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SUSTAINABILITY
REPORT • 2019



THINKING
OF THE FUTURE
TODAY



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THINKING OF THE FUTURE TODAY

102-14

We are proud to present still another sustainability report of Kompania Piwowarska.

It comprehensively presents the economic, social and environmental dimensions of our company's performance in 2019.

Our approach to sustainable development involves focusing on strategic priorities for economic growth, improving quality of life and protecting the environment. These priorities have been defined together with our stakeholders and they support selected United Nations

Sustainable Development Goals. Based on our sustainability strategy, consistent with the global Asahi Group philosophy of which we are part, we govern processes, manage resources, shape the value chain and relationships with our environment. The strategy reflects our values but also supports the company's long-term business goals. We have set ourselves measurable objectives, and our progress in achieving them is outlined in our successive sustainability reports.

Last year we established our position as a leader in responsible business practices, both at the level of the beer industry and the whole country. We accomplished the vast majority of our goals in the three areas that are most important to us, namely products and health, people and society, and the environment. We continued to promote responsible alcohol consumption and popularize non-alcoholic beers, whose sales grew by a record 103%. We persisted in our efforts to ensure good and safe working conditions and, for example, we trained



102-14

24 so-called leading observers, who provide coaching and expert knowledge on the causes of accidents. We had 660 days without any accident in logistics, which is an exceptional achievement, given the scale of our operations. We intentionally managed the diversity of our team, which included launching the "Equally Interesting" platform. The platform aims to emphasise that every employee is a unique, interesting person, and their contribution to the company is important. Just as in previous years, we supported community objectives in line with our values, e.g. we allocated PLN 1 million for the creation of public spaces in Polish cities serving to build interpersonal bonds and to express creativity, and another PLN 1 million for the protection of endangered animal species in Poland. We paid particular attention to minimising our environmental impact. In 2019, water consumption in our breweries amounted to only 2.63 l per 1 l of beer, which is among the best results in Europe. What was of fundamental importance was the signing of an agreement whereby our

breweries' electricity needs will be satisfied entirely from renewable sources as early as in 2021. In addition, our pilot initiative launching a kiosk in Poznań where you can hand back returnable bottles from all Polish producers was very well received by the public.

For Kompania Piwowarska, the year 2019 was also a period of intensive work on a new sustainable development strategy for 2030. It is aligned with the guidelines set out in the Asahi Breweries Europe Group strategy, as well as with the new challenges facing the entire brewing industry. These include growing social expectations in terms of counteracting climate risks, changing alcohol consumption patterns, and the necessary modifications regarding responsibility for packaging released on the market. In identifying the most important trends in sustainable development and defining our responses to them, we carefully listen to the voice of external experts, whose opinions are an important part of this year's report.

Last year we successfully managed the most important aspects of our economic, environmental and social impact, throughout the entire value chain. However, this is not a reason for us to sit back and relax, but rather an incentive to set even more ambitious goals in 2020 and beyond. It will be an invaluable help for us in achieving them if you could share your insight on the issues discussed in this report.

Kind regards,

Igor Tikhonov
President of Kompania Piwowarska
Management Board

ABOUT US

102-1, 102-4, 102-5, 102-6

Kompania Piwowarska is a leader of the Polish beer brewing market. The company operates as a joint stock company and forms part of the Asahi Breweries Europe Group (ABEG), which is the European arm of Asahi Group Holdings.

Asahi Group Holdings is a global producer of alcohol, beverages and food, with its registered office in Japan. It has been in business since 1889.

The Asahi Group consists of more than **140** subsidiaries and **70** plants across the world.

Our beers are sold mainly in Poland, but also exported to numerous countries, mainly Germany, Netherlands, United Kingdom, Canada and the United States.

In 2019, we exported **more than 710 thous. hl** of our beer.

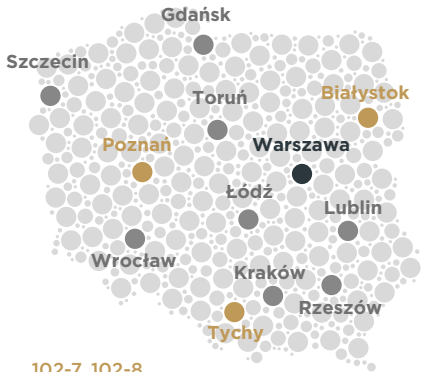


POZNAN – the headquarters, brewery, distribution center

BIAŁYSTOK – brewery, distribution center

TYCHY – brewery, distribution center

WARSZAWA – Management Board offices



102-7, 102-8

IN 2019:

WE HAD A **36.8%** SHARE IN THE POLISH MARKET*



WE SOLD **13.6 m hl** OF BEER



WE HAD **2721** EMPLOYEEES



* Market share by volume, based on category data from the Central Statistical Office and the company's sales data.

GOVERNING BODIES

102-18
MANAGEMENT BOARD

The Supervisory Board appoints the Management Board President and the remaining members upon his or her request.

In 2019, the composition of the Management Board did not change.

Igor Tikhonov
President
of the Management Board



Marcin Nikiel
Vice President of Finance



Michał Mrowiec
Vice President of Sales



Jacek Kopiejewski
Vice President
of Technical Operations



Iwona Doktorowicz-Dudek
Vice President
of Marketing



Wojciech Moliński
Vice President
of Human Resources



Hikaru Sato
Management Board Member

102-18
SUPERVISORY
BOARD

Andrew Bailey
Tomáš Krčil
Paolo Lanzarotti

Supervisory Board members are elected by the Shareholder Meeting for a three-year term. In 2019, the composition of the Supervisory Board did not change.

MISSION, VISION, VALUES, POLICIES,
CORPORATE CONDUCT



THE ASAHI
GROUP VISION

Be a value creator
globally and locally,
growing with highvalue-
added brands

THE ASAHI
GROUP MISSION

Deliver on our great taste
promise and bring more
fun to life

By implementing this strategy in 2019, we achieved excellent results; among others:

we brewed **every third** beer bought
in Poland

we strengthened our leading
position with a market
share of **37%**

we increased the scale of premium
brands by **13%** (Lech, Kozel,
Książęce, Captain Jack, Pilsner
Urquell, Grolsch, Redd's)

revenues on sales of the
largest brands (Tyskie, Żubr)
increased by **1.4%**

sales of the Lech Free brand
family increased by **103%**

making it No. 1 brand in the non-
alcoholic beer category

we introduced an innovative concept of
**Kozlovna and Tankovna
establishments**

our beers received multiple
medals in beer competitions

we were present at **2800**
different events

THE ASAHI GROUP VALUES

The value system, to which we subscribe, is reflected in everyday decisions, sets standards and promotes specific conduct, affects internal and external communications and constitutes a point of reference in recruitment processes.

OUR VALUES:

Challenge
and innovation



Continuously looking at our work in terms of what we can do better, developing skills to adapt to changing conditions and the ability to create new solutions.

Excellence
in quality



Carefully selecting raw materials for the brewing process, ensuring correct serving of beer and cultivation of the best brewing traditions in our breweries with hundreds years of history.

Shared
inspiration



Drawing from meetings with others, from exchange of experience, listening and careful observation.

BEHAVIOURS OF IN KOMPANIA PIWOWARSKA

COMMITTED
We do what we say we will do

CURIOUS
We are open minded and discover better ways

COOPERATIVE
We are stronger when we work together

BOLD
We are clear and decisive in whatever we do

EMPOWERING
I bring out the best in my people

Employee
engagement and retention

Recruitment

Safety
Skills development

RISK
MANAGEMENT

102-11, 102-15

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

- high quality and safety of our beers for consumers
- curtailing our negative impact on the environment
- safe working conditions



The IRMS consists of six Management Systems:

- Quality (ISO 9001:2015)
- Product Safety (ISO 22000:2005 and ISO/TS 22002-1:2009 and FSSC 22000)
- Environmental (ISO 14001:2015)
- Occupational health and safety (ISO 45001:2018)
- Energy (ISO 50001:2011)
- Risk and Business Continuity

Risk analysis covers the strategic, operational and financial levels. Our employees are trained in the requirements of the system and the areas of their responsibility.

We constantly identify risks, give them priorities, and plan actions to eliminate or curtail them. Effectiveness of our risk management is regularly audited, also by external entities.

102-11, 102-15

The risk management process at the operational level and the assigned responsibilities are defined in the Risk Management Instructions for Kompania Piwowska, which are aligned with the Asahi Group Enterprise Risk Management Manual.

In 2019, this document was updated, among others by adding the control effectiveness criteria and introducing detailed assessment criteria for risks reported by employees.

Our internal control system is based on the Japanese J-SOX model and the best practices in business risk management. The main goal of internal control is to limit operational risks, including those related to financial reporting and assurance of compliance with the law.

The management team supported by the Internal Control and Risk Management Department is responsible for effectiveness of the internal control process, which is regularly evaluated by the Internal Audit Department.

The corporate culture emphasizing ethical conduct and an appropriate allocation of responsibilities are of significance for the mitigation of risks.

PRODUCT QUALITY
AND SAFETY MANAGEMENT

416-1

Conformity of our operations with the ISO 9001, ISO 22000 and FSSC 22000 standards

guarantees that consumers receive safe and high products, which is confirmed by the ratios of quality complaints (lowest in the entire Asahi Breweries Europe Group).

It is reflected, among others, in numerous hygiene and quality assurance best practices and the existence of an internal audit plan.

For each stage of the production process, we have defined indicators that help us assess whether it is stable and repeatable and react when necessary. This protects consumers against the purchase of defective KP products.

Every year, we conduct internal audits relating to product quality and safety management. We are also audited by an external firm, which has not found any non-conformity with the requirements of the mentioned standards for several years now.



416-1

Monitoring and metering of raw materials, packaging, ancillary materials, utilities, semi-finished products and finished products are conducted carried out based on an inspection plan. Inspection of products during the production process and inspection of finished products are performed by operators, KP laboratories or external labs.

In addition to the physical, chemical and microbiological analyses, testing of a finished product includes sensory evaluation conducted by teams of trained tasters.

The inspection also covers conditions of storage and the quality of beer and packaging on the market.





WE GIVE
FLAVOUR
TO LIFE



- Tyskie •
- Lech •
- Żubr •
- Książęce •
- Lech
- Free •
- Prażubr •
- Dębowe •
- Redd's •
- Captain Jack •
- Wojak • Grolsch •
- Pilsner Urquell • Kozel •
- Tyskie • Lech • Żubr •
- Książęce • Lech Free •
- Prażubr • Dębowe •
- Redd's • Captain Jack •
- Wojak • Grolsch • Pilsner Urquell • Kozel • Tyskie •
- Lech • Żubr • Książęce •
- Lech Free • Prażubr •
- Dębowe • Redd's •
- Captain Jack • Wojak •
- Grolsch • Pilsner Urquell •
- Kozel • Tyskie •



TYSKIE PALONE

Based on our top seller from the 70s – a light dark Kuracyjne beer. It combines coffee notes, sweetness of caramel and mild bitterness.



TYSKIE PSZENNE

Its recipe is a reference to beers popular in Poland in the 19th century. A bottom fermentation wheat lager with a refreshing taste.



**CAPTAIN JACK PIRATE
ORANGE**

Beer with a rum and spice aroma balanced with fresh orange notes.



**REDD'S MANGO
I CYTRYNA**

Beer with a sweet aroma of mango complemented by a refreshing lemon note.



**LECH FREE POMELO
I GREJPFRT**

Non-alcoholic beer with a citrus taste and a dry finish.



**Lech Pils won the Gold Medal
in the Lager 5.5% 6.9%
ABV category**

In 2019, two of our beers were selected in the oldest and most prestigious industry competition in the world, **The International Brewing & Cider Awards.**

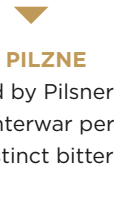


**Książęce Porter won the Bronze Medal
in the strong dark
beer category**

To learn more about our brands, go to www.kp.pl/en/nasze-piwa

102-2 WE ADDED THE FOLLOWING PRODUCTS TO OUR PORTFOLIO IN 2019:

102-2



TYSKIE PILZNE

Inspired by Pilsner lagers brewed in Tychy in the interwar period. It is characterized by a distinct bitterness and clear golden color.



LECH FREE GRANAT I ACAI

Combination of a non-alcoholic lager with a sweet-and-sour composition of grenadine and açai berries.



KSIAZĘCE WEIZEN

Light and refreshing wheat beer with fruity and herbal aromas from a special strain of yeast.



B-LIFE BOTANICALS

Botanical beverages, which are a mixture of non-alcoholic beer and lemonade with natural aromas, flower, herb and fruit extracts added.

OUR CONTRIBUTION
TO ACHIEVEMENT
OF SUSTAINABLE
DEVELOPMENT GOALS

Sustainable
development is
development that
meets the needs of
the present without
compromising the
ability of future
generations to meet
their own needs.

In order to achieve it, we must properly
manage relations between economic
growth, improvement of life quality and
care for the environment. For years, this
idea has guided the way we manage our
business:

we manage processes, handle raw
materials, shape the value chain and
our relations with our stakeholders.

Our sustainable development strategy
includes the areas that are the most
important for us, in which we have set
measurable goals.

We describe our progress in their
fulfillment in successive annual
sustainability reports.



SUSTAINABLE DEVELOPMENT STRATEGY OF KOMPANIA PIWOWARSKA

PRODUCTS AND HEALTH

- Responsible consumption
- Development of non-alcoholic products

PEOPLE AND SOCIETY

- Human rights
- Occupational health and safety
- Diversity and inclusion
- Community engagement

NATURAL ENVIRONMENT

- Water saving
- Energy consumption (reduction of CO₂ emissions and use of energy from renewable sources)
- Packaging and recycling

SUSTAINABLE DEVELOPMENT GOALS

Kompania Piwowska contributes significantly to the achievement of thirteen Sustainable Development Goals:



In 2018, the strategy of Kompania Piwowska was modified to ensure even better alignment with the UN Sustainable Development Goals and reflect our stakeholders' voices.



Achieving these goals should ensure that by 2030 people across the world live a **better, healthier and safer** life in social, economic and environmental terms.

In 2019 the work was under way on the new sustainable development strategy for the entire **Asahi Breweries Europe Group**. The strategy will be adapted to the new challenges that the constantly changing reality poses to the entire beer industry, and to the directions set in **the global strategy of the Asahi Group Holdings**.

In 2019, our actions for sustainable development were recognized:



with a Sustainability Leader award in the European Leadership Awards competition organized by Executive Club

with the 3rd place in the industry ranking and the 4th place in the overall classification of the 13th Responsible Business Ranking organized by the Kozminski Business Hub and the Responsible Business Forum.

CSR Silver Leaf awarded by editors of the POLITYKA weekly

FORESIGHT CSR
FOR THE BREWING
INDUSTRY

102-42, 102-43, 102-44

Kompania Piwowarska has teamed with the Go Responsible consulting firm to organize two online panels with experts. The goal of the event was to learn from independent experts about the social and environmental challenges that the beer industry will have to face in the coming years. Analysis of the opinions and recommendations will allow us to further improve our activities for sustainable development.

„The beer industry, acting in its best interest, should set new standards in environmental protection, instead of wasting time waiting for new regulations, which no-one knows when will be created and what character they will have”.



Agnieszka
Boniewicz

WWF Poland Sustainable
Development Team Leader



Sławomir
Brzózek

CSR Expert, Consultant



Agnieszka
Sadowska-Konczal

Specialist in Education for Sustainable
Development, Polish Zero Waste
Association



Agnieszka
Sznyk, Sc.D.

President of the Institute of
Innovation and Responsible
Development



Kamil
Wyszowski

General Director of UN Global
Compact in Poland

Participants:

PANEL DEVOTED TO ENVIRONMENTAL ISSUES

Key environmental trends:

GROWING CONSUMER
EXPECTATIONS AS REGARDS
ENVIRONMENTAL PROTECTION

Young adults will expect respect for people and the environment; this is why they will be more willing to reach for products that they believe move the world forward. They have more awareness but they lack knowledge and formed habits – business has a significant role to play in this respect. The pandemic has made many people realize that we do not necessarily need all that much of everything – but the quality and environmental impacts of food and beverages are important.

THE NEED TO PROTECT AND
REBUILD WATER RESOURCES

Poland’s water balance will worsen, among others because of the insufficient number of small reservoirs retaining rainwater. Water-saving recipes, technologies and farming techniques will become increasingly important.

SUSTAINABLE MANAGEMENT OF
RESOURCES, PURSUIT OF CIRCULAR
ECONOMY

The challenge will be to move away from the use of plastic and minimize water consumption. The circular economy concept will become more important, as it offers concrete solutions to a number of environmental problems, while it does not require people to give up their previous comfort of living. Sand suitable for use in glass production will become increasingly rare. Analysis of product life cycle will become an environmental necessity.

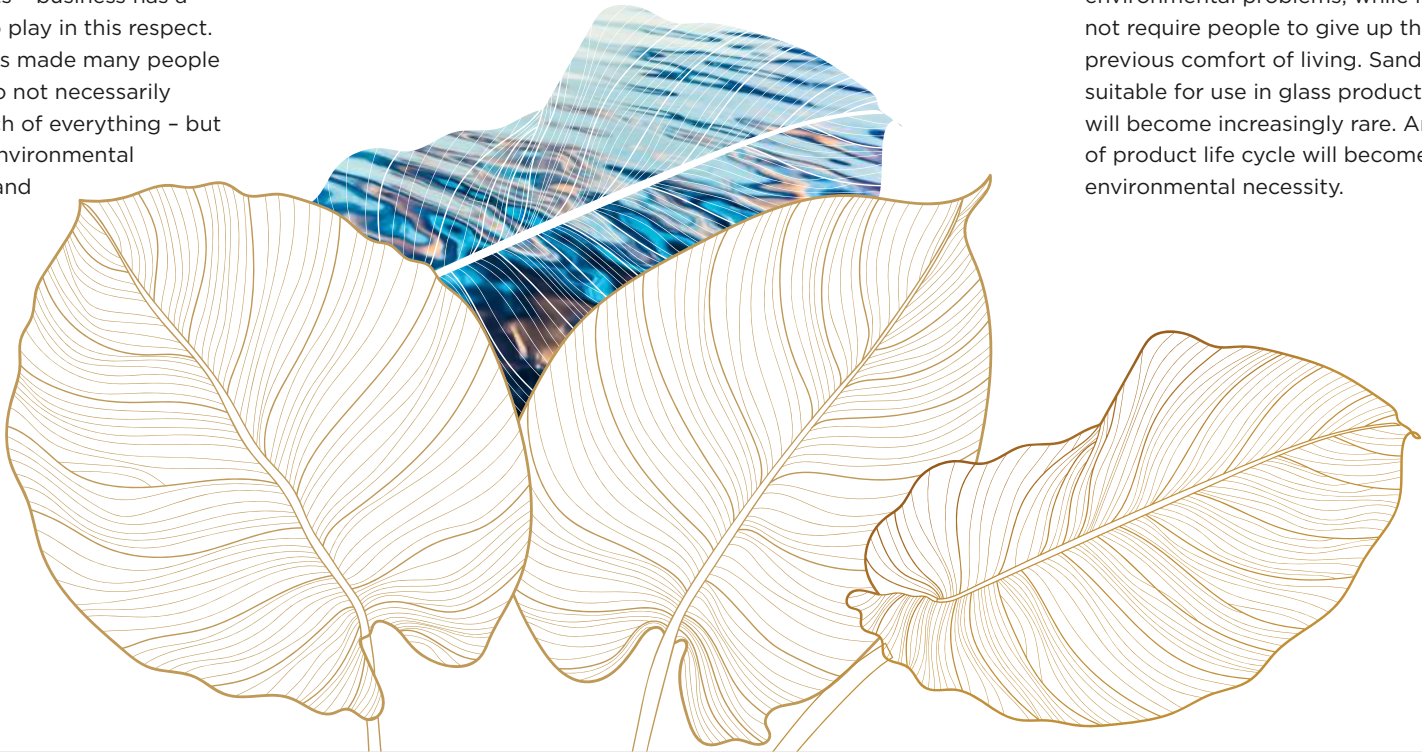
SUSTAINABLE AGRICULTURAL
PRODUCTION

It will be necessary to move away from monoculture, show more respect for biodiversity, natural habitats and soil and reduce CO₂ missions. To this end, agricultural producers and their clients will have to develop monitoring systems, among others for the use of plant protection products and for soil quality. Companies will be expected to enforce the application of sustainable agricultural practices in their supply chains.

REDUCTION OF EMISSIONS IN
TRANSPORT

By 2050, all sectors in the EU will have to achieve climate neutrality; the largest challenge for the beer industry seems to be to reduce emissions associated with the transportation of goods. It will become even more important, because transportation will be included in the emissions trading system, contributing to an increase of its costs.

„Corporations must start to view themselves as something more than just organizations that produce and distribute goods and then manage waste. By becoming actively involved in the solving of environmental problems that the states are unable to handle, they can regain public trust”.





**Adam
Kłodecki, Ph.D.**

Addiction
psychotherapist



**Mirella
Panek-Owsiańska**

CSR, diversity
management and social
communication expert



**Prof.
Bolesław Rok**

Director of the Business
Ethics Centre
at the Kozminski University



**Joanna
Schmidt, Ph.D.**

Civic initiatives researcher,
Poznań University
of Economics



**Joanna
Szymonek**

Polish Institute
for Human Rights and Business

PANEL DEVOTED TO SOCIAL ISSUES

Key social trends:

CHANGE OF THE DRINKING MODEL

The trend of Polish consumers switching from spirits to beer and wine and the fashion for non-alcoholic beer will continue. The problem is that many individuals who drink beer only are addicted and beer is often treated as a soft drink. Moreover, young people drink more alcohol than 20 years ago.

SOCIAL DIVERSITY

Business will face challenges associated with the inflow but also outflow of foreign employees. Diversity training and integration activities within companies will be very important in this respect. The trend of empowering women on the labor market will continue, but at the same time, since they are more likely to work in services, they will suffer from the COVID-19 pandemic more, which creates risk of going back to traditional working patterns.

RESPONSIBILITY IN VALUE CHAIN

It is essential to take a broader perspective and expand the area of responsibility to include employees and associates in the entire value chain. The other important postulate, which is due to a change in relationships in business, is related to job quality. In Poland, this is a severe problem, which will only increase in the coming months and years, which may cause social unrest. At the European level, regulations governing responsibility in the value chain are currently developed.

TEST FOR STRATEGY
AND RELATIONSHIP

A trying time is coming for sustainable development strategies or, more broadly, for organizational resilience strategies. It is the time for decisions regarding relations and for building new relations, also with own employees. We will find out whether we are more willing to trust, cooperate and be authentic, or to control.

DEVELOPMENT OF NETWORKS
WITHIN THE SOCIETY

As the state is becoming more centralized, social self-organization will increase. Informal social networks will form and businesses will seek relations with them by opening up to participation and dialog. Instead of forcing their own solutions or financing the agendas of their stakeholders, they will listen and respond to social needs together. CSR will become more participatory.

WE PROMOTE
RESPONSIBLE
CONSUMPTION



Every action aimed at reducing the threat associated with the consumption of alcohol, is worth taking. Even though activities of this kind undertaken by a producer of alcoholic beverages may raise an eyebrow, from the social point of view,

the informational and educational campaigns of Kompania Piwowarska may affect the attitudes to this substance and complement the activities undertaken by the state in this respect. Kompania may certainly join the efforts to reduce alcohol consumption in Poland by continuing to increase its non-alcoholic beer offering and reducing production and advertising of strong beer, replacing it with promotion of non-alcoholic beer.

Adam Kłodecki, Ph.D.
Addiction psychotherapist

GOAL 3



Kompania Piwowarska supports the pursuit of the following Goal 3 targets:

3.5. Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol.

3.6. By 2020, halve the number of global deaths and injuries from road traffic accidents.

103-1, 103-2, 103-3

Activities promoting responsible alcohol consumption have been given the highest priority in Kompania Piwowarska and go far beyond our obligations under law. We place special emphasis on the promotion of alcohol-free beers, education (www.abcalcokoholu.pl portal, social campaigns, training for retailers, warning messages on the packaging of our beers) and on responsible marketing communication.

WE GROW
THE ALCOHOL-FREE
BEER SEGMENT

We encourage drinking of alcohol-free beer. In 2019, we increased their sales by **a record 103%** as compared to the previous year, which was due to an increasing interest of consumers and a significant growth of our spendings on the promotion of this product category.



We believe that beer - even without alcohol - is a drink for adults. That is why Kompania Piwowarska has no ads for alcohol-free beer that are targeted at persons under 18 years of age. We also give an explicit recommendation to our cooperating retailers that beer of this type should only be sold to adults.

WE PROMOTE
RESPONSIBLE ALCOHOL
CONSUMPTION

We counteract negative phenomena associated with alcohol consumption and promote the culture of moderate and responsible consumption of alcohol.

OUR ACTIVITIES RELATING TO RESPONSIBLE PRODUCTION,
ADVERTISING AND SALES OF BEER FOCUS ON:



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



We help protect minors against access to alcohol

We train how to refuse to sell alcohol to individuals under 18 years of age.

In 2019, such training was provided, among others, to all beer retailers at the largest mass event in Poland, the Pol'and'Rock festival, which is sponsored by the Lech brand.

We support the Inter-Enterprise Trade Union NSZZ "Solidarność" at Kompania Piwowarska in running the **THERE IS STRENGTH IN THE FAMILY** campaign.



We are engaged in the educational project of the Brewing Industry Employers Union - Polish Breweries, which we are a member of.

It encourages parents to set a good example of responsible behavior with alcohol, listed in the **TEN COMMANDMENTS OF A RESPONSIBLE PARENT.**

In 2019, information activities in this initiative were carried out at events such as employee picnics. More details on the campaign's website: wrodziniesila.pl

KEY PERFORMANCE INDICATORS:

203
sellers participated in our training at Pol'and'Rock

523
graduates of the online course on the responsible seller platform at www.odpowiedzialnysprzedawca.pl

4650
times our employees had the opportunity to learn about the Ten Commandments of a Responsible Parent

It runs the www.odpowiedzialnysprzedawca.pl, platform, through which any alcohol retailer may benefit from a course on how to refuse to sell alcohol to minors.

WE SUPPORT
SAFETY ON THE
ROAD

2019 was the fifth consecutive year when various mass events sponsored by our beer brands hosted the zone

Check Your BAC.



Free professional blood alcohol content testing was available to anyone, who wanted to find out whether they could drive home from the event without endangering themselves and other drivers. We also provided alco-goggles and a reflexometer simulating the slowing reaction time after consumption of alcohol.

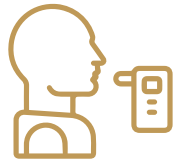
We supported safety on the road also by promoting our Check Your BAC application, which provides an estimation of the blood alcohol level. It is available on Android smartphones and iPhones as well as online – on our website www.abcalcokoholu.pl. In 2019, we added new functionalities to the app.

You can download the app here:



The application can also be used through the website at www.abcalcokoholu.pl

KEY PERFORMANCE
INDICATORS:



more than **103** thous.

people tested with breathalysers

approx. **32** thous.

people used the alco-goggle animations

approx. **8** thous.

people took the reflexometer test

application downloaded more than **9** thous. times (336 thous. downloads since its launch)

WE HELP TO MAKE
RESPONSIBLE DECISIONS

Our responsible alcohol consumption awareness campaigns reach consumers through:

- events
- points of sale
- our product packaging
- the Internet and social media

Since 2009, we have operated the www.abcalcokoholu.pl website.

It contains comprehensive information prepared by specialists (physician, psychologists) on how alcohol affects health and relationships. We want to help consumers make informed and responsible decisions. We put the web address of the platform on bottles, cans and other packaging of all our beers.



KEY PERFORMANCE
INDICATORS:

268,920

visits on the www.abcalcokoholu.pl website

21,520

fans of the platform on Facebook

WE WARN AGAINST
DRINKING DURING
PREGNANCY



In 2019, we partnered with the “**Dom w Łodzi**” Foundation to launch a #FASOFF social campaign, which continued our efforts to make the public aware of the irreversible consequences of women drinking alcohol during pregnancy.

Any quantity of alcohol may be dangerous for the child’s development and may cause Fetal Alcohol Syndrome (FAS).

For the purposes of the campaign, a fictitious Internet store was created at www.fasoff.pl with products that we would not want for our children – just as we would not want disorders resulting from drinking alcohol by the future mom.

Visitors cannot buy any products at the website, but they can learn about FAS and about the only, but 100% effective method of preventing the syndrome – **total abstinence during pregnancy.**

When the store was opened, a social protest campaign against FAS was launched on the social media with an inverted shot glass as a logo.

Top parenting bloggers and thousands of their fans became involved in the campaign.

The #FASOFF campaign featured a TV commercial broadcast in the social media, in TVP and TVN; the latter devoted an extensive editorial material to the problem of FAS and organized a discussion in the studio. The campaign was also carried out in Medicover and LUX MED medical centers across Poland.

KEY PERFORMANCE
INDICATOR:

more than 4 million

contacts with messages on the harmful effects of drinking alcohol during pregnancy generated during the #FASOFF campaign

To find out more about #fasoff go to fasoff.pl



 Dotóż do pieca i do koszyka

Tak. Jest lepsza wyprawka dla Waszego dziecka. Wystarczy być **#FASOFF** i przeżyć ciążę bez alkoholu.

Kliknij i dowiedz się o FAS – Płodowym Zespole Alkoholowym.



śpiochy „moralniak”
29,99 pln



WE ADVERTISE BEER RESPONSIBLY

We have taken a number of voluntary initiatives in the area of responsible marketing communication going far beyond the mandatory legal requirements for the brewing industry. In this respect, we have implemented the following internal regulations: ▼

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



All commercial communication messages, after being reviewed for compliance with the above documents, is approved by the Sales and Marketing Compliance Committee, which consists of representatives of different departments of the company.

We also adhere to the voluntary Code of Ethics in Advertising developed by the Union of Associations Advertising Council. One of the Union’s bodies is the Advertising Ethics Committee composed of 30 arbiters appointed by representatives of the advertising industry, advertisers and the media.

417-2, 417-3

In the reporting period, The Advertising Ethics Committee received 6 complaints against Kompania Piwowarska’s advertising activities, out of which 2 were accepted as justified and 4 dismissed. No instances of illegality were found in the area of product information and labeling.

WE USE RESPONSIBLE DRINKING MESSAGES

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

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

417-1



W ciąży nie piję alkoholu



Alkohol. Tylko dla pełnoletnich



Nigdy nie jeżdżę po alkoholu



WE GROW
THE ECONOMY



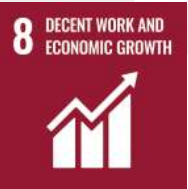
The beer industry is facing a challenge of maintaining and in the longer term increasing its economic importance, which at present amounts to roughly 1% of the GDP. Polish beer industry is an important part of the economy,

generating stable tax income and creating directly and indirectly more than 150 thousand jobs in the long value chain, starting from domestic purchases of agricultural products, through production, transportation and logistics, to commerce and catering. It is worth mentioning that breweries have an important influence on the economy in local communities. Many of them is located in less industrialized areas, where their importance for the labor market is particularly important.

Bartłomiej Morzycki
Director General of the Brewing Industry Employers Union - Polish Breweries

”

GOAL 8



Kompania Piwowarska joins in the pursuit of the following Goal 8 target:

8.5.
By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

103-1, 103-2, 103-3, 203-2

We provide an important contribution to the functioning and growth of the Polish economy. We directly employ 2.7 thousand people and have our contribution in the maintenance of jobs with our suppliers, stores, pubs and restaurants. The taxes charged on our activities, salaries we pay and beer sales by other entities are used to carry out investments benefiting Poland and local communities.

In 2019 in the
“Golden Receipt – Polish Commerce Award”
competition, Lech Free 0.0% won the first place in the alcohol-free beer category and Tyskie Gronie received a distinction in the light beer category.

In the competition organized by the “Hurt & Detal” monthly, owners and managers of convenience stores from across Poland select products and services that have had a special influence on the development of retail commerce.

THREE DIMENSIONS
OF OUR IMPACT ON THE ECONOMY:

- **direct impact** results directly from our operations
- **indirect impact** is generated with our suppliers and businesses in related industries
- **induced impact** is the effect of spending by our employees and employees of our related entities

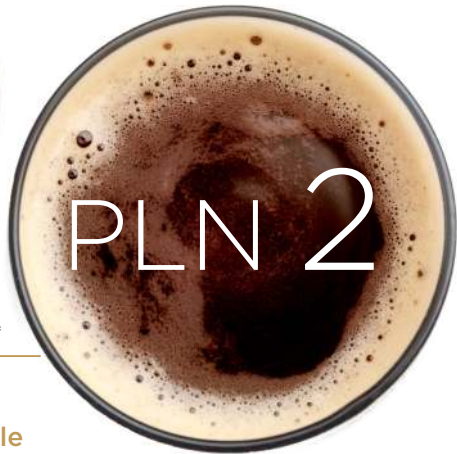
KEY PERFORMANCE INDICATORS:

2.7 thous.
direct employment

45 thous.
indirect employment

up to **7** thous.
induced employment

Every Polish zloty that we spend



generates PLN 2 in the Polish economy*

In total, our activities provide jobs to more than

54 thous. people

WE CREATE JOBS

Due to the scale of our business, we influence employment growth across our entire supply chain. Every job that we create in Kompania Piwowarska contributes to the creation of several others in other sectors of the economy: **agriculture, packaging industry, commerce and catering, professional and business services.**

1 employee of
Kompania Piwowarska

11.6
jobs in commerce

3.2
jobs in the HoReCa industry

2
jobs in our suppliers

2.4
induced jobs*

* Source: "ABEG impact in Poland", EY, 2020.

WE SUPPORT GROWTH
IN OTHER INDUSTRIES

Most of the raw materials, supplies and services needed to brew and sell our beers are purchased in Poland. This way, we support the business of our local suppliers. We prefer to sign long-term contracts with them, which offers us continuity of supply and our partners gain stability, which allows them, among others, to plan their capital expenditures.

413-2
Every year we spend
PLN 1.5 billion
making purchases from Polish suppliers**

Every year, our business generates on average approximately **PLN 6.39 billion** of added value in the Polish economy.

PLN 2,23 billion
in food processing

PLN 1.66 billion
in commerce

PLN 0.54 billion
in the HoReCa sector

PLN 1.96 billion
in the industries, where we purchase raw materials, supplies and services and related industries**

Added value shows contribution of the company to the goods and services production process. It is very similar to Gross Domestic Product; when product taxes are added and product subsidies are subtracted, we arrive at GDP.

** Source: "Report on economic impact of Kompania Piwowarska on the Polish economy in 2017", Deloitte Polska, June 2018.

WE SUPPORT STATE
AND LOCAL GOVERNMENT
BUDGETS

413-2
Taxes and charges paid by our company and its affiliated entities are an important element of the central and local government budgets. Annually, they amount to approx. **PLN 3.6 billion.**

PLN 1.47 billion
VAT (retail)

PLN 1.18 billion
excise tax

PLN 0.6 billion
taxes from related industries: income taxes (PIT, CIT), local taxes, social insurance

PLN 0.16 billion
taxes from KP's operations: income taxes (PIT, CIT), local taxes, social insurance

PLN 0.16 billion
VAT (HoReCa)**

Additionally, the pubs, clubs and restaurants serving our beers are supported by us in the form of professional training for their employees. As part of the Książęce Beer Academy and the Czech Serving Academy programs, they find out, among others, how to check the quality of beer, how to pour and serve it correctly, how to pair it with food and learn the practical skills associated with the operation of bar installations.

about 1200
waiters and bartenders attended the 9 editions of the Książęce workshops

more than 2000 people
learned the secrets of serving beer Czech style (3 editions of the program)



WE WORK
TOGETHER



Many interesting social initiatives and trends in the operation of local communities have emerged recently. We can observe, for example, the professionalization of NGOs and, on the other hand, a clear strengthening of

various types of informal groups and activation of citizens who are not associated with any registered organizations. The formula of cooperation between associations or foundations and other entities is also changing; there is a noticeable demand not only for “classic” projects – short-term and one-off, but also for projects involving strategic cooperation, more flexible and open, which take into account the goals, needs and resources of all participating parties and the changing circumstances.

Joanna Schmidt, Ph.D.
Civic initiatives researcher,
Poznań University
of Economics

GOAL 11



Kompania Piwowarska contributes to the pursuit of the following Goal 11 targets:

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

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

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

103-1, 103-2, 103-3

As a socially-responsible company, we support goals aligned with our values and with the image of our brands. We finance the creation of public spaces in Polish cities that are used to build relationships between people and to express creativity, as well as environmental protection projects, music and sports.

Through our employee volunteerism program, we support local communities and indirectly contribute to their growth, which also means a greater growth potential for our company.

KEY PERFORMANCE INDICATORS:

11*
volunteering projects

65.24%*

KP employees engaged in volunteerism

3030 hours*
of work put in by our volunteers

PLN 1 million
spent on changing Polish cities

PLN 1 million
donated to protection programs for wolves, lynxes and Eurasian pygmy owls

PLN 400 thousand
in donations provided to institutions across Poland

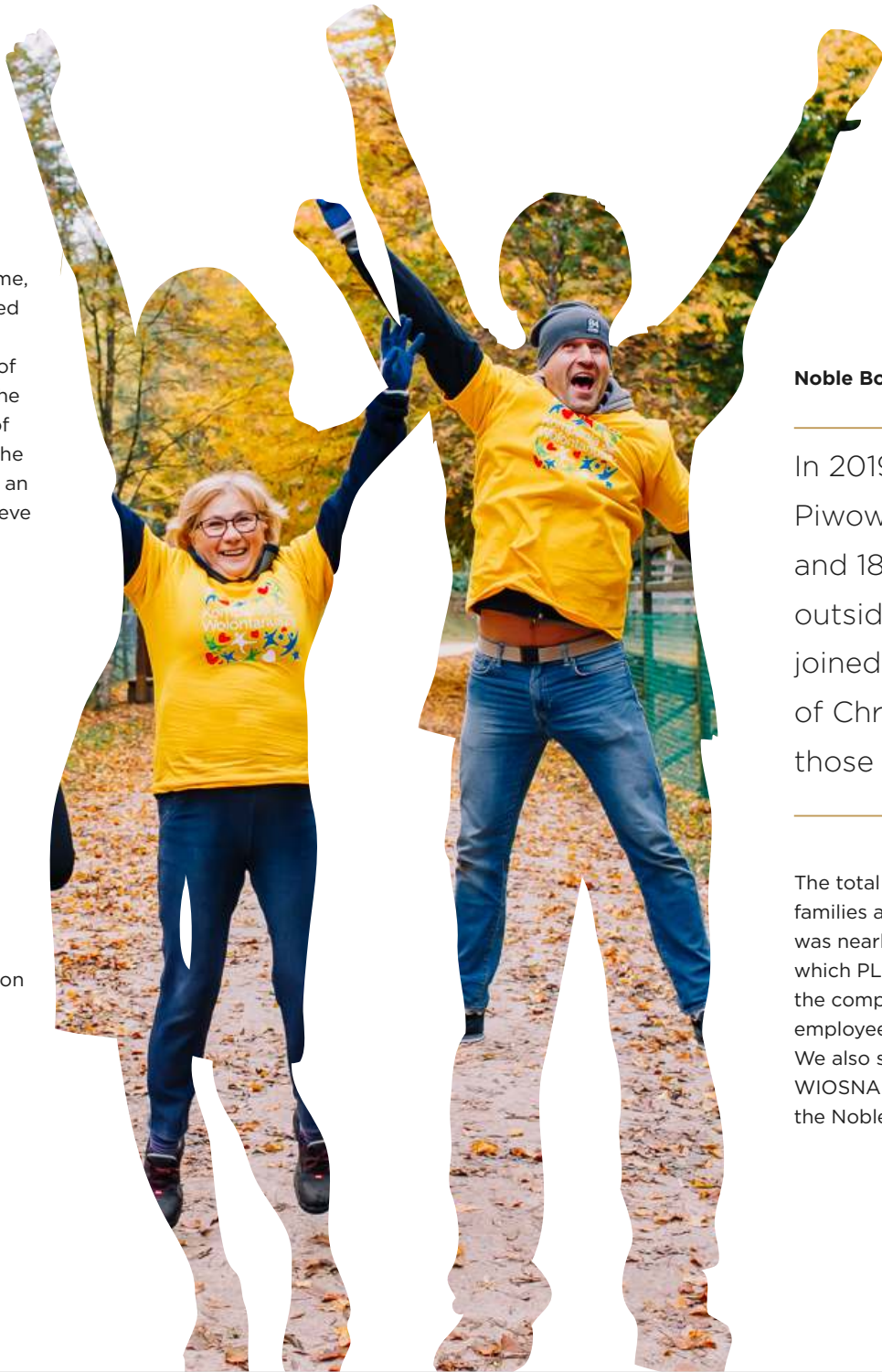
* Total: Noble box and other volunteering projects.

WE SUPPORT EMPLOYEE VOLUNTEERISM

Our employees willingly share their time, skills and knowledge with those in need and we support such undertakings financially and organizationally. Most of the projects implemented as part of the Kompania Wolontariuszy (Company of Volunteers) program are initiated by the employees themselves. We offer such an opportunity to them, because we believe that they are the best experts in local needs.

In 2019, our volunteers:

- regularly tidied up the area next to the Palium Hospice in Poznań,
- supported the Municipal Animal Shelter in Tychy,
- helped the Friends of Poznańska Fara Association in organizing the Magdalene's Braid festival,
- worked with the Ja Wisła Foundation to clean river banks in Warsaw,
- performed cleaning work in the Białowieża National Park.



Noble Box

In 2019, 1656 Kompania Piwowarska employees and 184 people from outside of the company joined in the preparation of Christmas gifts for those in need.

The total value of the 914 gifts given to families and people in difficult situation was nearly PLN 235 thousand, out of which PLN 165 thousand was covered by the company and the rest was raised by employees, their friends and families. We also supported volunteers from the WIOSNA Association, which organized the Noble Box campaign.

Charitable sports challenges

Employees who join our sports activity program entitled “Focus on moving” (Postaw na ruch) may participate in charitable challenges. They only need to connect mobile applications monitoring their physical activity to a special platform. By doing that, they can find out how many kilometers they must still do – running, walking, biking or skiing – for the company to make a donation to a person with a locomotor disability through the Poland Business Run Foundation.

In 2019, our registered employees (more than 500 people) met the challenge of traveling at least

300 thousand km.
All of them together traveled

368,598 km,
for which we purchased a wheelchair for Ola.



WE CREATE PLACES OF MEETINGS
AND SOCIAL ACTIVITY

The football tournament for Kompania Piwowarska employees, held every year since 2011, also has a charitable dimension.

The top three teams can identify the social organizations to receive donations from our company. In 2019, the Tyskie Cup winners decided that we should support the Fuga Mundi Foundation, which helps people with disabilities, the Świetlikowo Children Hospice in Tychy and the Fastryga Foundation, which supports the people with the fetal alcohol syndrome (FAS).

LECHSTARTER is a grant program of the Lech brand implemented in partnership with the Urban Forms foundation.

Its goal is to change Polish cities by releasing the positive energy of its residents.

In 2019 we modified the formula of the program. 15 cities from across Poland fought for votes on the Internet. In the cities that received the most votes: Szczecin, Kielce and Rzeszów, we financed the SPACES designed by a renowned architect Jakub Szczęsny.

SPACES are places where residents can socialize and attend cultural events. What is important, we allowed local social initiatives to decide how they are used – for meetings, exhibitions and workshops.

15 cities
participating in the competition

nearly 300 thousand
votes

3
winners

PLN 1 million
for meeting and activism spaces

We have carried out this program since 2016; we have built the meeting and social activism zones in large cities, such as Poznań or Gdynia, as well as smaller towns, such as Wolbrom, Włocławek and Morawica.

WE SUPPORT PROTECTION
OF NATURE, MUSIC AND SPORTS

The Żubr brand has been financially supporting the activities of the Białowieża National Park for the protection of the bison. As a result of these activities, the Polish part of the Białowieża forest is home to 770 of those animals.

In 2019, the bison on bottles and cans of our most popular beer was replaced by three other species inhabiting the

Białowieża Forest: the wolf, the lynx and the Eurasian pygmy owl. The purpose of the campaign accompanied by an advertising spot was to make the Poles aware of how extraordinary animals live in our forests and how much they need our protection. As part of the campaign, we donated PLN 1 million to the WWF Poland Foundation for activities to support the three species.

654
bison at the beginning of 2018 r.

770
bison at the beginning of 2020 r.

We supply excellent beer, but also... entertainment. In 2019, the Museum of the Tyskie Browary Książęce received a prize of the Entertainment Eagles competition, in which winners are selected by service users across Poland.



The Tyskie brand supports Polish sports. By signing long-term contracts with the Polish Football Association, Polish Volleyball Federation and the Polish Handball Federation,

Tyskie has become an official draught beer for all matches of Polish national teams in the most popular team sports disciplines.

The Lech brand supports musical festivals, such as Pol'and'Rock, Audioriver or OFF Festival and additionally is the main sponsor of the Lech Poznań football club.

In 2019, **the Lech Free brand** became the strategic sponsor of all Runmageddon sports events, including the extreme, four-day obstacle run held on the Sahara desert.



WE TAKE CARE
OF OUR
EMPLOYEES



As a society, we are getting old and we have a negative migration balance of more than a million people. This poses a double challenge for companies. First of all, they become more flexible, opening more to women (which are professionally inactive more

”

often than men), senior citizens and the disabled, in order to ensure easier recruitment to fill vacancies.

Secondly, they must reduce employee turnover by offering more attractive and honest remuneration, the expected form of employment, but also education opportunities, the chance to increase professional qualifications and promotion - both vertically and horizontally, to gain new experience in the areas that become increasingly attractive for employers.

Łukasz Komuda
Labor market expert at the Foundation for Social and Economic Initiatives

GOAL 4

Kompania Piwowska supports the pursuit of the following Goal 4 targets:

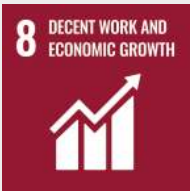


4.3. By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.

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

GOAL 8

Kompania Piwowska supports the pursuit of the following Goal 8 targets:



8.5. By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

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

103-1, 103-2, 103-3

We use transparent and honest criteria of recruitment, remuneration and access to training and promotion. We support our staff not only in professional growth but also in their efforts to protect health or maintain the work-life balance. We work with all employees to create a safe and comfortable working environment. We honor rights of our employee and carry out a constructive dialog with the trade unions operating in the company. For those interested in the possibilities offered by working for KP, we organize open days, apprenticeships and internships.

WE LET PEOPLE GET TO KNOW US

For years, we have been offering programs allowing candidates to see what the work for Kompania Piwowska is like, what career paths it offers and helping them get valuable experience. They include:

- paid internship program assuming active involvement in the company's operations, with full support of our employees
- EU internship program organized in our breweries in cooperation with universities
- "In perfect Company" – a program of free 4- or 6-week summer internships, available to students from nearly all fields of study

In June 2018, we launched a talent program entitled "Many departments – one growth".

In the program, 5 selected employees spent 18 months gaining unique knowledge in 3 different departments (6 months in each of them) in accordance with their individual development plans.

Each newly recruited employee undergoes a compulsory two-day training, during which they find out more about the history, market position, structure and culture of our organization and the support available to them.

Training in responsible approach to alcohol during the performance of professional duties is an important element of the training. This topic is covered by the „Beer Ambassadors,, and „Alcohol ABC,, programs.

KEY PERFORMANCE INDICATORS:

43
interns

34
students participating in summer internship programs



As part of the "Together in KP" recommendation program, our employees are able to recommend employment candidates from outside of the company.

Current job and internship offers in Kompania Piwowska are posted on its website at

www.kp.pl/kariera/oferty-pracy-i-praktyk



WE SUPPORT
EMPLOYEE DEVELOPMENT

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

Each KP employee has guaranteed access to a wide range of internal training courses. They pertain to both personal growth (such as project management, leadership or sales skills) as well as internal processes and procedures (among others, operation of production and filling machines and keeping of microbiological standards). The topics and forms of training depend on the business needs of the company and the employees.

The training takes the form of lectures, workshops and e-learning courses.

Remote training, both mandatory and voluntary, is delivered through a special platform available to employees at www.kp.learncom.pl.



404-1

KEY PERFORMANCE
INDICATORS:

2995

total number of training participants

3.05

training days per employee

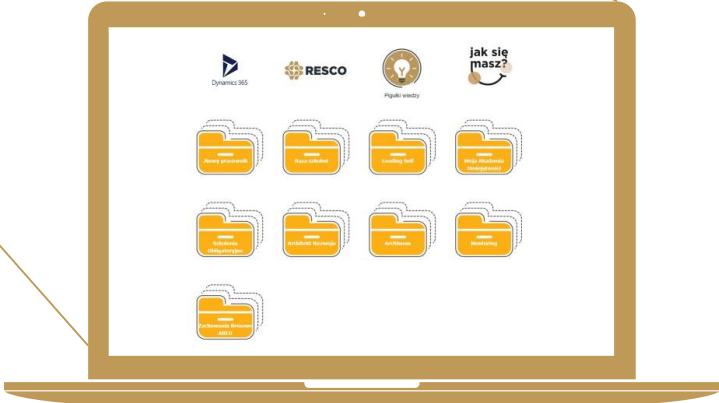
404-2

The company has in place a mentoring program, under which the individuals aspiring for further development work with more experienced employees to expand their business perspectives and improve leadership skills.

In 2019, we organized the 5th edition of this program with 32 mentoring pairs.

16 women and 16 men were supported in their professional growth.

Manufacturing and Supply Chain Leaders may participate in the Lean Leader Academy program. The program takes one year and consist of 7 two-day lean management workshops.



WE BUILD THE CULTURE
OF SAFETY

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

All our employees must adhere to the OHS Policy setting the Global Safety Standards (GSS). Under the policy, every manager in the Manufacturing area must conduct regular reviews of working conditions based on special checklists. Every year, internal audits are carried out in selected areas.

Additionally, independent external auditors perform regular audits of the Occupational Health and Safety Management System in terms of its compliance with the new **ISO 45001:2018** standard.



Additionally, starting this year, cross-audits are held within our European corporate structures.



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

Moreover, there are Beverage Manufacturing Safety Instructions in place in KP shared by the entire ABEG. It defines, among others, standards for OHS management and reporting systems and specific procedures, e.g. for the safe use of chemical substances and mixtures, occupational risk assessment, handling of workplace accidents or testing of personal protective equipment.

Since 2016, we have been implementing an OHS improvement system involving the promotion of the correct conduct in accordance with the behavior-based safety (BBS) approach. Its purpose is to build an organizational culture, in which attention to safety becomes a habit for employees. It is based on so-called Safety Leaders, who regularly observe the work performed by their colleagues.

The implementation of the program named “Behavioral Based Safety” has allowed us to identify many risks associated with routine tasks performed by the staff.

In 2019, we trained **24 “leading observers”** who provide coaching and expert knowledge on causes of accidents.

WE PREVENT ACCIDENTS
THROUGH EDUCATION

403-5

All our locations feature first aid points equipped with defibrillators, rescue bags etc. and we provide regular first aid training courses.

They are held during the World Day for Safety and Health at Work, which is organized every year in our breweries and in the Management Board office in Warsaw and also during employee picnics. They are delivered by our Pre-Medical Rescue Teams, which have been operating since 2016 in our breweries in Poznań, Tychy and Białystok.

The goal of the “Conscious Driver at Kompania Piwowarska” program is to make drivers aware of the causes of dangerous situations on the road. During the training, they acquire practical skills how to drive in a safe, economical and environmentally-friendly manner and how to administer first aid.

WE STRIVE TO REDUCE
THE NUMBER OF ACCIDENTS

403-2

In 2019, 13 recognized workplace accidents occurred among employees of Kompania Piwowarska and employees of the temporary work agency providing services for our company. All the accidents were minor and the employees did not suffer any severe injuries. As a result of the accidents, the injured employees were on sick leaves for a total of 779 days. The special achievement was 660 days without accidents in the Supply Chain Operational Division, which included among others distribution and warehouses (from 16 May 2018 to 5 March 2020). In that period, KP employees transloaded approx. 22.5 million pallets without an accident.



KEY PERFORMANCE
INDICATORS:

0
zero severe accidents

485
Safety Leaders (up by 88)

15,376
BBS observations

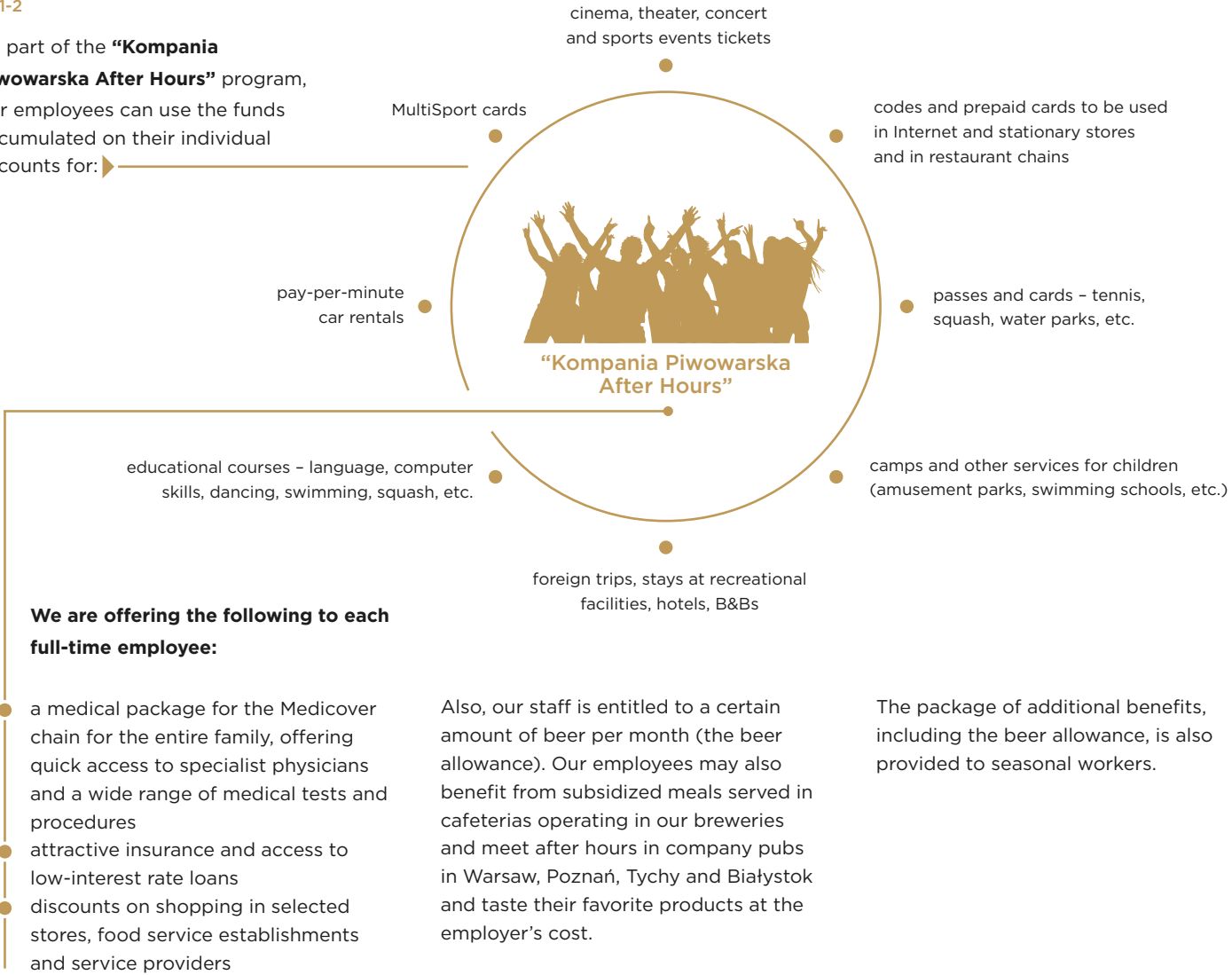
99.06%
compliance with Global Safety Standards (GSS)

30
employees holding Heartsaver First Aid CPR AED certificates confirming the ability to administer cardiopulmonary resuscitation

WE OFFER NON-
SALARY BENEFITS

401-2

As part of the “Kompania Piwowarska After Hours” program, our employees can use the funds accumulated on their individual accounts for:



WE PROMOTE HEALTH

403-6

We have collaborated with the Medcover medical Center to develop annual plans of preventive and educational activities.

In 2019, as part of the “Focus on Health” program, we organized among others:

- “How to give up smoking” seminar
- breast cancer seminar and workshops
- “Walking for health” workshops
- advice from dietitians and exercise experts



KEY PERFORMANCE INDICATOR:

10
events under the “Focus on Health” program

WE ENCOURAGE PHYSICAL ACTIVITY

103-1, 103-2, 103-3

By offering the MultiSport card, we provide employees and their families have unlimited access to 4,600 sports facilities in 650 locations across Poland.

At the end of 2019, nearly **1,000 employees** and more than **500 family members** used the package.

We also encourage sports activities through:

- “Focus on moving” charitable sports program described in the “We work together” chapter
- rewards for participation in individual contests and group challenges

KEY PERFORMANCE INDICATOR:

368,598 km
traveled by our employees – running, walking, biking and skiing – as part of the “Focus on moving” program

WE OBSERVE EMPLOYEE RIGHTS

102-41

Nearly all our employees are engaged on the basis of an employment contract. We strictly adhere to the Labor Code, the act on informing and consulting with employees and the act on trade unions. We have continued constructive cooperation with the trade union organizations operating in the company, with which we negotiated a collective bargaining agreement in 2004.

In 2019, it covered **81.6%** of Kompania Piwowarska employees.

Experts from the Well.hr site have prepared a report entitled “Move On! How to support physical activity among employees” devoted to the various ways of taking care of employees. The authors of the study emphasized as many as seven practices from Kompania Piwowarska relating to, among others, health, physical activity and safety.



WE APPRECIATE DIVERSITY



Diversity management is not an ideology. It is respect for the differences between us and how every person may contribute their specific experiences and views to the company.

It is ensuring equal treatment, comfort and safety for everyone in company spaces.

In these times and in the Polish reality, this approach is becoming increasingly important for employers. It shows that responsibility to employees should be taken seriously: it should be planned, implemented and evaluated just as any other aspect of the management process.

Mirella Panek-Owsiańska
CSR, diversity management and social communication expert



103-1, 103-2, 103-3

Our employees are diverse, including in terms of gender, education, age and nationality - they include people from **Ukraine, United Kingdom, Russia and USA.**

For us, diversity is not only a value in itself, but also an opportunity to ensure a more effective cooperation within our employee teams.

This is why we take measures to ensure that all employees of Kompania Piwowska feel respected and have the ability to develop their potential without any restrictions. Through continuous education and appropriate recruitment practices, we are combating the hidden stereotypes, for example those related to “male” and “female” professions and functions. Our job offers do not contain any suggestions relating to the preferred age of the candidates.



KEY PERFORMANCE INDICATORS:

25.5%
percentage of women in the workforce

31.5%
managerial posts held by women

from +2% to -3%
differences in remuneration between female and male employees

WE CONSCIOUSLY MANAGE DIVERSITY

103-1, 103-2, 103-3

Our actions to prevent discrimination and promote diversity are based on:

- the Code of Ethics
- The policy to prevent violence, mobbing, discrimination and harassment in the workplace

Nearly all of our employees have completed a diversity management training, e.g. in the form of e-learning. This topic is also gradually included in other training programs.

We enable employment of people with disabilities. Our website has been adapted to the needs of the visually impaired and the Management Board office is accessible to people with movement disabilities. As part of volunteering activities, our employees are involved in projects supporting people with various kinds of disabilities.

GOAL 5



Kompania Piwowska joins in the pursuit of the following Goal 5 targets:

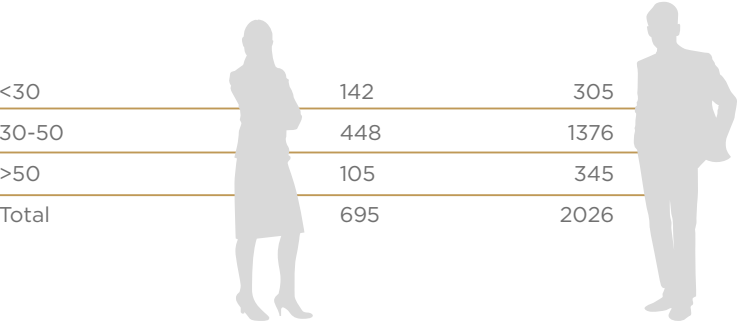
5.1.
End all forms of discrimination against all women and girls everywhere.

5.5.
Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.



GENDER AND AGE DIVERSITY
OF KP EMPLOYEES*

102-8



* Data as at the last day of the calendar year.

In 2019, we launched the Równie Ciekawi (Equally Interesting) platform with a view to showing that every employee is interesting and his or her contribution to the company is important. It presents our initiatives for diversity and viewpoints of employees from individual groups. During that period, we also took measures for a better mutual understanding between junior and senior production employees.

102-12

We are among the first 14 companies to sign the Charter of Diversity in Poland in 2012. It is an international initiative pursued currently in 24 EU member states and initiated in Poland by the Responsible Business Forum. The Charter of Diversity is an independent document regulating diversity issues at Kompania Piwowarska. It is a commitment to prevent any forms of discrimination in the workplace, create and promote diversity and engage the company's stakeholders in the actions taken in this area.

WE SUPPORT GENDER EQUALITY
AND WOMEN'S CAREERS

405-2

Our employees' remuneration is independent of gender, as confirmed by the analyses we have performed using an application provided by the Ministry of Family, Labour and Social Policy.

They have shown that, when allowing for factors such as working time, years of experience, age and education, differences in wages between women and men at individual organizational levels in our company fell within the range from +2% to -3% in the period 2018-2019.

We actively support increase in the employment of women at our organization, which is perceived as a "typically male" one. The Department of Production Technology and Administration as well as the Central and Marketing Departments can boast gender balance. The fewest women work in production, sale and distribution, and therefore we modified the relevant job advertisements again in 2019 to attract more female candidates.

We also make ensure that women always apply to senior functions. In our breweries in Tychy, Poznań and Białystok, open days for women were held in 2019 for the fifth time. Apart from female students and graduates of regional institutions of higher education pursuing programs in engineering and technology, female students pursuing programs associated with logistics were invited to the meeting held on the International Women's Day this year. During the open days, several dozen young women learned about their professional development opportunities at Kompania Piwowarska, e.g. by talking to our female experts working at various departments.

We support exchange of experiences and information between our female employees – we have developed a special communication platform for this purpose.





WE COUNT
EVERY DROP



We know it for sure that the precipitation structure in Poland until around 2030 will be similar to that of the past 8-10 years, which means that it will be irregular, with a high share of heavy rainfall.

As a result, the water balance will deteriorate unless we start accumulating excess storm water or thaw water more effectively and releasing it during agricultural drought. Therefore, the brewing sector should start asking its suppliers how they manage small retention on their fields. It will be equally as important for companies operating in this sector to carry out regular audits of the water resources they use and consistently communicate to the public how important proper water management is.

Kamil Wyszowski
General Director of UN
Global Compact in Poland

GOAL 6



Kompania Piwowarska contributes to the pursuit of the following Goal 6 targets:

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

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

WE OPTIMIZE
WATER CONSUMPTION

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

Our breweries are among global leaders in terms of efficiency of water use. While the typical water consumption in modern breweries all over the world is 3–6 hl/hl of beer, we need only 2.63 hl of water to brew 1 hl of beer. The technological and organizational solutions we apply are considered best practices for other European facilities of the Asahi Group.

Our facilities' demand for water is reduced not only by introducing new technologies and improving processes (see Chapter “We build the culture of innovation”) but also through utilities consumption monitoring computer systems and by imposing resource management standards on our suppliers.

303-5

KEY PERFORMANCE
INDICATORS:

2.63 hl

is the amount of water
we use to produce 1 hl of beer

0

is the number of water resources
significantly affected by
the operation of our facilities

Our breweries in Poznań and Białystok are supplied with water from municipal water supply systems and in Tychy – additionally from our own water intakes. Water withdrawal for our facilities does not have a significantly adverse effect on the level of its regional resources, which is confirmed by our annual analyses of water risks.

WE CARE ABOUT RESPONSIBLE
WASTEWATER MANAGEMENT

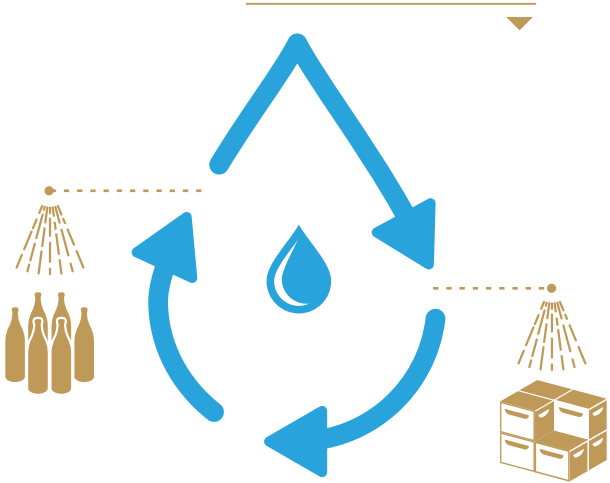
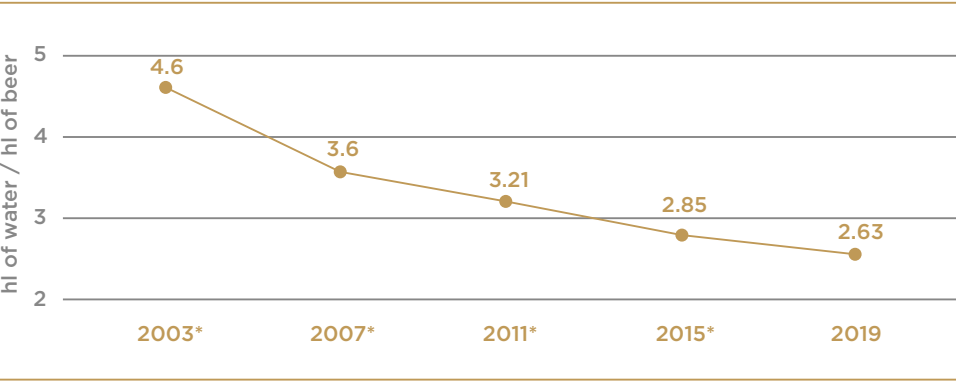
103-1, 103-2, 103-3

We monitor the amount and parameters of the produced wastewater and strictly abide by the rules of its treatment before it is released to the environment. The wastewater from the Tychy brewery first goes to the modern pre-treatment plant within the facility, whereas in the case of other locations it is directly channeled to municipal wastewater treatment plants.

It is possible to reduce the amount of produced wastewater e.g. through its partial recovery and reuse.

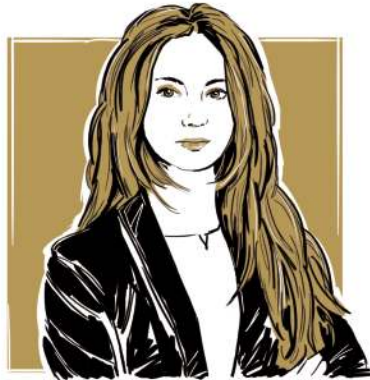
For instance, water from bottle washers could be used for washing empty crates and water from can rinsers could be recovered and reused for lubricating conveyors.

Improvement of water use efficiency



* Data for the so-called settlement periods from 1 April of the previous year to 31 March of the following year.

WE CARE ABOUT
THE CLIMATE



For the brewery sector, which has a small share in the domestic energy consumption, reducing greenhouse gas emissions might seem relatively easy – it will suffice if breweries shift to renewable

energy. What is a much greater challenge, however, is to reduce emissions involved in transporting products to stores. Another test for the sector is related to the consequences of climate change, namely to periods of drought in Poland. They lead to poorer barley and hop yields, which results in rising prices of these commodities. Therefore, it is crucial to prevent drought by supporting practices enabling longer retention of water in agricultural areas (constructing slide gates in land drainage channels, setting up woods in farmland, etc.).

Agnieszka Boniewicz
WWF Poland Sustainable Development Team Leader

”

GOAL 13

Kompania Piwowska contributes to the pursuit of the following Goal 13 target:

13.3.

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



103-1, 103-2, 103-3

We keep trying to mitigate our environmental impact and we place a particular emphasis on issues related to combating climate change and its effects. Our main focus is on reducing carbon dioxide emissions (e.g. by using renewable energy), water consumption and waste production. We monitor the current requirements and amendments to the environmental law, which we then interpret from the angle of our activity.

Compliance with the identified requirements is subject to periodic assessment as part of internal audits and during lawfulness assessment, which takes place at least once a year.

305-5, 307-1

KEY PERFORMANCE INDICATORS:

7.07 kg

is our emission of carbon dioxide when producing 1 hl of beer*

9%

is the decrease in CO₂ emissions from transportation in the period 2017-2019

0

is the number of penalties imposed for non-compliance with environmental regulations

WE MANAGE ENVIRONMENTAL
IMPACT CONSCIOUSLY

102-11

Our Integrated Risk Management System includes the Environmental Management System based on the register of significant environmental aspects. In their identification and evaluation process, we consider the operation of all our breweries and warehouses. In 2019, we focused on optimizing the processes affecting the natural environment, e.g. on replacing our equipment with less energy-intensive one.



* Emission for the Białystok brewery is calculated as: [net amount of steam × emission factor provided by the combined heat and power plant + electricity × emission factor for Poland + amount of gas used by forklift trucks × emission factor for LPG]. Emissions for the Poznań and Tychy breweries are calculated as: [amount of gas × emission factor for a given gas + electricity × emission factor for Poland + amount of gas used by forklift trucks × emission factor for LPG]. The amount of electricity supplied to the breweries allows for transmission losses along our infrastructure.



WE MONITOR ENERGY CONSUMPTION AND CO₂ EMISSIONS

Actions for the company’s energy efficiency improvement are taken within the Energy Management System as per ISO 50001.

They consist, among others, in:

- improving the technology and replacing the equipment used in the breweries
- making use of renewable energy

Many solutions for reducing energy consumption, and hence also our carbon footprint, were put forward by our employees as part of the Company of Ideas program (it is described in the Chapter “We build the culture of innovation”). We also continue the environmental education of our staff, who are given practical hints about saving energy.

Our breweries are fitted with a computer system monitoring consumption of utilities. It can be used for tracking, among others, heating, electricity and cooling consumption at any time intervals. There are also provisions on consumption of utilities in environmental clauses included in contracts signed with subcontractors. Satisfaction of the agreed requirements is verified by persons responsible for cooperation with a given company.

305-1

In 2019, the boiler plants in our facilities in Poznań and Tychy emitted 27,767 t of CO₂e.

This volume is exclusive of fugitive emission, that is emission from cars, forklift trucks and technologies, as well as emission from biogas (in accordance with the guidelines for emission trading).



By the end of 2021, 100% of the energy purchased by our breweries will come from renewable sources, with the indicator reaching 40% already in 2020. Shifting to RES will enable us to reduce CO₂ emissions by as much as 66%.

WE REDUCE EMISSIONS INVOLVED IN TRANSPORTATION

In order to minimize CO₂ emissions involved in the transportation of our beers, we take e.g. the following actions:

- optimizing the distribution network and stock allocation (e.g. by delivering products directly from breweries to customers, with the omission of warehouses)
- increasing the average volume of deliveries, e.g. by rewarding full truck load orders
- applying full truck load collection of packaging
- upgrading the rolling stock
- sharing transportation with our customers and other companies
- teaching our drivers how to drive economically

Our optimization of logistics in the period 2017–2019 allowed us to reduce CO₂ emissions from transportation by 9%.

WE KEEP LOOKING FOR CLIMATE-FRIENDLY SOLUTIONS

What is significant from the viewpoint of minimizing the company’s carbon footprint is that 49% of our products are sold in reusable packaging and 45% – in fully recyclable aluminum cans.

Our packaging policy is improved on an ongoing basis. For instance, after a range of analyses and tests, we have managed to reduce the weight of 500 ml and 550 ml aluminum cans in recent years. In 2019, we marketed new lots of canned beer in lighter cans, which have a lower carbon footprint. That year, we also continued reducing the thickness of printed shrink films – our multipacks. Additionally, we modified the method of packaging the provided bottles; more bottles in a layer mean more bottles on a pallet, and consequently fewer pallets and vehicles.

All these actions translate into a decrease in fuel consumption when transporting our products, which means also lower emissions of carbon dioxide and other pollutions.

We keep expanding the scope of using electronic documents: we received as many as 36.1% of invoices in this form in 2019.

Our actions in this area concentrate on partners which generate at least 15 invoices a year. Electronic invoicing brings not only environmental benefits but also financial savings, and additionally it streamlines document workflow.

WE ARE
COMMITTED
TO RENEWABLE
ENERGY



In the context of the progressing climate changes and the existing international obligations to reduce greenhouse gas emissions, and given the growing demand for energy, it becomes essential and

urgent to obtain it from as low-emission carriers as possible and to increase energy efficiency. In practical terms, this means supporting solutions for RES development, storing energy, enhancing the capacity for the use of all types of waste and production scrap, as well as using energy, including thermal energy, produced during operation. Independence and self-sufficiency in “clean energy” production as well as elimination of “dirty energy” as soon as possible are no longer merely fantastic visions. They are urgency.

Sławomir Brzózek
CSR Expert, Consultant

”

103-1, 103-2, 103-3

We keep looking for ways to continue the reduction of carbon dioxide emissions. And so, we produce some of the consumed thermal energy on our own - by combusting the biogas generated in our Tychy facility. The cooperation we have established with innogy is to ensure that our breweries' entire demand for electricity will be met by innogy's onshore wind farm in the period 2021-2029.

KEY PERFORMANCE
INDICATORS:

7.99%
of the energy we consumed
in 2019 came from renewable sources

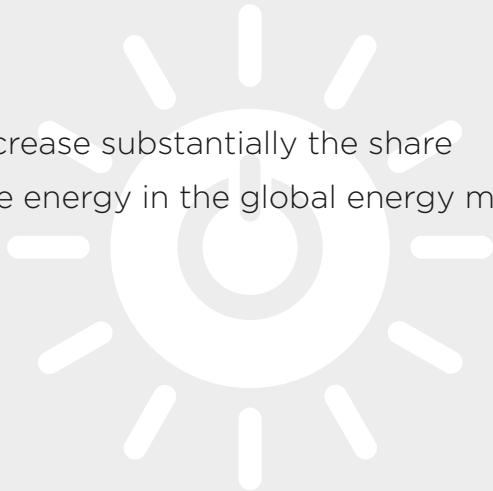
100%
of the electricity contracted
for the period 2021-2029
will come from wind energy

CEL 7



Kompania Piwowarska joins in the pursuit of the following Goal 7 target:

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



WE USE BIOGAS

The biogas used in the Tychy brewery is produced from methane fermentation of organic compounds in the on-site wastewater pre-treatment plant. It is an environmentally friendly fuel as it is produced from waste and its combustion generates much less pollution than hard coal or heating oil.

12.54%

is the share of energy generated from combustion of biogas along with natural gas, in the total volume of energy from fuel combustion in the boiler plant at the Tychy brewery

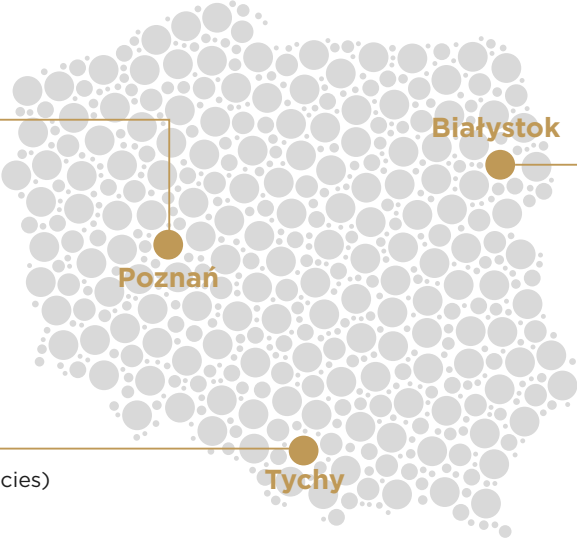
We are using the following fuel types in our plants:



natural gas, heating oil (in emergencies)



natural gas, heating oil (in emergencies) and biogas



steam received directly from the combined heat and power plant

WE SHIFT TO WIND ENERGY

In 2019, we established cooperation with innogy, which owns a wind farm located in Nowy Staw. The contract, valid for the period from 2020 to 2029, will enable expansion of the wind farm, as a result of which it will be able to fully satisfy the demand of our breweries for electricity starting in 2021. This will allow us to reduce carbon dioxide emissions by 66% compared to 2019.

Already in 2020, 40%

of the electricity used by us will come from the Nowy Staw wind farm. This means that we will have the capacity to produce Lech, which is one of the largest beer brands in Poland, based exclusively on electricity generated from wind.



The cooperation between innogy and Kompania Piwowarska is a breakthrough in the Polish market – for the first time on such a scale, production will be powered with electricity from a wind power plant under a PPA (Power Purchase Agreement).



WE REUSE



The necessity to transpose the EU law, in particular the amended Waste Directive, which defines the requirements related to extended producer responsibility, will be one of the key elements setting the

directions of activity and challenges related to packaging and waste for the brewing sector in the nearest future. The possible introduction of the mandatory deposit-refund system, the increasing reorientation towards circular economy and emphasis on preventing the production of waste give rise to new opportunities and ambitious goals, such as an increase in the share of returnable and reusable packaging and unification of packaging in the brewing sector.

Agnieszka Sadowska-Konczal
Specialist in Education
for Sustainable Development,
Polish Zero Waste Association

GOAL 12



Kompania Piwowarska contributes to the pursuit of the following Goal 12 targets:

- 12.4.**

By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.
- 12.5.**

By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
- 12.6.**

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

WE ARE COMMITTED TO REUSABLE
PACKAGING AND RECYCLING

103-1, 103-2, 103-3

Our actions for minimizing waste generation go beyond optimization of production and logistics processes. We recover, including through recycling, virtually all waste and by-products. Almost a half of our beer is sold in reusable packaging, which is returned to our facilities through the collection system we have developed. We engage our suppliers and consumers in improving our waste management. It is a perfect example of a properly functioning extended producer responsibility (EPR) system within which Kompania Piwowarska assumes full responsibility for its packaging by organizing and financing its “life cycle”.

KEY PERFORMANCE
INDICATORS:

99.82%

is the recovered waste
and by-products

We have virtually always applied reusable packaging on a large scale. Currently, almost half of our beer goes to consumers in returnable bottles and kegs, which are used in bars and restaurants to sell draught beer. Apart from that, 46% of our products are sold in fully recyclable aluminum cans.

Types of packaging
of our beers sold in 2019::

100%
of by-products
are used in agriculture

49%
of beers are sold
in returnable packaging

50%
The aluminium for the cans
we are using is approx.
50% recycled

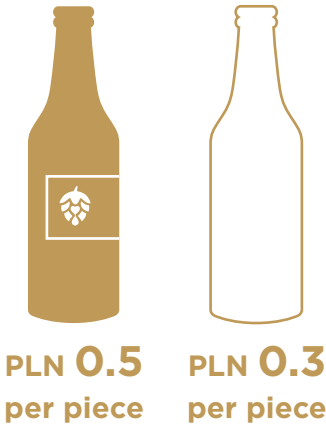
Reusable glass
bottles
45%
Kegs
4%

Disposable
glass bottles
5%

Cans
46%

A RETURNABLE
OTTLE CAN BE
REFILLED AS MANY AS
20 TIMES
BEFORE IT IS
RECYCLED.

We cooperate with Interseroh to ensure compliance with the legal requirements relating to the recycling of packaging waste. Also, as a member of the Union of Employers in the Sector of Packaging and Packaged Products EKO-PAK (Związek Pracodawców Przemysłu Opakowań i Produktów w Opakowaniach EKO-PAK), we actively participate in developing a proposition of a packaging waste management system that is efficient, fair and compliant with the EU legislation.



We established a reusable bottle
collection point.

In 2019, we addressed one of the main reasons why not all bottles come back to breweries. It is the sellers' requirement for customers wishing to return bottles and recover the deposit to present receipts confirming the purchase of beer in a given store. Our response to the problem is the pilot initiative taken in Poznań.

In 2019, in the direct vicinity of Lech Browary Wielkopolski, we opened a point where bottles of all Polish producers can be returned.

We refund PLN 0.5 per bottle
of our brands and PLN 0.3 per bottle
of other brands to consumers.

We have initiated bottle exchange with other breweries because we want as much packaging as possible to go back to the market and as little as possible – to garbage cans. We might establish similar points in other locations.

WE TRANSFORM WASTE
INTO RAW MATERIALS

103-1, 103-2, 103-3

All by-products of our beer production process are used in agriculture: directly for feeding animals or for preparing compound feed. We also ensure the recovery of the aluminum cans and plastic cups in which our beers are served to the participants of Pol'and'Rock, the largest music festival in Poland.

In 2019, they supplied approx. 1.5 t of aluminum and approx. 1.2 t of plastic waste to us and those who were most involved in the action were rewarded with electric scooters.

Moreover, during the last year's edition of the event, we gave out two types of environmentally friendly cups: 100% recycled disposable PET cups and reusable cups.

WE BUILD
THE CULTURE
OF INNOVATION



Excessive production and consumption, which has become a sign of our times, poses a major challenge to business: how to grow in a sustainable manner, while maintaining profitability. One of the obvious possibilities is to optimize

production, minimize raw material consumption and use innovative environmentally neutral materials. However, it is equally important to take a broader systemic approach based on building sustainable value chains, the entire circular ecosystem, where – as a result of cooperation between market players – new business models will emerge enabling the circles to be closed. This will enable growth of the business and the entire enterprise and building of a competitive advantage, only in a sustainable manner.

Agnieszka Sznyk, Sc.D.
President of the Institute of Innovation and Responsible Development

”

103-1, 103-2, 103-3

Our efforts to improve efficiency of our raw materials and energy consumption, optimize work at our facilities and make it safer are not limited to the continuous monitoring of the processes and investments in new technologies.

It is equally as important to create an organizational culture that encourages all our employees to continuously seek technical and organizational improvements related to the areas of their responsibility. We identify and implement ideas for changes on an ongoing basis, even the smallest ones, since – when taken in aggregate – they produce significant effects.

KEY PERFORMANCE
INDICATORS:

582

improvement projects
were submitted

378

employee ideas
were implemented

WE REWARD IDEAS
FOR IMPROVEMENT

103-1, 103-2, 103-3

Our goal is to ensure that the targets and goals we set, as well as our communication and educational campaigns, inspire our employees to think how to improve their own work and operation of their plants. The solutions they come up with are collected, analyzed and implemented.

In order to encourage ideas, we have launched a program called Company of Ideas (Kompania Pomysłów), which rewards the best propositions.

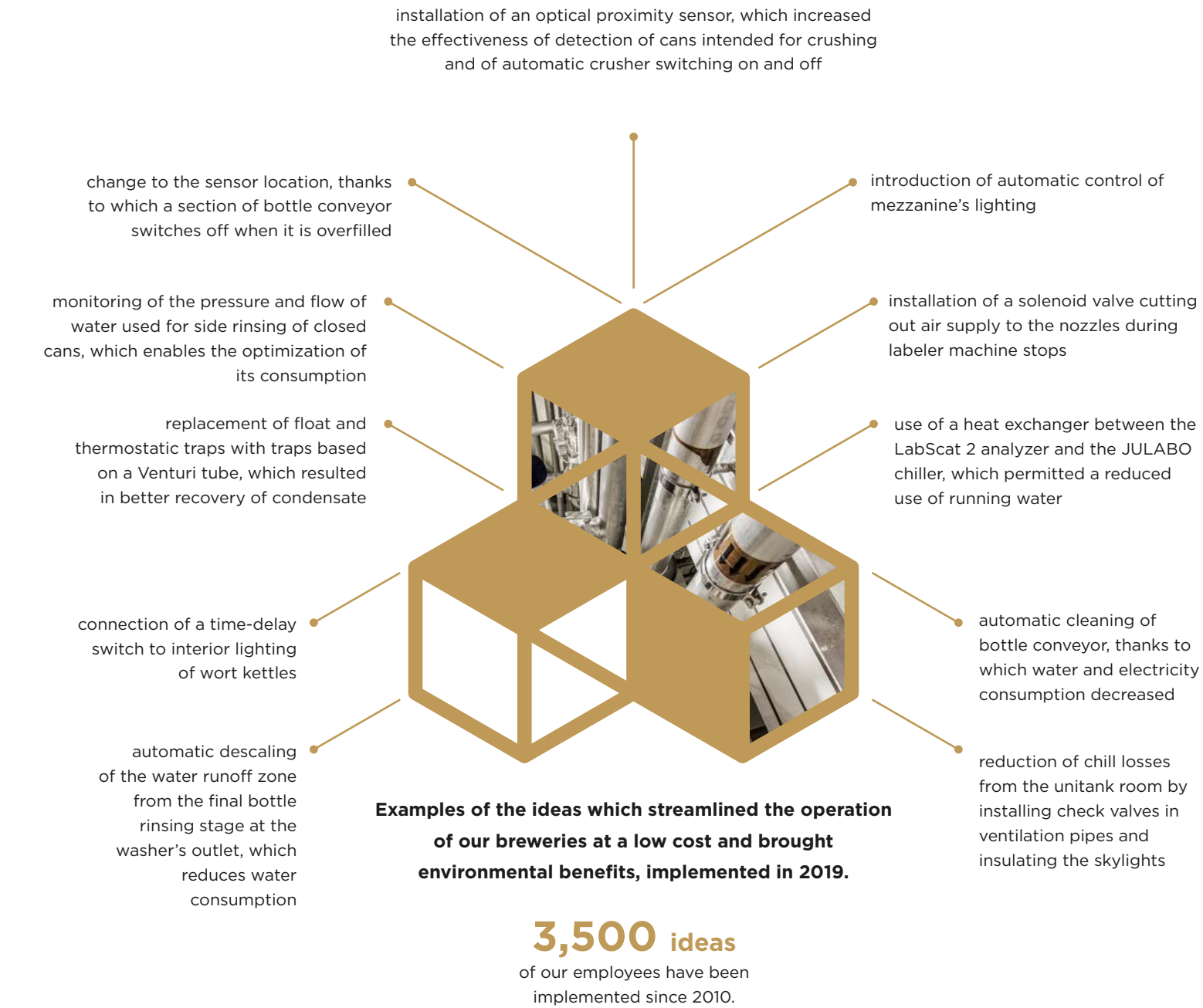
GOAL 9

Kompania Piwowarska contributes to the pursuit of the following Goal 9 target:

9.4.

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





WE ACT ETHICALLY



The crisis triggered by the pandemic might bring new challenges and risks in the area of corporate responsibility due to the necessity to optimize costs and maintain the market position as well as the pressure to achieve the desired financial result.

In this context, it will be extremely important to monitor compliance with the law, including respect for human rights in the workplace – both with respect to employees and other people collaborating with a given enterprise. It is a component of the due diligence process, which will soon be obligatory for businesses. It is worth building partnership with employees and their representatives in the market that is undergoing changes as a result of the pandemic and in the workplace in order to face challenges together, at the same time ensuring social peace.

Joanna Szymonek
Polish Institute for Human Rights and Business

GOAL 10



Kompania Piwowarska supports the pursuit of the following Goal 10 target:

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

WE BUILD ETHICAL
CULTURE

103-1, 103-2, 103-3

The contemporary business environment is extremely complex and so decision-making and interactions become increasingly complicated. When taking up the related challenges, we adhere not only to the applicable law but also to the ethical principles we profess. Some of our top values include: respect for employees, prevention of conflicts of interest and fair competition on the market.

KEY PERFORMANCE
INDICATORS:

12

notifications to the Ethics Committee, which translates into 40% decrease compared to 2018

0

proceedings regarding anti-competitive conduct

103-3, 102-16, 412-3

Code of Ethics

When making any business decision, whether concerning workplace relationships or collaboration with local communities, we adhere to the system of values described in our Code of Ethics.

It is a publicly available set of rules based on integrity, openness, responsibility, fairness and mutual respect. The contracts we sign with our suppliers and customers include a commitment that they will also comply with the Code of Ethics.



The KP's Code
of Ethics

must be observed by all our employees and consists of principles grouped into four categories:

1. compliance with laws and business ethics
2. people and work environment
3. customers, consumers and communities
4. sustainable development

The provisions on sustainable development refer, among others, to the need to respect human rights.

103-1, 103-2, 103-3

In addition to the Code of Ethics, the company has related regulations in place and communicates them systematically to employees.

They include:

- Asahi Code of Conduct
- Anti-Corruption Policy
- Workplace Violence, Mobbing, Discrimination and Harassment Prevention Policy
- Breach Notification Policy

102-9

Our suppliers must declare compliance not only with the Code of Ethics but also with the Supplier's Code of Conduct, which contains the requirements associated with human rights or environmental protection. We regularly verify suppliers based on uniform standards.



Kompania Piwowarska
Code of Ethics is available on
www.kp.pl/files/kodeks_etyki.pdf

Ethics Committee

In assessing specific situations from the ethical point of view employees are supported by the Ethics Committee, which performs consultative and advisory functions. It deals, among others, with examining notifications of breaches of the principles stipulated in the Code of Ethics. In the event of suspected fraud, the Committee is assisted by the Fraud Team led by the Vice President of Finance.

Notification of breaches

Employees are informed about the available channels for notifying breaches and about the company's response procedure already during the onboarding training. Additionally, any information on this topic is always available to all employees on the company's Infonet.

Employees and third parties may notify ethical issues:

- by e-mailing the Ethics Officer (lidia.kosicka@asahibeer.pl), Chairman of the Ethics Committee (pawel.sudol@asahibeer.pl) or by writing to the dedicated address etyka@asahibeer.pl
- by calling the KP helpline (801 133 133) or the helpline for ABEG* employees (00 800 44 21 245; free number, a Polish interpreter available)
- by filling in the form on https://wrs.expolink.co.uk/asahibreweries* or <https://www.kp.pl/csr/etyka>
- by post, to the address: Bartłomiej Stachowiak
Head of Internal Audit
ABE Group and KP
Kompania Piwowarska
ul. Szwajcarska 11
61-285 Poznań

* The contact channels are provided by an independent organization, which ensures that all reports about irregularities are fully anonymous.

All reports, also anonymous, are analyzed in detail and if irregularity is found then appropriate measures are taken.



406-1

In 2019, the Ethics Committee received 12 reports.

They were all analyzed in detail.

In 2019, we received the Ethical Company award given to companies, which demonstrate the most comprehensive approach to building and reinforcing an ethics-driven organizational culture.

Wyróżnienie w konkursie organizowanym przez dziennik „Puls Biznesu” zostało nam przyznane po raz drugi z rzędu.

WE COMPETE FAIRLY
IN THE MARKET

206-1

We conduct our activities with respect for all principles of business ethics and good custom. We do not use anti-competitive practices. As a result, in 2019, for a successive year running, we have not been a party to any litigation in respect of any breach in this area, e.g. of the anti-monopoly regulations.



We received the title, awarded by the “Puls Biznesu” daily, for the second consecutive year.

WE COMBAT
CORRUPTION
AND PREVENT
CONFLICTS
OF INTEREST



Following the rules of ethics is our conscious choice. Responsible organizations achieve full compliance with the accepted ethical standards by using adequate instruments.

They may include an anti-corruption policy, which provides detailed procedures of response to any irregularities in this area. By having unambiguous procedures in place, we make sure that everyone is clear about what is acceptable and what is not. When building a culture based on ethical values and principles, organizations implement solutions that protect employees who want to share information about a potential conflict of interests or other irregularities in the workplace. This is the best way of preventing abuse.

Prof. Bolesław Rok
Director of the Business Ethics
Centre at the Kozminski University

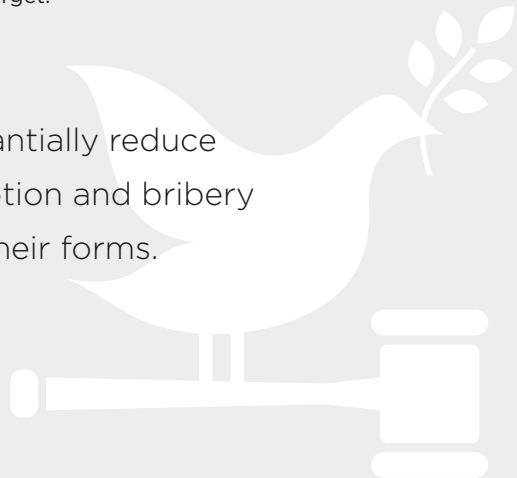
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GOAL 16



Kompania Piwowarska supports the pursuit of the following Goal 16 target:

16.5.
Substantially reduce corruption and bribery in all their forms.



103-1, 103-2, 103-3

The risk of corruption is a part of the annual risks analysis. It is also examined during audits.

According to the ABEG guidelines, we are obligated to, among others, perform an annual analysis of the risk of fraud.

All potential irregularities in this area are thoroughly analyzed by a team composed of Audit Department and Legal Department employees.

205-3

KEY PERFORMANCE
INDICATOR:

0
of confirmed
corruption cases

205-1, 205-2

Anti-Corruption policy

All our personnel, including contractors, must observe the provisions of the Anti-Corruption Policy. The document is available on our Infonet and all new employees learn about it during induction training. The Policy is updated regularly, with the latest review carried out in 2017 and the next one planned in 2020. There is a separate set of anti-corruption regulations applicable to our suppliers.

Another tool to prevent irregularities is the requirement to submit a declaration on the absence of conflict of interest. The list of persons subject to this requirement is prepared annually in consultation with the Internal Audit Department.



WE COOPERATE
WITH
THE STAKEHOLDERS



In many areas, Kompania Piwowarska sets the standards for sustainable development in Poland. For example, our first stakeholder panels were organized as early as over a dozen years ago. For such an organization to be able to progress even further in self-improvement is no small

feat, yet one that is not only possible, but also needed as never before. In the times of the pandemic, some questions that earlier were only asked tentatively now have become matters of urgency. This includes the fundamental issues of reinventing social and economic relationships. How much responsibility is there on the part of business, government, citizens? And how much should there be? Do we need a new social accord? Mature organizations must take part in this search for answers to the most topical social, environmental and economic challenges. To configure this new, better normality together, it is critical to know how to look at the entire ecosystem of relationships, as well as maintain dialog and cooperation with everyone around us, and to be ready to turn up and commit.

Marzena Strzelczak
President,
Responsible Business Forum



GOAL 17



Kompania Piwowarska supports the pursuit of the following Goal 17 target:

17.17. Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

To increase the effectiveness of our actions in the area of sustainable development, we are engaged in open dialog and partnership-based cooperation with other commercial entities, public institutions and civic society organizations. We are dedicated to long-term partnerships for the development of the economy, protection of the environment and solving social problems. They operate on the basis of defining the priorities together and sharing of responsibility.

KEY PERFORMANCE INDICATORS:

- 11 years**
of the strategic partnership with the Responsible Business Forum
- 21 years**
of active membership of the Union of Brewing Industry Employers - Polish Breweries

WE CARE ABOUT
COMMUNICATION WITH
THOSE AROUND US

102-40, 102-42

In 2019, we updated our stakeholder map.



THE PRIMARY STAKEHOLDERS OF KOMPANIA PIWOWARSKA ARE:

- consumers
- employees
- clients
- the Asahi Group
- natural environment
- suppliers
- public administration
- the media
- local governments
- local communities
- industry organizations
- potential employees
- social organizations
- research institutions/universities
- experts



102-43

We conduct an open dialog on the social, economic and environmental aspects of our operations. We adapt the language and tools applied to the needs and preferences of a given stakeholder group.

External stakeholders can obtain all answers via electronic mail (poczta@asahibeer.pl) and our helpline (801 133 133).

Complaints are referred to the Complaints Department, which will contact the complainant.

102-43

Our communication tools include:



- surveys (including employee satisfaction, supplier questionnaires)
- publications in print (including the “Świat Piwa” (The World of Beer) company magazine) and in electronic form (the sustainable development report)
- Internet websites addressed to consumers and clients (the company’s web page and web pages of individual brands, www.beerlovers.pl, www.abcalkoholu.pl, www.portalgastro.pl, www.browarytyskie.pl)
- social media platforms
- helplines
- dedicated email accounts
- intranet messages, mailings and videos of the President of the Management Board
- webinars, meetings (including meetings of the Management Board with employees across Poland)
- participation in external working groups
- fairs, conferences, training
- employee volunteering programs
- the LECHSTARTER grant program
- site visits to breweries

WE ARE AN ACTIVE MEMBER OF MANY ORGANIZATIONS

102-13

Our organization membership includes the following:

- Union of Brewing Industry Employers - Polish Breweries



- Union of Employers in the Sector of Packaging and Packaged Products EKO-PAK



- Responsible Business Forum



- SHOKOKAI Employers Union



- British Polish Chamber of Commerce



In these organizations, we cooperate with other entities to advance sustainable development of the brewery industry and Polish economy at large.

We have been a member of the Responsible Business Forum since 2008. This confirms our achievements in the area of corporate social responsibility, and is an expression of our commitment to disseminate this idea, including in the form of an exchange of knowledge and experience.

Back in 1998, we were among the founders of the Union of Brewing Industry Employers - Polish Breweries. Since that time, we have been actively supporting its initiatives to develop our industry, as well as social programs, especially those designed to prevent irresponsible consumption of alcohol.

We are also a founding member of the EKO-PAK employers’ union. In this organization, established in 2015, we take part in the on-going work on packaging waste management solutions. We also take part in, among others, the work of the Ministry of the Environment on a deposit system scheme.

FIGURES



EMPLOYEES



Employment by region and gender*

102-8

	Women	Men	Total
Production technology and administration	26	16	42
Białystok Brewery	29	104	133
Poznań Brewery	90	353	443
Tychy Brewery	98	282	380
Head Office departments and marketing	225	136	361
Sales and distribution	227	1135	1362
Total	695	2026	2721

Employment by pay grade and gender*

	Women	Men	Total
Other employees	251	910	1161
Specialists	287	774	1061
Managers	147	298	445
Directors and Management Board	10	44	54
Total	695	2026	2721

* As at the last day of the calendar year.

102-8

Employees by pay grade and age*

	<30	30-50	>50
Other employees	236	653	272
Specialists	189	745	127
Managers	22	384	39
Directors and the Management Board	0	42	12
Total	447	1824	450

Employees by form of employment*

	2018	2019
Employment contracts	2726	2721
including part-time	6	10
Other forms of employment		
temporary agency workers	5	11
mandate contracts	29	32

Employees covered by collective bargaining agreement*

102-41

	2018	2019
Headcount	2726	2721
Employees covered by the collective bargaining agreement	2218 (81.4%)	2222 (81.6%)

◀ TOTAL

Type of employment, by gender*

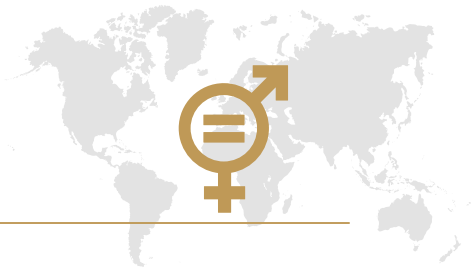
	Women	Men	Total
Indefinite term contract	612	1762	2374
Substitution contract - indefinite term	3	5	8
Other agreements (trial term contracts, definite term contracts, definite term substitution contracts)	80	259	339
Total	695	2026	2721

Employees by pay grade and gender*

	2018		2019	
	Women	Men	Women	Men
Headcount	698	2028	695	2026
Employees covered by the collective bargaining agreement	534 (77%)	1684 (83%)	538 (77%)	1684 (83%)

◀ BY GENDER

* As at the last day of the calendar year.



DIVERSITY

Employees by gender*
405-1

	2018	2019
Men	74.4%	74.5%
Women	25.6%	25.5%

Employees with disabilities*
405-1

Degree of disability	Number of employees
high	1
moderate	4
low	4

Management personnel by gender*

	Women	Men
Management Board	1	5
Directors	9	39
Managers	147	298

Ratio of entry level wage to minimum wage, by gender*
202-1

	2019
Men	159%
Women	160%

Female employees by department*

	2018	2019
Corporate affairs	83.3%	83.3%
Finance department	74.3%	74.5%
Marketing	71.1%	66.7%
HR department	66.7%	68.4%
Procurement department	59.4%	60.0%
Strategic planning	42.1%	44.4%
Head Office	28.6%	28.6%
Production	25.1%	24.3%
Sales	18.1%	17.6%
Supply chain	14.7%	15.5%
IT department	14.3%	14.6%

Differences in pay between female and male employees
405-2

		Set 1	Set 2	Set 3	Set 4	Set 5	Set 6	Set 7	Set 8
REQUIRED METRICS	gender	x	x	x	x	x	x	x	x
	basic salary	x	x	x	x	x	x	x	x
	grade	x	x	x	x	x	x	x	x
ADDITIONAL METRICS	age		x		x		x		x
	tenure		x		x		x		x
VARIABLE	bonus system			x	x				
	education					x	x		
	performance rating							x	x

MAY 2020

% of women counted in the analysis	100%	97%	100%	90%	97%	65%	99%	83%
Female employee pay difference	0%	2%	-3%	-1%	0%	1%	0%	2%

MAY 2019

% of women included in the analysis	100%	96%	100%	88%	97%	65%	99%	78%
Female employee pay difference	0%	2%	-2%	-1%	1%	0%	1%	+2%

Over the past two years, in any of the 8 analyzed variants covering different sets of indicators, the payment gap between female and male employees did not exceed 3%.

* As at the last day of the calendar year.

OHS



403-2

Causes of accidents in 2019:

- impact (3 accidents)
- slipping/tripping (1 accident)
- pressed down (2 accidents)
- crushed (2 accidents)
- bottle handling (1 accident)
- electrostatic charge (1 accident)
- cut with a sharp tool (3 accidents)

The injured comprised 10 men and 3 women, including 10 persons employed in breweries. One of the accidents did not result in medical sick leave.

The Disabling Incident Frequency Rate (DIFR), for just 12 accidents resulting in a medical sick leave (the so-called DI), was 0.48. The Rate was calculated according to the following formula:

DIFR =
$$\frac{\text{Sum total of Dis over 12 months} \times 200,000}{\text{Sum total of hours worked over 12 months}}$$

As a result of the accidents referred to above, the injured employees were on medical sick leave for a total of 779 days. The Disabling Incident Severity Rate (DISR) was 31.01. The Rate was calculated according to the following formula:

DISR =
$$\frac{\text{Total of absentee days caused by accidents over 12 months} \times 200,000}{\text{Sum total of hours worked over 12 months}}$$

In 2019, there were no incidents involving employees of an external company

Workplace accidents

Production				Supply chain				Sales			
Białystok	Poznań	Tychy	Technology	West	Central	South	Planning	North	South	West	Other
1	6	3	0	0	0	0	0	2	0	0	1

WATER AND WASTEWATER



Water consumption

303-1

	2016	2017	2018	2019
Total water consumption [hl]	38,424,676	35,767,443	37,314,889	37,819,902
a. Municipal water [hl]	27,017,966	25,051,633	26,142,909	27,094,662
b. Water from own underground intakes [hl]	11,406,710	10,715,810	11,171,980	10,725,240
Beer production [hl]	14,484,722	13,581,850	14,137,908	14,372,328
Consumption of water for beer production [hl of water/hl of beer]	2.65	2.63	2.64	2.63

Amount of wastewater per hl of manufactured beer (m³/hl)

306-1

	2016	2017	2018	2019
Poznań Brewery	1.57	1.60	1.66	1.67
Białystok Brewery	1.93	1.79	1.81	1.79
Tychy Brewery	1.54	1.52	1.43	1.48

CO₂ EMISSIONS AND ENERGY CONSUMPTION



Energy consumption
302-1

	2016	2017	2018	2019
Production volume (hl)	14,484,722	13,581,850	14,137,908	14,372,328
Electricity consumption [kWh]	80,960,550	75,899,548	79,437,257	80,624,889
Ratio [kWh/hl]	5.59	5.59	5.62	5.61
Consumption of heat from non-renewable sources [GJ]	693,612	639,822	634,157	597,544
Consumption of heat from renewable sources [GJ]	34,697	30,774	30,806	29,4373
Ratio [MJ/hl]	50.3	49.4	47.03	43.62

CO₂ emissions from boiler plants in Poznań
and Tychy breweries [Mg]

305-5

	CO ₂ emissions [Mg]
2013	33,109
2014	29,688
2015	27,429
2016	28,471
2017	27,073
2018	27,827
2019	27,293

WASTE MANAGEMENT



Mass of by-products and waste from the production process [Mg]

306-2

	2016	2017	2018	2019
By-products (brewers' grains, malt dust, by-product yeast)	277,729	262,350	283,339	271,146
Other waste (including cullet, paper and cardboard, aluminum, sheet metal, plastics, wood, diatomaceous earth, used labels), excluding municipal waste	23,507	22,221	20,218	19,055
Hazardous waste	30	28	28.4	46.1

Amount and percentage of reclaimed packaging materials by material category

301-1, 301-3

	2016	2017	2018	2019	
input [kg]	17,242,311	18,616,761	19873426	18,607,899	
recycled [kg]	8,793,579	9,494,548	10,135,447.26	9,490,029	◀ ALUMINIUM
% reclaimed	51	51	51	51	
input [kg]	3,425,011	2,829,020	3190834	2,601,883	
recycled [kg]	1,746,755	1,442,800	1,627,325.34	1,326,960	◀ SHEET METAL
% reclaimed	51	51	51	51	
input [kg]	9,161,070	8,759,690	6489209	7,281,147	
recycled [kg]	1,465,771	1,401,550	1,038,273.44	1,164,984	◀ WOOD
% reclaimed	16	16	16	16	
input [kg]	7,596,499	7,189,474	7,447,419	8,021,356	
recycled [kg]	4,633,864	4,385,579	4,542,925.59	4,893,027	◀ PAPER AND CARDBOARD
% reclaimed	61	61	61	61	
input [kg]	70,200,999	80,769,739	76,880,252.00	109,115,543	
recycled [kg]	42,822,610	49,269,541	46,896,953.72	66,560,482	◀ GLASS
% reclaimed	61	61	61	61	
input [kg]	3,678,390	3,487,066	3,432,773.00	4,332,654	
recycled [kg]	864,422	819,460	806,701.66	1,018,174	◀ PLASTICS
% reclaimed	23.5	23.5	23.5	23.5	

ABOUT THIS REPORT

101, 102-3, 102-10, 102-48, 102-49,
102-50, 102-51, 102-52, 102-54, 102-56

This report covers the period from 1 January to 31 December 2019 and all the units of the company: the Management Board office in Warsaw, the breweries in Tychy, Białystok and Poznań - where the company's head office, 3 distribution centers and 12 sales districts are also located. The data regarding water, energy and emissions pertain to the production plants only.

This report has been prepared in accordance with the GRI Standards: Core Option. It has been prepared in accordance with the 10 GRI principles, regarding:

- defining the report content (Materiality, Sustainability Context, Stakeholder Inclusiveness, Completeness),
- report quality (Balance, Reliability, Comparability, Accuracy, Timeliness, Clarity).

The report has not been externally assured. No restatements have been applied to the information disclosed in the previous reports, published every year since 2009.

STAKEHOLDER INCLUSIVENESS

102-44, 102-46

Representatives of Kompania Piwowarska and its environment have been included in the report preparation process. The scope of the report has been defined based on a survey of the expectations of the major internal and external stakeholder groups of the company as regards its non-financial reporting. The survey was conducted in spring 2019 by an independent consulting firm Go Responsible in the form of an on-line questionnaire drawn up based on the UN Sustainable Development Goals.

In total, anonymous recommendations were collected from 30 persons, i.e. employees and business partners of the company, and representatives of the local government, local officials, representatives of supervisory institutions, workers of non-governmental organizations and journalists. The results of the materiality analysis are presented below.



102-47

Topics of material importance for both internal as well as external stakeholders:

- | | |
|---|--|
| <ul style="list-style-type: none">• Promotion of responsible alcohol drinking• Health and safety of clients• Impact of Kompania Piwowarska on Polish economy• Sustainable development strategy and activities• Occupational safety and health• Anti-discrimination and gender equality | <ul style="list-style-type: none">• Raw materials and consumables used, their recycling and re-use• Water intake and consumption, re-use, wastewater discharged• Generated wastewater, waste and leaks• Energy consumption and ways to reduce it• Greenhouse gas emissions (GHG) and ways to reduce them• Preventing climate change• Compliance with environmental regulations |
|---|--|

102-47

The process of defining the report content also included important topics in the context of the UN Sustainable Development Goals, as well as opinions of external experts, who took part in two on-line expert panels organized by the company. The expert panels, which took place on 22 and 25 May 2020, were devoted to environmental and social challenges faced by the brewery industry.

A more detailed description of the process and its results can be found in the chapter “Foresight CSR for the Brewing Industry”.

Topics relevant for Sustainable Development Goals:



- Jobs, internships and apprenticeships for young people
- Employment level and employee benefits
- Diversity and equal opportunity at the workplace
- Entry level wage
- Contribution into serving the society, and into development of infrastructure and local markets
- Relations with small and medium-sized enterprises
- Inclusion of local communities, preventing adverse impact on local communities
- Prevention of food waste
- Supplier assessment as regards respect for employee rights, human rights, etc.
- Supplier assessment as regards compliance with environmental criteria
- Combating corruption
- Preventing breaches of free competition principles and monopolistic practices
- Company assessment as regards respect for human rights
- Labeling of products and services
- Regulations and voluntary codes as regards marketing communication

102-47

Topics identified by the experts:

- Promotion of alcohol-free products
- Growing importance of informal social networks
- Growing consumer expectations as regards environmental protection
- Striving for circular economy
- Reducing transport emissions

102-53

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

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Content index



As part of the Materiality Disclosure Service, GRI Services issued an opinion that the GRI content index is clear, and the references to indicators 102-40 and 102-49 correspond to the correct parts of the report.

102-55

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