiency, quality, and customer satisfaction
- Simplifying our processes to reduce complexity and increase agility
- Centralising finance operations and transaction processing

These will assist the Company to better serve its customers, drive innovation, and achieve long term sustainable growth.

3. Other cost optimization initiatives

We are also launching various other cost optimization programs like revision of the manning norms and deployments across breweries, rehiring at the right levels across functions which will yield benefits

Financial Impact

We estimate all the above initiatives to yield annualised savings of 1.5%-3% on total fixed costs. We will also continue to identify opportunities to re-invest some of these savings to build capabilities and accelerate growth.

Also, there is an expected one-time cost associated with the re-design of Supply Chain and Finance functions, covering severance payments, retirement benefits, and other associated cost as we bid farewell to colleagues in a very respectful manner fully appreciating their contribution to the Company.

The finally ascertained and audited financial impact for this re-design will appear in the Company's Q3 FY 2025 results as an exceptional item.

Future Roadmap:

As we implement and stabilise these changes and strategic initiatives, the Company will continue to identify and execute cost optimisation projects to ensure it is operating effectively. The Company remains focused on maintaining a skilled workforce and delivering long-term value to its stakeholders.

Other disclosures in terms of the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, that are not applicable to the above, have not been separately commented upon.

Kindly take the same on your record.

Thanking You,

For UNITED BREWERIES LIMITED

NIKHIL MALPANI

Company Secretary & Compliance Officer