



**Sustainable
Development
Report 2018**

2018

Our Contribution to Implementing Agenda 2030

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KOMPANIA PIWOWARSKA

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OUR CONTRIBUTION TO ACHIEVING SUSTAINABLE DEVELOPMENT GOALS

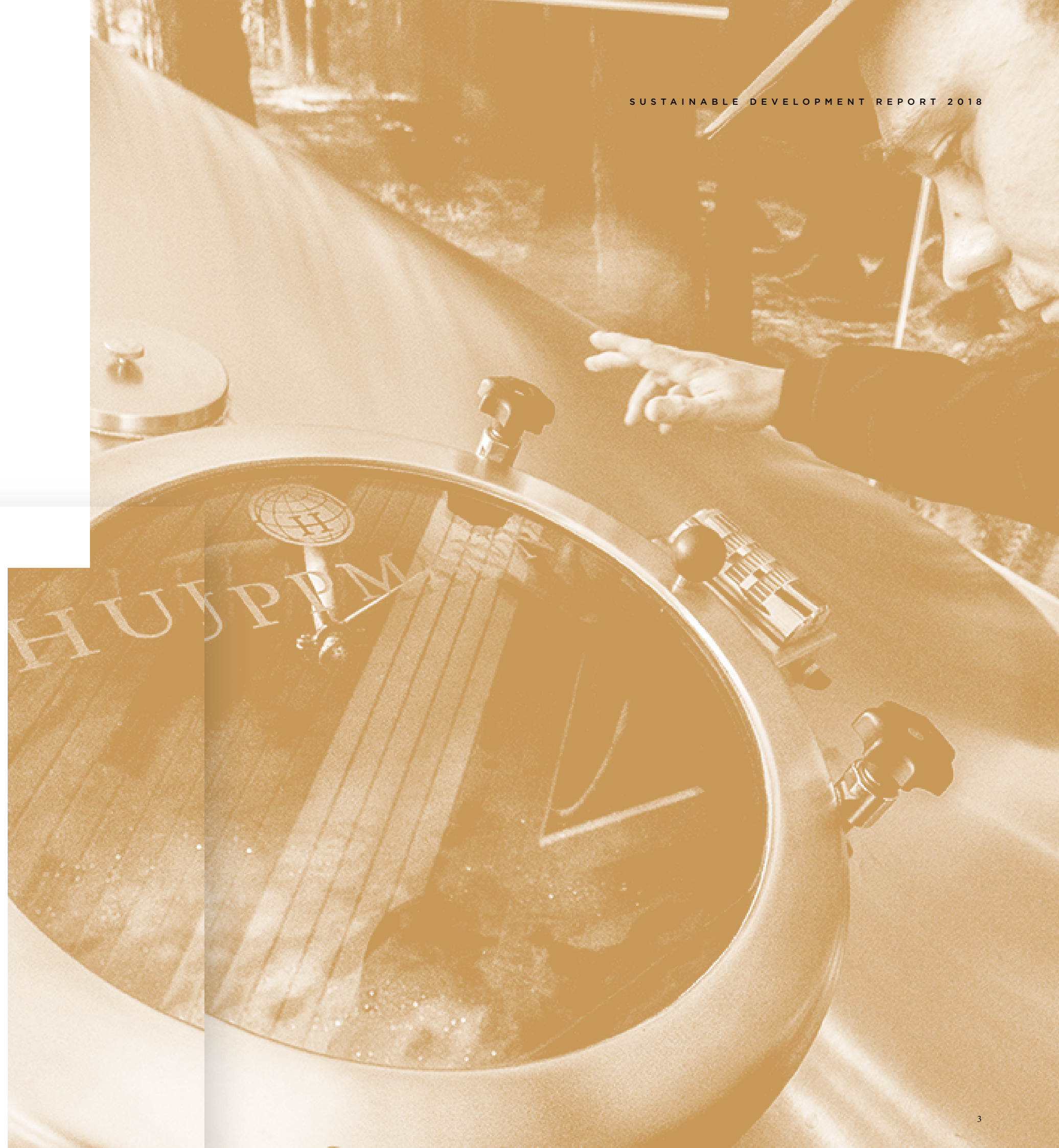
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SUSTAINABLE BUSINESS AS THE FOUNDATION FOR DEVELOPMENT

102-14

We are very pleased to present you the eleventh sustainable development report of Kompania Piwowska, a leader on the domestic beer market and one of Poland's top companies focused on the implementation of the best sustainable business practices. This time we have decided to tell you how our activities influence the implementation of specific sustainable development goals adopted at the United Nations forum in 2015, which are important to us and our stakeholders. As part of the global Asahi Group, we are aware that sustainable development requires joint efforts and consistent actions in three areas: economic growth, social inclusion and environmental protection.

In 2018 we made a particular effort to promote the responsible consumption of alcohol: during our sponsored events, at points of sale, and on the packaging of our beers. Kompania Piwowska deliberately focused on promoting non-alcoholic beer.

The increased demand for non-alcoholic beer is now a major and strong market trend. In 2018 we achieved an over 85% sales growth of non-alcoholic beer driven by, among other things, our Lech Free 0,0%, a beer with no alcohol and an excellent alternative for all who focus on a healthy lifestyle.

Our company is a large brewer, which is the reason why we pay particular attention to environmental protection. We incessantly continue our efforts to make our breweries maintain the lowest possible water consumption levels. In 2018, it was 2.64 hls of water per 1 hl of beer. I can proudly say that our performance in this area belongs among the best in the industry. We are very pleased with our employees' commitment to raise OHS standards, which results in a lower number of accidents at work. We monitor the level of CO2 emission, while maintaining its low level despite an increased volume of beer production in our breweries.

Kompania Piwowska also works for the benefit of the communities where we produce and sell our beer. For several years now the Lech brand has carried out its LECHSTARTER programme. As part of this initiative, in 2018 we allocated PLN 1 million to projects submitted by local communities. Many of our male and female employees engage in volunteering projects supported by Kompania Piwowska. In 2018, 60% of people employed by our company participated in employee volunteering campaigns.

Apart from the environment and communities, we also look after our employees. We offer attractive employment and development conditions and encourage to take care of their own health. In the "Focus on Move" programme organised by Kompania Piwowska, our employees covered a combined distance of more than 300,000 kilometres. Being a signatory of the "Diversity Charter" we attach great importance to matters of gender equality. Male and female wages are on the same level, and women account for 32% of our company management.

These are only selected indicators presented in the sustainable development report by Kompania Piwowska. Please feel kindly invited to read this publication and share your observations and comments about our company's impact on the environment.

Best regards,



IGOR TIKHONOV
PRESIDENT OF THE MANAGEMENT BOARD



KOMPANIA PIWOWARSKA



ABOUT KOMPANIA PIWOWARSKA

102-1, 102-5

Kompania Piwowarska is a joint-stock company, which on 31 March 2017 became part of Asahi Breweries Europe Group owned by Japan's Asahi Group (it had been part of SABMiller group before). Asahi is a global player in the beer, spirits, non-alcoholic beverages and food market, with a history spanning 130 years and a 49 percent share of the Japanese beer market. Asahi Super Dry is its flagship beer brand.



The Asahi Group includes over **130** subsidiaries and **70** manufacturing plants worldwide.

102-4, 102-6, 102-7, 102-8

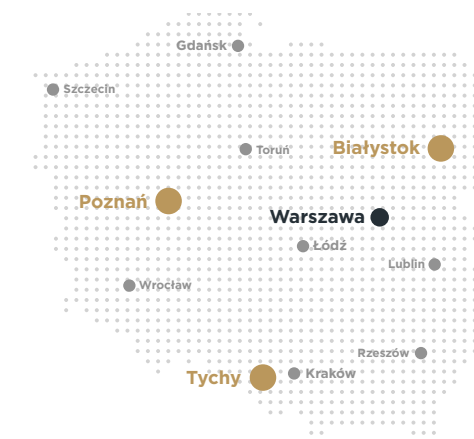
Headquartered in Poznań, Kompania Piwowarska owns 3 breweries: in Białystok, Tychy and Poznań, where we brew beers that are preferred by Poles. In 2018 we directly employed a total of 2,726 people.

Our products are sold primarily in Poland, but we export them to 16 countries. Germany, Netherlands, UK and United States are our biggest export markets. In 2018 we started to export beers to Hungary. With Tyskie being the most popular brand of exported beer, our exports totalled 667,000 hl of beer.

In addition to three breweries, we own:

- 3 distribution centres at our breweries (Poznań, Tychy and Białystok)
- 1 distribution centre in Warsaw
- 12 sales districts across the country

KOMPANIA PIWOWARSKA IN POLAND



OUR BUSINESS RESULTS IN 2018:



INCREASE IN MARKET SHARE
TO **36.3%***



INCREASE IN BEER SALES
TO **13.6m hl**



4 NEW MARKETS - WE EXPORT
OUR BEERS TO
16 countries

* According to GUS

THE COMPANY'S MANAGEMENT TEAM

102-18

**MANAGEMENT
BOARD**


IGOR TIKHONOV
PRESIDENT OF THE MANAGEMENT BOARD



MARCIN NIKIEL
VICE-PRESIDENT:
FINANCE



JACEK KOPIJEWSKI
VICE-PRESIDENT:
TECHNICAL



**IWONA
DOKTOROWICZ-DUDEK**
VICE-PRESIDENT:
MARKETING



WOJCIECH MOLIŃSKI
VICE-PRESIDENT:
HUMAN RESOURCES



MICHAŁ MROWIEC
VICE-PRESIDENT:
SALES



HIKARU SATO
MEMBER OF THE
MANAGEMENT BOARD

According to the Statutes, the Board consists of three to nine members (currently 7). The Supervisory Board appoints and dismisses the President of the Board and, upon his recommendation, other members of the Board. The Supervisory Board evaluates the Board's performance and while establishing its remuneration

takes into account not only the Company's financial results, but also accomplishment levels for other goals, including the area of sustainable growth.

Igor Tikhonov replaced Andrew Highcock as President of Management Board in October 2018. Other members of the board remained in their posts.

SUPERVISORY BOARD

PAOLO LANZAROTTI
ANDREW BAILEY
TOMAS KRCIL

According to the Statutes, the Board's term is three years and it consists of three to six members (currently 3) appointed by a resolution of the General

Shareholders' Meeting. The composition of the Board remained unchanged in 2018.

BRANDS, PRODUCTS, NEW LAUNCHES AND AWARDS

102-2

OUR BRANDS

We stay loyal to our mission as we keep brewing beers known in Poland for generations, but also launch several new products each year.



In 2018 we launched new beers and expanded our brands that Polish consumers know perfectly well.



LECH FREE 0.0%

Alcohol-free lager, ideal for those who loves bitterness in beers. The 0.0% alcohol recipe makes it possible to enjoy the full taste of this beer also on busy days.



KSIAŻĘCE IPA

Beer with intense hops aroma and distinguishable notes of citrus and tropical fruits. We brew it using Pale Ale and Pilsen light barley malt and as many as six varieties of New World aromatic hops: Citra, Mosaic, Cascade, Centennial, Azacca and Pekko.



KSIAŻĘCE PORTER

Beer with a deep, almost black colour, highly powerful extract (20%) and complex sensory profile, in which one can find intense bitterness and pronounced sweetness, both supplemented with smoked acidity typical for this kind.



REDD'S BIANCO

Beer with a slightly dry taste of grapes.



CAPTAIN JACK

Beer with a rum flavour, inspired by the adventurous world of pirates. Captain Jack is a proposal for all those who like breaking the routine and exploring the unknown. Aimed at young people, thanks to its outgoing personality it is bound to be a star of all social encounters.

AWARDS AND MENTIONS FOR OUR PRODUCTS

KSIAŻĘCE IPA

- Bronze medal in the American Pale Ale category at the Gold Beer 2018 competition
- Silver medal in the American Pale Ale & American India Pale Ale category at Chmielaki Krasnystawskie

KSIAŻĘCE CIEMNE ŁAGODNE [DARK MILD]

- Third award in the history of Chmielaki Krasnystawskie – bronze medal in the Dark Beers with up to 18° Plato Extract category
- Silver medal in the dark lager category at the Good Beer 2018 competition

KSIAŻĘCE PORTER

- Second place in the Baltic Porter category at the 2nd Specialty Beers Competition organised by the Hugo Kołłątaj Agricultural University in Cracow and the Fermentation Technology School

ŻUBR

- Winner of "Handel" monthly magazine's poll in the beer brand category. Żubr was recognised as consumers' favourite beer in 2018

LECH PILS

- Bronze medal in the light lager category at the Good Beer 2018 competition

You can find out more about brands here:

www.kp.pl/nasze-piwa

KEY EFFECTIVENESS INDICATORS:



"EAGLE" TITLE IN THE THIRD EDITION OF "WPROST" WEEKLY MAGAZINE'S COMPETITION AS A LEADING REPRESENTATIVE OF ITS INDUSTRY IN WIELKOPOLSKIE VOIVODESHIP



6

THE NUMBER OF MENTIONS IN THE 10TH EDITION OF THE PRESTIGIOUS POLISH NATIONAL SALES AWARD COMPETITION

MANAGEMENT APPROACH

103-1, 103-2, 103-3

Our strategy is consistently based on strong foundations worked out in previous years.

Thanks to our strategic priorities we have strengthened our leading position in the Polish beer industry, we sold more beer, increased exports, and thanks to our health and safety policy we have reduced the number of accidents.



Our mission:
Deliver on our great taste promise and bring more fun to life.

STRATEGIC PRIORITIES



**PREMIUMISE
OUR SCALE**



**SCALE OUR
PREMIUMISATION**



**WINNING
WHERE WINNING
MATTERS MOST**



**SIMPLIFY
TO INTENSIFY**

FOUNDATIONS

Behaviours of the Asahi Breweries Europe Group (ABEG)

Committed

We do what we say we will do.

Curious

We are open minded and discover better ways.

Cooperative

We are stronger when we work together.

Bold

We are clear and decisive in whatever we do.

Empowering

I bring out the best in my people

**Employee engagement
and retention**

Recruitment

**Safety, development
of skills**

RISK MANAGEMENT

102-15, 416-1

We are continuously improving our Integrated Risk Management System (IRMS), which guarantees:

- Quality and safety of beers for our consumers
- Minimising our negative impact on the environment
- Optimal health & safety conditions
- Appropriate energy consumption levels

Risk analysis covers all levels: strategic, operational, financial, and our employees have been trained in system requirements and their responsibility for the above mentioned areas.

We constantly identify and assess risks, give them priorities, and plan actions to reduce or eliminate them.

The Integrated Risk Management System (IRMS) consists of six Management Systems:

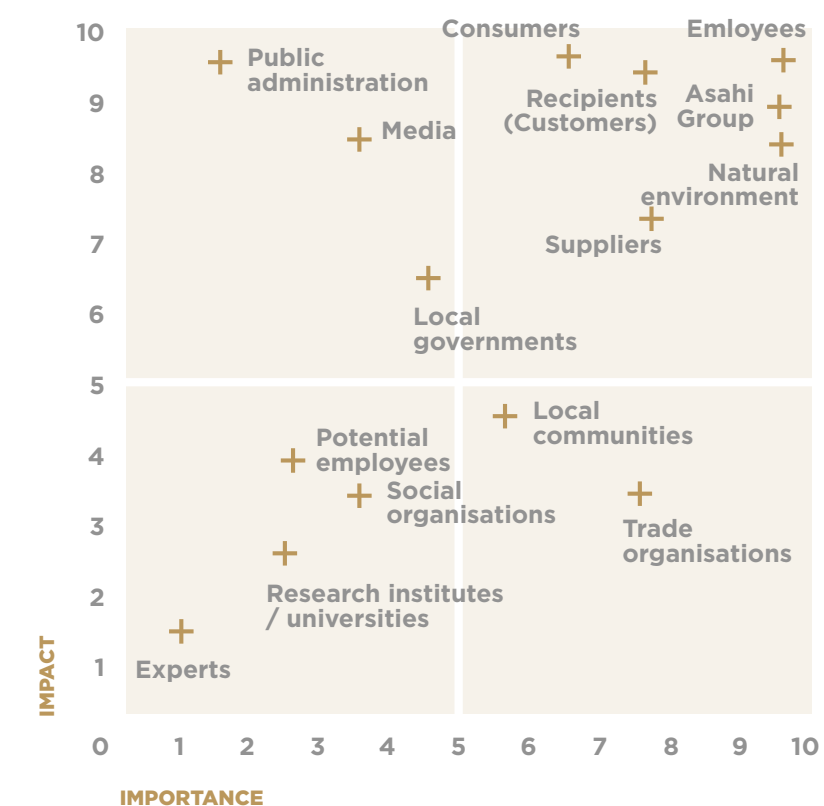
- Quality (ISO 9001:2015)
- Product Safety (ISO 22000:2005 and ISO/TS 22002-1:2009 and FSSC 22000)
- Environmental (ISO 14001:2015)
- Occupational Health & Safety (OHSAS 18001:2007)
- Energy (ISO 50001:2011)
- Risk and Business Continuity

The fraud risk analysis is carried out annually based on the Fraud Risk Assessment document.

OUR STAKEHOLDERS

102-40, 102-42

This map of Kompania Piwowska's key stakeholders shows the scale of effective impact on the company as well as a degree of importance of our company to its stakeholders. The map was updated by the company management in June 2019.



INTERNAL CONTROL SYSTEM

Our internal control system is based on the Japanese J-SOX model (Japanese Financial Instruments and Exchange Act, Art. 24-4-4) and the best practices in business risk management. The aim of internal control is primarily to limit operational risks, including those related to financial reporting, ensuring compliance with the

law or protection of resources. Corporate culture, business ethics and integrity, a structure ensuring proper delegation of duties are among important aspects of the control environment.

The management team supported by the Internal Control and Risk Management Department is responsible for effectiveness of the control environment. The Internal Audit Department checks regularly if standards in this area are kept at a sufficiently high level.

102-43

We adapt our methods of stakeholder engagement, as well as the language used in communication with them, to the expectations and preferences of individual groups. The tools we use include, among others:

- Surveys (including employee satisfaction surveys, questionnaires for suppliers)
- Print publications (including "The World of Beer" company newsletter) and electronic publications (sustainable development report)
- Websites targeted at customers and consumers (corporate website and thematic portals – Check Your BAC!, ABCalkoholu.pl, portalgastro.pl)
- Social media, intranet, mailings
- Chairman of the Board's videoblog
- Helplines
- Dedicated e-mail accounts
- Webinars, meetings (including roadshows – meetings of the Board with employees across Poland)
- Participation in external working groups
- Fairs, conferences, training programmes
- Employee volunteering programmes and LECHSTARTER grant programme
- Brewery tours

External stakeholders can submit questions
via e-mail:



poczta@asahibeer.pl

and helpline:



801 133 133

The most frequent interests and queries of our
stakeholders deal with:

- Willingness to establish cooperation (including training offers and sponsorship requests)
- Ingredients of beer and origin of hops
- Requests to provide gadgets
- Complaints regarding quality of products

All questions are answered and complaints are
redirected to the Complaints Department, which
contacts the reporting person to clarify the matter as
soon as possible.

MEMBERSHIP IN ORGANISATIONS

102-13

We are an active member of the society and we
engage in the work and activities of trade and expert
organizations, which aim to represent common industry
interests and develop activities related to sustainable
development in both environmental and social area.

**Union of Brewing Industry
Employers – Polish Breweries**



**Union of Packaging Industry
and Packed Products
Employers
EKO-PAK**



**Responsible
Business Forum**



**SHOKOKAI
Employers Union**



**British Polish Chamber
of Commerce**



OUR CONTRIBUTION TO ACHIEVING SUSTAINABLE DEVELOPMENT GOALS



During the UN Sustainable Development Summit, which took place between 25 and 27 September 2015 at the UN headquarters in New York, world leaders adopted the document entitled Transforming our world: the 2030 Agenda for Sustainable Development. The Sustainable Development Goals are 17 goals, 169 targets and 304 indicators meant to ensure that by 2030 the society lives a better, healthier and safer life in social, economic and environmental terms. These goals replaced the previous 8 millennium goals and became an important guideline for business, both globally and locally.

As a company operating in Poland, using local resources, employing over 2,700 people, owning 3 large breweries and as part of the global Asahi Group Holdings we have a significant impact on people and the environment around us. We have been approaching these issues very seriously for many years, paying attention to reducing our adverse impacts. Consequently, we promote drinking alcohol responsibly and in moderation, train sales people, save water and energy, support the development of our employees and business partners and engage socially.



Kompania Piwowska decided to present in this report its actions carried out in 2018 related to the Sustainable Development Goals and specific tasks. In this way we are presenting our contribution to accomplishing the 2030 Agenda.



Through its actions Kompania Piwowska contributes significantly to accomplishing 13 of the sustainable development goals above (highlighted).

103-1 , 103-2, 103-3

Our sustainable development strategy carried out in previous years under the slogan "Focus on beer" was modified in 2018 by a Kompania Piwowska board's decision in order to reflect even better our stakeholders' voices and the UN sustainable development goals. We want to meet the challenges that our company is facing in a constantly changing reality and align it with directions set in the Asahi Group Holdings' strategy.

Work is in progress in 2019 in the Asahi Breweries Europe Group, which includes - among others - our company, on creating a new sustainable development strategy for ABEG.

The modified strategy of our company currently consists of three pillars covering broadly understood product and health issues related to beer, the company's relations with its employees and communities as well as its impact on the natural environment.

KOMPANIA PIWOWARSKA's CSR STRATEGY



PRODUCTS AND HEALTH

- Responsible consumption
- Non-alcoholic products development



PEOPLE AND SOCIETY

- Human rights
- Healthy and affluent local communities



NATURAL ENVIRONMENT

- Saving water
- Energy use (CO₂ emissions and energy from renewable sources)
- Recycling

Kompania Piwowarska's current CSR strategy strives to achieve the following Sustainable Development Goals (2030 Agenda):



PRODUCTS AND HEALTH - ROLE OF BEER

- Responsible consumption
- Non-alcoholic products development



PEOPLE AND SOCIETY

- Human rights
- OHS
- Diversity and inclusion
- Community engagement



NATURAL ENVIRONMENT

- Water use
- CO₂ emissions
- Recycling



GOOD HEALTH AND WELL-BEING

Goal 3. Ensure healthy lives and promote well-being for all at all ages

Kompania Piwowarska contributes to achieving the following Goal 3 targets:

- 3.5.** Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol
- 3.6.** By 2020, halve the number of global deaths and injuries from road traffic accidents

GROWTH OF ALCOHOL-FREE BEER SEGMENT

As required by law, in order to be considered alcohol-free any beer needs to have an alcohol content of no more than 0.5%. We went further by launching in 2018 Lech Free 0.0% - a beer that is practically entirely alcohol-free, and its flavour variety Lech Free 0.0% Limonka z miętą [Lime with mint].



KEY EFFECTIVENESS INDICATORS:

 **85.6%**

INCREASE IN SALES OF ALCOHOL-FREE BEERS

 **0**

NO ADVERTISING OF ALCOHOL-FREE BEER IS TARGETED AT PEOPLE UNDER THE AGE OF 18

This type of product, in addition to its taste benefits, allows you to enjoy the taste of beer in situations where you should not drink alcohol, e.g. before and while driving, at work, during exercise, etc. Therefore, we give our consumers a real beer alternative that helps them refrain from taking risky behaviors during and after alcohol consumption. What's more, we encourage customers to reach for non-alcoholic beers. In 2018, we increased sales of non-alcoholic beers by a record 85.6%, which was the result of both growing interest in this market segment and a significant increase in our expenditure on advertising this type of beers.

We have always firmly believed that beer - even without alcohol - is a drink for adults. That is why none of our alcohol-free beer advertising activities is targeted at persons under 18 years of age, and we give an explicit recommendation to all sellers cooperating with us that this type of beer should only reach adults.

ACTIONS PROMOTING RESPONSIBLE ALCOHOL CONSUMPTION

As a responsible company, we take action to counteract negative phenomena associated with irresponsible alcohol consumption and promote moderate and responsible alcohol consumption.



Alcohol is not a product like any other. We strive to ensure it is always consumed in a responsible way.

In our preventive actions, including beer production, its advertising and sales, we focus mainly on four areas:

- Preventing the sale and consumption of alcohol by minors
- Preventing driving vehicles under the influence of alcohol
- Promoting moderate and responsible alcohol consumption
- Preventing alcohol consumption by pregnant women

KEY EFFECTIVENESS INDICATOR:


4.8 mln

WE REACHED 4.8 MILLION PEOPLE WITH OUR COMMUNICATION PROMOTING RESPONSIBLE ALCOHOL CONSUMPTION


92%

MORE THAN 92% OF OUR EMPLOYEES WERE TRAINED ON RESPONSIBLE ALCOHOL CONSUMPTION OVER THE LAST 3 YEARS


273,589

ADULTS WERE ENGAGED IN OUR RESPONSIBILITY ACTIONS

We train how to prevent minors from access to alcohol

This year, on our own and in partnership, we conducted again training for sellers in the skills of refusing sales and serving alcohol to minors. This type of training was provided to, among others, all beer salespersonel at the largest mass event in Poland - the Pol'and'Rock festival, sponsored by Lech beer.

The Union of Brewing Industry Employers - Polish Breweries, of which Kompania Piwowarska is a member, continued its custom-made educational project odpowiedzialnysprzedawca.pl.

The online training platform www.odpowiedzialnysprzedawca.pl makes it possible for all alcohol sellers in Poland to enroll in a course on refusing to sell alcohol to minors.

Polish Breweries are also a partner of the campaign "There's Strength in the Family" run by the trade union NSZZ "Solidarność" (Secretariat of the Food Industry, Inter-Enterprise Organization in Kompania Piwowarska) supporting parents in preventing minors from access to alcohol and premature alcohol initiation. The organizers encourage adults to set a good example of responsible behavior and for this purpose they created the Decalogue of a Responsible Parent. As part of the initiative information activities were carried out at events such as Kompania Piwowarska employee picnics.

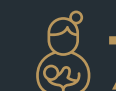
KEY EFFECTIVENESS INDICATORS:


557

PEOPLE SELLING BEER DURING OPEN-AIR EVENTS SPONSORED BY KOMPANIA PIWOWARSKA'S BRANDS TOOK PART IN OUR CUSTOM-MADE TRAINING COURSE


1,000

PEOPLE COMPLETED A COURSE ON REFUSING TO SELL ALCOHOL TO MINORS ON THE ONLINE EDUCATIONAL PLATFORM ODPOWIEDZIALNYSPRZEDAWCA.PL


717

EMPLOYEES HAD THE OPPORTUNITY TO GET TO KNOW THE DECALOGUE OF A RESPONSIBLE PARENT



Uczymy dzieci, że alkohol jest tylko dla dorosłych.
Sami staramy się postępować mądrze.
One również będą.

DAWAJ DOBRY PRZYKŁAD!



Check Your BAC! programme

We support road safety by promoting our free “Check Your BAC!” application, which allows users to calculate alcohol level in blood after consumption. An online version of the app is available at our website www.abcalkohol.pl and can also be downloaded on mobile platforms.

In 2018 we also opened for the fourth time the special “Check Your BAC!” zone for visitors at events of various type and with various target groups – music events, beer fests for thousands of people, aviation picnics and disco polo concerts. The zone accompanied the largest mass events sponsored by Kompania Piwowarska’s beer brands. The key



Our “Check Your BAC!” zone was at all places attracting thousands of drivers who after having fun should be able to return home safely for themselves and other road users.

KEY EFFECTIVENESS INDICATORS:

 **4 editions**

WE HAVE ALREADY RUN 4 EDITIONS OF “CHECK YOUR BAC!” ZONE, WITH PRESENCE AT A TOTAL OF 42 FESTIVALS AND MASS EVENTS

 **85,000**

NEARLY 85,000 PEOPLE MADE USE OF A BREATHALYZER IN OUR “CHECK YOUR BAC!” ZONE AT VARIOUS EVENTS AND 39,000 TOOK PART IN ANIMATIONS SUCH AS A LABIRYNTH OR A REACTION TIME METER WITH THE USE OF ALCO GOGGLES (2018)

 **Over 326,000**

PEOPLE DOWNLOADED OUR “CHECK YOUR BAC!” APPLICATION



GOLDEN CLIP FOR “CHECK YOUR BAC!” MOBILE ZONES AWARDED BY THE UNION OF PUBLIC RELATIONS COMPANIES IN THE SPECIAL EFFECTIVENESS CATEGORY

We help make responsible decisions

We reach our consumers with communication about responsible alcohol consumption through various channels:

- during events
- at points of sale
- through our product packaging
- online

We place great emphasis on running awareness actions in social media.

Our communication platform ABCalkoholu.pl, which has been operating since 2009 and still enjoys great interest of consumers, is where we encourage users to make informed and responsible choices related to alcohol consumption. In 2018, we completely rebuilt the platform, engaging specialists in psychology and medicine. Thanks to this, people seeking information on the impact of alcohol on health and social life have even better access to comprehensive information that helps them make informed decisions about reaching for alcohol.

We place the platform address under the Responsible Drinking Messages on all packaging of beer that goes directly to consumers.

KEY EFFECTIVENESS INDICATORS:

 **28,125**

NUMBER OF VISITS AT ABCALKOHOLU.PL WEBSITE (2018)

 **21,459**

NUMBER OF USERS OF ABCALKOHOLU.PL FANPAGE ON FACEBOOK



We warn against drinking during pregnancy

Together with a partner, the FASTRYGA Foundation, we continued our activities regarding FAS (Fetal Alcohol Syndrome) under the slogan "I am smart – I don't drink alcohol when I'm pregnant". The FAS problem only affects children of pregnant women who have drunk alcohol. It is estimated that in Poland it is detected in about 900 newborns per year, while in nearly 10 thousand children some of its symptoms occur. September was once again the month of the most intense communication on FAS as we used the occasion of FAS World Day FAS (9 September) to start to communicate about this problem. The FAS campaign was also conducted at Medicover and LUX MED facilities throughout the country.

KEY EFFECTIVENESS INDICATOR:



2.5 mln

ACTIONS TAKEN BY KOMPANIA
PIWOWARSKA AND ITS PARTNERS
GENERATED OVER 2.5M CONTACTS
WITH COMMUNICATIONS REGARDING
FAS



We also address our communication activities in the media and on the Internet to future fathers, families and people close to future mums. We encourage everyone to share responsibility for a child's health, including not offering even "a symbolic few drops" of alcohol to pregnant women.

MARKETING COMMUNICATION

Responsible alcohol consumption is one of the key areas for the implementation of our business and sustainable development strategy. That is why we have undertaken a number of voluntary initiatives in this area, which go far beyond the requirements imposed on the brewing industry by legal regulations. This applies especially to responsible marketing communication. In this way, we are actively involved in preventing alcoholism and reducing the number of road accidents.

We have developed and implemented internal policies and guidelines:

- Policy on Commercial Communication (updated in 2018 with regard to the rules for promoting alcohol-free beers)
- Product Portfolio Policy
- Market Research Policy

Company employees and the Sales and Marketing Compliance Committee are responsible for the analysis of all marketing activities – advertising campaigns, promotion, sponsoring and point-of-sale materials – in respect of the requirements included in the abovementioned documents.

Representatives of departments from across Kompania Piwowarska are members of the Committee. Our Policy on Commercial Communication presents a wide scope of requirements that should be met by members of sales and marketing teams and the Committee as they develop or approve marketing messages in order to prevent all undesirable situations or complaints.

102-11

The industry's self-regulation

We adhere to the voluntary Code of Ethics in Advertising created by the Union of Associations Advertising Council. Beer advertising standards are a separate section of the Code of Ethics in Advertising. One of the Union's bodies is the Advertising Ethics Committee, composed of 30 adjudicators appointed by representatives of the advertising industry, advertisers and media.

417-3

In the reporting period, the Advertising Ethics Committee did not receive any complaint that it considered positively regarding Kompania Piwowarska's advertising activities, ATL or BTL.

RESPONSIBLE PRODUCT LABELLING

417-1, 417-3, 103-1, 103-2, 103-3

We use Responsible Drinking Messages

Entirely voluntarily, on the basis of an agreement concluded with other members of the Union of Brewing Industry Employers - Polish Breweries, on all packaging of our beers addressed to consumers, on sales materials and in television and online advertising, we place signs warning against alcohol consumption by: minors, pregnant women and drivers.

18 *Alkohol. Tylko dla pełnoletnich*

W ciąży nie piję alkoholu

Nigdy nie jeżdżę po alkoholu

417-2

In the reporting period no cases were found of non-compliance with regulations and voluntarily applied codes on information and labelling of products and services.



QUALITY EDUCATION

Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Kompania Piwowarska contributes to achieving the following Goal 4 targets:

4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university

4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

CAREER FROM SCRATCH

103-1, 103-2, 103-3

From intern to specialist

Internship at Kompania Piwowarska is based on active involvement in the functioning of the company. We understand that beginnings in the new workplace may be difficult and so our internships are paid and enjoy full support of other employees.

Programmes for students

4- or 6-week summer internships "In perfect Company" are held in all company departments and locations. We encourage students of almost all fields of study to apply.

Induction training

Each newly recruited employee undergoes compulsory two-day training, during which they find out more about Kompania Piwowarska, its history, market position, structure and company culture, employee support processes, Beer Ambassadors programme and Alcohol ABC - training in responsible approach to alcohol while performing professional duties.

Seasonal work

The specific nature of our industry enables seasonal work on fixed time contracts, with a package of extra benefits and beer allowance.

KEY EFFECTIVENESS INDICATORS:



30

NUMBER OF INTERNS



60

NUMBER OF STUDENTS ON 4- OR 6-WEEK INTERNSHIP PROGRAMMES IN ALL COMPANY DEPARTMENTS AND LOCATIONS



235

NUMBER OF SEASONAL WORKERS IN PEAK SEASON

EMPLOYEE DEVELOPMENT

404-2, 103-1, 103-2, 103-3

We want to make the most of each employee's potential. To this end, we provide everyone with access to a wide range of internal training programmes. They relate to various areas: personal development and managerial skills (Leadership Fundamentals, Leading Managers, Kompania Piwowarska Project Management Way, My Academy of Skills, Sales Academy), as well as internal processes and procedures (basic and advanced brewing, training in operating production and filling machines, workshops on keeping microbiological standards, Manufacturing Way, sensory training). Their subject matter and form are the result of the company's business needs and employee development needs. They take the form of trainings and workshops. We also have an e-learning platform – kp.learncom.pl, which is the basis for obligatory and voluntary training programmes on a wide variety of subjects. The number of training days per employee increased from 3.15 in 2017 to 3.7 in 2018.

As part of a development program based on mentoring, junior managers work with more experienced leaders to improve leadership skills, expand business perspectives and exchange knowledge.

Employees of the Manufacturing and Supply Chain can also count on individual training in cases where a competence gap was identified in the assessment process or when they are prepared to perform a new role.


Lean Leader Academy Training for Manufacturing and Supply Chain Leaders

- Building competences in the field of Lean Management
- Refreshing Lean practices and culture in the organization
- Necessary to perform the work in question, as required by law or internal regulations
- Lasts a year and consists of seven two-day workshops

404-1

KEY EFFECTIVENESS INDICATORS:

 **2,726**
NUMBER OF EMPLOYEES PARTICIPATING IN TRAINING

 **3.7**
NUMBER OF TRAINING DAYS PER EMPLOYEE PER YEAR



GENDER EQUALITY AT KOMPANIA PIWOWARSKA

Goal 5. Achieve gender equality and empower all women and girls

Kompania Piwowarska is involved in achieving the following Goal 5 targets:

- 5.1** End all forms of discrimination against all women and girls everywhere
- 5.5** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

Respecting diversity

Our employees are diverse, including in terms of sex, education, age, religion and nationality - they include people from Ukraine, Great Britain, Russia and the USA. For us, diversity is not only a value in itself, but also a factor influencing a good team atmosphere and the company's financial results. Therefore we manage it, i.e. we create conditions for all employees to feel respected and to fully develop their potential. Our actions in this area are based on:




- Code of Ethics
 - Policy to tackle violence, mobbing, discrimination and harassment in the workplace
- For years, we have been tackling hidden stereotypes in business through continuous educational action. Almost all of our employees have completed diversity management training, e.g. in the form of e-learning. The company does not monitor data on belonging to minority groups.

EMPLOYMENT IN 2018*

 **2,726**
EMPLOYEES INCLUDING

 **698**  **2,028**
WOMEN MEN

NEARLY ALL EMPLOYEES HAVE FULL-TIME JOB CONTRACTS.

AGE	WOMEN 	MEN 	TOTAL 
<30	137	286	423
30-50	456	1,394	1,850
>50	105	348	453
TOTAL	698	2,028	2,726

* For the last day of the calendar year

102-41

81.4% of employees were covered by the collective labour agreement.

102-12

We belong to a group of 14 companies that were the first in Poland to sign the Diversity Charter in 2012. This is an international initiative currently implemented in 18 EU countries, and in our country initiated by the Responsible Business Forum. We also make sure that women are always involved in recruitment processes for senior positions. We are actively working to increase their employment in our company, perceived as “typically male”. In Technology and Production Administration department, as well as in central and marketing departments, gender proportions are fairly equal. The least women work in sales, distribution and production departments, which is why we have modified the recruitment ads to attract more female candidates.

GENDER EQUALITY

In 2018 we added an indicator verifying remuneration levels by gender to indicators monitoring the implementation of our sustainable development strategy. Such analyses had been carried out in our company before, but now they are implemented using an external IT tool prepared by the Institute for Structural Research as part of the project “Methodology for assessing the pay gap and developing a tool to assess the gap between men and women’s pay” carried out in 2015 for the Ministry of Family, Labour and Social Policy. The results of an analysis based on data for 2018 show that the organisational solutions used by our company are consistent with the principles of gender equality. Comparing positions at the same organisational level and taking into account a number of factors, such as: the basis of remuneration, working time, seniority, age, education, employee assessment, the difference in men and women’s pay in our company ranges from + 2% to -3% depending on a set of factors being analysed.



We strictly adhere to a ban on discrimination in the workplace and a principle of equal employment opportunities regardless of gender.



CLEAN WATER AND SANITATION

Goal 6. Ensure availability and sustainable management of water and sanitation for all

Kompania Piwowarska has an impact on achieving the following Goal 6 targets:

6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally

6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity

405-2

KEY EFFECTIVENESS INDICATORS:

 **25.6%**

PERCENTAGE OF WOMEN EMPLOYED AT THE END OF 2018

 **32.3%**

PERCENTAGE OF WOMEN AT MANAGERIAL POSITIONS - UP 1% FROM 2017

 **from +2% to -3%**

GAP BETWEEN MEN AND WOMEN’S PAY

OPTIMAL USE OF WATER

103-1, 103-2, 103-3, 303-1, 303-2

We use water throughout the entire production chain, from crops to washing devices. Responsible water management is therefore key to both our business success and to minimising our impact on the environment. Our breweries remain leaders in the Asahi Breweries Europe Group in terms of effective water management. We are constantly trying to reduce the use of water for beer production. Our breweries in Poznań and Białystok receive water from municipal water supply networks, and in Tychy additionally from our own intakes. Water extraction for the needs of Kompania Piwowarska’s plants does not adversely affect the state of regional water resources, which is confirmed by our annual water risk analyses.

303-5

KEY EFFECTIVENESS INDICATORS:

 **2.64 hl**

WE USE ONLY THIS AMOUNT OF WATER TO PRODUCE 1 HL OF BEER. WE ARE AMONG WORLD LEADERS IN SAVING WATER.

 **37.5 mln hl**

NEARLY 37.5M HL WAS THE TOTAL AMOUNT OF WATER WE USED

 **0**

NONE OF WATER RESOURCES IS EXPOSED TO RISK*

* Data calculated on the basis of reports on water risks developed for 3 breweries as part of the Group’s reporting process.

**7 AFFORDABLE AND
CLEAN ENERGY**

AFFORDABLE AND CLEAN ENERGY

Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all

Kompania Piwowarska is involved in achieving the following Goal 7 targets:

7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

7.3 By 2030, double the global rate of improvement in energy efficiency

103-1, 103-2, 103-3

ENERGY MANAGEMENT

As part of the implemented Energy Management System (ISO 50001), we take numerous actions to improve the company's energy efficiency. They involve, among others:

- improving technologies used in breweries
- reaching for energy from renewable energy sources

Several solutions enabling the reduction of energy consumption have been submitted by employees as part of the Kompania of Ideas programme. Ecological education, which has been conducted for years, was also continued. Information campaigns provide hints on how each employee can save energy.

Types of fuels used in our breweries*:

- Lech Browary Wielkopolski (Poznań) – natural gas and heating oil (in emergency situations)
- Tyskie Browary Książęce (Tychy) – natural gas, heating oil (in emergency situations) and biogas
- Browar Dojlidy (Białystok) – the brewery receives steam directly from the heat and power plant

The brewery in Tychy uses biogas produced during the methane fermentation of organic compounds in the company's wastewater pre-treatment plant. The use of biogas is very beneficial for the environment, because it generates significantly lower emissions compared to hard coal or heating oil. The electricity supplied to and used in our company partly comes from renewable energy sources.

WASTEWATER MANAGEMENT

We fully monitor the amount and parameters of produced wastewater and strictly adhere to the principles of its treatment before entering the environment. Wastewater from the Tychy brewery first goes to a modern on-site pre-treatment plant, in other locations we channel it directly to municipal treatment plants.

Limiting the amount of wastewater produced is possible, among others, thanks to its partial recovery and reuse. For example, water from a bottle washer is used to clean empty boxes and there are recovery installations for can rinser water (used for lubrication of transporters).

306-1

BREWERIES PRODUCED

 **over 2.2 mln m³
OF WASTEWATER IN 2018.**

**KEY EFFECTIVENESS
INDICATORS:**

 **13.16%**

OF ENERGY OBTAINED FROM COMBUSTION OF BIOGAS WITH NATURAL GAS AS PERCENTAGE OF TOTAL AMOUNT OF ENERGY USED FROM FUEL COMBUSTION IN TYCHY BREWERY'S BOILER PLANT

 **7.03%**

OF USED ENERGY FROM RENEWABLE SOURCES

* In breweries in Poznań and in Tychy, heat energy consumption is calculated as the amount of fuel taken from primary sources multiplied by the heat of combustion. In Białystok, it is calculated on the basis of the supplied energy meter and the efficiency of the municipal boiler plant.

8 DECENT WORK AND
ECONOMIC GROWTH


DECENT WORK AND ECONOMIC GROWTH

Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Kompania Piwowska is involved in achieving the following Goal 8 targets:

8.5 By 2030, achieve full and productive employment and decent work for all women

and men, including for young people and persons with disabilities, and equal pay for work of equal value

8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

KEY EFFECTIVENESS INDICATORS:

50%

FALL IN THE NUMBER OF
ACCIDENTS

>50%

FALL IN THE NUMBER OF SICK
LEAVES DUE TO ACCIDENTS

397

NUMBER OF SAFETY LEADERS
(UP BY 50)

99.06%

RATE OF COMPLIANCE WITH
GLOBAL SAFETY STANDARDS
(GSS)

30

NUMBER OF EMPLOYEES HAVING
HEARTSAVER FIRST AID CPR AED
CERTIFACTES (AHA)

100%

OF COMPANY PASSENGER CAR
DRIVERS TRAINED ON
A TRAINING TRACK

MOST ENGAGED COMPANY IN DRIVERS' EDUCATION

THE TITLE GIVEN TO OUR
COMPANY BY THE POLISH
VEHICLE RENTAL AND
LEASING ASSOCIATION AND
REPRESENTATIVES OF THE CAR
FLEET INDUSTRY (SAFE FLEET
AWARD)

SAFETY AND HEALTH

403-1 403-8, 103-1, 103-2, 103-3

OHS Policy

All employees of Kompania Piwowska are bound by a Health and Safety Policy that specifies the so-called Global Safety Standards (GSS). According to it, every production area manager is obliged to carry out regular reviews of working conditions based on special checklists. Last year, the implementation of the new version of Global Safety Standards (GSS) began. Each year internal audits are carried out in selected areas. Moreover, independent external auditors carry out regular audits as part of the OHSAS safety management system.

Since 2016 we have been running a programme to improve safety based on behavioural aspects (BBS – Behavioral Based Safety). Based on it, we are building an organisational culture in which safety is a value for every employee, and caring for it is a habit, even after working hours. We want employees to be sensitive to situations that could result in a danger, and to consciously participate in creating a safe work environment. The implementation of the programme is based on so-called Safety Leaders who regularly observe the way their colleagues perform work. Consequently, the identification of a number of risks associated with routine staff tasks has been possible.

First Aid

403-5

In all of our locations we run regular first aid training courses and provide first aid points equipped with the necessary means (including defibrillators and rescue bags). Since 2016, the so-called Groups of Premedical Rescuers have been operating in Poznań, Tychy and Białystok. In order to raise their skill level, all rescuers underwent in 2018 - apart from regular in-house training - four training courses conducted by professional paramedics.

Every year, there are celebrations at our breweries of the World Day for Safety and Health at Work, to which we invite, among others, doctors, external companies and Groups of Premedical Rescuers. On such occasions our rescuers conduct first aid training and demonstrations on the subject. In 2018, the celebrations were extended beyond breweries for the first time and also took place at the Management Board's office in Warsaw. In addition, also for the first time, first aid presentations took place at employee picnics, where employees as well as their families could take part in demonstrations and exercises. In addition, each participant of the picnic could consult a doctor or a paramedic and have basic checkups done, such as pressure measurement, body fat measurement and BMI calculation.

Road Safety

The purpose of the "Conscious Driver at Kompania Piwowska" programme is to sensitize drivers to the causes of dangerous road situations. During the training, participants acquire practical skills in the field of safe, economical and eco-friendly driving of the car, as well as first aid.

Accidents

403-2

In 2018, 10 recognised workplace accidents occurred among employees of Kompania Piwowska and employees of the Temporary Employment Agency working for our company. All reported accidents were minor and employees did not suffer any serious injuries. As a result of the accidents, the injured persons were on sick leaves for a total of 305 days. During the reporting period there was only one accident involving an external company employee.

FRIENDLY WORK ENVIRONMENT
401-2
**KOMPANIA PIWOWARSKA
AFTER HOURS**

**CINEMA, THEATRE
AND CONCERT TICKETS**

**TICKETS TO SHOWS
AND SPORTS EVENTS**

MULTISPORT CARD

**PASSES AND CARDS - TENNIS,
SQUASH, AQUAPARK ETC.**

**CAMPS AND OTHER SERVICES
FOR CHILDREN (PLAYGROUNDS,
AMUSEMENT PARKS, SWIMMING
SCHOOLS ETC.)**

**VOUCHERS FOR ONLINE
OR STATIONARY SHOPS AND
RESTAURANT CHAINS, PRE-PAID
CARDS**

**COVERING THE COST OF
FOREIGN TRIPS, STAYS AT
RECREATIONAL FACILITIES,
HOTELS AND PENSIONS**

**EDUCATIONAL COURSES
- LANGUAGES, COMPUTER
SKILLS, DANCING, SWIMMING,
SQUASH ETC.**

PAY-PER-MINUTE CAR RENTAL
103-1, 103-2, 103-3

As part of the MultiSport card, employees and their families have unlimited access to 4,000 sports facilities in 650 cities throughout Poland. At the end of 2018, over 1,000 employees and over 500 members of their families used the package. We take care of our employees and their relatives in a comprehensive manner. We offer every full-time employee:

- a medical package in the Medcover network for the whole family, ensuring quick access to specialists and, if necessary, to emergency medical services
- attractive insurance and access to loans at a low interest rate
- discounts on shopping in selected shops, food service outlets and beauty salons.

In addition, each employee is entitled to a monthly allocation of a certain amount of beer (so-called beer allowance). They can also benefit from subsidised meals in canteens located at our breweries and meet outside business hours in company pubs in Warsaw, Poznań, Tychy and Białystok to taste their favourite brands at the employer's expense.

403-6
"Focus on Health"

Every year, the Medcover Medical Center provides us with a report containing aggregate data on the health of our employees. Based on it, we develop an annual plan of preventive and educational activities. We also support annual employee picnics with our actions. Last year, the following were held as part of the programme:

- First aid training
- Emergency medical training for Groups of Premedical Rescuers
- "How to prevent work-related back and joint pain" seminar
- "Why is it good to protect yourself against noise?" seminar
- Health Day at Medcover
- Dental check-ups

Sports activity

Employees are motivated to run, walk and cycle as well as to do other sports mobilizes by a noble social goal (more in "Employee Volunteering") and rewards for participating in individual competitions and group challenges. In addition, they can take part in organized runs sponsored by the Lech Free 0.0% brand and make use of healthy lifestyle tips that are regularly published on the "Focus on Move" platform.

CONTRIBUTION TO POLAND'S ECONOMIC GROWTH*

203-2, 413-2

Kompania Piwowarska has a huge positive impact on many sectors of the Polish economy: from agriculture, packaging industry, trade and gastronomy, to professional and business services.

We generate this impact at all stages of the chain of value we create, i.e.

- obtaining materials and services used in manufacturing
- the production process itself
- distribution
- selling our beers

At each of these stages we:

- hire employees and create new jobs
- pay salaries
- generate added value
- pay taxes

By hiring our own employees and indirectly influencing suppliers and subcontractors who give jobs to thousands of people and pay them remuneration, and also by selling our products, we have a positive impact on generating wages and salaries in many sectors of the national economy.

Almost **1.6 billion zloty** – the total value of remuneration generated in the Polish economy due to the activities of Kompania Piwowarska

- over **690 million zloty** was received by those working in trade and HoReCa as a result of selling our beers
- Our suppliers and their subcontractors were able to pay over **730 million zloty** of remuneration thanks to the purchases we made

We sell our beers primarily in Poland and it is here where we also most often buy raw materials, supplies and services needed for beer brewing and sales, thus supporting the activities of domestic suppliers.

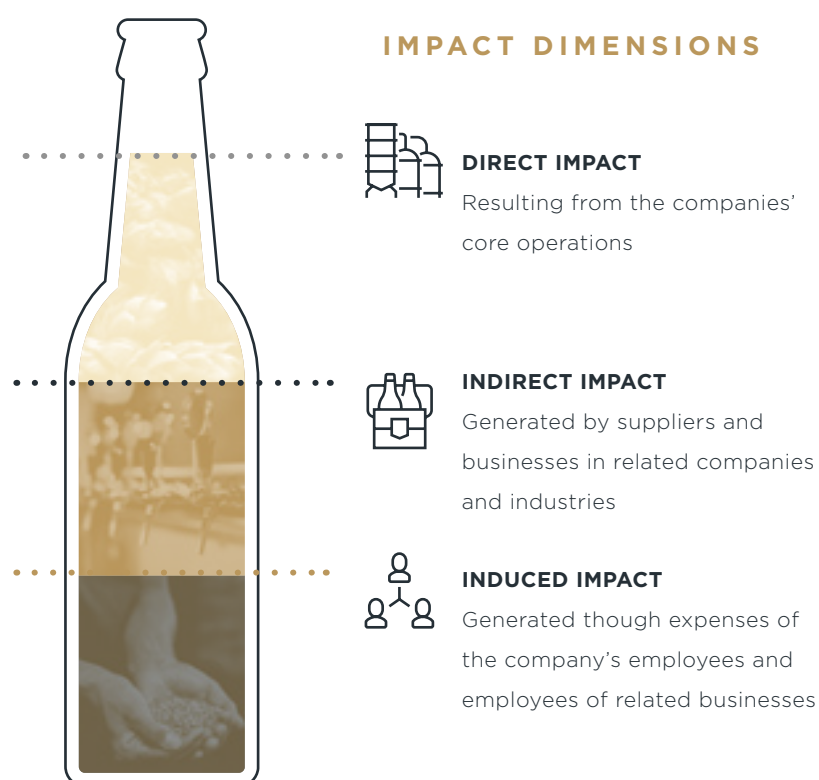
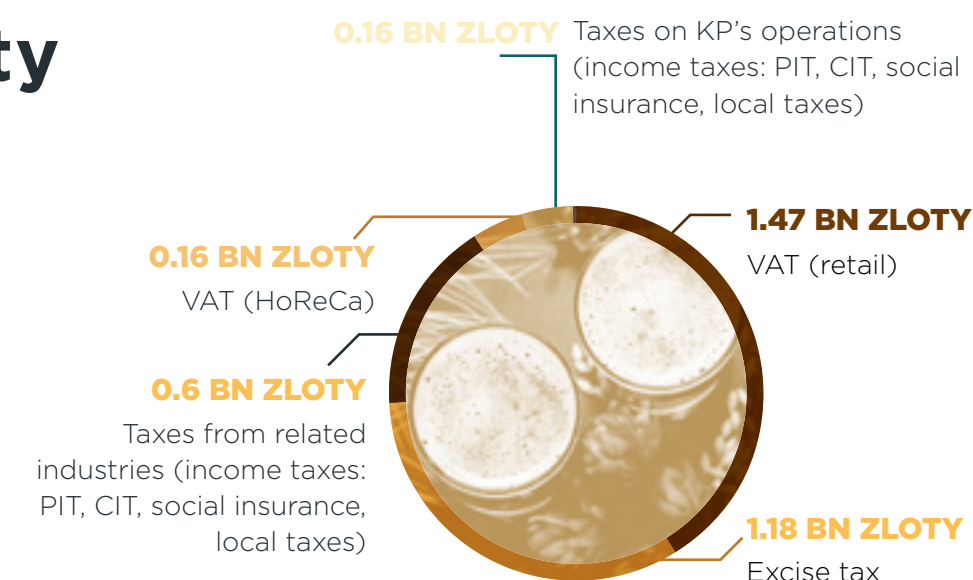
Approx. 88% of supplies and services purchased each year by Kompania Piwowarska come from Polish suppliers. We spend on them a total of about **1.5 billion zloty**.

The operations of Kompania Piwowarska generate on average 6.39 billion zloty of added value in the Polish economy*

- We generate the highest added value, **2.23 billion zloty**, in food processing (beverage production) – this is where we create direct added value as beer producers
- As a result of sales of our products, we significantly influence the creation of added value in trade - **1.66 billion zloty**, and in the HoReCa sector - **0.54 billion zloty**
- In industries in which we buy raw materials, supplies and services, and in industries related to them, we contribute to the generation of a total of **1.96 billion zloty** in added value

3.6 bn zloty

Taxes and fees paid by Kompania Piwowarska and related industries in 2018



*Based on the report "Kompania Piwowarska's Economic Impact on the Polish economy in 2017", Deloitte Polska, June 2018.

* Added value shows the contribution of Kompania Piwowarska to the process of production of goods and services in Poland. Added value is very similar to Gross Domestic Product (GDP) - when taxes on products are added to added value and subsidies deducted, we receive GDP for products.



INDUSTRY, INNOVATION AND INFRASTRUCTURE

Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Kompania Piwowska has an impact on achieving the following Goal 9 target:

9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

RELATIONS WITH SUPPLIERS

102-9, 103-1, 103-2, 103-3

The quality of our products and our impact on the society and the environment - and consequently the perception of our brands - are strictly related to our suppliers' practices. Because of this, we approach the purchase of all goods and services necessary for brewing beer in an extremely thoughtful way. Coordination of orders takes place at a global level and a level of teams cooperating directly with our business partners.

The Supplier's Code of Conduct is the main tool for raising sustainability standards throughout our entire supply chain. It sets requirements for suppliers in the areas of:

- human rights
- OHS
- business ethics
- environmental approach



412-3

All newly concluded contracts with suppliers contain clauses confirming their knowledge of the Code and commitment to follow its principles along with Kompania Piwowska's sustainable development priorities.

ENVIRONMENT-FRIENDLY TECHNOLOGIES AND PRODUCTION PROCESSES

Company of Ideas

Kompania Piwowska encourages employees to participate in the programme it runs called the Company of Idea. Employees are rewarded for submitting and implementing different concepts in different fields of the company's activities - also in the field of sustainable development. As part of Company of Ideas program our employees submitted in 2018 as many as 626 suggestions for improvement, the most of which concerned safety in the workplace - which shows the involvement of employees in the BBS (Behavioral Based Safety) project.

Selected examples of implemented pro-environmental ideas of employees, which have streamlined work and resulted in energy and water savings:

- shortening of lighting operation time in the labelling warehouse
- changing the position of a tap with water for washing pH meters
- installation of an automatic air vent for more effective crates rinsing
- clarifying the operation time of a filling and emptying control system
- replacement of the corroded pipeline supplying water to the laboratory
- installing an electric boiler with circulation to ensure a constant temperature for the installation
- fitting the installation with a hot water usage meter and visualising it on the operator's screen

KEY EFFECTIVENESS METER:

 **626**

NUMBER OF SUBMITTED IDEAS - MOST OF THEM CONCERNED IMPROVEMENTS IN OHS AND THE AIM OF THE REST WAS TO SAVE WATER OR ENERGY

10 REDUCED
INEQUALITIES


REDUCED INEQUALITIES

Goal 10. Reduce inequality within and among countries

We have an impact on achieving the following Goal 10 target:

10.3. Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard

CODE AND COMMITTEE OF ETHICS

102-16, 103-1, 103-2, 103-3

Code of Ethics

When making any business decision, regarding relations in the workplace relationships or collaboration with local communities, we follow the system of values described in our Code of Ethics. It is a set of rules based on integrity, openness, responsibility, justice and mutual respect. Contracts concluded with suppliers and customers include a commitment that they will also comply with the Code of Ethics. It is a publicly available document (www.kp.pl/files/kodeks_etyki.pdf), consisting of the Principles, which have been defined and grouped in four categories:

1. Compliance with regulations and business ethics
2. People and work environment
3. Customers, consumers and communities
4. Sustainable development.

In the Code of Ethics, among the 10 priorities for sustainable development there are also provisions regarding the need to respect human rights.

In addition to the Code of Ethics, there are a number of related regulations. These include the requirement to submit a conflict of interest declaration (the list of persons covered by it is determined annually by the Legal Department in consultation with the Audit team) and the Anti-Corruption Policy.

Ethics Committee

In assessing specific situations from the ethical point of view employees are supported by the Ethics Committee, which performs consultative and advisory functions. Among other things, the Committee deals with the reports of possible breaches of ethical principles. In the event of suspected embezzlement, the Committee is assisted by the Fraud Investigation Team.

Reporting violations

The mode of responding to reported cases of violation of the Code is available to all employees on the company's Infonet. New employees also obtain information on available reporting channels during the introductory training. Kompania Piwowarska's employees and other interested persons may use an external communication channel maintained by an independent organization that provides the opportunity to report irregularities in a completely anonymous and confidential manner. In addition, reports can be submitted, among others, by:



SENDING AN E-MAIL TO ETYKA@ASAHIBEER.PL OR DIRECTLY TO THE CHAIRMAN OF THE COMMITTEE OF ETHICS, ETHICS OFFICER OR THE GROUP AND KP'S INTERNAL AUDIT DIRECTOR



CALLING THE KP HELP LINE [\(801 133 133\)](tel:801133133)



COMPLETING AN ONLINE FORM ON THE KP WEBSITE WWW.KP.PL/KONTAKT#FORMULARZ



ALL SUBMISSIONS, ALSO ANONYMOUS, ARE CAREFULLY ANALYZED BECAUSE EACH CASE MAY POSE A POTENTIAL THREAT TO THE COMPANY'S REPUTATION. IN JUSTIFIED SITUATIONS SUITABLE ACTIONS ARE TAKEN.

406-1, 103-2, 103-3

KEY EFFECTIVENESS INDICATOR:

 **20**

NUMBER OF CASES REPORTED TO THE COMMITTEE OF ETHICS (13 OF ETHICAL NATURE, 7 REGARDING POTENTIAL FRAUD CASES, 0 DISCRIMINATION CASES)

103-2, 103-3

FAIR MARKET COMPETITION

Kompania Piwowarska conducts market activities in compliance with all norms and public decency, applies the highest ethical standards based on developed values, does not employ any unlawful anti-competitive practices.

206-1

KEY EFFECTIVENESS INDICATORS:



IN 2018 KOMPANIA PIWOWARSKA WAS NOT A PARTY TO ANY LAW ACTION REGARDING ANTI-COMPETITIVE BEHAVIOUR, SUCH AS VIOLATING ANTITRUST



KP RECEIVED THE ETHICAL COMPANY OF 2018 TITLE AS THE ONLY FOOD INDUSTRY COMPANY AMONG 23 RECIPIENTS OF THE TITLE IN A COMPETITION ORGANIZED BY THE "PULS BIZNESU" NEWSPAPER UNDER THE HONORARY PATRONAGE OF THE MINISTRY OF ENTREPRENEURSHIP AND TECHNOLOGY. THE TITLE WAS AWARDED FOR THE SECOND TIME IN A ROW.



SUSTAINABLE CITIES AND COMMUNITIES

Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable

Kompania Piwowarska has an impact on achieving the following Goal 11 targets:

11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries

11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage

11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities

CHANGING POLISH CITIES FOR THE BETTER

Third edition of LECHSTARTER

For us, the city is a space for developing interpersonal relationships and expressing creativity. That is why we created LECHSTARTER - the Lech Premium brand programme,

whose goal is to support the release of positive energy of residents and to change Polish cities for the better.

In 2018, we carried out the programme in partnership with the Urban Forms foundation. Associations, foundations and individuals could submit ideas for new places of social integration,

activities connecting residents and innovative solutions to improve the quality of life in the city in three grant categories:

- Academy of grants dedicated to individuals
- Grants dedicated to organisations
- Micro-grants dedicated to non-governmental organizations

KEY EFFECTIVENESS INDICATORS:



OVER 300

NUMBER OF SUBMITTED PROJECTS, OUT OF WHICH THE JURY CHOSE THE 48 MOST INTERESTING ONES



OVER 460,000

NUMBER OF VOTES BY INTERNET USERS IN COUNTRYWIDE POLL



1 MILLION ZLOTY

VALUE OF AWARDED GRANTS

Examples of projects subsidised in 2018:

- Revitalisation of Gwoździarnia - meeting and workshop spot in Włocławek
- Cultural Golub-Dobrzyń - revitalisation of the city's main park
- Drive-in cinema in Włocławek
- Lech graduation tower in Wolbrom
- Mobile furniture for the city of Poznań
- "Pociąg do miasta" - a series of street performances in Gdynia

BISON PROTECTION IN THE BIAŁOWIEŻA NATIONAL PARK

For many years now the Żubr brand has been supporting the activities of the Białowieża National Park for the protection of the bison. According to the BPN data from March, after the last counting in the end of 2017 654 bisons lived in the Polish part of the Białowieża Forest (over ninety more females than males). There are 58 more bisons than a year ago.

SUPPORTING INITIATIVES AND EVENTS THROUGH SPONSORING

All fans of sport are connected by sports emotions and Tyskie. This is why the brand joined forces with the Polish Football Association (PZPN), the Polish Volleyball Federation (PZPS), and the Handball Federation in Poland (ZPRP).



The Lech brand, on the other hand, supports music festivals such as Pol'and'Rock, Auditoriver and OFF Festival, and is the main sponsor of Lech Poznań footballers.

Pilsner Urquell and Kozel, two flagship Czech beer brands, are present with their zones at selected events throughout Poland.



Following the signing of long-term cooperation agreements Tyskie became an official draft beer at all football, volleyball and handball matches.

EMPLOYEE VOLUNTEERING

Our employees willingly share their time, skills and knowledge with those in need, and we also allow them to do such activities during work, supporting them financially and organisationally. Actions for the benefit of local communities, undertaken as part of the The Volunteer Company programme, are included in the agenda of sales force working meetings. Most of such projects are initiated by the employees themselves.

In 2018, our volunteers delivered support to:

- Residents of a tenement house in Poznań's Dębiec, which was destroyed in an explosion
- Volunteer Fire Brigade and residents of the Kołobrzeg municipal borough
- Palium Hospice from Poznań
- Women's Rights Centre in Gdańsk
- Animal shelter in Poznań
- Nursing Home in Poznań's Ugory district
- Animal shelter in Białystok

- Association for Children and Youth with Cerebral Palsy
- Animal shelter in Tomaryny
- Municipal Animal Shelter in Tychy



NOBLE BOX

Last year, 1,656 our employees and 188 people from outside the company joined the process of preparing Christmas gift boxes for people and families in need. Their work, donations and our company's financial support allowed us to prepare parcels containing household appliances and furniture, clothes, medicines, food and cleaning products for 57 families. The total value of delivered parcels amounted to nearly 250 thousand zloty, of which 165 thousand zloty came from our company funds, and the remaining amount was donated by employees, their friends and family members who joined the initiative.

VOLUNTEERING SPORTS ACTIVITY

We encourage our employees to do sports while helping others. Our key sports activity programme is "Focus

on Move" ["Postaw na ruch"].

Employees who join the programme can connect their mobile sports applications to the program's online platform. In this way, they can monitor their activity, compete and check how many kilometres they should cover together to achieve the programme goal, which is the donation of Kompania Piwowska for a person looked after by the Poland Business Run Foundation. In 2018, our logged employees (390 people) easily reached the threshold of 300,000 kilometres required for donation. The total distance they covered was 366,386 kilometres.

TYSKIE CUP

Tyskie Cup is a football tournament for employees organised in 2018 for the eighth time. It is yet another activity that we combine with the idea of volunteering. The three winning teams can indicate any

organization to which our company makes a donation as a reward for their victory. Last year those were organisations supporting people with disabilities and a hospice.



What matters the most is to ... get moving. Walking, running, cycling - any form of activity counts.



RESPONSIBLE CONSUMPTION AND PRODUCTION

Goal 12. Ensure sustainable consumption and production patterns

Kompania Piwowska has an impact on achieving the following Goal 12 targets:

12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle

103-1, 103-2

PACKAGING AND WASTE MANAGEMENT

Packaging and its recycling

We are constantly improving the management of by-products and waste generated in the production process - we are constantly looking for new solutions, also engaging our suppliers in the process. In the reported period, we continued to optimise packaging patterns. After reducing the weight of 500 ml cans, we conducted a number of analyses and tests for 550 ml cans, which resulted in the implementation of changes in 2018. We cooperated with Interseroh, a packaging recovery organisation, in 2018 in order to meet legal requirements for the recycling of packaging waste introduced to the market.

Moreover, as a member of the The Union of Packaging Industry and Packed Products Employers EKO-PAK, we actively participated in the development of proposals for an optimal, fair and EU legislation-compliant

packaging waste management system. The brewing industry is currently the only one in Poland that uses returnable packaging on such a large scale, which perfectly fits into the concepts of reusing products, and thus reducing the impact on natural environment.

A RETURNABLE BOTTLE OF BEER CAN BE FILLED UP TO 20 TIMES BEFORE RECYCLING

Barrels, so-called kegs, used to sell draft beer in food service industry, are the second type of returnable packaging in which we sell our beer. Our company has practically always used those solutions on a huge scale - in 2018 more than half of our beer reached consumers in returnable packaging.

KEY EFFECTIVENESS INDICATORS:



IN A TOTAL OF 13 VOLUNTEERING PROJECTS (DATA INCLUDES "NOBLE BOX"):

- 61% OF OUR COMPANY EMPLOYEES WERE INVOLVED
- 4,076 HOURS OF WORK WERE VOLUNTARY (BOTH DURING WORKING HOURS AND OUTSIDE OF THEM)



300 thous. km

OVER 300,000 KM WERE COVERED "IN A SPORTS WAY"



15 thous. zloty

WERE DONATED TO BUY A BASKETBALL WHEELCHAIR FOR A PERSON UNDER CARE OF THE POLAND BUSINESS RUN FOUNDATION

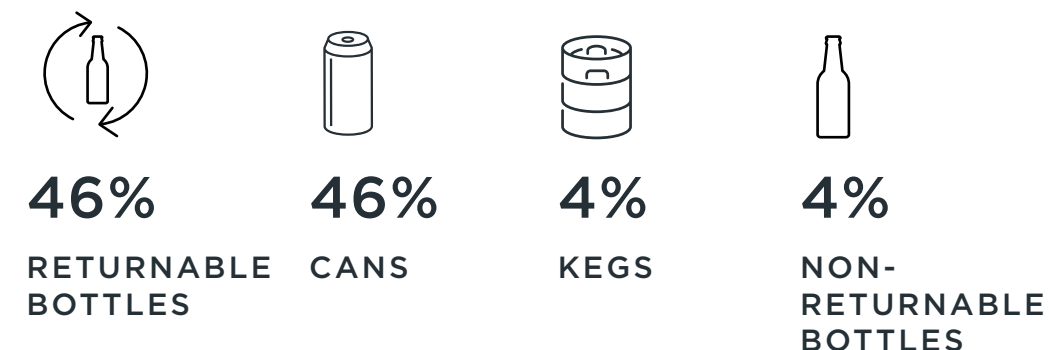


3

TYSKIE CUP WINNERS DONATED GRANTS TO LOCAL NGOS



PACKAGING TYPES OF BEERS SOLD IN 2018



Eco-zone at Pol'and'Rock festival

For years, we have been cooperating with the organisers of the Pol'and'Rock music festival (formerly Przystanek Woodstock) and actively promoting selective waste collection. In 2018, as part of the Eco Zone, we prepared a competition for participants to collect segregated recyclables - cans and plastic cups. People who collected the most waste by weight in each category won four eco-scooters. We segregated raw materials brought to the Eco Zone

and then sent them for recycling. In addition, we awarded the most eco-conscious festival participants with "Leszek" currency which could be exchanged, among others, for eco-pillows made from advertising banners.

Waste brought by Pol'and'Rock 2018 participants to the Eco Zone we set up:

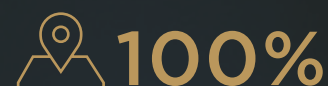
- 1,681 kg of plastic cups
- 1,083 kg of aluminium cans
- 6,476 kg of other waste



We allocated proceeds from the sale of recyclable materials collected during the Pol'and'Rock festival for planting city greenery in Kostrzyn nad Odrą, where the festival takes place.

103-3, 204-1

KEY EFFECTIVENESS INDICATORS:



OF BOTTLES AND CANS WERE PURCHASED IN PLANTS OPERATING IN POLAND



OF BY-PRODUCTS OF BEER PRODUCTION IS USED IN AGRICULTURE - TO DIRECTLY FEED FARM ANIMALS OR TO PREPARE FEED MIXTURES



OF WASTE AND BY-PRODUCTS WERE RECOVERED (INCLUDING RECYCLING)



WE REDUCED THE WEIGHT OF 550 ML CANS, WHICH RESULTS IN REDUCED USE OF METAL FOR CAN MANUFACTURING AND LOWER GREENHOUSE GAS EMISSIONS



CLIMATE ACTION

Goal 13. Take urgent action to combat climate change and its impacts

Kompania Piwowarska has an impact on achieving the following Goal 13 target:

13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

GROWTH AND NATURAL ENVIRONMENT

102-11

We continue to reduce our impact on the natural environment - so that it can meet the needs of present and future generations. We focus in particular on reducing water consumption and pollution emissions, and processing waste into raw materials. Thanks to applying the latest technological solutions we meet all environmental standards, and our operations are completely safe for the communities around our plants. In addition, we have already received 32.55% of purchase documents electronically, which is an increase of 6.55%. Electronic invoicing, apart from ecological benefits, brings financial savings and streamlines document circulation. We are constantly expanding the scope of this solution, focusing on regular suppliers who generate at least 15 invoices per year.

The Environmental Management System

The Environmental Management System, based on a register of significant environmental aspects, is an element of the Integrated Risk Management System. In the process of identification and assessment of those aspects we take into account the activities of all our breweries and warehouses. In 2018, we focused primarily on the optimization of processes affecting the natural environment, including:

- replacement of devices with less energy-consuming ones,
- reducing the consumption of chemical substances and mixtures in CIP washing processes.

The second key element of the system is operational control, enabling the implementation of our environmental policy while maintaining safe production.

Operational control areas covered by supervision are:

- water intake
- wastewater release
- use of heat and electricity
- emission of pollutants into the air
- noise
- waste generation

As part of operational control we also supervise subcontractors to ensure they meet our environmental requirements.

103-2, 103-3

An external law firm monitors current requirements and changes in environmental law, which are then interpreted by the environmental protection and safety systems managers in terms of our business operations. Compliance with the identified requirements is periodically evaluated during internal audits and during the assessment of compliance with the law, carried out at least once a year.

307-1

KEY EFFECTIVENESS INDICATORS:

 **32.55%**

OF PURCHASE DOCUMENTS RECEIVED IN ELECTRONICALLY (UP BY 6.55% FROM 2017)



0

NO FINES WERE IMPOSED ON KOMPANIA PIWOWARSKA FOR FAILING TO COMPLY WITH ENVIRONMENTAL REGULATIONS

CLIMATE PROTECTION SOLUTIONS

103-1, 103-2, 103-3

The energy we use is a source of carbon dioxide emissions into the atmosphere. Our efforts to reduce emission levels focus on reducing energy consumption in production. Packaging weight optimization also contributes to reducing emissions.

CO₂ EMISSIONS FROM BOILER PLANTS

305-1

In 2018, 27,827 tonnes of CO₂ were emitted from boiler plants in Poznań and Tychy breweries. This size does not take into account fugitive emissions, i.e. emissions from cars, forklift trucks and technologies as well as emissions from biogas (according to the guidelines on emissions trading).

KEY EFFECTIVENESS INDICATORS:



6.63 kg

CO₂ EMISSION PER HL OF BEER



50.3%

SHARE OF RETURNABLE PACKAGING (BOTTLES AND KEGS)



99.65%

PROPORTION OF BY-PRODUCTS AND WASTE GENERATED DURING THE MANUFACTURING PROCESS THAT WERE RECOVERED (INCLUDING RECYCLING)



98%

AT LEAST 98% OF PURCHASED FRIDGES HAVE A HFC-FREE COOLING SYSTEM



COMBATting CORRUPTION

Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Kompania Piwowarska has an impact on achieving the following Goal 16 target:

16.5 Substantially reduce corruption and bribery in all their forms

ANTI-CORRUPTION POLICY

205-1, 205-2, 103-1, 103-2, 103-3

The Anti-Corruption Policy applies to all employees of Kompania Piwowarska, regardless of the place and mode of employment. It also applies to contract employees. The document is publicly available on our Infont and its content presented during introductory training for new employees.

We regularly communicate to employees the content of key documents:

- Code of Ethics
- Anti-corruption Policy
- Policy to combat violence, mobbing, discrimination and harassment in the workplace
- Policy for reporting violations

205-3

Every year, corruption risk is also analysed as part of the risk management process. The team consisting of employees of the Audit Department and the Legal Department thoroughly analyses any potential abuse in this area and takes necessary actions.

205-3

KEY EFFECTIVENESS INDICATOR:



NO CONFIRMED CASES OF CORRUPTION ACTIVITIES WERE REPORTED

⁶The emission for the brewery in Białystok is calculated as: [steam net amount * emissivity coefficient given by the combined heat and power plant + electricity * emissivity for Poland + amount of gas consumed by forklifts * emissivity ratio for LPG]. Emission for the brewery in Poznań and Tychy is calculated as: [gas volume * emissivity for a given gas + electricity * emissivity for Poland + gas used by forklifts * emissivity ratio for LPG]. The amount of electricity supplied to the breweries includes transmission losses on our infrastructure elements.



PARTNERSHIP FOR COOPERATION

Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

COOPERATION WITH THE RESPONSIBLE BUSINESS FORUM (FOB)



Our company is one of the Strategic Partners of the Responsible Business Forum, i.e. companies that can boast specific achievements in the field of corporate social responsibility, want to share their experience with others, and upon joining the group of the Forum's Strategic Partners, commit to supporting the long-term development of this idea in Poland.

COOPERATION OF THE INDUSTRY REPRESENTATIVES IN POLAND



Union Of Brewing Industry Employers - Polish Breweries

We are one of the companies that formed "Polish Breweries" 20 years ago and have remained an active member since then. During this period the organisation carried out a number of actions and programmes that were aimed at, among others, preventing irresponsible alcohol consumption in Poland.



The Union of Packaging Industry and Packed Products Employers EKO-PAK

We are one of the companies that founded EKO-PAK and join in the Union's current activities, focused on developing solutions in the field of waste packaging management system in Poland.

KOMPANIA PIWOWARSKA'S COMMITMENTS FOR 2019



Ensure healthy lives and promote well-being for all at all ages

- We will increase the number of people involved in our programmes promoting responsible alcohol consumption to 300,000. We want the information promoting responsible alcohol consumption to reach 5 million people.
- Until the end of 2019 the packaging of all Kompania Piwowarska beer will feature full information on ingredients and energy value.
- We will increase significantly, compared to 2018, the share of non-alcoholic beer in Kompania Piwowarska's portfolio, introducing new products and flavour varieties to the market.



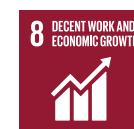
Achieve gender equality and empower all women and girls

- We will continue to take care of ensure that men and women are equally paid in our company. We assume that the difference in remuneration for both sexes in the same positions, with the same seniority, etc. cannot exceed 5%.



Reduce inequality within and among countries

- We will work on improving our standards and procedures for complying with the rules of the Code of Ethics adopted by the company.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- We will take measures to reduce the risk of occurrence of workplace accidents and promote a healthy lifestyle among our employees. We will organise 18 events for them as part of the "Focus on Health" program and the next edition of the Tyskie Cup football tournament
- We will encourage our employees to stay physically active as part of the "Focus on Move" programme so that by the end of the year they have covered a total of 390 thousand kilometres. Why this particular number?

Because Tyskie Książęce Breweries celebrate their 390th anniversary in 2019!



Ensure availability and sustainable management of water and sanitation for all

- We will keep our great result in terms of water consumption, i.e. we will use 2.64 hl of water to brew 1 hl of beer.



Make cities and human settlements inclusive, safe, resilient and sustainable

- We will organize the 4th edition of the LECHSTARTER programme, donating again 1 million zloty for the development of initiatives serving the inhabitants of Polish cities - in three cities, selected by voting, we will organise meeting zones that combine: leisure, culture, art, modern and functional design.
- Żubr beer, together with the organisation WWF, will be saving lives of animal species at risk in Poland. The initiative, apart from the transfer of funds for the protection of endangered species, involves replacing an image of the bison, perfectly known to Poles, on the packaging of beer with images of animals that the king of the forest cares for.
- We will create conditions in our company for at least 60% of employees to be able to join in volunteering projects.

ABOUT THE REPORT



102-3, 102-10, 102-47, 102-48, 102-49, 102-50, 102-51, 102-52, 102-54

We publish sustainability reports every year, starting from 2009 – this one is the eleventh in a row. This report has been prepared in accordance with the GRI Standards: Core option. It is the international standard for non-financial reporting. No corrections of information included in previous reports have been indicated. The report has not been subjected to external verification. This report, like the previous one for 2017, covers the entire calendar year, i.e. the period from January 1 to December 31, 2018. The scope of the report covers all company units: the Management Board's office in Warsaw, breweries in Tychy, Białystok and Poznań – the latter also the location of the company's headquarters, 3 distribution centers and 12 sales districts. Data on water, energy and emissions has been shown only for manufacturing plants.

102-44, 102-46, 103-1

ENGAGING STAKEHOLDERS

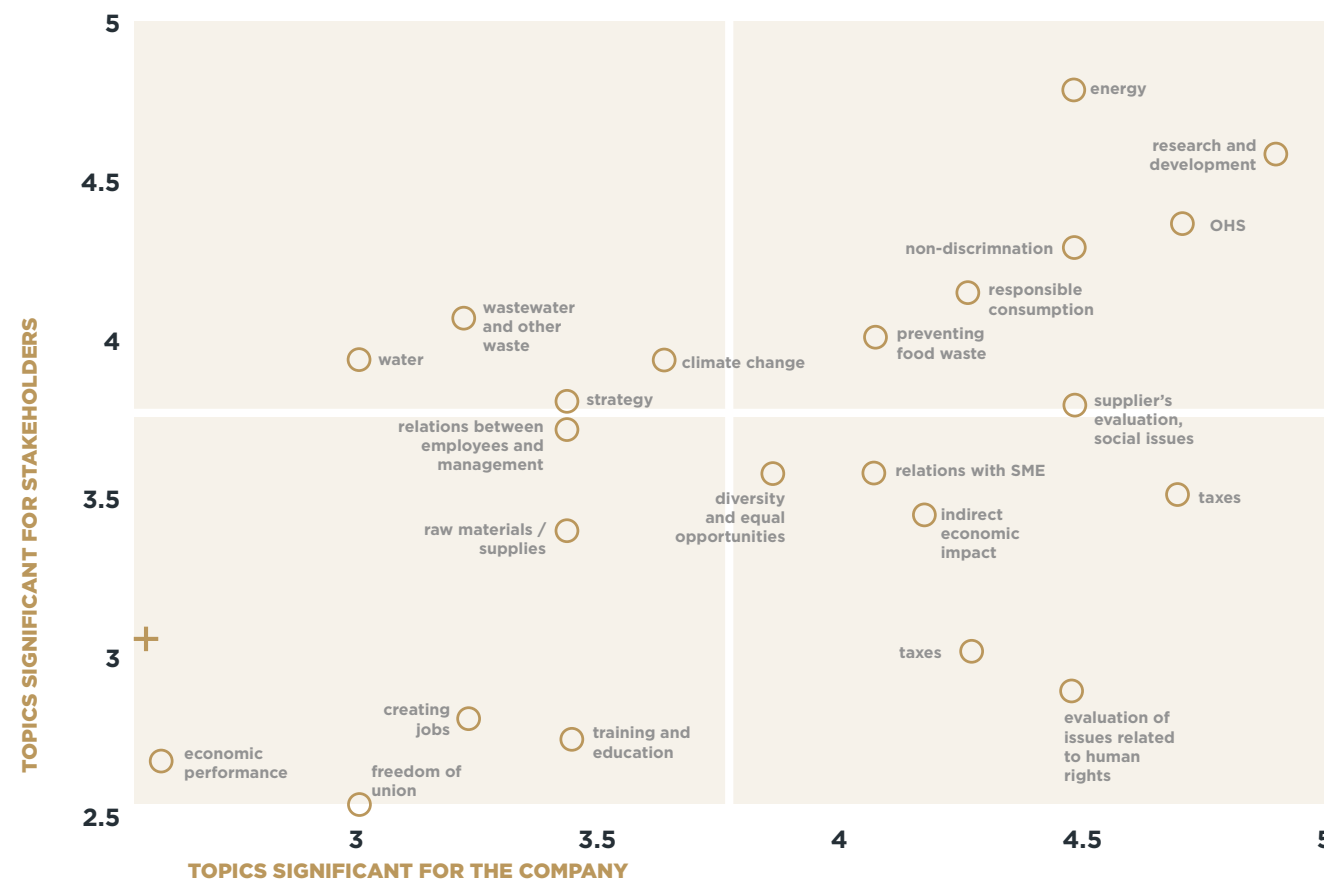
Representatives of the company as well as external stakeholders were involved in the process of developing the report. From March 13 to April 10, 2019, the independent consultancy Go Responsible conducted a materiality analysis - a survey of expectations of representatives of the main groups of the company's internal and external stakeholders towards the content of the report, based on an online survey. Kompania Piwowska actively supports the achievement of Goals, which is why the survey and this report were based on selected of them, particularly important from the point of view of the company's operations. In total, anonymous recommendations from 30 people were collected, including Kompania Piwowska's business partners, members of local government, local officials, representatives of control institutions, NGO activists, journalists and employees.



102-53

The survey addressed to stakeholders aimed at defining relevant reporting topics was prepared based on the UN Sustainable Development Goals.

KOMPANIA PIWOWARSKA'S MATERIALITY MATRIX 2018



101

The Report was developed in line with the 10 GRI principles regarding:

- defining content (materiality, sustainability context, stakeholder inclusiveness, completeness)
- quality of the presented data (balance, reliability, comparability, accuracy, timeliness, clarity).

If you have any questions regarding this report, please contact me:



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MANAGER

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TABLES WITH GRI NUMERICAL INDICATORS

405-1

1. Employment by age broken down by gender*

	WOMEN	MEN	TOTAL
<30	137	286	423
30-50	456	1,394	1,850
>50	105	348	453
Total	698	2,028	2,726

*Status on the last day of the calendar year

2. Managerial staff broken down by gender*

	WOMEN	MEN
Board	1	5
Directors	11	37
Managers	152	301

*Status on the last day of the calendar year

3. Share of women in departments [%]

	2017	2018
Corporate affairs	71.4	83.3
Financial department	70.0	74.3
Marketing	63.0	71.1
HR department	69.4	66.7
Procurement department	57.7	59.4
Strategy planning	33.3	42.1
Head Office	20.0	28.6
Production	25.0	25.1
Sales	18.3	18.1
Supply chain	11.7	14.7
IT department	14.3	14.3

*Status on the last day of the calendar year

4. Employees by gender [%]

	2017	2018
Men	76.9	74.4
Women	23.1	25.6

*Status on the last day of the calendar year

5. Employees covered by the collective agreement

a) Total

	2017*	2018*
Number of employees	2,760	2,726
Employees covered by the collective agreement	2,245 (81.3%)	2,218 (81.4%)

*Status on the last day of the calendar year

b) By gender

	2017*		2018*	
	WOMEN	MEN	WOMEN	MEN
Number of employees	638	2,122	698	2,028
Employees covered by the collective agreement	477 (75%)	1,768 (83%)	534 (77%)	1,684 (83%)

*Status on the last day of the calendar year

6. Employees by type of employment

	2017*	2018*
Employment contracts	2,760	2,726
Including part-time contracts (5 women, 1 man)	3	6
Other forms of employment		
Temporary work agency employees	55	5
Contract for provision of services	31	29

*Status on the last day of the calendar year

7. Employees with disability as of end 2018*

DEGREE OF DISABILITY	NUMBER OF EMPLOYEES
Significant	1
Moderate	4
Light	5

*Status on the last day of the calendar year

8. Employment by region, broken down by gender*

102-8

	WOMEN	MEN	TOTAL
Production Technology and Administration	24	15	39
Białystok Brewery	28	97	125
Poznań Brewery	86	334	420
Tychy Brewery	93	242	335
Head Office and Marketing departments	225	135	360
Sales and Distribution	242	1,205	1,447
Total	698	2,028	2,726

*Status on the last day of the calendar year

9. Employment by pay grade, broken down by gender*

	WOMEN	MEN	TOTAL
Other employees	243	907	1,150
Specialists	291	777	1,068
Managers	152	301	453
Directors and Board	12	43	55
Total	698	2,028	2,726

*Status on the last day of the calendar year

10. Employment by pay grade and age*

	<30	30-50	>50
Other employees	198	654	298
Specialists	195	760	113
Managers	30	390	33
Directors and Board	0	46	9
Total	423	1,850	453

*Status on the last day of the calendar year

11. Type of employment, broken down by gender*

	WOMEN	MEN	TOTAL
Contract for an indefinite period	604	1,813	2,417
Replacement contract for an indefinite period	4	6	10
Other contracts	90	209	299
Total	698	2,028	2,726

*Status on the last day of the calendar year

12. Ratio of lowest-level employee pay to minimum pay (2,100 zloty), broken down by gender

202-1

	2018
Men	186%
Women	186%

13. Water consumption

303-1

	2016	2017	2018
Total water consumption [hl]	38,424,676	35,767,443	37,314,889
a. Municipal water [hl]	27,017,966	25,051,633	26,142,909
b. Water from own underground intakes [hl]	11,406,710	10,715,810	11,171,980
Beer production [hl]	14,484,722	13,581,850	14,137,908

14. Total volume of wastewater generated by breweries and wastewater indices

306-1

	2016	2017	2018
Volume of wastewater generated [m ³]	2,274,811	2,152,715	2,238,495
Poznań Brewery	1,57	1,60	1,66
(volume of wastewater per hl of beer produced)	1.57	1.60	1.66
Białystok Brewery	1,54	1,52	1,43
(volume of wastewater per hl of beer produced)	1.93	1.79	1.81
Tychy Brewery			
(volume of wastewater per hl of beer produced)	1.54	1.52	1.43
Use of water for beer production [hl of water/hl of beer]	2.68	2.63	2.64

15. Accidents

403-2

Causes of accidents:

- Collisions (2 accidents)
- Falls (1 accident)
- Cut by a sharp tool
- Manual transport work (2 accidents)
- Hits (2 accidents)
- (1 accident)
- Slips / trips (2 accidents)

There were 9 men and 1 woman among the injured persons, and 7 of them were sales employees. Two accidents occurred in the warehouses and one at the Tychy brewery. Two out of ten accidents did not result in sick leaves.

The Accident Frequency Index (DIFR - Disabling Incident Frequency Rate), taking into account only 10 accidents ended with sick leave (the so-called DI), amounted to 0.35. It was calculated according to the formula:

$$\text{DIFR} = \frac{\text{total DI in 12 months} * 200,000}{\text{total hours worked in 12 months}}$$

As a result of the above-mentioned accidents, the injured persons were on sick leaves for a total of 305 days.

Accident Severity Index (DISR - Disabling Incident Severity Rate) amounted to 13.45. It was calculated according to the formula:

$$\text{DISRF} = \frac{\text{total days of absence due to accidents in 12 months} * 200,000}{\text{total hours worked in 12 months}}$$

In 2018, there was only one accident involving an external company employee. It took place in Tychy. The cause was a slip and it resulted in a slight injury. Kompania Piwowarska did not participate in the post-accident proceedings.

16. Workplace accidents

PRODUCTION				SUPPLY CHAIN				SALES				HEAD OFFICE & MARKETING
Białystok	Poznań	Tychy	Technology	West	Central	South	Planning	North	South	West	Other	
0	0	1	0	0	0	2	0	2	4	0	1	0

17. Days of sick leaves due to accidents

PRODUCTION				SUPPLY CHAIN				SALES				HEAD OFFICE & MARKETING
Białystok	Poznań	Tychy	Technology	West	Central	South	Planning	North	South	West	Other	
0	0	0	0	0	0	21	0	19	183	0	77	5*

* Sick leaves continued from previous year

18. Weight of by-products and waste generated in the production process [Mg]

306-2

	2016	2017	2018
By-products (draff, malt powder, secondary yeast)	277,729	262,350	283,339
Other waste (including broken glass, paper nad cardboard, aluminium, sheet metal, plastic, wood, infusorial earth, used labels), excluding municipal waste	23,507	22,221	20,218
Hazardous waste	30	28	28,4

19. Volume and percentage of recovered packaging waste by packaging categories

301-1, 301-3

		2016	2017	2018
Aluminium	Input [kg]	17,242,311	18,616,761	19,873,426
	Recycled [kg]	8,793,579	9,494,548	10,135,447
	% Recovered	51	51	51
Sheet metal	Input [kg]	3,425,011	2,829,020	3,190,834
	Recycled [kg]	1,746,755	1,442,800	1,627,325
	% Recovered	51	51	51
Wooden pallets	Input [kg]	9,161,070	8,759,690	6,489,209
	Recycled [kg]	1,465,771	1,401,550	1,038,273
	% Recovered	16	16	16
Paper and cardboard	Input [kg]	7,596,499	7,189,474	7,447,419
	Recycled [kg]	4,633,864	4,385,579	4,542,925
	% Recovered	61	61	61
Glass	Input [kg]	70,200,999	80,769,739	76,880,252
	Recycled [kg]	48,822,610	49,269,541	46,896,953
	% Recovered	61	61	61
Plastic	Input [kg]	3,678,390	3,487,066	3,432,773
	Recycled [kg]	864,422	819,460	806,701
	% Recovered	23.5	23.5	23.5

20. CO₂ emissions from boiler plants at Poznań and Tychy breweries [Mg]

305-5

	CO ₂ EMISSIONS
2013	33,109
2014	29,688
2015	27,429
2016	28,471
2017	27,073
2018	27,827

21. Use of energy

302-1

	2016	2017	2018
Production volume (hl)	14,484,722	13,581,850	14,137,908
Use of electric energy [kWh]	80,960,550	75,899,548	79,437,257
Index [kWh/hl]	5.59	5.59	5.62
Use of heat energy from non-renewable sources [GJ]	693,612	639,822	634,157
Use of heat energy from renewable sources [GJ]	34,697	30,774	30,806
Index [MJ/hl]	50.3	49.4	47.03

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The service was performed on the Polish version of the report.

GRI CONTENT INDEX

102-55

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORTING DEGREE	PAGE
GRI 101	Foundation 2016		
GRI 101	Foundation	Full	67
GRI 102	General Disclosures 2016		
GRI 102-1	Name of the organisation	Full	8
GRI 102-2	Activities, brands, products, and services	Full	11
GRI 102-3	Location of headquarters	Full	9, 66
GRI 102-4	Location of operations	Full	9
GRI 102-5	Ownership and legal form	Full	8
GRI 102-6	Markets served	Full	9
GRI 102-7	Scale of the organisation	Full	9
GRI 102-8	Information on employees and other workers	Full	9
GRI 102-9	Supply chain	Full	46
GRI 102-10	Significant changes to the organization and its supply chain	Full	66
GRI 102-11	Precautionary Principle or approach	Full	31
GRI 102-12	External initiatives	Full	36
GRI 102-13	Membership of associations	Full	19
GRI 102-14	Statement from senior decision-maker	Full	4
GRI 102-15	Key impacts, risks, and opportunities	Full	16
GRI 102-16	Values, principles, standards, and norms of behaviour	Full	48
GRI 102-18	Governance structure	Full	10
GRI 102-40	List of stakeholder groups	Full	17
GRI 102-41	Collective bargaining agreements	Full	36
GRI 102-42	Identifying and selecting stakeholders	Full	17
GRI 102-43	Approach to stakeholder engagement	Full	17
GRI 102-44	Key topics and concerns raised	Full	66
GRI 102-45	Entities included in the consolidated financial statements	Full	Kompania Piwowarska SA owns subsidiaries, which do not run any operational activities

DISCLOSURE NUMBER	DISCLOSURE TITLE	REPORTING DEGREE	PAGE
GRI 102-46	Defining report content and topic Boundaries	Full	66
GRI 102-47	List of material topics	Full	66
GRI 102-48	Restatements of information	Full	66
GRI 102-49	Changes in reporting	Full	66
GRI 102-50	Reporting period	Full	66
GRI 102-51	Date of most recent report	Full	66
GRI 102-52	Reporting cycle	Full	66
GRI 102-53	Contact point for questions regarding the report	Full	67
GRI 102-54	Claims of reporting in accordance with the GRI Standards	Full	
GRI 102-55	GRI content index	Full	76
GRI 102-56	External assurance	Full	66

Topic-specific disclosures

Economic topics

Economic performance

GRI 103	Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	Full	14, 23
GRI 103-2	The management approach and its components	Full	14, 23
GRI 103-3	Evaluation of the management approach	Full	14, 23

Anti-corruption policy

GRI 103	Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	Full	61
GRI 103-2	The management approach and its components	Full	61
GRI 103-3	Evaluation of the management approach	Full	61

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GRI 205	Anti-corruption 2016		
GRI 205-1	Operations assessed for risks related to corruption	Full	61
GRI 205-2	Communication and training about anti-corruption policies and procedures	Full	61
GRI 205-3	Confirmed incidents of corruption and actions taken		61
GRI 206	Anti-competitive Behavior 2016		
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Full	50
Environmental topics			
Energy			
GRI 103	Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	Full	39
GRI 103-2	The management approach and its components	Full	39
GRI 103-3	Evaluation of the management approach	Full	39
GRI 302	Energy 2016		
GRI 302-1	Energy consumption within the organisation	Full	75
Emissions			
GRI 103	Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	Full	60
GRI 103-2	The management approach and its components	Full	60
GRI 103-3	Evaluation of the management approach	Full	60
GRI 305	Emissions 2016		
GRI 305-1	Direct (Scope 1) GHG emissions	Partial	60, 75
GRI 305-5	Reduction of GHG emissions	Partial	75
Water			
GRI 103	Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	Full	37
GRI 103-2	The management approach and its components	Full	37
GRI 103-3	Evaluation of the management approach	Full	37

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GRI 303-1	Water withdrawal by source	Full	37, 71
GRI 303-2	Water sources significantly affected by withdrawal of water	Full	37
GRI 306	Effluents and Waste 2016		
GRI 306-1	Water discharge by quality and destination	Partial	38, 72
Waste			
GRI 103	Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	Full	55
GRI 103-2	The management approach and its components	Full	55
GRI 103-3	Evaluation of the management approach	Full	56
GRI 306	Effluents and Waste 2016		
GRI 306-2	Waste by type and disposal method	Full	74
GRI 301	Materials 2016		
GRI 301-3	Reclaimed products and their packaging materials	Full	74
GRI 307	Environmental Compliance 2016		
GRI 307-1	Non-compliance with environmental laws and regulations	Full	59
Supplies and raw materials			
GRI 103	Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	Full	46
GRI 103-2	The management approach and its components	Full	46
GRI 103-3	Evaluation of the management approach	Full	46
GRI 301	Materials 2016		
GRI 301-1	Materials used by weight or volume	Full	74
Social topics			
Employment conditions and employee development			
GRI 103	Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	Full	33, 34, 43
GRI 103-2	The management approach and its components	Full	33, 34, 43
GRI 103-3	Evaluation of the management approach	Full	33, 34, 43

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GRI 202	Market Presence 2016		
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Full	71
GRI 401	Employment 2016		
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Full	42
Safety, work conditions and health promotion			
GRI 103	Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	Full	34, 41
GRI 103-2	The management approach and its components	Full	34, 41
GRI 103-3	Evaluation of the management approach	Full	34, 41
GRI 403	Occupational Health and Safety 2016		
GRI 403-1	Occupational health and safety management system	Full	41
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Full	72-73
GRI 404	Training and Education 2016		
GRI 404-1	Average hours of training per year per employee	Full	34
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Full	34
GRI 405	Diversity and Equal Opportunity 2016		
GRI 405-1	Diversity of governance bodies and employees	Full	68-71
GRI 405-2	Ratio of basic salary and remuneration of women to men	Partial	36
GRI 406	Non-discrimination 2016		
GRI 406-1	Incidents of discrimination and corrective actions taken	Full	49
Human rights			
GRI 103	Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	Full	48
GRI 103-2	The management approach and its components	Full	48
GRI 103-3	Evaluation of the management approach	Full	48

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GRI 412	Human Rights Assessment 2016		
GRI 412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Full	46
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GRI 103	Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	Full	46
GRI 103-2	The management approach and its components	Full	46
GRI 103-3	Evaluation of the management approach	Full	46
GRI 203	Indirect Economic Impacts 2016		
GRI 203-2	Significant indirect economic impacts	Full	44
GRI 204	Procurement Practices 2016		
GRI 204-1	Proportion of spending on local suppliers	Full	56
GRI 413	Local Communities 2016		
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	Full	44
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GRI 103	Management Approach 2016		
GRI 103-1	Explanation of the material topic and its Boundary	Full	32
GRI 103-2	The management approach and its components	Full	32
GRI 103-3	Evaluation of the management approach	Full	32
GRI 416	Customer Health and Safety 2016		
GRI 416-1	Assessment of the health and safety impacts of product and service categories	Full	16
GRI 417	Marketing and labeling 2016		
GRI 417-1	Requirements for product and service information and labeling	Full	32
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling	Full	32
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