

Sustainable Development Report

for the calendar year

2017



**KOMPANIA
PIWOWARSKA**



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Introduction

This is the tenth sustainable development report of Kompania Piwowarska — the largest brewer in Poland and one of the leaders of the responsible business in Poland. We describe here how we combine the growth of our company with care for the development of our employees, business partners and the communities where we operate, and care for the natural environment.



Sustainable development in Kompania Piwowarska – what we are most proud of



RESPONSIBLE CONSUMPTION

In 2017, **1,549,085** people engaged in our programmes promoting responsible consumption of alcohol.



WATER CONSERVATION

We are among the world leaders in water conservation — we consume only **2.63 hl** for production of 1 hl beer. Over the decade, we have improved this result by as much as 1 hl of water/hl of beer.



CORPORATE VOLUNTEERING

Last year, **1,774** of our employees worked as volunteers for **4,449** hours.

Introductory letter

G4-1, G4-3, G4-7

DEAR ALL,

2017 was a year of significant changes for Kompania Piwowska. On March 31, 2017, we stopped being part of the SABMiller Group and became part of the Asahi Breweries Europe Group, the European business of the Japanese Asahi Group.


Changes in the ownership did not affect the company's strategy and the company's result in 2017. We maintained the status of the leader of the Polish brewing industry and realised our objectives, including those in the area of sustainable development. We put consumers in the centre of attention for whom we brew our beers with passion and commitment, trying to respond best to their preferences. We have put a lot of effort into actions for responsible consumption of alcohol, environmental protection (including saving water and energy, waste recovery) and supporting the development of local communities. The UN Sustainable Development Goals were a signpost for us.

Numerous awards and achievements in 2017 confirm the tangible results of our efforts. These awards include the fifth place in the Ranking of Responsible Companies, the Golden CSR Leaf of the Polityka weekly or the Top Employer in Poland title.

As part of the LECHSTARTER programme in 2017, we allocated PLN 1 m for projects submitted by local communities, and in the charity project the Noble Box nearly 1,300 employees were involved — this was the largest corporate employee volunteering project for the second year in a row. In the field of environmental protection, we are particularly proud of the further improvement of water saving indicators, which has established our position among the world's top brewers in this respect. We also improved the results relating to our other goals in the field of sustainable development, such as the number of people involved in programmes promoting responsible consumption of alcohol or the participation of women in the management.

We are consistently developing our business, taking into account the growing requirements of consumers who expect the highest quality beers and new flavours. We are also responding to new expectations, such as the growing demand for low-alcohol and alcohol-free beers. We believe that the future of the industry is associated with the increase in the value of the category, and the Poles will not drink more, but better. This is a trend that we will support proactively as a leader, changing our offer so that Poles consume beer in a sustainable and responsible manner.

Together with the new owner, we have redefined the purpose of our existence: we brew beer, whose consumption is accompanied by a lot of sensations, defined in Japan in one word — *kando*. I will let you assess how this message was implemented and I encourage you to familiarise yourselves with our 10th report on sustainable development, which I hereby give you, asking for any opinions and hints on what else we can do better.

**ANDREW HIGHCOCK**

**President of the
Management Board of
Kompania Piwowska S.A.**



01

About Kompania Piwowska

Basic

information about the company

G4-6, G4-8



In the breweries in Białystok, Tychy and Poznań, we brew Poles' favourite beers.

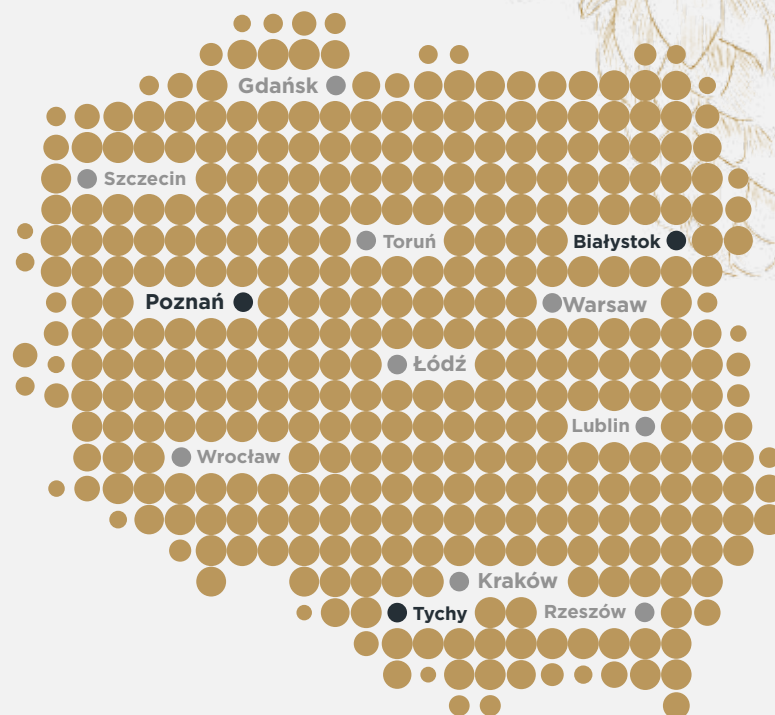
Our products are sold mainly in Poland, but we export them to 12 countries, mainly to Germany, the Netherlands, Great Britain, the USA and Canada. In 2017, we exported over 497,000 hl of beer.

G4-9

IN 2017:

- we kept our **leading position** on the brewing market in Poland
- our market share amounted to **35.5%** (according to the Central Statistical Office)
- we sold **13.2** million hl of beer

In addition to three production plants, we have 3 distribution centres (Swarzędz, Warsaw, Tychy) and 12 sales districts throughout the country. In 2017, we employed directly a total of 2,760 people.



G4-13

Since spring 2009, Kompania Piwowarska had been part of the global SABMiller brewing group. At the end of 2015, the acquisition of SABMiller and its subsidiaries by AB InBev began. However, according to the European Commission the transaction would give the AB InBev Group an excessively strong market position. AB InBev decided to separate and resale SABMiller's breweries from five Central and Eastern European countries (Poland, the Czech Republic, Slovakia, Hungary and Romania) to get permission for the planned merger. On March 8, 2017, the EC approved the sale of these AB InBev breweries to the largest beer producer in Japan, Asahi Group. On March 31, 2017, Kompania Piwowarska started to operate under the Asahi Group.


TYCHY

POZNAŃ

BIAŁYSTOK

Authorities of the company

G4-34 MANAGEMENT BOARD

In keeping with the Articles of Association, the Management Board is made up of 3 to 9 members. The Supervisory Board appoints and dismisses the President of the Management Board, and at his/her request – other members of the Management Board. Kompania Piwowska is managed by the Management Board chaired by its President, who manages ongoing affairs, determines strategic priorities and represents the Company in external relations. The Management Board provides the Supervisory Board with comprehensive information on all important matters related to Company management on a regular basis. In order to avoid possible conflicts that might take place during

Management Board work, any member of the Board should inform the other Management Board members of any conflict or potential for its occurrence. Additionally, he or she should refrain from taking part in discussions or voting on a resolution related to matters where a conflict of interests has occurred. Remuneration of the Management Board is determined by the Supervisory Board which also assess outcomes of the Management Board's activities. The remuneration is based on financial performance delivered by the Company, and the degree of progress made in meeting other objectives including sustainable development priorities.



ANDREW HIGHCOCK
- PRESIDENT OF
THE MANAGEMENT
BOARD



MARCIN NIKIEL
- VICE PRESIDENT:
FINANCE



JACEK KOPIEJEWSKI
- 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

SUPERVISORY BOARD

**PAOLO
LANZAROTTI**

**ANDREW
BAILEY**

**TOMAS
KRCIL**

In keeping with the Articles of Association, the term of the Supervisory Board lasts for 3 years. The Board is made up of 3 to 6 members selected by a resolution of the General Meeting of Shareholders. The Supervisory Board works on the basis of the Company's Articles of Association, the Regulations of the Supervisory Board and the Commercial Code. In addition to the rights and obligations stipulated by legal regulations, the Supervisory Board's authority includes regular supervision over activities taken by the Company in any area of its business. Candidates standing to become its members should have appropriate education, professional background and life experience, as well as represent high moral standards. Meetings of the Supervisory Board are held at least three times a year. In order to avoid potential conflicts that may arise among the Supervisory Board members, any Supervisory Board member is obliged to inform other Board members about any existing conflict of interest or a possibility of its arising, and he or she should refrain from taking part in discussions or voting on resolutions related to matters where a conflict of interests has occurred. Remuneration of the Supervisory Board is determined at the Annual General Meeting of Shareholders.

Brands and products

G4-4 OUR BRANDS



WELL-KNOWN BRANDS IN THE NEW VERSION

IN THE REPORTING PERIOD, OUR THREE BEERS GAINED A MORE ATTRACTIVE APPEARANCE:

- Żubr and Dębowe Mocne were given refreshed visual identifications, and the latter product also got a new name: Dębowe Dojrzałe Mocne.
- The new packaging of Redd's is now a clear bottle with a capacity of 0.4 l.



If you want to learn more about our brands, please visit
www.kp.pl/nasze-piwa.

PRODUCT INNOVATIONS



LECH ICE BLOODY ORANGE

a mix of beer with orange lemonade, containing 2% of alcohol.



KSIAŻĘCE PIERWSZE ZBIORY

beer brewed using fresh hop cones from the first harvest in a given year; served only in HoReCa.



KSIAŻĘCE JASNE RYŻOWE

a perfect beer for the summer, thanks to its light character, fresh aroma with green-fruit hints and hoppy bitterness.



Awards and honours

IN 2017, OUR ACTIVITY WAS RECOGNISED BY NUMEROUS AWARDS AND HONOURS:

- **CSR Golden Leaf** — the highest honour in the ranking of the Polityka weekly, the only one for a company from the food industry
- **5th** place in the diamond ninth of the 12th Ranking of Responsible Companies
- 2017 **Ethical Company** title in the Puls Biznesu competition (as the only representative of the food industry)
- **Main award** in the CSR Strategy of the Year category in the Responsible Business Awards 2017 competition
- **Award for the Sustainable Development Report FY17** in the international Green Frog Award competition
- **Top Employer in Poland 2017** title in a competition organised by the PTWP Group, the publisher of the PulsHR.pl portal — as the only enterprise in the food industry
- **Main awards** for the Dojlidy Brewery and Tyskie Browary Książęce in the category for Workplaces of over 250 employees at the regional level (Podlasie and Silesia) of the Employer-Organiser of Safe Work competition, organised by the National Labour Inspectorate
- **3rd** place for the Kompania Piwowska team in the annual Safe Company championship for nonprofessional paramedics, organised by CM Medcover
- **Main award** in the Corporate Volunteering category in the Poznań Volunteer of the Year 2017 competition
- **Main awards** in the Sales Coach and Sales Representative categories and an honour in the Sales Team category in the Polish National Sales Awards 2017 competition
- Kozel Černý won the **gold medal** in the Dark Lager category in the Good Beer Poland 2017 competition
- Książęce Jasne Ryżowe won the **gold medal** in the category for Mild Lager light beers with an extract content of up to 11° Plato in the Chmielaki Krasnostawskie 2017 competition
- in the same event, Lech Lite was the only brand to receive an **honourable mention awards** category for Light Lager beers with an alcohol content up to 3.9% vol.
- Lech and Tyskie (ex aequo) received **honourable mention award** in the category for Beer and Beer

OUR PRODUCTS RECEIVED THE FOLLOWING AWARDS:

- Mixes in the consumer survey called Poles' Favourite Brand 2017
- Prażubr received a **golden statuette** in the Launch/Relaunch category during the awards gala of the Effie 2017 advertising industry
- Żubr in a 0.5 l bottle became the laureate of the **first place** in the Beer category in the Golden Receipt 2017 competition — Polish Merchants Award, and the winner of the Beer category in the Trade Hit 2017 competition



Management rules

In 2017, our strategy was based on assumptions developed in previous years. We kept our leading position in the Polish beer industry by implementing four strategic priorities:

WIN IN THE MARKET

**BUILD THE STRONGEST
AND MOST-VALUED
BRANDS, AND EXPAND
THE CATEGORY WITH
OUR INNOVATIONS**

**OPERATE SIMPLER, BETTER,
FASTER AND ON A LARGE
SCALE**

**CREATE CONDITIONS FOR
THE DEVELOPMENT OF
OUR EMPLOYEES AND THE
ENVIRONMENT**



Our values



**WE FOCUS ON OUR CLIENTS
AND CONSUMERS**



**PEOPLE ARE OUR GREATEST
COMPETITIVE ADVANTAGE**



**OUR ACCOUNTABILITY IS
CLEAR AND PERSONAL**



**WE WORK AND WIN IN
TEAMS ACROSS THE WHOLE
COMPANY**



**REPUTATION IS OUR ASSET.
HARD TO EARN, EASY TO
LOSE**



**WE TAKE CARE OF LOCAL
COMMUNITIES**

Bet on Beer strategy

Caring about people and the environment stems from our values, but also from the awareness that this attitude supports the implementation of our business strategy. We realise that in the long run our company's success depends on the satisfaction of our employees, economic condition of our business environment and responsible management of natural resources.

We made our philosophy of sustainable development and specific obligations in this regard a part of the Bet on Beer strategy. As part of it, among others, we promote moderate consumption of alcohol, save water and energy, support the development of small entrepreneurs and local communities.

” We measure progress in each area through the so-called key performance indicators (KPIs).

G4-13

In 2017, due to the acquisition of the company by a new owner, work began on a new strategy, integrated with the strategy of the Asahi Group.



THIS STRATEGY IDENTIFIES FIVE SOURCES OF GROWTH FOR KOMPANIA PIWOWARSKA:



THRIVING WORLD

We support the development of our employees and business partners. We invest in local communities through corporate volunteering and cultural and sports event sponsorship.



RESILIENT WORLD

We are constantly introducing improvements to reduce water use for beer production. We secure water supplies for our breweries in a way that is safe to the environment and the surrounding communities.



PRODUCTIVE WORLD

We go for local ingredients and permanent suppliers, maintaining long-term commercial relationships with Polish farmers. We make sure that our barley and hops are grown according to the rules of sustainable development.



SOCIABLE WORLD

We try to reach all of our beer consumers with effective communication promoting the responsible consumption of alcohol – both on our own and through our partners. We support responsible sales in the HoReCa sector and retail, e.g. through training.



CLEAN WORLD

We reduce pollutant emissions, decrease waste generation, and increase the level of recycling. We buy new, environmentally friendly fridges for retail chains in Poland. We invest in energy-efficient devices and lighting.

Key performance indicators (KPIs) in 2017

THRIVING WORLD	31% participation of women at managerial positions	7,150 number of small enterprises covered with our programmes increasing revenues and improving the quality of life			
SOCIABLE WORLD	1,549,085 number of adults involved in our responsibility campaigns	119,336 number of people involved in anti-drinking programmes for pregnant women	201,156 number of people involved in programmes that raise road safety awareness	2 number of brands in which sustainable development topics have been included (Tyskie, Lech)	
RESILIENT WORLD	2.63 hl/hl consumption of water for beer production	0% percentage of water resources at risk			
CLEAN WORLD	6.5 kg/hl CO ₂ emissions in beer production	53% share of returnable packaging (bottles and kegs)	99.8% percentage of bought refrigerators without HFC refrigerant	98% share of by-products and waste generated in the production process subjected to recovery	
PRODUCTIVE WORLD	Purchase of ca. 640 tons of hops, including ca. 90% from Polish plantations	Purchase of ca. 180 thou. tons of malt, including nearly 45% from barley grown in Poland			

Global goals for sustainable development

The implementation of the Bet on Beer strategy is at the same time our contribution to achieving the UN Sustainable Development Goals. Those consist of 169 tasks, grouped into 17 areas and setting the direction of actions for sustainable development to all member states until 2030.

Internal control system

Our internal control system is based on the US Sarbanes-Oxley model and the best practices in the field of business risk management. The purpose of internal controls is primarily to reduce operational risk, including the risk relating to financial reporting, ensuring compliance with legal regulations or protection of resources. The control environment covers all business processes and consists of, among others, the organisational culture, the structure ensuring the

Our Strategy and Goals are combined by a common philosophy of harmonious agreement between achieving business benefits, supporting social development and caring for the natural environment, at local and global levels.

separation of duties, as well as numerous policies and procedures.

The management team, supported by the Internal Control and Risk Management Department, is responsible for the effectiveness of the control environment. On the other hand, the Internal Audit Department periodically assesses whether the standards in this respect are kept at a sufficiently high level.

SOCIABLE WORLD



CLEAN WORLD



PRODUCTIVE WORLD



RESILIENT WORLD



THRIVING WORLD



Ethics

G4-56
CODE OF ETHICS

When making any business decision regarding relationships at work or cooperation with local communities, we follow the system of values described in our Code of Ethics. It is a set of principles based on honesty, openness, responsibility, fairness and mutual respect. All agreements concluded with the suppliers and recipients include an obligation to follow the Code.

Apart from the Code of Ethics, there are a number of related regulations. These include the requirement to submit declarations on conflicts of interest (the list of persons in its scope is determined annually by the Legal Department in consultation with the Audit team) and the Anti-Corruption Policy.

ETHICS COMMITTEE

The Ethics Committee supports the employees assessing specific situations from the ethical point of view. It performs consultancy and advisory functions. The Committee addresses the reported issues regarding violations of ethics. In the case of fraud suspicions, the Committee is assisted by the Fraud Investigation Team.

” In 2017, 20 reports concerning ethical issues or potential abuse were received by the Committee. All the cases have been thoroughly investigated, including those submitted anonymously.

The Committee, headed by an external expert, former long-term president of Kompania Piwowarska, Paweł Sudoł, consists of persons guaranteeing objectivity and honesty: President of the Management Board Andrew Highcock, Vice President: Finance Marcin Nikiel, Vice President: HR Wojciech Moliński and Iwona Jacaszek-Pruś, Director of Corporate Affairs.

REPORTING VIOLATIONS

The response plan for the reported cases of Code violation is available to all employees on the Intranet. Information about the available channels for reporting the violations is also obtained by the employees during the introductory training and as part of mandatory ethics e-learning, which every employee is required to complete once every three years.

The following picture presents options of reporting the violations available to our employees, customers, consumers and business partners.



G4-SO3, G4-SO4, G4-SO5

ANTI-CORRUPTION POLICY

The Anti-Corruption Policy applies to all our employees, including those employed for a specific period and contract employees. The document is publicly available on the Intranet, and its content is presented during induction training for new employees and in e-learning. In December 2017, refreshed Governance policies, including the Anti-Corruption Policy, were communicated to the company.

In addition, the risk management process annually analyses the risk of corruption. The team consisting of the Audit and the Legal Department thoroughly reviews every potential abuse in this area and takes necessary actions.

In the reporting period, there were no confirmed cases of corruption activities.

FAIR COMPETITION

In 2017, Kompania Piwowarska was not a party to any anti-competitive behaviour proceedings, e.g. antitrust law infringement.

THE 2017 ETHICAL COMPANY

As the only representative of the food and beverage industry and one of 26 companies in Poland, we were honoured with the 2017 Ethical Company title in a competition organised by the Puls Biznesu daily. The competition aims at honouring entities that, in the past year, undertook the most complex and systemic activities

aimed at building and strengthening their organisational structure based on ethics and a value system. The organiser took into account the achievements in such areas as ethics management programme, whistle blowing and response systems, leadership and abuse risk management.



Risk management

G4-DMA, G4-2, G4-PR1

We are constantly improving our Integrated Risk Management System (IRMS), which guarantees the quality and safety of our beers, optimal occupational health and safety conditions as well as minimisation of the negative impact on the environment and reduced energy consumption. The employees of Kompania Piwowarska were trained in the scope of system requirements and their responsibility for the aforementioned areas.

THE INTEGRATED RISK MANAGEMENT SYSTEM CONSISTS OF SIX MANAGEMENT SYSTEMS:

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

Moreover, we have implemented the so-called Fraud Risk Assessment Questionnaire — a document based on which fraud risk analysis is carried out each year.

We constantly identify and assess risks, prioritise them, plan actions aiming at mitigating or eliminating them. We have implemented the process of monitoring, reporting and reviewing existing risks and the process of continuous improvement. The risk analysis covers all levels: strategic, operational and financial.



The policy of the Integrated Risk Management System is regularly updated as part of reviews made by the management.



Terms and conditions of the cooperation with suppliers

G4-DMA, G4-HR1

The quality of our products and our impact on society and the environment — and thus the image of our brands — are closely related to the practices of our suppliers. Therefore, we consider the purchase of all goods and services necessary to brew beer in an extremely thoughtful manner. Coordination of orders takes place both at the global level and at the level of teams directly cooperating with our business partners.

The Suppliers' Code of Conduct is the main tool for raising sustainable

development standards throughout our supply chain. It sets the requirements regarding human rights, occupational health and safety, business ethics and environmental issues. All newly concluded agreements with suppliers contain provisions stating that they are familiar with the Code and commit to comply with its rules. Moreover, business partners undertake in their agreements to comply with the Code of Ethics and Kompania Piwowarska's sustainable development priorities.

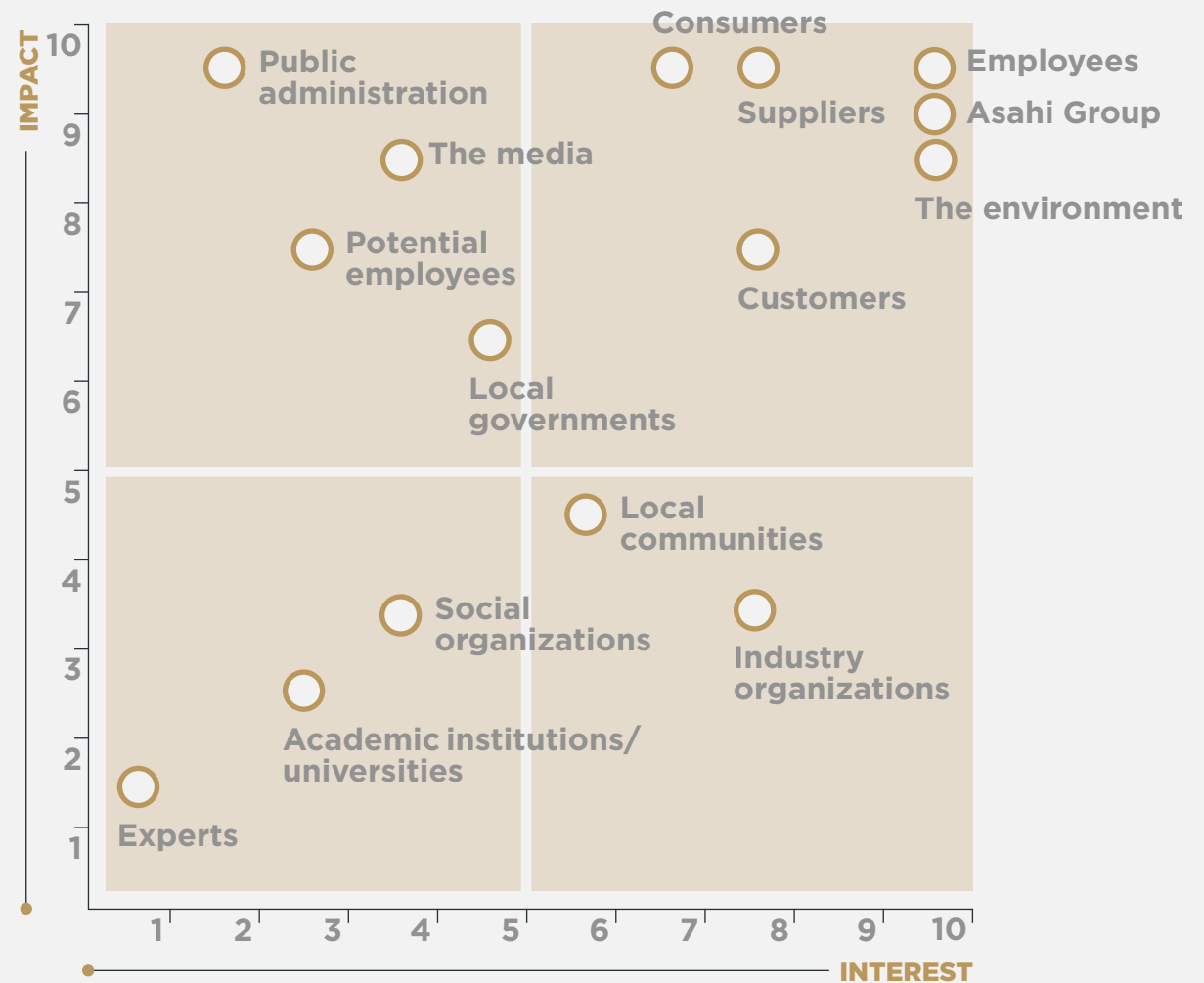
Cooperation with stakeholders



Map of stakeholders

G4-24, G4-25, G4-26

Stakeholders are individuals, organisations and communities that directly or indirectly influence a company or are subject to its influence. The list of the most important stakeholders of Kompania Piwowarska was updated in February 2018 during internal workshops, moderated by an independent consulting company. Again, their “impact” was also assessed (the scale on which a given stakeholder may effectively influence our company) and “interest” (the extent to which Kompania Piwowarska is important for the stakeholder / stakeholder is actually interested in it).



Dialogue with stakeholders

G4-26

The ways and channels of engaging stakeholders, as well as the language used while communicating with them, are tailored to the expectations and preferences of individual groups. Among the tools we use there are research (including satisfaction surveys, questionnaires for suppliers), printed publications (including a company magazine) and electronic publications (including a sustainable development report),

financial reports, websites (company website and thematic portals — Check Your BAL, ABCalkoholu.pl), social media, Intranets, mailings, videoblog of the President of the Management Board, helplines, dedicated e-mail boxes, chats, webinars, meetings (including one-on-one meetings and roadshows — Management Board meetings with employees throughout Poland), participation in working groups (e.g. Responsible Business Forum),

fairs, conferences, public consultations, trainings, corporate volunteering programmes, LECHSTARTER grant programme, brewery tours.

External stakeholders may submit questions via the mail mailbox poczta@asahibeer.pl and helpline. Most questions concern the willingness to start cooperation (including training offers and sponsorship requests). Each question is addressed to those

responsible for the area. Via the helpline, the stakeholders most often asks about the composition of beer and the origin of hops, gadgets or lodge complaints regarding the quality of products. All questions are answered, and the complaints are redirected to the Complaint Department, which contacts the complainant.



Membership in organisations

G4-16

WE ARE A MEMBER OF THE FOLLOWING ORGANISATIONS:



Union of the Brewing
Industry Employers in
Poland — Polish Breweries



Union of Packaging
Industry and Packed
Products Employers
EKO-PAK



Responsible
Business Forum

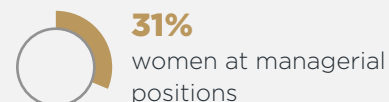


02

**Our
employees**



KEY PERFORMANCE INDICATORS (KPIs) IN 2017:



G4-DMA

Our business success depends primarily on the team's commitment, which is why we put the needs of our employees and their families first. We strive to provide them with the best possible conditions, which include attractive remuneration, additional benefits and the highest level of occupational health and safety. We are constantly taking action to strengthen the professional potential of our employees, as well as to support their self-realisation outside the company.

THE EFFECTIVENESS OF OUR EFFORTS IS CONFIRMED BY THE AWARDS GRANTED TO US:

- **Top Employer** in Poland 2017 title in the PulsHR.pl portal competition, which is a recognition not only for our contribution to the labour market, but also for the activities taken as part of our corporate social responsibility
- **main awards** for the Dojlidy Brewery and Tyskie Browary Książęce in the category for Workplaces of over 250 employees at the regional level of the Employer-Organiser of Safe Work competition, organised by the National Labour Inspectorate



Employment structure

at the end of 2017

G4-10

The employment level at the end of 2017 amounted to 2,760, compared to 2,820 at the end of 2016.

G4-11

81.3% employees were covered by a collective bargaining agreement.

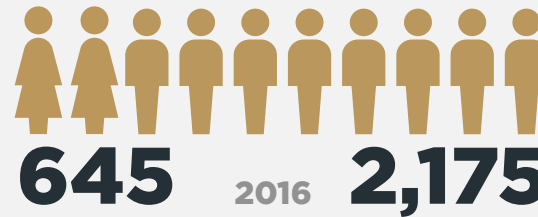
employment level



employees covered by a collective bargaining agreement



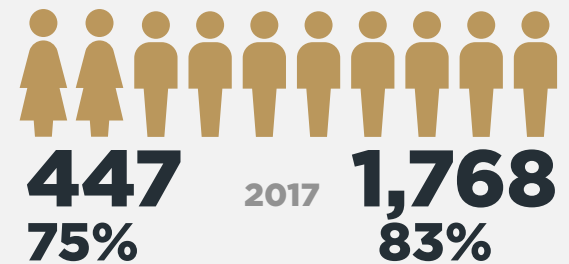
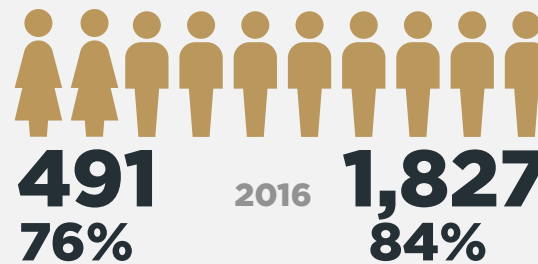
employment level



employment level



employees covered by a collective bargaining agreement



G4-LA12

Women's share in departments (at year-end):

	2016	2017
Corporate Affairs	75.0%	71.4%
Human Resources Department	69.3%	69.4%
Financial Department	67.0%	68.2%
Marketing	57.9%	63.0%
Procurement	65.2%	57.7%
Strategy planning	47.4%	33.3%
Production	24.7%	25.0%
Head Office	16.7%	20.0%
Sales	19.1%	18.3%
IT	17.1%	14.3%
Supply chain	10.9%	11.7%

	2016	2017
employment agreements	2,820	2,760
including part-time work (women)	3	3
OTHER FORMS OF EMPLOYMENT		
employees of a temporary work agency	114	55
contract of mandate	35	31

In the entire company, women accounted for **23.1%** of employees.

	2016	2017
men	77.1%	76.9%
women	22.9%	23.1%

IN 2017, WE EMPLOYED 10 PEOPLE WITH A DISABILITY CERTIFICATE, INCLUDING:

- significant degree of disability
- **1 person**
- moderate degree of disability
- **5 persons**
- mild degree of disability
- **4 persons**

The company does not monitor data on belonging to minority groups.

Employment by age

	WOMEN	MEN	TOTAL
<30	94	263	357
30-50	450	1,513	1,963
>50	94	346	440
total	638	2,122	2,760



Directors

 **women**
11

 **men**
38

Managers

 **women**
149

 **men**
311

Management Board

 **woman**
1

 **men**
6

Employment by region, breakdown by gender

	WOMEN	MEN	TOTAL
Production Technique and Administration	21	20	41
Białystok Brewery	24	96	120
Poznań Brewery	70	282	352
Tychy Brewery	90	217	307
Central Departments and Marketing	190	147	337
Sales and Distribution	243	1,360	1,603
total	638	2,122	2,760

Employment by grade, breakdown by gender

	WOMEN	MEN	TOTAL
Other employees	213	960	1173
Experts	264	808	1,072
Managers	149	311	460
Directors and Management Board	12	43	55
total	638	2,122	2,760

Employment by grade and age

	<30	30-50	>50
Other employees	144	716	313
Specialists	187	794	91
Managers	26	407	27
Directors and Management Board	0	46	9
total	357	1,963	440

Type of employment, breakdown by gender

	WOMEN	MEN	TOTAL
Agreement for an indefinite time	596	1895	2491
Replacement employment agreement — for an indefinite time	3	1	4
Other agreements	39	226	265
total	638	2,122	2,760

Due to the seasonality of beer sales occurring in the industry, seasonal workers are employed between March and September. In the high season, i.e. at the end of July 2017, we employed ca. 250 such employees.

Working conditions

G4-DMA

Safe workplace

In Kompania Piwowarska, the Occupational Health and Safety Policy defining the so-called global security standards (GSS) applies. According to it, every production area manager is required to conduct regular reviews of working conditions based on special checklists. Internal audits are carried out in selected areas every year. Moreover, independent external auditors perform regular audits as part of the OHSAS safety management system.

” We have already achieved **99.24%** compliance with the Global Safety Standards.

Since 2016, we have been implementing a safety improvement programme based on behavioural aspects, BBS (Behavioural Based Safety). We are building an organisational culture where safety is a value for every employee, and taking care of it, also after business hours, becomes a habit.

We want our employees to be sensitive to situations that may result in a threat and consciously cooperate in creating a safe working environment.

The implementation of the programme is based on the so-called Safety Leaders, regularly monitoring how their colleagues work. This allowed for the identification of many risks associated with the shop floor routine tasks.

347 **Safety Leaders**
in 2017

FIRST AID

In all our locations, we provide periodic first aid training and first aid facilities equipped with the necessary resources (including defibrillators and life bags). In recognition for their activity, about 50 top Safety Leaders got the opportunity to participate in additional specialist training, conducted

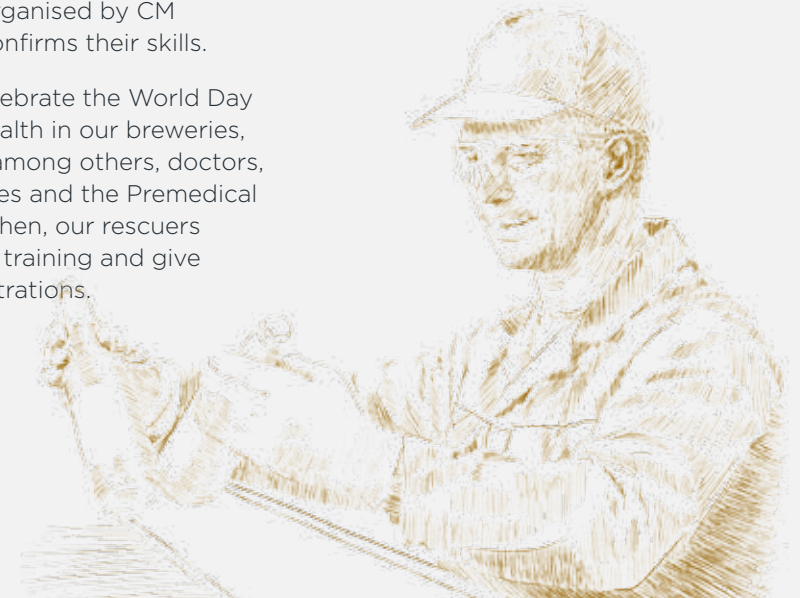
by instructors of the Great Orchestra of Christmas Charity, in early 2017. Those employees supported the existing Pre-Medical Rescue Groups operating since 2016 in Poznań, Tychy and Białystok (a total of 30 people were active in the Groups in the reporting period). All the Group members and additionally trained leaders have international Heartsaver First Aid CPR AED (AHA) certifications. The fact that the KP team took the 3rd place in the annual championship of amateur paramedics, Safe Company, organised by CM Medicovert also confirms their skills.

G4-15

Every year we celebrate the World Day for Safety and Health in our breweries, where we invite, among others, doctors, external companies and the Premedical Rescue Groups. Then, our rescuers carry out first aid training and give practical demonstrations.

ROAD SAFETY

The objective of the “Kompania Piwowarska’s Conscious Driver” scheme is to sensitise drivers to the causes of dangerous traffic situations. During the training, participants gain practical skills in the field of safe, economical and ecological driving and first aid. All our passenger car drivers have already passed the practical stage, including all-day training on the training track.



ACCIDENTS

G4-LA6

In 2017, 19 accidents of company employees took place, including one heavy and one fatal (both were consequences of road collisions). Causes of accidents:

- **collisions** (9 accidents),
- **manual transport work** (4 accidents),
- **falls** (3 accidents),
- **impacts** (2 accidents),
- **slips** (1 accident).

There were 16 men and 3 women among the injured. The largest number of injured employees, as many as 8, were sales people. Taking into account all the divisions of the company structure, the employees working in Tychy (6) and Poznań (3) experienced the biggest number of accidents.

The Disabling Incident Frequency Rate (DIFR), including only 18 accidents that ended in medical sick leave (so-called DI), amounted to 0.8. It was calculated according to the formula:

$$\text{DIFR} = \frac{\text{total DI from 12 months} \times 200000}{\text{total of worked hours per 12 months}}$$

As a result of the aforementioned accidents, the injured were on sick leave for a total of 683 days. The Disabling Incident Severity Rate amounted to 30.47. It was calculated according to the formula:

$$\text{DIFR18} = \frac{\text{total of absences caused by accidents from 12 months} \times 200,000}{\text{total of worked hours per 12 months}}$$

Independent contractors

In 2017, there were 4 accidents of employees of temporary work agencies reported — 3 in Tychy and 1 in Poznań. All of them ended with sick leaves, with a total length of 78 days.

CAUSES OF ACCIDENTS:

- **impact** (2 accidents),
- **stumble** (1 accident),
- **manual transport work** (1 accident).

On the premises of the breweries in Tychy and Poznań there were also two events ended with death. They concerned a driver of the forwarding company and a security guard. In both cases, the probable cause was the victims' poor health. Kompania Piwowarska did not participate in post-accident proceedings.

Accidents at work

BEER PRODUCTION				SUPPLY CHAIN OF THE ORGANISATION				SALES			COMPANY HEAD OFFICE AND MARKETING	
Białystok	Poznań	Tychy	Technical	West	Centre	South	Planning	North	South	West	Other	
1	1	4	0	1	0	2	0	2	2	4	0	2

Days of sick leave due to accidents

BEER PRODUCTION				SUPPLY CHAIN OF THE ORGANISATION				SALES			COMPANY HEAD OFFICE AND MARKETING	
Białystok	Poznań	Tychy	Technical	West	Centre	South	Planning	North	South	West	Other	
69	57	134	0	10	0	45	0	16	219	99	0	34

Non-financial benefits for employees

G4-DMA, G4-LA2

We care for our employees and their relatives in a comprehensive manner. Each full-time employee has a guaranteed medical package in the Medicovert network for the whole family, providing quick access to specialist doctors and, if necessary, also to an ambulance service. The employees of Kompania Piwowska have, among other things, attractive insurance and access to loans with low interest rates, as well as discounts in selected stores, food outlets and beauty salons. All employees may benefit from subsidised meals in the canteens located in our breweries.

Both employees with contracts of employment and temporary employees are entitled to a monthly allocation of a certain amount of beer (the so-called beer allowance). They may also meet outside business hours in company pubs in Warsaw, Poznań, Tychy and Białystok and taste their favourite brands at the expense of the employer.

As part of the “Kompania Piwowska After Hours” programme, employees may choose their own benefits from the MyBenefit programme, such as:

- tickets to the cinema, theatres and concerts,
- tickets to shows and sporting events,
- MultiSport card,
- tickets and passes to tennis, squash, Aquapark, etc.
- summer camps and services for children (playgrounds, amusement parks, swimming schools, etc.),
- value codes for online and bricks-and-mortar stores,
- prepaid cards,
- paying for foreign trips, stays in holiday centres, hotels, bed and breakfasts,
- courses — language, IT, dance, swimming, squash, etc.,
- car rental for minutes.

As part of the MultiSport card, employees and their relatives have unlimited access to over 2,000 sports facilities throughout Poland. At the end of 2017, nearly 1,000 employees and 350 members of their families benefited from the package.



Promoting health and a healthy lifestyle

G4-DMA

In partnership with the Medcover Medical Centre, we implement health initiatives, such as the “Bet on Health” programme. Every year, Medcover provides us with a report including aggregated data on our employees’ health, on the basis of which we develop an annual plan of preventive and educational activities. In addition, the OHS service, in cooperation with external companies, implements its own projects.

Our “Bet on Health” activities, in which we engaged our employees in 2017, include:

Workplace ergonomics

an external company conducted an ergonomics audit of selected workplaces, which we followed-up by theme workshops in our breweries, and the employees received information materials.

Coping with stress at work

in cooperation with the National Labour Inspectorate we have completed a training campaign dedicated to negative effects of stress at work. We also conducted a survey among training participants and volunteering employees, and based on that survey the NLI prepared a report.

Sight and hearing control

we regularly organise specialised eye tests, with the possibility of choosing corrective glasses, as well as hearing tests for all willing employees. Moreover, we provide employees with corrective and protective glasses and individual hearing protectors.

Prevention of colon cancer

in cooperation with an external company, we have prepared information materials for employees on the prevention of intestinal cancer, including, among others, advice and exercises.

SPORT ACTIVITY

Together with our employees, we organise sports events, such as the Tyskie Cup football competition (with participation of as many as 360 people, including women, in 2017). We also organise running events, whose fans gathered in the Kompania Piwowarska Runner’s Club. From April to September each year, we encourage our people to physical activity through our “Bet



on Exercise” campaign. It not only promotes a healthy lifestyle among our employees, but also supports sports for disabled people (for more information see the section on volunteering).

The employees are motivated to run, walk and cycle not only by a noble social cause, but also by rewards for participation in individual competitions and group challenges.

In 2017, as part of the “Bet on Exercise” programme, our employees travelled a total distance of 278,168 km, which equals travelling Poland around almost 80 times.

438

people

278,168

km

PLN 15,000

for 3 cycling clubs for the blind and visually impaired people

Career path

FROM A TRAINEE TO A PROFESSIONAL

The internship at Kompania Piwowska consists in active involvement in the functioning of the company. We understand that the first days in a new workplace may be difficult, which is why our internships are paid and take place with the full support of other employees.

PROGRAMMES FOR STUDENTS

4 to 6 week summer internships “In a perfect company” take place in all departments and locations of the company. We encourage students of almost all faculties to apply. Every year, over 100 people participate in our internships.

SEASONAL JOB

The specificity of our industry enables seasonal work for a definite time, with a package of additional benefits and the beer allowance.

Learning and development

G4-DMA, GR-LA10

We want to make the most of every employee's potential.

To achieve this, we provide them with access to a wide range of internal training opportunities. They concern different areas: personal development and managerial skills, as well as internal processes and procedures. Their subject matter and form are derived from the company's business needs and employees' development needs. They have a form of stationary training, workshops and e-learning, available on Kompania Piwowska's internal platform. It also enables the implementation of most mandatory training for individual positions.

Moreover, we have an internal library of development materials, available to all employees. It has several hundred items dedicated to, among other things, team building, motivating others and personal development.

G4-LA9

NUMBER OF UNIQUE EMPLOYEES PARTICIPATING IN THE 2017 TRAINING:

- Technical **1,023**
- Supply Chain **843**
- Commercial **1,148**

NUMBER OF TRAINING DAYS PER EMPLOYEE IN 2017:

- Technical **3.36**
- Supply Chain **2.12**
- Commercial **3.99**

IMPLEMENTED TRAINING PROGRAMMES:

Leadership Fundamentals and Leading Managers

Its participants learn the role of a leader, building effective teams and delegating tasks.

Kompania Piwowska Project Management Way

Dedicated to project management, establishing a clear division of roles and

responsibilities, and standard rules of conduct and tools.

Management during the change period

Addressed to all managers, preparing to run a team in a period of changes. It consists of e-learning, workshops and webinars run by internal trainers and an external company.

Mentoring

A development programme where younger managers work with more experienced leaders to improve leadership skills, broaden their business perspective and share knowledge.

Coaching

Individual work programmes in the most important areas for individual people. In this framework we cooperate with external coaches certified by the International Coach Federation.

Kompania Piwowska Intro

Mandatory two-day training for all newly employed staff. It includes the history and culture of Kompania Piwowska, the company's structure and processes supporting employees, as well as the secrets of beer brewing.



Sales Academy

A comprehensive training programme for all new sales staff. Selected topics: company strategy, product quality management, professional beer service, marketing and trade marketing of Kompania Piwowska, commercial mathematics, the role of a sales representative.

Sales Techniques

Training aimed at preparing sales representatives for contacts with clients.

Training for the finance department

A development programme that deepens the knowledge of finance department employees.

Finance for Non-Financials

Training in financial theory, enabling efficient interpretation of basic economic phenomena and business decisions.

Negotiations

Its purpose is to present the psychological basis of the process, techniques and tactics as well as key factors affecting the effectiveness of negotiations.

Trade Marketing Academy

A programme dedicated to the effective use of Customer, Shopper & Channel Insight and to obtaining clear information thanks to closeness to the customer.

Presentation Skills

A series of workshops where participants receive feedback and professional coaching in the field of public speaking or speaking in front of the camera.

TRAINING IN THE TECHNICAL DIVISION AND THE SUPPLY CHAIN

The employees of the Technical Division and the Supply Chain take part in the programmes provided for the entire organisation, including leadership, competence and specialist, as well as technical training. They may also expect individual training in cases where their assessment process identifies a competency gap or when they are prepared to perform a new role or take a higher position.

Training in the operation of production and packaging machines

Addressed to employees of production, packaging and maintenance services. It includes operation, programming, and automation and control of machines and devices used in the KP production facilities.

Lean Leader Academy/Green Belt

Addressed to Production and Supply Chain Leaders. It aims at building competences in the area of Lean Management, as well as refreshing the Lean practices and culture in the organisation. It lasts a year and consists of 8 two-day workshops.

Mandatory Training and Qualifications

Necessary to perform a given job, in the context of legal regulations or internal rules. Examples: sanitation minimum, energy, power and gas licenses, forklift licences, cranes and lifts, permits for phosphoric acid unloading; training in the area of: transport of hazardous goods, pest prevention, radiological protection, related to ISO and FSSC systems.

Safety Training

It includes both all line employees and management staff. It combines information campaign with observation workshops at the workplace. In addition, first aid and defibrillator training is organised for Safety Leaders and pre-medical rescue workers.

Basic Brewing

Training sessions for all employees of the Operations Department, covering basic knowledge about the process of beer production.

Advanced Brewing

Training sessions for all employees directly involved in beer production and for experts. The training explains the key indicators and practices linked to flavour, aroma and foam stability as well as quality and microbiological standards.

Hygiene Workshops

Addressed to all employees working in beer packaging. These workshops teach the basics of brewing microbiology and the standard sources of pollution in the workplace, and how to take care of the microbiological purity of products.

GEM Training

Based on the Lean philosophy, which is aimed at operational excellence (Manufacturing Way), and it is addressed to line workers and supervisors. It refers, among others, to loss prevention and production flexibility.

Workshops on Maintaining Microbiological Standards

They are used to increase the awareness of packaging workers and technical services about packaging hygiene, technical condition and installation design.

Diversity management

G4-DMA

Our people are diversified in terms of, for example, gender, education, age, religion and nationality — there are people from Ukraine, Great Britain, the USA, and even Colombia and South Africa. For us, diversity is not only a value in itself, but also a factor affecting the good atmosphere in the team and the company's financial results. Therefore, we manage it, i.e. we create conditions so that all employees feel respected and may fully develop their potential. Our activities in this area are based on the Code of Ethics and the Policy aimed at counteracting violence, mobbing, discrimination and harassment in the workplace.

For years we have been fighting hidden stereotypes in business through a continuous educational campaign. Almost all our employees have completed training in diversity management, e.g. in the form of e-learning. We promote human rights

in the supply chain and participate in discussions on this subject at the national and global level.

G4-15

We belong to a group of 14 companies that in 2012 were the first in Poland to sign the Diversity Charter. This is an international initiative currently implemented in 18 EU countries, and initiated in our country by the Responsible Business Forum. The Charter Signatories undertake to observe the principle of equal treatment, diversity management in the workplace, introduction of solutions conducive to diversity and their dissemination among business and social partners. We actively work to develop this initiative, including sharing best practices.



Women in Kompania Piwowska

G4-LA12

We strictly observe and comply with the prohibition of discrimination in the workplace and the principle of equal employment opportunities regardless of gender. We also ensure that women always participate in recruitment processes for senior positions. Moreover, we actively work to increase women's employment in our company, which is often perceived as 'typically male'. At the end of 2017, women constituted 23.1% of employees in Kompania Piwowska. Among the managerial staff, women accounted for 31.3% (this percentage is constantly growing — a year earlier it amounted to 30.7%), while in the Technical and Production Administration Department, as well as in the central and Marketing departments, gender proportions were equalled. The smallest number of women work in the Production and the Sales Department, therefore we have modified our recruitment ads to encourage more female candidates.

G4-LA13

Wages of women and men in KP are comparable and determined based on the knowledge, skills and results of employees' work.

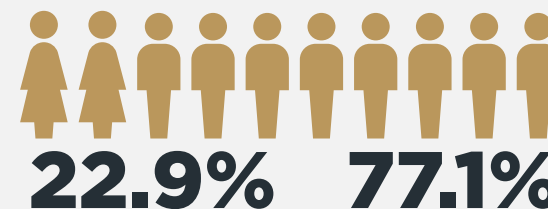


Dedicated mentoring and individual development programmes for women at the lower levels of the organisation, which aim at strengthening their competence and, as a result, being promoted, are also encouraging women to work in our company. Our corporate magazine Świat Piwa regularly presents the profiles of women working in Kompania Piwowska in stereotypically male areas.

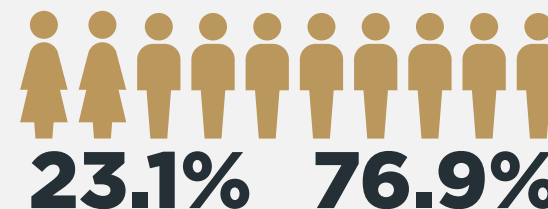
On March 9, 2017, in all our breweries, we organised the third open day for female students and graduates of technical faculties. The aim of the event was to make the female participants interested in working in the brewery and instill in them the feeling that they may perfectly handle work in technical positions. 73 women took part in the third edition of our open days (there were several times more applications). They had the opportunity, among others, to meet Kompania Piwowska's female experts who talked about their career paths.

Employees by gender*

2016



2017



* as at the last day of the calendar year



03

Impact on the environment

Contribution

to the development of the Polish economy*

G4-ECB

Kompania Piwowska has a huge positive impact on many sectors of the Polish economy: from agriculture, through packaging sector, trade and food services, to professional and business services.

WE EXERT THIS IMPACT AT ALL STAGES OF THE VALUE CHAIN WE CREATE, I.E.

- during acquisition of materials and services used in our production,
- during the production process itself,
- during distribution,
- during the sale of our beers.

AT EACH OF THESE STAGES:

- we recruit employees and create new jobs,
- we pay remuneration,
- we generate added value,
- we pay taxes.

DIMENSION OF INFLUENCE



DIRECT INFLUENCE

resulting from core business operations



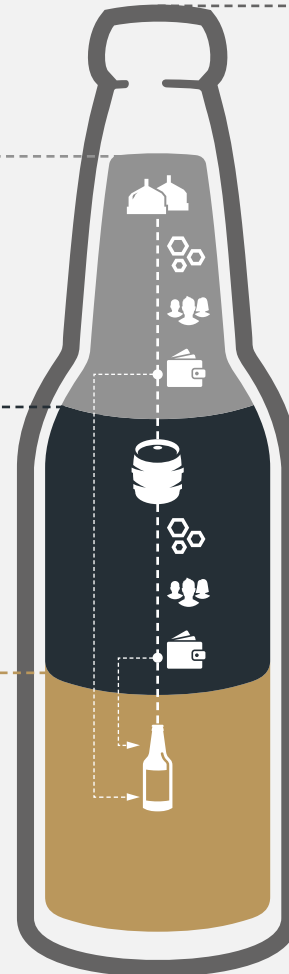
INDIRECT INFLUENCE

generated among suppliers and entities in related companies and sectors



INDUCED INFLUENCE

generated by the expenses of the company's employees and employees of related entities



AREA OF INFLUENCE



**ADDED
VALUE**



EMPLOYMENT



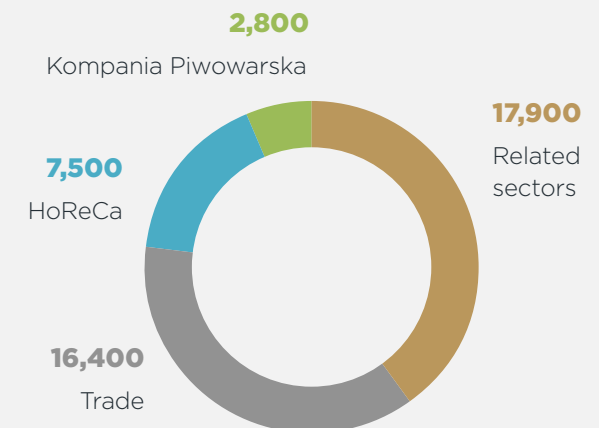
**REVENUE OF
HOUSEHOLDS**



**Area of influence
- Employment**

Ca. 45,000 jobs

Jobs kept in the Polish economy thanks to the activity of Kompania Piwowska in 2017



* On the basis of: "Report on the economic impact of Kompania Piwowska on the Polish economy in 2017", Deloitte Polska, June 2018



Area of influence - Revenue

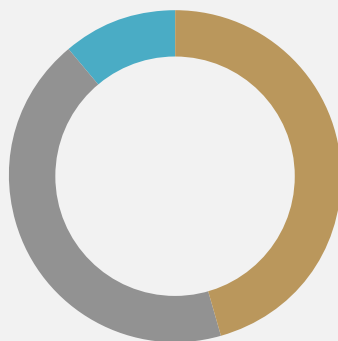
Through the employment of our own employees and indirect influence on our suppliers and subcontractors who give jobs and remuneration to thousands of people, as well as through the sale of our products, we contribute to the generation of salaries in many sectors of the national economy.

PLN 1.6 bn

The total value of salaries generated in the Polish economy in 2017 thanks to the activity of Kompania Piwowska

OVER PLN 160 MI

Total salaries in Kompania Piwowska



OVER PLN 730 MI

Total remuneration paid to employees by our suppliers and their subcontractors thanks to KP purchases

OVER PLN 690 MI

Salaries paid to the employees in the trade and HoReCa sectors due to the sale of our beers



Area of influence - Added value

PLN 6.39 bn*

added value generated in the Polish economy by the activity of Kompania Piwowska

PLN 0.54 BN

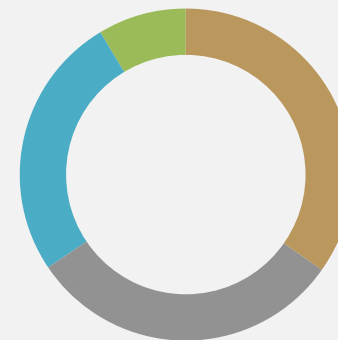
Added value generated in the HoReCa sector by the sale of KP products

PLN 2.23 BN

Direct added value generated by KP in the food processing sector (production of beverages)

PLN 1.66 BN

Added value generated in trade by the sale of KP products



PLN 1.96 BN

Added value generated by KP purchases of raw materials, materials and services

* Added value demonstrates the contribution of Kompania Piwowska in the production process of goods and services in Poland. Added value is very similar to the Gross Domestic Product (GDP) — GDP results from adding the taxes on products to the added value and deducting product subsidies.

G4-EC9
We sell our beers primarily in Poland and we usually buy raw and other materials and services necessary for their brewing and sale in Poland too, which supports the business activity of domestic suppliers.

88%


of materials and services purchased by Kompania Piwowarska originated from Polish suppliers

PLN 1.5 bn


on materials and services purchased from Polish suppliers

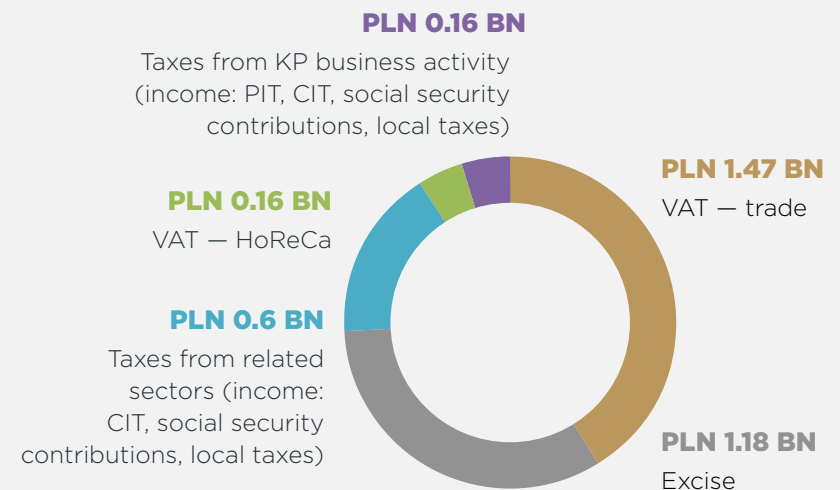


Area of influence - Public finances

The impact on the Polish economy is also expressed in taxes and levies originating from the production and sale of Kompania Piwowarska beers. In 2017, together with our business partners we paid as much as PLN 3.6 billion to the public finances sector in the form of excise duties, VAT, social security contributions, etc.

PLN 3.6 bn

Taxes and levies paid by Kompania Piwowarska and related sectors in 2017



Business partners

G4-DMA

WE SUPPORT SMALL ENTERPRISES

We appreciate the mutual benefits of cooperation with small enterprises and their importance to the economy. We do not forget that currently in Poland, every two out of three bottles of beer are bought in a small store. Therefore, we are constantly developing our relationships with them, e.g. by sharing knowledge about effective sales techniques.

HoReCa

As part of the Tyskie Beer Brotherhood programme, we help our partner on-trade outlets increase their turnover. The programme includes organisation of events in pubs that attract beer lovers, as well as rewarding outlets for the sale and promotion of our products. Our partners may update their knowledge of the on-trade sector and the latest trends via the interactive PortalGastro.pl tool.

G4-12

Supply chain – categories of suppliers and customers:

CATEGORY	NUMBER
SUPPLIERS	
Suppliers of raw material for beer production	60
Suppliers of energy and production support processes	15
Suppliers of packaging	38
Suppliers of other services (including marketing, financial, consulting, etc.)	3,500
CUSTOMERS	
Nationwide chains (Cash & Carry, where retailers make direct purchases, discount chain stores, hypermarkets, supermarkets, gas stations)	24
Wholesale	139
Retail outlets and semi-wholesalers	42,141
HoReCa businesses (pubs, restaurants)	15,253

The categories of suppliers include local suppliers as well as selected global suppliers. At the end of December 2017.

KEY PERFORMANCE INDICATORS (KPIs) IN 2017:

- **7,150** small enterprises covered with programmes increasing revenues and improving the quality of life



Environmental management

KEY PERFORMANCE INDICATORS (KPIs) IN 2017:

- **6.5 kg/hl** CO₂ emissions in beer production*
- **53%** share of returnable packaging (bottles and kegs)
- **99.8%** refrigerators bought without HFC refrigerant
- **98%** of by-products and waste generated in the production process subjected to recovery

G4-DMA, G4-14

We make every effort to limit our impact on the environment — so that it may meet the needs of present and future generations. We focus particularly on reducing pollutant emissions and reprocessing waste into raw materials. Thanks to the use of the latest technological solutions, we meet all environmental standards, and our activity is completely safe for the communities around our plants.

The Environmental Management System, closely related to the

Integrated Risk Management System, is based on the register of significant environmental aspects. In the process of their identification and evaluation, we take the activity of all our plants and warehouses into account. The aspects deemed the most important in a given year are combined with objectives and tasks. In 2017, we focused primarily on the optimisation of processes affecting the natural environment, including replacement of devices with less energy-consuming equipment.

The second key element of the system is operational control, enabling the implementation of environmental policy while maintaining production safety. The areas of operational control covered by the supervision are: water consumption, sewage emission, heat and electricity consumption, emission of pollutants into the air, noise and waste production. As part of operational control, we also supervise subcontractors in terms of meeting our environmental requirements.

G4-EN29

An external law office monitors current requirements and changes in the environmental law, and then the manager of environmental protection and security systems interprets them

from our business perspective. Compliance with the identified requirements is subject to periodic assessment during internal audits and compliance assessment, carried out at least once a year. In the reporting period no penalties were imposed on Kompania Piwowarska for non-compliance with environmental regulations.

* The 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. The indicator shows the CO₂ emission related to the production of packaging used by Kompania Piwowarska in 2017. It is calculated as the ratio of the total value of emissions generated in the production of packaging to the total quantity of products sold (calculated as sales in all types of packaging).



Limiting water consumption, reducing the amount of sewage

KEY PERFORMANCE INDICATORS (KPIs) IN 2017:

- **2.63** hl of water consumed to produce 1 hl of beer*
- **0%** of water resources at risk**

G4-DMA, G4-EN27

We use water throughout the entire value chain, from crops to equipment washing. At the same time, it is a raw material shortages of which lead to serious social and ecological problems. Its responsible management is therefore crucial both for our business success and for minimising the impact on the environment. Thanks to many years of efforts made by our company and the commitment of its employees, our breweries remain leaders in effective water management in the Asahi Europe group. Moreover, we keep decreasing water consumption for beer production.



G4-EN27

Consumption of water for beer production***

2.99
FY14

2.85
FY15

2.74
FY16

2.68
FY17

2.63
2017

Selected initiatives to reduce water consumption adopted in 2017 are described in the section on implemented pro-ecological solutions.

G4-DMA

Our breweries in Poznań and Białystok are supplied with water from municipal water supply systems, and in Tychy — additionally from our own intakes. The methods we developed for controlling its consumption allow us to react quickly, when our water use becomes too large.

G4-EN9

Water intake for the needs of Kompania Piwowarska plants does not have a negative impact on the levels of its resources in the regions, which is confirmed by our annual analyses of water risks.

* Water consumption indicator calculated on the basis of data from the table 'Water consumption'.

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

*** In line with the fiscal year in Kompania Piwowarska, FY14 is the period from April 1, 2013 to March 31, 2014, FY15 — from April 1, 2014 to March 31, 2015, FY16 – from April 1, 2015 to March 31, 2016, FY17 – from April 1, 2016 to March 31, 2017.

G4-EN8

Water consumption*

WATER CONSUMPTION IN HL	FY11	FY12	FY13	FY14	FY15	FY16	FY17	2016	2017
Total water consumption	46,134,000	41,045,000	43,595,000	40,924,000	38,590,110	36,102,884	38,298,473	38,424,676	35,767,443
Municipal water	33,056,000	28,990,000	29,840,000	28,458,000	26,975,030	25,188,094	26,801,923	27,017,966	25,051,633
Water from own underground intakes	13,078,000	12,054,000	13,775,000	12,466,000	11,615,080	10,914,790	11,496,550	11,406,710	10,715,810
Beer production	14,387,128	13,645,891	14,740,165	13,677,893	13,636,081	13,176,235	14,268,399	14,484,722	13,581,850

G4-EN27

WASTEWATER MANAGEMENT

We fully monitor the quantity and parameters of wastewater generated and strictly follow the rules for its treatment before it can be released to the environment. Wastewater from the Tychy brewery first goes to the modern in-house pre-treatment plant; in other locations we send it directly to the municipal wastewater treatment plants.

Limiting the amount of wastewater generated is possible thanks to, among other things, its partial recovery and reuse. One example is the use of water from a bottle washer to clean empty crates.

G4-EN22

Total amount of wastewater produced by the breweries and wastewater rates*

The amount of wastewater per hl of beer produced for individual breweries	FY11	FY12	FY13	FY14	FY15	FY16	FY17	2017
Amount of wastewater generated [m ³]	2,981,547	2,682,734	2,757,079	2,760,319	2,372,241	2,108,048	2,274,811	2,152,715
Poznań Brewery (amount of wastewater per hl of beer produced)	2.07	1.99	1.83	1.94	1.52	1.51	1.57	1.60
Białystok Brewery (amount of wastewater per hl of beer produced)	2.03	2.00	1.79	1.97	2.09	1.92	1.93	1.79
Tychy Brewery (amount of wastewater per hl of beer produced)	2.09	1.94	1.93	2.11	1.89	1.65	1.54	1.52

* In line with the fiscal year in Kompania Piwowarska, FY14 is the period from April 1, 2013 to March 31, 2014, FY15 — from April 1, 2014 to March 31, 2015, FY16 – from April 1, 2015 to March 31, 2016, FY17 – from April 1, 2016 to March 31, 2017.



Energy management

G4-DMA

In 2017, we received a certificate confirming the implementation of the Energy Management System compliant with the requirements of the ISO 50001 standard. We also undertook numerous activities to improve the company's energy efficiency. They consisted of,

among others, using renewable energy sources and improving technologies used in our breweries. Many solutions enabling reduced energy consumption have been proposed by employees. Environmental education conducted for years has also been continued:

through the company's social media channel, the Internet and posters. The information campaigns contain hints on how each employee may save energy, even while performing the simplest activities, like cooking water.

Selected initiatives to reduce energy consumption adopted in 2017 are described in the section on implemented pro-ecological solutions.

G4-EN3

ENERGY

CONSUMPTION*

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	2016	2017
Production volume (hl)	14,387,128	13,645,891	14,740,165	13,667,893	13,636,088	13,176,236	14,268,399	14,484,722	13,581,850
Electricity consumption [kWh]	87,579,223	80,687,663	86,118,109	79,078,510	79,498,392	75,618,247	80,394,056	80,960,550	75,899,548
Indicator [kWh/hl]	6.1	5.91	5.84	5.78	5.83	5.74	5.63	5.59	5.59
Heat from non-renewable sources consumption [GJ]	884,049	813,127	823,277	749,436	718,344	626,977	642,621	693,612,472	639,821,846
Heat from renewable sources consumption [GJ]	56,597	43,265	50,036	53,517	45,991	36,641	34,126	34,697,042	30,774,258
Indicator [MJ/hl]	65.48	62.76	59.25	58.68	56.05	50.36	47.43	50.3	49.4

The fuel for the boiler room in the brewery in Poznań is natural gas and heating oil (in emergency situations), in Tychy — natural gas, fuel oil (in emergency situations) and biogas, while the Białystok brewery receives the steam directly from the heat and power plant. In the breweries in Poznań

and in Tychy, heat 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 room.

RENEWABLE ENERGY

The brewery in Tychy uses the biogas generated in methane fermentation of organic compounds in the factory sewage pre-treatment plant. In 2017, the amount of energy obtained from its combustion together with

natural gas accounted for 12.64% of the total amount of energy from fuel combustion in the local boiler room. The use of biogas is very beneficial to the environment because it generates significantly lower emissions of pollutants compared to hard coal or heating oil.

* In line with to the fiscal year in Kompania Piwowska, FY14 is the period from April 1, 2013 to March 31, 2014, FY15 — from April 1, 2014 to March 31, 2015, FY16 – from April 1, 2015 to March 31, 2016, FY17 – from April 1, 2016 to March 31, 2017.

Pollutants emissions

G4-DMA, G4-EN15, G4-EN19

The energy we use is a source of carbon dioxide emissions to the atmosphere. Our efforts to limit them are therefore focused on reducing energy intensity of our production. The optimisation of packaging weight is another factor that contributes to emission reductions.

CO₂ emission* (Mg)

33,109*

2013

29,688*

2014

27,429*

2015

28,471*

2016

27,073*

2017

* CO₂ emissions from the boiler room at the breweries in Poznań and Tychy (heat energy to Białystok is supplied directly from the heat and power plant), based on verified emission trading reports. Disorganised emissions, i.e. emissions from cars, forklifts and technologies as well as emissions from biogas (in accordance with the emissions trading guidelines) are not taken into account.

Packaging and waste management

G4-DMA

We are constantly improving the management of by-products and waste generated in the production process. In 2017, we recovered and recycled as much as 97.58% of waste and by-products (in FY17 it was 95.45%). We are constantly looking for new solutions and we involve our suppliers in these activities.

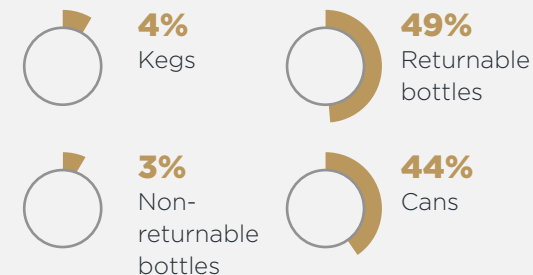
In the reporting period, we continued to optimise packaging schemes. Having introduced the weight optimisation of 500 ml cans, we conducted a series of analyses and tests for 550 ml cans. Eventually, we managed to reduce their mass while maintaining their highest quality. This translates into a reduction in metal consumption for canning and reduction of greenhouse gas emissions.

In order to meet the legal requirements regarding the recycling/recovery of packaging waste placed on the market, in 2017 we cooperated with two packaging recovery organisations: Rekopol (aluminium) and Interseroh (other packaging waste). Moreover, as a member of the Union of Packaging

Industry and Packed Products Employers EKO-PAK, we actively participate in the creation of new legal regulations in this area.



PERCENTAGE OF OUR BEERS SOLD IN 2017 IN INDIVIDUAL TYPES OF PACKAGING



For years, we have been cooperating with the organizers of the Woodstock Festival Poland (since 2018 under the name Pol'and'Rock Festival) in the promotion of selective waste collection. In 2017, as part of the Eco Zone, we prepared an arcade game for participants of the event, showing the potential of used cans and mugs. The raw materials brought to the Zone were sorted and then recycled. We rewarded the woodstockers who care about the environment with a festival currency, which could be exchanged, among others, for eco-cushions made of advertising banners.

WASTE BROUGHT BY THE PARTICIPANTS OF 2017 WOODSTOCK FESTIVAL POLAND TO THE ECO ZONE ORGANISED BY KP:

- **175 kg** of plastic cups
- **1,000 kg** of aluminium cans
- **2,500 kg** of other waste

G4-EC9

IN 2017, FROM THE PLANTS OPERATING IN POLAND WE PURCHASED:



The by-products of beer production are nearly 100% used in agriculture (for direct feeding of farm animals or preparation of compound feed) and in the pharmaceutical and cosmetics industries.

The use of electronic purchase invoices is also a measure to limit our environmental impact. The process was launched at the end of 2012, but it was intensified in 2016–2017, when we signed the largest number of contracts

for electronic invoicing. In the calendar year 2017, we registered 105,150 purchase documents, of which 27,100, i.e. 26%, we received in an electronic form.

In addition to environmental benefits, electronic invoicing brings financial savings and facilitates document workflow. We are constantly expanding the scope of this solution, focusing on regular suppliers who generate at least 15 invoices per year.

G4-EN23

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

	2013	2014	2015	2016	2017
By-products (draff, malt dust, by-product yeast)	268,533	272,695	255,109	277,729	262,350
Other waste (including glass cullet, paper and cardboard, aluminium, sheet metal, plastics, wood, diatomite, used labels), excluding municipal waste	17,951	17,062	21,549	23,507	22,221
Hazardous waste	30	41	31	30	28
Beer production	14,387 128	13,645 891	14,740 165	13,677 893	13,636 081

G4-EN1, G4-EN28

Number of products and recovered packaging materials by material category in 2011–2017

	2011	2012	2013	2014	2015	2016	2017
Introduced aluminium [kg]	21,633,988	21,848,716	19,401,261	19,401,261	17,984,687	17,242,311	18,616,761
Recycled aluminium [kg]	10,167,975	10,487,384	9,506,618	9,894,643	9,172,190	8,793,579	9,494,548
Introduced metal sheet [kg]	2,578,469	3,297,278	3,738,316	3,738,316	3,875,650	3,425,011	2,829,020
Recycled metal sheet [kg]	954,033	1,384,857	1,719,626	1,906,541	1,976,581	1,746,755	1,442,800
Introduced wooden pallets [kg]	5,059,192	5,840,345	7,872,938	7,872,938	11,294,242	9,161,070	8,759,690
Recycled wooden pallets [kg]	758,879	876,052	1,180,941	1,259,670	1,807,079	1,465,771	1,401,550
Introduced paper and cardboard [kg]	7,414,116	8,997,757	8,193,941	8,193,941	7,759,067	7,596,499	7,189,474
Recycled paper and cardboard [kg]	4,003,623	5,038,744	4,752,486	4,998,304	4,733,031	4,633,864	4,385,579
Introduced glass [kg]	68,876,793	80,359,103	80,571,729	80,571,729	73,677,347	70,200,999	80,769,739
Recycled glass [kg]	31,683,325	39,375,960	44,314,451	49,148,755	44,943,182	42,822,610	49,269,541
Introduced plastic [kg]	3,859,537	3,988,086	6,627,714	6,627,714	7,565,707	3,678,390	3,487,066
Recycled plastic [kg]	733,314	797,617	1,424,959	1,557,513	1,777,941	864,422	819,460

BE SMART, BE ECO!

Our responsibility for the beer we brew also covers the way consumers deal with the packaging in which it is sold. Therefore, in 2017, in cooperation with the Rekopol packaging recovery organisation, we continued the ecological instalment of our educational campaign “Be smart”. In a series of funny videos, the invited bloggers from their own perspective talked about why it is good to crush cans, return bottles to a shop and throw non-returnable bottles into glass cullet containers. In total, the message of the campaign reached almost 500,000 people.



You can read all the materials clicking the following links:

BABA MA DOM



TOPOWA DYCHA



PIWNY GARAŻ



Implemented pro-ecological solutions

G4-EN19

As part of the Kompania of Ideas programme in 2017, our employees submitted as many as 654 improvement suggestions, many of which aimed at saving water or energy.

Selected examples of implemented pro-ecological solutions:

- 1** A meter with a pulser was installed on the feeding pipe of the conveyor lubrication system and it enables optimisation of water consumption.
- 2** Thanks to, among other things, increasing the pressure of the washing nozzles, the water consumption in washing the Whirlpool tank was reduced.
- 3** Optimisation of FV and SV tank cleaning procedures helped to reduce the use of water and caustic soda while maintaining high efficiency of their operation.
- 4** The recovery of water used in clearing the filtration line was introduced — it is now used for cleaning.
- 5** Motion detectors were installed in common rooms, causing self-switching of the light, translating into saving electricity and lower greenhouse gas emissions.
- 6** A switch was installed for switching off the palette stretch wrapper heaters for the time the line is idle. This translates into reduced power consumption, longer heater life and elimination of the risk of burns during cleaning and maintenance.

Productive World

G4-DMA

The highest quality and safety of our products is an absolute priority for us. Therefore, we check the barley seeds and hops from which they are made, we verify their certification, storage in silos, deliveries to malting plants, etc. We also make sure that the plants we buy are grown in accordance with the principles of sustainable agriculture. We regularly talk to our suppliers directly cooperating with Polish farmers about the related challenges and benefits.

We count on partnership and long-term contracts that both parties benefit from. For us, they ensure continuity of supply for the needs of ongoing production and stocking up. For our suppliers, and their subcontractors, the security of orders means stable development, as well as benefiting from the highest class experts' advice in their field of farming.

G4-EC9, G4-EN1

IN 2017, WE PURCHASED:

- ca. **640 tons** of hops, including ca. 90% from the Polish plantations
- ca. **180,000 tons** of malt, including nearly 45% from barley grown in Poland



Social development

G4-DMA

We invest in the development of the communities we operate within. We do it in various ways: through social programmes, corporate volunteering, sponsorship of cultural and sports events.

We assume joint responsibility for the surroundings of our plants. The agreement we signed in 2013 with the District Water and Wastewater Company in Tychy may serve as an example here. It states, among others, that in the event of extraordinary circumstances such as war or natural disaster, Tyskie Browary Książęce will provide residents with free drinking water from its sources.

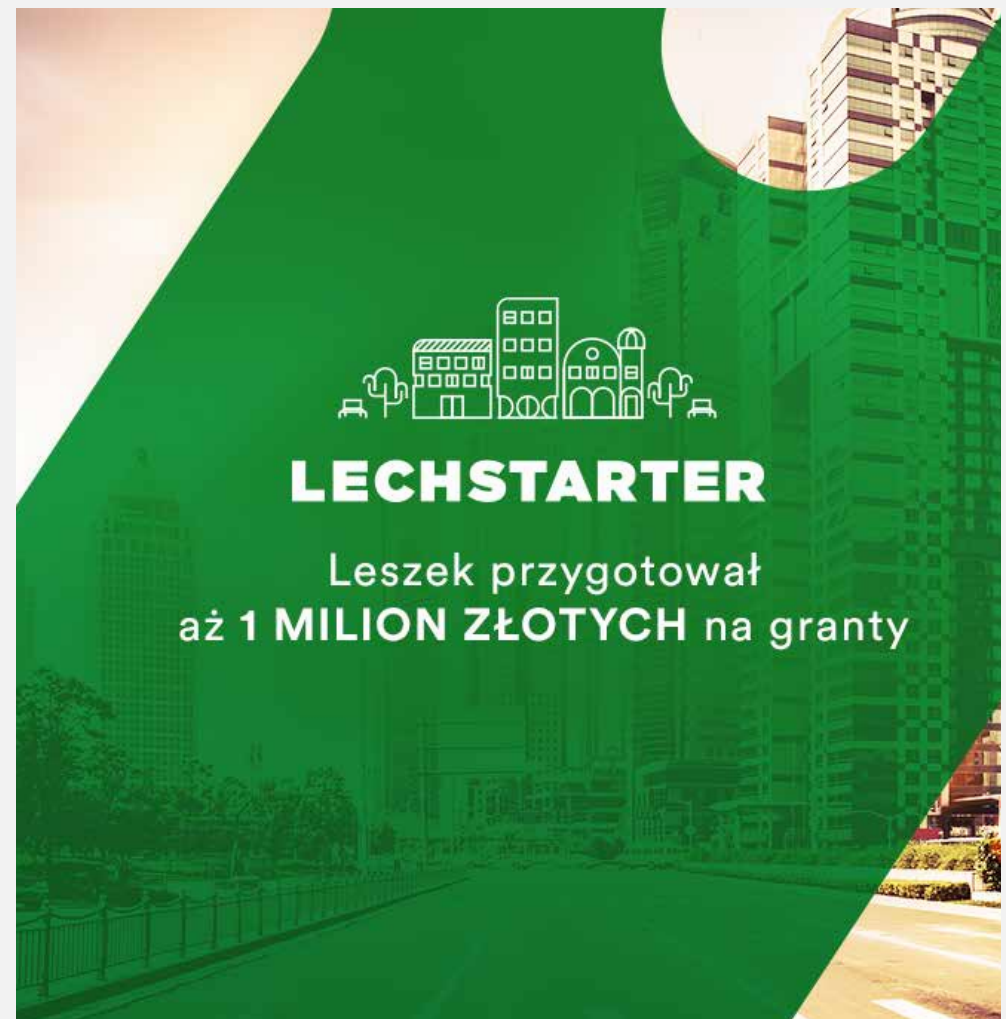
SECOND EDITION OF LECHSTARTER

- Almost **60%** more submitted ideas
- Projects at a much **higher substantive level**
- All projects assume **active participation** of the local community

LECHSTARTER

For us, a city is a space for developing interpersonal relationships and expressing creativity, and not just buildings and streets. Therefore, we have created LECHSTARTER — the programme of the Lech Premium brand that aims at releasing positive energy of residents and changing Polish cities for the better.

In 2017, the second edition of the programme took place, implemented in partnership with the Urban Forms foundation. As part of it, among others, associations and foundations could submit ideas for new social integration sites, activities connecting residents and innovative solutions that improve the quality of the city life. In total, almost 300 projects were submitted, from which the expert jury chose 44 most interesting ones. Then there was a nationwide vote, in which Internet users gave a total of 561,839 votes. It allowed to select 15 winning initiatives for which the Lech Premium brand has allocated PLN 1,000,000 in the form of 5 grants of PLN 100,000 and 10 grants of PLN 50,000 each.





In total, as part of the first two editions of the programme, local communities together with the Lech Premium brand have completed 40 unique initiatives from various areas.

More information about the programme can be found at lechstarter.pl.

Examples of projects co-financed in 2017:

Zrób SiechNICE

Siechnice — creating a meeting place for residents around the Blue Lagoon retention reservoir.



Zielona Skrzynka

Pelplin — building an air quality testing system.



Maska

Gdynia – organisation of a free outdoor performance, which served as a tool for social revitalisation.



Pralnia - Makerspace

Sokołowsko — making a creative workshop space in an abandoned laundry room.



BIELnik po robocie

Żyrardów – establishing a social garden in the devastated space of the former linen plant.



Otwarta Scena na Świebodzkim

Wrocław – launching a stage where young bands may present themselves to a wider audience during free performances.



Noble Box

Last year's participation of our employees in the Noble Box charity campaign, organised by the WIOSNA Association, was the largest volunteer project in the history of Kompania Piwowarska: in terms of the number of people involved, Christmas gift boxes handed over and people in need who received support. The willingness to help, enthusiasm and an incredibly positive attitude were also record-breaking.

The employees of our breweries, offices (including members of the

Management Board), distribution centres and sales branches, as well as their families, friends and business partners, have prepared Christmas boxes for 65 families. A total of 1,609 people (1,287 volunteers from KP and 322 family members, our business partners, etc.) participated in completing and preparing 1,105 gift boxes, and they spent almost 2,200 hours to do that. About half of the campaign cost was covered from the participants' private funds, the rest was financed by Kompania Piwowarska.

65

families received
support

1,609

volunteers

1,105

gift
boxes



Sponsorship

We support initiatives and events that are important to our consumers. The Żubr brand transfers funds to the Białowieża National Park, and in 2017 it became the sponsor of the first edition of Podlasie Slow Fest in Supraśl, the idea of which is unhurried appreciation of art in a natural setting. Lech supports music festivals, such as the Woodstock Festival Poland or Auditorium in Płock, and remains the main sponsor of the Lech Poznań footballers. Thanks to the Tyskie brand it was possible to organise in the reporting period the regatta of the largest sailing ships The Tall Ship Races 2017 and enable the success of the GKS Tychy hockey team. Pilsner Urquell, on the other hand, was involved in promotional and financial activities in the global Movember campaign, popularising the prevention of testicular and prostate cancer.



**MOVIE DEDICATED
TO THE NOBLE BOX 2017
IN OUR COMPANY**

Moreover, our volunteers helped those in need thanks to participation in the "Bet on Exercise" programme. Every kilometre run or driven by our athletes translates into financial support that we provide to tandem cycling clubs for visually impaired people — Wielkopolski Klub Kultury Fizycznej, Sportu i Turystyki Niewidomych i Słabowidzących RAZEM in Poznań, DUET Club operating at the BRAJLÓWKA Foundation in Łaziska Górne and Stowarzyszenie Pro Sanus (Klub Turystyki Rowerowej "Eskapada") in Białystok. Moreover, in the Tyskie Cup football tournament for employees, organised for the first time at the PGE National Stadium in Warsaw, three winning teams supported three social organisations, allocating PLN 5 thousand to help sick children or care for animals.

It is also important to mention the campaign of blood donation by employees of our breweries and the head office in Warsaw. In addition, the employees in Warsaw managed to encourage many people working in the same office building to follow suit.

Corporate volunteering

Our employees are willing to share their time, skills and knowledge with those in need, and we enable them to do so also during work, supporting them financially and organisationally. Actions for local communities, undertaken as part of the “Kompania of Volunteers” programme, are included in the agendas of working meetings of our sales forces in the regions. Most of such projects are initiated by the employees themselves, through a special internet platform, which is a bridge between those in need and those who are ready to help.

In 2017, our volunteers’ support was granted to:

Non-Governmental Organisations Support Centre in Suwałki

Our employees, among others, repainted the conference room and shared their knowledge and experience in inspiring and organising social activity during the TechKlub Suwałki club meeting.

Animal shelter in Solec-Zdrój

Volunteers walked about 20 dogs, organized cleaning works and a photo shoot, increasing the chances for animals adoptions.



42 long-term unemployed residents of Wielkopolska

Our female employees helped organize the “Dress for Success Poland” workshops aimed at increasing the participants’ chances on the job market, providing them with clothes suitable for interviews.

Słupsk community

Thanks to “Kompania of Volunteers” 2 thousand local houses got ivy plants — a pot plant that cleans the air of pollution.

Czarna Góra community and tourists visiting it

— Our employees purchased and installed 15 bicycle stands.

Residents of Kashubia and Bory Tucholskie, who were affected by violent storms

Kompania Piwowarska’s volunteers, among other things, carried out cleaning work (removal of fallen trees, clearing the river) and, with the support of the company, bought the most necessary equipment for destroyed households in Trzebuń and organised a collection of goods for the victims in the Sośno commune.

In total, **1,774 volunteers** from Kompania Piwowarska participated in all **18 projects**. They did **4,449 hours** of community service (including working hours and after hours).

Participants of the Woodstock Festival Poland

Our employees checked the level of alcohol in the blood of people leaving the festival.

SEE OUR VIDEOS ON CORPORATE VOLUNTEERING:



Sociable World

KEY PERFORMANCE INDICATORS (KPIs) IN 2017:

- **1,549,085** adults involved in our responsible consumption activities
- **119,336** people involved in anti-drinking programmes for pregnant women
- **201,156** people involved in programmes that raise road safety awareness
- **2** brands (Tyskie and Lech) in which sustainable development topics have been included

RESPONSIBLE CONSUMPTION OF ALCOHOL IS IMPORTANT TO US

G4-DMA

Considering all alcoholic beverages, beer enjoys increasingly growing popularity among Poles, and our brands are among the most frequently bought. Additionally, more and more consumers recognise and appreciate issues related to responsible consumption of alcohol and expect the same from its producers. This all means that we have a special obligation to counteract negative phenomena related to irresponsible consumption of alcohol.



88%

of our employees were trained in responsible consumption of alcohol in the last 3 years.



We counteract irresponsible consumption of alcohol

IN OUR PREVENTIVE ACTIVITIES, ENCOMPASSING THE WHOLE PROCESS OF BEER PRODUCTION, ITS ADVERTISING AND SALES, WE FOCUS PRIMARILY ON FOUR AREAS:

- promoting moderate and responsible consumption of alcohol;
- preventing sales to minors and their consumption of alcohol;
- preventing alcohol consumption by pregnant women;
- preventing driving under the influence of alcohol.

choices related to alcohol consumption. In 2017, it was visited as many as 36 thousand times, and its Facebook fan page built a community of 21,479 people.

36,000

visits to the
website in 2017

21,479

followers of the
ABCaikoholu.pl fan
page on Facebook



Year after year we expand the group of partners of our educational programmes and thus increase their reach.

WE HELP MAKE RESPONSIBLE DECISIONS

We pass responsible drinking messages to our consumers through various channels: during events, in stores, on the packaging of our products. We put a lot of emphasis on conducting awareness-raising activities on the Internet. Our communication platform ABCaikoholu.pl has been operating since 2009. We encourage its viewers to make conscious and responsible

WE TRAIN ON RESPONSIBLE ALCOHOL SALES

Contrary to what it may appear, refusing to sell beer to minors is not always easy. Especially for young sales personnel, as it is hard to be firm with only a bit younger people, particularly during mass events. Therefore, we have spent another year teaching sellers how to refuse to sell and serve alcohol to minors. In 2017, 653 people that sold our beer during outdoor events sponsored by the Kompania Piwowarska brands participated in 21 training courses. Moreover, we conducted 8 training courses in the KP South Region for smaller chain partners and representatives of the HoReCa and the retail sector; 81 salespeople took part in them. In total, we trained 734 sellers.

In 2017, the Union of the Brewing Industry Employers in Poland — Polish Breweries developed its original educational project — odpowiedzialnysprzedawca.pl. Through the online training platform, every alcohol seller in Poland can take advantage of the course on refusing to sell it to minors. In 2017, 4,800 people completed the course.

WE USE RESPONSIBILITY LABELS

G4-PR3

Acting completely voluntarily, on the basis of an agreement concluded with other members of the Polish Breweries we place signs, on the packaging of our beers, warning against alcohol consumption by pregnant women, drivers and minors.

 **Alkohol. Tylko dla pełnoletnich**

 **W ciąży nie piję alkoholu**

 **Nigdy nie jeżdżę po alkoholu**

“BE SMART” CAMPAIGN

In September 2017, we launched the fourth edition of our “Be smart” campaign. The well-known T-shirts with

humorous, catchy slogans appeared again:

I'm smart and it's not a burden to me, I'm smart and I'm good and I'm smart, sober and handsome / I'm smart, sober and sexy, and nine popular bloggers appeared in front of the camera.

As part of the campaign, avoidance of alcohol during pregnancy was promoted by parenting bloggers: Ania Stożek (Mamoholiczka), Wiola Galla (Mama Bloguje) and Marta Andreasik (Mama Subiektywnie). Karolina Kaliś (DwaPlusCztery), Marcin Perfuński (Supertata.tv) and Marcin Kuc (Jaja w kuchni) encouraged being a responsible driver. On the other hand, Paulina Hofman (Smakowity Kąsek), Agata Chmielewska (Eksperymentalnie.com) and Alicja Wegner (Mamala) reminded that alcohol is only for adults and it should be consumed in moderation.



Ania Stożek



Wiola Galla



Marta Andreasik



Karolina Kaliś



Marcin Perfuński



Marcin Kuc



Paulina Hofman



Agata Chmielewska



Alicja Wegner



WE WARN AGAINST DRINKING WHILE BEING PREGNANT

Our partners are, among others, FASTRYGA Foundation and Present Service, owner of the mamaklub.pl portal. In 2017, these organisations supported us in the new version of the “I’m smart — I’m pregnant, I don’t drink alcohol” campaign, concerning FAS (Foetal Alcohol Syndrome), which only affects children of women who drank alcohol while being pregnant. It is estimated that FAS is detected in approx. 900 newborns per year, in Poland, while in nearly 10,000 newborns some of its symptoms are found.

Again September was the month of the most intense communication about FAS, as on the occasion of the World FAS Day (September 9) we initiated a new edition of the “belly” competition for pregnant women. It involves creative presentation of abstinence from alcohol on the abdomen of a would-be mother during pregnancy and breastfeeding. This time, over 200 works were submitted to the competition.

Our communication activities in the media and on the Internet are also addressed to future fathers, families and people from the close environment of expectant mothers. We encourage them to assume joint responsibility for the child’s health, including not suggesting them even a symbolic “few drops” of alcohol and

considering abandoning alcohol during the pregnancy of their wife, partner, daughter, friend.

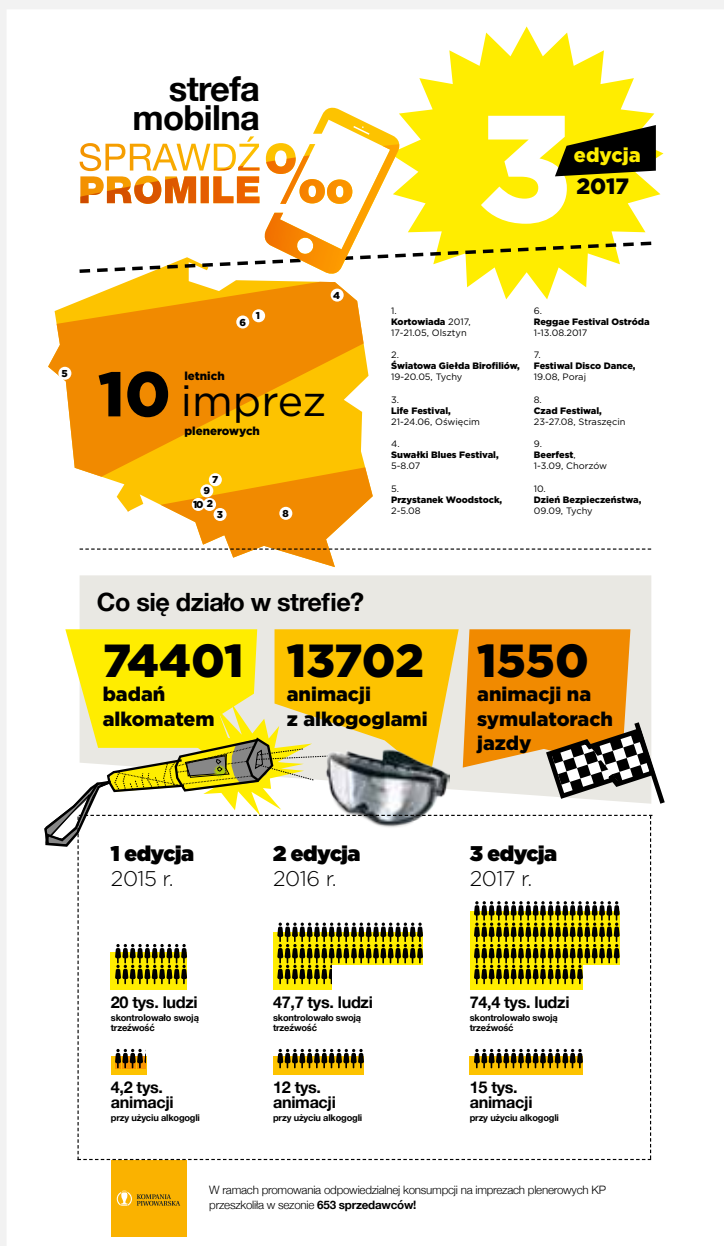
Thanks to the mamaklub.pl portal, we managed to reach up to 120,000 women providing them with educational content about FAS. The campaign was also conducted at Medicover and LUX MED centres throughout the whole country. On our initiative, knowledge about FAS was also propagated in gynecological medical rooms and nursing schools (educational brochures “Nourishment of pregnant women” and wall calendars). Through the activities of Kompania Piwowarska and its partners, in total in 2017, we generated a total of 12 million contacts with FAS-related messages.

WE SUPPORT ROAD SAFETY



The Check Your BAL mobile application allows you to estimate the level of alcohol in blood after consumption, gives information about the permissible alcohol level for drivers in the European countries and allows you to call a taxi in several dozen cities across Poland. Until December 31, 2017, 309,265 people had downloaded it. The application is available for phones and tablets with each operating system: Android, iOS and Windows (except BlackBerry).





In 2017, for the third time, we also launched our special Check Your BAL mobile zone, visiting events of various profiles and audiences — music events, beer feasts for thousands of people, aerial picnics as well as disco polo events. Our zone was in every place where there are thousands of drivers who, after good fun, should return home safely for themselves and other road users. In the zone, we focus on interesting and engaging education, which hits a particularly fertile ground when everyone is relaxed and in a good mood.

Last year, a total of almost 75,000 people were breathalysed in the zone, and 14,000 participated in educational activities using alco-goggles and simulators imitating alcohol intoxication.

” In the 2017 season, the number of people who underwent professional breathalyzer tests thanks to Kompania Piwowarska, increased by 50%

Responsible marketing communication

G4-DMA

Responsible consumption of alcohol is one of the key areas of the implementation of our business and sustainable development strategy. Therefore, we have started a number of voluntary initiatives in this field, going far beyond the requirements imposed on the brewing industry by the Act on Upbringing in Sobriety and Counteracting Alcoholism. This applies in particular to responsible marketing communication.

WE HAVE DEVELOPED AND IMPLEMENTED A NUMBER OF INTERNAL POLICIES AND GUIDELINES REGULATING IT:

- Marketing Communications Policy (2014, amendment 2017),
- Product Portfolio Policy (2013, amendment 2017),
- Market Research Policy (2010, amendment 2017).

The Committee for Responsible Marketing and Sales is responsible for the analysis of all marketing activities, such as advertising campaigns, promotions, sponsorship and point of sale materials, in the context of

the requirements set out in the above mentioned documents. It consists of representatives of various departments of Kompania Piwowska. The Marketing Communications Policy presents a wide range of requirements to be followed by members of sales and marketing teams and the Committee itself when creating or approving marketing messages.

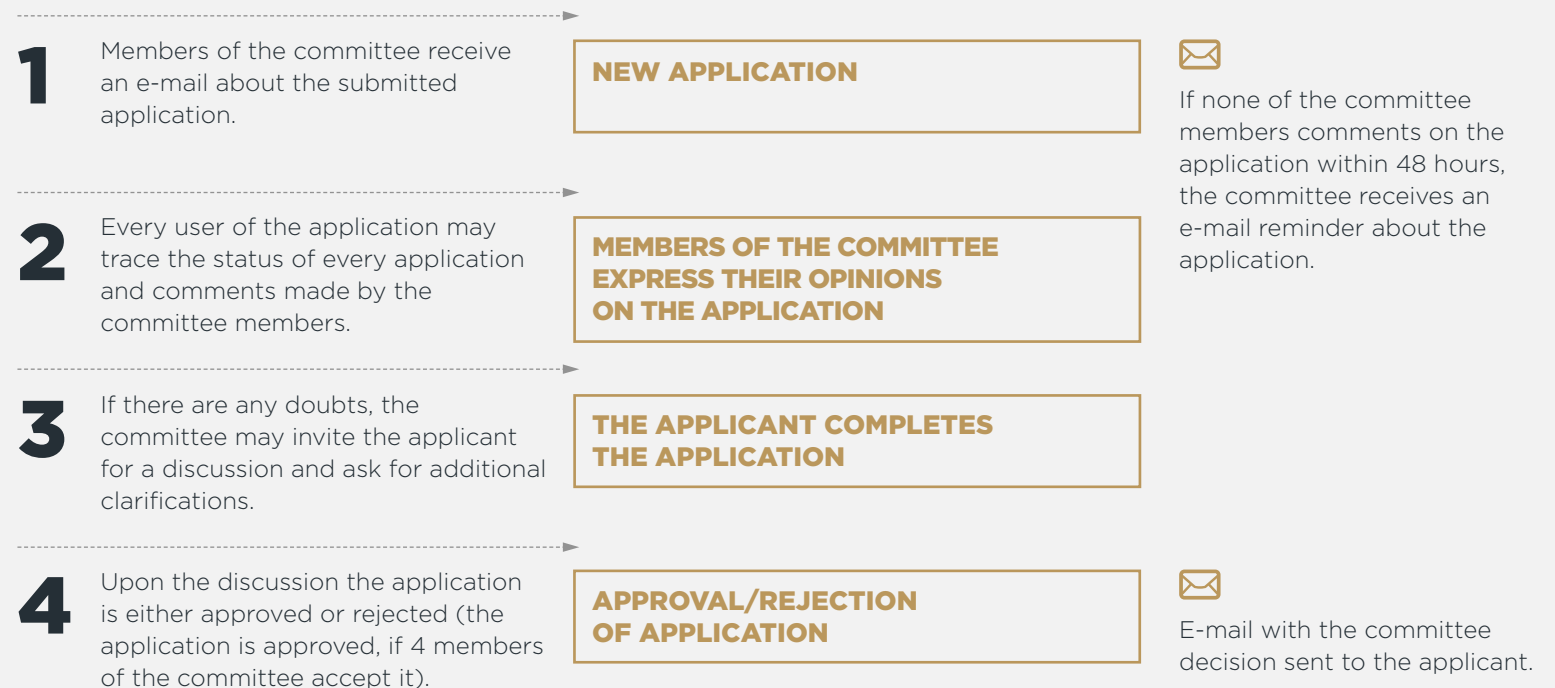
SELF-REGULATION OF THE INDUSTRY

G4-15

We comply with the voluntary Code of Ethics of the Advertising Council, created by the Union of Associations Advertising Council. The Union supervises the Advertising Ethics Committee composed of 30 arbitrators appointed by representatives of the advertising community, advertisers and the media.

G4-PR7

In the reporting period, the Committee received three complaints referring to to the Tyskie brand beer advertisement (2) and the Książęce brand beer advertisement (1). The Adjudicating Team did not find any violation of the Code in any of those three cases.





04

About the report

G4-5, G4-13, G4-18, G4-19, G4-20, G4-21, G4-28,
G4-29, G4-30

Sustainable development reports are published every year, starting from 2009 — this one is the tenth. While preparing this report, the guidelines for Global Reporting Initiative (GRI) G4 in the core version were followed. So far, the company's sustainability reports covered periods coinciding with the adopted financial year, which lasted from April 1 to March 31 of the following calendar year. Due to the change of ownership and the related change in the financial year to the calendar year, this report is the first to cover the entire calendar year, i.e. the period from January 1 to December 31, 2017. Due to methodological difficulties, some of the presented data regarding earlier periods refer to financial years, not calendar years. The scope of the report covers all units of the company: the management office in Warsaw, the breweries in Tychy, Białystok and Poznań, where the company's headquarters are also located, 3 distribution centres and 12 sales districts. Data on water, energy and emissions have been shown for production plants only.



STAKEHOLDER ENGAGEMENT

G4-27

Representatives of the company as well as external stakeholders were engaged in the process of preparing the report. On March 12-17, 2018, an independent expert conducted CATI (individual computer-assisted telephone interviews) surveys on the expectations of representatives of the main groups of the company's external stakeholders regarding the content of the report. In total, 30 people passed recommendations, including business partners of Kompania Piwowarska, members of self-government authorities,

local officials, representatives of auditing institutions, activists of non-governmental organisations, and journalists.

As part of the interviews, the stakeholders indicated aspects of the company's impact on the environment, which are the most important for them in the context of reporting. Moreover, they reported expectations regarding the report, which were taken into account while working on the publication. The results of the survey were discussed during

a workshop moderated by the external consulting company Go Responsible, which took place on March 19, 2018 at the headquarters of Kompania Piwowarska. During that meeting, employees representing key company departments defined the main aspects of reporting from the company's perspective, and on that basis the list of reported indicators was extended. The key aspects of reporting the results of our operations in the context of sustainable development are presented in the table below.

G4-27

THE KEY ASPECT OF REPORTING

BUSINESS PARTNERS

	IMPACT OF THE ASPECT WITHIN THE ORGANISATION	IMPACT OF THE ASPECT OUTSIDE THE ORGANISATION
supporting small enterprises	x	
selecting suppliers and principles of cooperation with them	x	

ENVIRONMENT

compliance with regulations in the area of the environment	x	
energy consumption	x	x
waste management	x	
care for water resources	x	x
raw materials consumption	x	x
emissions	x	x
investments in the field of environmental protection		x

EMPLOYEES

employment — employment conditions (remuneration system, benefits, flexible forms of employment)	x	
staff development and increasing the potential of the staff	x	
safety and health of employees	x	
equal opportunities in the workplace — diversity management policy	x	

RESPONSIBILITY FOR THE PRODUCT

production processes and ensuring the highest quality of the product	x	x
marking products and services	x	
brand image and responsible marketing communication	x	x

SOCIAL ENVIRONMENT

preventing corruption	x	
behaviours that infringe the freedom of competition	x	
preventing irresponsible consumption of alcohol	x	x
observing human rights	x	

G4-22, G4-23, G4-33

The publication does not make any corrections to the information included in the previous report. Also, we did not change the scope of the report or the measurement methods used. This report was positively verified by GRI as part of the Materiality Disclosures Service.

G4-5, G4-31

**IF YOU HAVE ANY QUESTIONS
REGARDING THIS REPORT,
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GRI content index



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INDICATOR

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ORGANISATION PROFILE

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G4-4	Basic brands, products and services	Full	8
G4-5	Location of the organisation's headquarters	Full	55, 56
G4-6	Number of countries where the organisation operates	Full	6
G4-7	Nature of ownership and legal form	Full	4
G4-8	Markets served by the organisation	Full	6
G4-9	Organisation scale	Partly	6
G4-10	Total amount of employees	Full	21
G4-11	Percentage of all employees covered by collective bargaining agreements	Full	21
G4-12	Supply chain of the organisation	Full	36
G4-13	Significant changes in the reporting period regarding the size of the organisation, its structure, ownership or supply chain	Full	6, 11, 55
G4-14	Precautionary principle	Full	37
G4-15	External initiatives, declarations or principles	Full	24, 30, 53
G4-16	Membership in associations or organisations	Full	18

INDICATOR	GRI G4 GUIDELINES	REPORTING LEVEL	PAGE
SIGNIFICANT ASPECTS IDENTIFIED AND THEIR RESPECTIVE LIMITS			
G4-17	Information on all entities included in the consolidated financial statements or equivalent documents	Full	Kompania Piwowarska has subsidiaries that do not conduct operational activity
G4-18	Process of defining the report content	Full	55
G4-19	Important aspects of reporting	Full	55
G4-20	Impact of the aspect within the organisation	Full	55
G4-21	Impact of the aspect outside the organisation	Full	55
G4-22	Impact of any changes in the information provided in previous reports and the reasons for these changes	Full	56
G4-23	Significant changes compared to previous periods covered by the report regarding the scope and limits of aspects	Full	56
STAKEHOLDER ENGAGEMENT			
G4-24	List of stakeholder groups engaged by the organisation	Full	17
G4-25	Basis for identification and selection of groups of stakeholders involved	Full	17
G4-26	Approach to engaging stakeholders, including the frequency of involvement by type and group of stakeholders	Full	17, 18
G4-27	Key issues raised by stakeholders and response of the organisation	Full	55, 56
REPORT PROFILE			
G4-28	Reporting period	Full	55
G4-29	Date of publication of the previous report	Full	55
G4-30	Reporting cycle	Full	55
G4-31	Contact person	Full	56
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INDICATOR		GRI G4 GUIDELINES	REPORTING LEVEL	PAGE
ORGANISATIONAL GOVERNANCE				
G4-34	Structure and composition of the organisation's management body		Full	7
ETHICS				
G4-56	Organization's values, its principles, standards and norms of behaviour included in the form of codes of conduct and codes of ethics		Full	14
ECONOMIC CATEGORY				
G4-DMA	Approach to managing the aspect of "Supporting small entrepreneurs"		Full	36
G4-DMA	Approach to managing the aspect of "Selecting suppliers and principles of cooperation with them"		Full	16
G4-EC8	Significant indirect economic impact, including the scale of this impact		Full	33, 34, 35
G4-EC9	Percentage of expenses on local suppliers in the main business locations		Full	35, 42, 44
ENVIRONMENTAL CATEGORY				
G4-DMA	Approach to managing the aspect of "Compliance with regulations in the area of the environment"		Full	37
G4-DMA	Approach to managing the aspect of "Energy consumption"		Full	40
G4-DMA	Approach to managing the aspect of "Waste management"		Full	41
G4-DMA	Approach to managing the aspect of "Care for water resources"		Full	38
G4-DMA	Approach to managing the aspect of "Raw materials consumption"		Full	38
G4-DMA	Approach to managing the aspect of "Emissions"		Full	41
G4-EN1	Used materials / raw materials by weight or volume		Full	42, 44
G4-EN3	Energy consumption inside the organisation		Full	40
G4-EN8	Total water intake by source		Full	39
G4-EN9	Water sources, where water intake is a major interference in water resources		Full	38
G4-EN15	Direct greenhouse gas emissions (Range 1)		Partly	41
G4-EN19	Reduction of greenhouse gas emissions		Partly	41, 43
G4-EN22	Total wastewater volume by quality and destination		Full	39
G4-EN23	Total weight of waste by type of waste and methods of waste treatment		Full	42
G4-EN27	Degree to which the impact of products and services on the environment is limited		Full	38, 39
G4-EN28	Percentage of materials recovered from sold products and their packaging by material category		Full	42
G4-EN29	Amount of significant fines and the total number of non-monetary sanctions for non-compliance with laws and regulations regarding environmental protection		Full	37

INDICATOR		GRI G4 GUIDELINES	REPORTING LEVEL	PAGE
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EMPLOYMENT AND DECENT WORK PRACTICES				
G4-DMA	Approach to managing the aspect of “Employment — employment conditions (remuneration system, benefits, flexible forms of employment)”		Full	20, 26
G4-DMA	Approach to managing the aspect of “Staff development and increasing the potential of the staff”		Full	28
G4-DMA	Approach to managing the aspect of “Safety and health of employees”		Full	24, 27
G4-DMA	Approach to managing the aspect of “Equal opportunities in the workplace — diversity management policy”		Full	30
G4-LA2	Benefits provided to full-time employees which are not provided to temporary or part-time employees, broken down by main business locations		Full	26
G4-LA6	Rate of injuries, occupational diseases, lost days and absences from work and the number of work-related fatal accidents		Full	25
G4-LA9	Average number of training hours per year per employee		Full	28
G4-LA10	Programmes providing lifelong learning, enabling employees future employment, including those relating to outplacement		Full	28, 29
G4-LA12	Composition of management bodies and staff, broken down by gender, age, membership to minorities and other diversity indicators		Full	22, 23
G4-LA13	Ratio of basic salary and wages and salaries of women and men broken down by categories of employees and main business locations		Partly	31
HUMAN RIGHTS				
G4-HR1	Total number and percentage of important investment agreements and contracts that take human rights records into account or have been checked in terms of compliance with human rights		Full	16
SOCIETY				
G4-DMA	Approach to managing the aspect of “Preventing irresponsible consumption of alcohol”		Full	49
G4-DMA	Approach to managing the aspect of “Local activities of the company”		Full	45
G4-SO3	Total number and percentage of plants assessed in terms of the risk of corruption and identified significant risks		Full	15
G4-SO4	Communication and training dedicated to anti-corruption policies and procedures		Full	15
G4-SO5	Corruption cases found and corrective methods		Full	15
G4-SO7	Total number of legal actions relating to preventing of price, antitrust and antitrust conspiracy, and their results		Full	15

INDICATOR		GRI G4 GUIDELINES	REPORTING LEVEL	PAGE
RESPONSIBILITY FOR THE PRODUCT				
G4-DMA	Approach to managing the aspect of “Brand image and responsible marketing communication, including creating a positive image of beer and consumption patterns”	Full	53	
G4-DMA	Approach to managing the aspect of “Hop and malt purchase policy”	Full	44	
G4-DMA	Approach to managing the aspect of “Production processes and ensuring the highest quality of the product”	Full	16	
G4-PR1	Percentage of significant categories of products and services which impact on health and safety is assessed to improve indicators	Full	16	
G4-PR3	Type of information about products and services required by the organisation’s procedures and the percentage of relevant categories of products and services subject to such requirements	Full	50	
G4-PR7	Total number of cases of non-compliance with regulations and voluntary codes of marketing communication, including advertising, promotion and sponsorship, broken down by type of effects	Full	53	