

**PIVOVARY
STAROPRAMEN**

A MOLSON COORS COMPANY



Our
Beer
Print

2018

SUSTAINABILITY REPORT



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OPENING REMARKS



Endurance and honesty are fundamental values shared by Pivovary Staropramen and the entire beer brewing Molson Coors Group. As a significant manufacturer, employer, and business partner, we actively help to create a high-quality environment for us to work and live in. We set ourselves ambitious goals for environmental and climate protection, as well as for the responsible handling of natural resources, in order to minimise the footprint that we, as a manufacturing company, leave behind us. We support responsible consumption and provide our consumers with a wide range of brands of beers and other beverages with a lower or zero alcohol content. As a good neighbour, we invest in the development of communities where we collaborate with municipal districts where our breweries are located, as well as with NGO partners.

It is not enough, however, to observe our commitment to communities, environment and customers. We want to do more and set trends. We have therefore summarised our attitude to sustainability in our vision entitled Our Beer Print 2025 presented in our Sustainability Report 2017. Now we present our Report summarising our activities and projects in the area of sustainability in 2018 and shows our progress in achieving our goals. We do not forget our employees who are ambassadors of our activities and therefore form an integral part of our success.

There is no doubt that the issue of sustainability is an important topic in recent years. Whether we speak about climate change, disposable plastics or support for local entrepreneurs and farmers, these discussions are meaningful. They bring new possibilities for inter-industry collaboration as producers of various goods face similar challenges and thus certain synergies can be used and things can be improved. In these discussions, an important mediating role is played by industry associations and platforms that interconnect individual entities and show new trends and examples of best practices from abroad.

We are convinced that the future will belong to responsible producers, employers and business partners. And we want to be among them too.

We enjoy helping!

Edita Šilhánová

Executive Director and Legal & Corporate Affairs Director
for the Czech Republic, Slovakia and Hungary
Pivovary Staropramen s.r.o.

COMPANY PROFILE



Pivovary Staropramen was incorporated in the Commercial Register on 20 June 2012 and it is seated at Prague 5, Nádražní 43/84, 150 00. The Company's scope of business is beer brewing and malting. The Company's Registration Number is 242 40 711.

As of 31 December 2017, the Company has been owned by Molson Coors Netherlands B.V. (with a business share of 99.995%), registered in the Kingdom of the Netherlands, with its seat at 1043 BW Amsterdam, Naritaweg 165, registration number: 34362656, and MOLSON COORS LUX 2 (with a business share of 0.005%), registered in the Grand Duchy of Luxembourg, with its seat at 11-13 Boulevard de la Foire, 1528 Luxembourg, registration number B 168684.

The parent company of the entire Molson Coors Group is the Molson Coors Brewing Company, registered in the United States of America.

In line with Article 2 of the Articles of Incorporation, the Company's scope of business is beer brewing and malting, manufacturing, trade and services not specified in Annexes 1-3 of the Trade and Licensing Act.

The Company owns properties in which it operates a brewery in Prague 5, Smíchov, and a brewery in Ostrava.

Pivovary Staropramen s.r.o. is the second largest beer producer in the Czech Republic and one of the biggest Czech exporters of beer. The key Staropramen brand can be tasted by consumers in 35 countries worldwide.

The Company is not dependent on any patents or licences, industrial, trading or financial contracts or new production processes, which would be of fundamental importance to its business operations or profitability. The Company is not currently involved in any significant litigation, the outcome of which could have a significant effect on its business operations. The Company did not interrupt its business operations in 2018 or in preceding accounting periods.

In 2018, the Company did not engage in any research and development activities. The Company has no organisational unit abroad.

FACTS ABOUT PIVOVARÝ STAROPRAMEN S.R.O. – 2018 IN FIGURES

2nd

place
on the Czech
market

2

breweries



1869

establishment of
the Staropramen
Brewery

621

zaměstnanců

27 %
of whom
are women

10.71

years is the average
working tenure in
the Company

866 CZK mil.

paid in 2018 on direct
and indirect taxes

COMPANY PRODUCTS



COMPANY PRODUCTS



TOP RESPONSIBLE COMPANY AWARD



ZLATÁ
TOP
ODPOVĚDNÁ
FIRMA 2016
SPOLEČENSKÝ
PROSPESNÝ PROJEKT



BRONZOVÁ
TOP
ODPOVĚDNÁ
FIRMA 2016
NEJANGAŽOVANĚJŠÍ
ZAMĚSTNANCI



BRONZOVÁ
TOP
ODPOVĚDNÁ
FIRMA 2016
TOP ODPOVĚDNÁ
VELKÁ FIRMA

2016

In the 13th year of the prestigious **TOP Responsible Company 2016 awards**, organised by the independent Business for Society platform for responsible business, we were awarded **the Gold Certificate in the Social Benefit Project category for the Festivals without Barriers project**, specifically for innovative attitude to addressing current social issues. In the category of Most Engaged Employees, our project entitled Community Days, alias Days when we help was awarded the Bronze Certificate. **We also ranked third in the category of TOP Responsible Company 2016 for sustainable, comprehensive, strategic and innovative business development.**



STŘÍBRNÁ
TOP
ODPOVĚDNÁ
FIRMA 2017
TOP ODPOVĚDNÁ
VELKÁ FIRMA



BRONZOVÁ
TOP
ODPOVĚDNÁ
FIRMA 2017
NEJANGAŽOVANĚJŠÍ
ZAMĚSTNANCI

2017

In the 14th year of the TOP Responsible Company awards we were awarded **the Silver Certificate in the main TOP Responsible Company 2017 category for a socially responsible approach to business and the Bronze Certificate in the Most Involved Employees of 2017 category for the Community Days alias Days when we help project.**

2018

In the 15th year of the TOP Responsible Company awards we were awarded **the Silver Certificate in the main TOP Responsible Company 2018 category and the Bronze Certificate in the Top Responsible Company in Corporate Volunteering of 2018 category for the Community Days alias Days when we help project.**



STŘÍBRNÁ

TOP ODPOVĚDNÁ
VELKÁ FIRMA
2018

cena Byznysu pro společnost



BRONZOVÁ

TOP ODPOVĚDNÁ
FIRMA VE FIREMNÍM
DOBROVOLNICTVÍ 2018

cena Byznysu pro společnost

OUR VALUES AND VISIONS

Our ambition

First choice for consumers and customers



Our purpose

Delight the world's beer drinkers



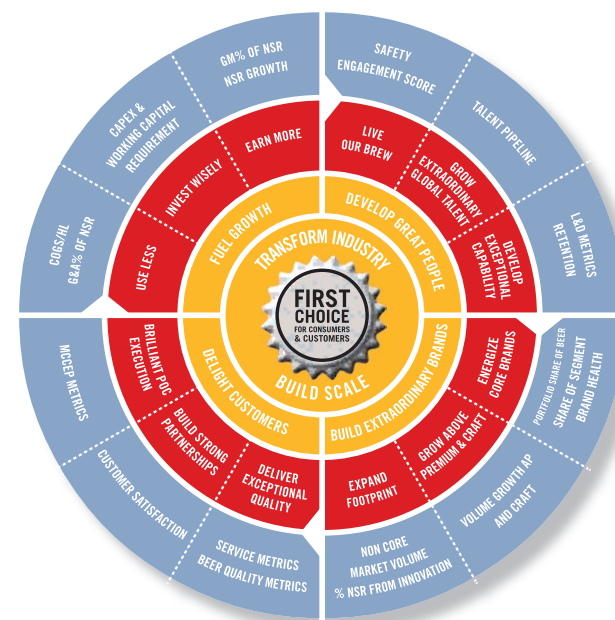
Corporate culture and Brewhouse

operating model help us achieve our ambition

Our Brew company culture



Brewhouse operating model



SUSTAINABLE BUSINESS GOALS – OUR BEER PRINT 2025



Sustainable business goals of the Molson Coors group were set out on the basis of a dialogue with stakeholders that took place in 2017, as well as in compliance with 17 sustainable development goals of the United Nations, in order to reflect problems our industry faces, from climate change to increasing need to protect valuable resources.

We have always made and continue to make an effort to fulfil our duties to the community, environment and consumers in order for us to be able to show our positive Beer Print. As a company that is a member of one of the biggest brewery groups in the world, we want to do much more in these fundamental issues. We want to set the trend and be the leader in this direction.

In the outlook to 2025, we have earmarked three critical areas on which we want to focus. In compliance with our priorities, we have defined the following goals within the scope of the strategy termed Our Beer Print 2025:



Responsibly Refreshing: We shall implement even more emphatic and effective preventive programmes leading to responsible consumption of alcohol, better labelling of our products and a broader offer of low-alcoholic content or non-alcoholic beers for our consumers in all of our markets.



Sustainably Brewing: In our breweries and at our suppliers, we focus on the effective utilisation and protection of water resources. We aim at decreasing water consumption of our raw material suppliers by 10%. We have set ambitious goals leading to the reduction of carbon dioxide emissions by 50% within the scope of our business operations and 20% in our entire value chain. In all our major plants, we shall make an effort to achieve zero waste landfill. We want to ensure that malt and hops, our key raw materials, are 100% sourced from growers who do business in compliance with sustainable development definitions.



Collectively Crafted: We want our Company, which is a member of the Molson Coors Group, to be considered as a good employer that supports the community in which it is operating. From 2016, Molson Coors and Miller Coors have invested more than CZK 500 million in these communities and up to 2025, these companies have set the goal of CZK 2.2 billion of contributions to these communities. In 2017 and 2018, Pivovary Staropramen invested more than CZK 2.5 million in the communities. Furthermore, we put emphasis on occupational safety and health protection. Our aim is to reduce of occupational injuries resulting in long-term incapacity to work by 40%. We also want to promote ethical and sustainable processes and foster diversity in our supply chain.



You can familiarise yourself with the Molson Coors sustainable development strategy at the Molson Coors Sustainability website:

<http://www.molsoncoors.com/en/sustainability/overview>

The details of cooperation between the Molson Coors Group and its stakeholders are available here:

<https://www.molsoncoors.com/en/sustainability/overview/materiality-and-stakeholder-engagement>

RESPONSIBLY REFRESHING



RESPONSIBLY REFRESHING

We believe that having a beer with friends is one of life's simple pleasures. For this reason, we are continuously working on helping our consumers to maximally enjoy this experience. We promote responsible consumption and want to provide further nutritional information on all of our products and bring non-alcoholic or low-alcohol content products to the market in order to offer an alternative to traditional beers.

Product safety and consumer health



During the year, we shall accomplish many audits. BRC audits have already been conducted for several years in both of our Company's breweries according to the **BRC Global Standard for Food Safety** (<https://www.brcgs.com/brcgs/food-safety/>). Besides the IFS standard, this standard is generally one of the most exacting in the food industry. The first audit was at Ostravar, which obtained a "B" result. **Staropramen obtained an "A" result.**



Apart from the above-stated audits, in 2018 both beer breweries accomplished extensive internal **Quality and Food Safety** audits, the result of which confirmed that both breweries have implemented and maintained quality systems that guarantee the high quality and safety of our products.



In 2018, a **GMP+ recertification audit** (www.gmpplus.org) focused on the assurance of feed safety, i.e. beer brewing by-products - dregs and waste yeast, was carried out in Staropramen. The goal is to also set a high quality standard for these raw feed materials and ensure that no undesirable substances get into the food chain. Certification was done by TÜV SÜD.



The Staropramen Brewery has already undergone the **Kosher audit** (<http://kosher-germany.com/koshergermany/en/check-information-guide-first>) for several years, which is focused on the Staropramen product range for the Israeli market. A Kosher audit is requested by customers to ensure that food production fulfils the requirements according to the Jewish dietary habits and laws.

Another integral part of the quality system in our breweries is the **labelling of the products and packaging materials** in general. The product label information must be accurate to prevent the deception of the customer or consumer. The label information is supported by regular analyses in our internal laboratory as well as by external analyses in accredited laboratories. During development of new products according to new recipes, the quality department cooperates with the Beer and Malt Research Institute in Prague.

RESPONSIBLY REFRESHING

Quality awards for our beers



Černá Barbora, brewed in Ostrava, **won the 9th annual CEREVISIA SPECIALIS** degustation competition in the category of the Best Special Beer of the Year. Thanks to the nation-wide distribution to various parts of the Czech Republic, this beer has been available to guests in pubs and restaurants since June 2018.

Membership in professional chambers and CSR organisations



Our Company is a member of the Czech Beer and Malt Association, Czech Association for Branded Products, Czech Franchise Association, Czech Association of Hotels and Restaurants, Czech-Canadian Chamber of Commerce and Business for Society platform.

In all of the above-stated organisations, the Company is actively involved in projects and initiatives that improve the business environment in the Czech Republic and permanently support sustainable development.

Responsible marketing

Irresponsible consumption is dangerous for the whole of society and, as a significant global producer, we are fully aware of the risks. One of key priorities of the **Our Beer Print 2025** strategy continues to be support for responsible and moderate consumption of our alcoholic products.

RESPONSIBLY REFRESHING



We observe strict internal rules defined by the Molson Coors directive on the responsible communication of products in the field of marketing and trade. For several years already, we have been participating, under the patronage of the Czech Beer and Malt Association, in preventive programmes aiming at education in the area of alcohol consumption by minors and drinking in association with driving of motor vehicles.

The project **When I drive, I drink non-alcoholic beer** originated on the soil of the Czech Beer and Malt Association and annually involves 90% of the producers of non-alcoholic beer. During the previous nine years, more than 38,000 drivers were contacted on Czech roads as part of an edification campaign. For their responsible behaviour while driving, these drivers were given non-alcoholic beer and a disposable alcohol tester.

Our project **Stay Cool** when we ask you to prove that you are 18 years of age aims at teaching sales staff how to respond in a friendly, but emphatic manner to the attempted purchase of alcohol by minors. The educational campaign draws attention to this societal problem and practically demonstrates how these situations can be solved in practice. The project started under the patronage of the Czech Beer and Malt Association and with the support by the Ministry of Health of the Czech Republic.

RESPONSIBLY REFRESHING

Corporate Governance, ethics, anti-corruption measures

Our Company endeavours to observe the principles of ethical business and behaviour to our customers, business partners, suppliers and last but not least to our employees.

Employees are motivated to adopt the given policies as a natural part of their presence in our Company and, at the same time, for them to be able to identify any threat to these values within the scope of their working environment.

CODE OF BUSINESS CONDUCT

Document describing company values, goals and basic principles of behaviour and fair business practices. It is mandatory for all employees of the Molson Coors group. All employees are familiarised with the Code of Business Conduct in the form of electronic training – new employees are familiarised with it within the scope of entry training, and all other employees once per year.

ETHICAL CODE OF RESPONSIBLE BREWERS

A document which governs contractual arrangements and cooperation in all areas affected by the actual issue of the ethical conduct of our Company not only as a producer of alcoholic drinks, but also generally as a business entity, and which makes an effort to address an ever growing group of consumers and further endeavours to build a stable position in both Czech and international brewing in the form of permanently sustainable development.

PRINCIPLES AND RULES TO PREVENT CORRUPTION

As a member of a supranational group, we assert the principles and rules, which are based on the globally shared values of the entire Group and the legal requirements of, not only, the local legislation that governs the Company, but also the legal systems of all countries in which the individual Group member companies have their seats. The anti-corruption clause is an integral part of all our contracts with suppliers since 2015. In the form of e-learning, we also train all new employees in ethical business relations and prevention of corruption. Employees undergo this training once per year.

RESPONSIBLY REFRESHING

HELP LINE FOR ETHICS AND COMPLIANCE WITH LEGISLATION

Helpline for employees operated by EthicsPoint, an independent third party. Employees can contact the helpline at any time if they want to bring attention to anything they consider as a violation of the code of ethics.

ANTI-BRIBERY AND ANTI-CORRUPTION DUE DILIGENCE CHECKLIST AND THE APPLICABLE DIRECTIVE

Document describing rules of transparent and fair communication with customers and business partners. When selecting customers and business partners, we apply the requirements on economic viability, transparent operation, strategy, permanent sustainability strategy, and potential long-term partnership, we pay attention to the application of anti-corruption measures and respect for human rights and the principles of occupational health and safety, as well as respect for the principles of environmental protection. Prior to start of cooperation, our suppliers are duly authorised in the form of questionnaires that map all the criteria which they must fulfil before establishment of the business relationship. They are continuously informed about our rules; anti-corruption arrangements are integral parts of all agreements made with suppliers, and we periodically evaluate their observance on the part of our customers or business partners. Customers and business partners are also duly informed about the content of the directive governing the policies applied within the scope of prevention of corruption, and their eventual changes are duly conveyed to our customers and business partners. The rules are regularly presented to employees once per year in the form of electronic training.

COMPETITION LAW RULES

As one of the leading companies in the Czech and international brewing industry, we conduct ourselves on the market in such a manner that the economic competition rules are strictly observed in our conduct toward competitors, customers and business partners. Employees are notified of the requirements for observance of economic competition rules in the form of a directive with the appropriate content, electronic training and training conducted in the form of presentations and discussions on specific topics that the employees encounter within the scope of fulfilment of their everyday working tasks. Besides the above mentioned training package, which is based on the Code of Business Conduct, this topic is also a component of the initial training. Other employees undergo training once per year.

RECEIVING OR PROVIDING GIFTS AND SPONSORSHIPS

Once per year, all employees are informed about the rules of conduct for negotiation with business partners and customers, especially with regard to situations in which the participants are state bodies or state or local government administration authorities. Its objective is to prevent any risk of association of such conduct with any business advantages or an assumption could arise on the potential influencing of processes running in our Company within the framework of the business activities of our Company. This issue is also a component of entry training.

SUSTAINABLY BREWING



SUSTAINABLY BREWING

Excellent beer starts in nature, from the hops and barley, which we use in beer production, to the water, which lends our beer its exceptionalness. During the production process, we use every drop in such a manner as to get the best from each batch. We cooperate with the local growers to help them assimilate the best procedures to make our beer print positive. This means that there is less waste and more efficiency behind each bottle. The result is beer, which is not only better to drink, but is also better for our planet.

Supplier chain

Our objective is to maintain and develop **long-term relationships with suppliers of all the major materials and services** with a focus on the high quality of materials and services, long-term development, reduction of the ecological beer print and an environmentally friendly approach. **80% of the overall goods and services purchased are from local suppliers**, and the remaining 20% from foreign suppliers.

Local sourcing is preferred mainly for key raw materials like barley, malt and aromatic hops. **90% of our key raw materials are produced in the Czech Republic**. 80% of packaging materials like bottles, labels and cartons are sourced from the Czech Republic. As far as services are concerned, this share is even higher; it amounts to 90%.

Purchase of raw brewing materials

Our beer production is based on local raw materials. We have long-term partner relationships with suppliers and are regularly in contact with them. We have specifications for all raw materials and they are regularly analysed. We annually resolve any modifications of the specifications jointly with the suppliers depending on the given harvest year and regularly discuss species structure. We purchase barley up to three years ahead of time, the malt purchase contract is concluded for a period of 5 years with an extension option, and we purchase hops up to 7 years ahead of time. By this, we guarantee the regular purchase of raw materials to our growers.

Barley for the Staropramen Brewery is primarily grown in Polabí, and for the Ostravar Brewery in Haná. **95% of barley/malt is from local suppliers**, while 5% special malts are purchased from abroad. If a particular harvest provides sufficient quantity of high-quality barley, even 100% of malt may be sourced locally.

Our recipes are based on a combination of bitter German hops and aromatic Czech hops. The share of bitter hops is higher, approx. 60%; the share of aromatic hops is approx. 40%.

Other raw materials, mainly for production of Staropramen Cool products, are 60% foreign and 40% local. We have our own water treatment facilities in both our breweries. It has the quality of infant water.

SUSTAINABLY BREWING

Selection and evaluation of suppliers

When selecting suppliers, **product quality and safety** is the highest priority for us. Each supplier of a critical material must undergo an audit. We assess their standards, quality, process setting, coverage of outages, water and energy consumption, plans for future emission reduction, i.e. an overall attitude towards sustainable business, which is an essential prerequisite for any supplier wishing to participate in the selection procedure.

Based on the results of the supplier audit, an action plan with follow-up steps and specific dates is defined. We have also set up **regular evaluations of all our suppliers**. 12 suppliers of key raw materials and packaging materials are evaluated on a quarterly basis. A further 100 primary suppliers are evaluated once a year.

Our **Business Continuity Plan** defines an alternate supplier for each key material or an alternate plant of the same supplier.

In 2019, we started to work on the so-called **Supplier Assurance**. This tool is capable of guaranteeing supplies of all key raw materials and services – it identifies risky suppliers and proposes alternate sources complying with the same criteria, including a risk matrix.

In the **Industry 4.0** area, which concerns primarily new technology, we look for suppliers with the necessary capacity and collaborate with suppliers who invest in new technologies. We follow the trend in which the suppliers are aware of the necessary changes in thinking and proactively explore new technologies themselves.

SUSTAINABLY BREWING



Environment – our goals

OVERVIEW OF GOALS – STAROPRAMEN BREWERY IN PRAGUE:

Description of the goal	Goal – 2025	Quantified outputs and results – 2016	Quantified outputs and results – 2017	Quantified outputs and results – 2018
Reduction of water consumption for 1 hl of beer produced	3.42 hl	3.54 hl	3.53 hl	3.76 hl
Reduction of electricity consumption for 1 hl of beer produced	5.94 kWh	6.26 kWh	6.26 kWh	6.53 kWh
Reduction of thermal energy consumption for 1 hl of beer produced	53.4 MJ	52.39 MJ	58.13 MJ	58.41 MJ
Reduction of waste volume delivered to the landfills for 1 hl of beer produced	zero waste to landfill in 2020	3.8 g (a total of 10.12 t of landfill waste in 2016)	1.68 g (a total of 4.38 t of landfill waste in 2017)	1.5 g (a total of 3.86 t of landfill waste in 2018)

SUSTAINABLY BREWING



Environment – our goals

OVERVIEW OF THE GOALS – OSTRAVAR BREWERY IN OSTRAVA:

Description of the goal	Goal – 2025	Quantified outputs and results – 2016	Quantified outputs and results – 2017	Quantified outputs and results – 2018
Reduction of water consumption for 1 hl of beer produced	4.50 hl	4.50 hl	4.45 hl	4.62 hl
Reduction of electricity consumption for 1 hl of beer produced	8.17 kWh	8.86 kWh	8.68 kWh	8.60 kWh
Reduction of thermal energy consumption for 1 hl of beer produced	82.9 MJ	99.7 MJ	95 MJ	92.4 MJ
Reduction of waste volume delivered to the landfills for 1 hl of beer produced	zero waste to landfill in 2020	9.11 g (a total of 3.73 t of landfill waste in 2016)	4.2 g (a total of 1.81 t of landfill waste in 2017)	3.13 g (a total of 1.35 t of landfill waste in 2018)

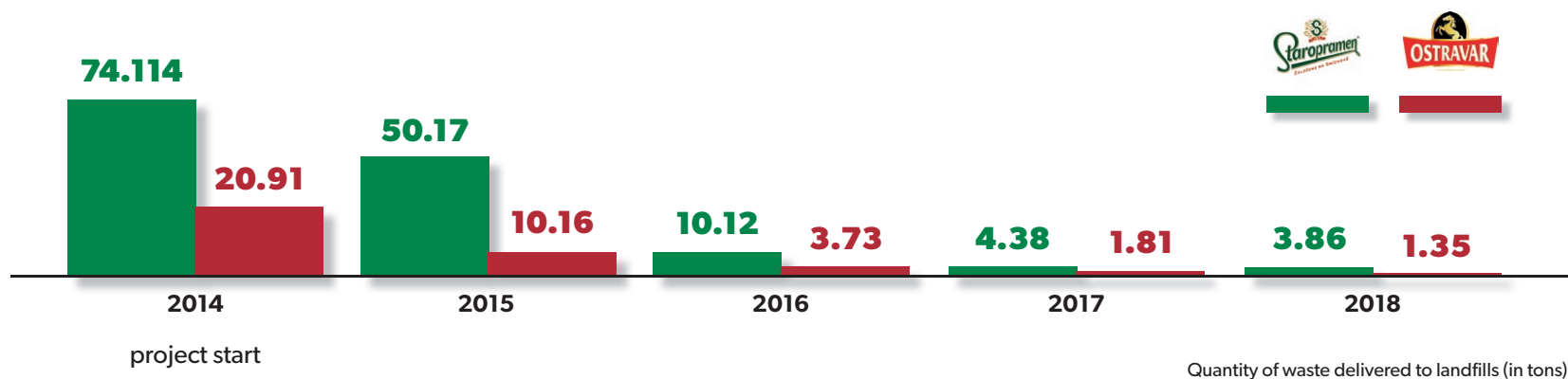
SUSTAINABLY BREWING

EXAMPLE GOAL – ACHIEVE ZERO WASTE TO LANDFILL:

The project with the objective of absolute reduction of the landfill waste burden on the environment started in 2014 as part of the Molson Coors environmental policy. Our goal matches the EU goal, as well as the world trend to utilise all waste in a manner other than storage at a landfill (the so-called “Zero waste to landfill” initiative). Collaboration with suppliers active in waste management sector is critical for the project to succeed. They must be able to process the waste primarily by recycling and/or use it in thermal production energy or put it to some other use.

In the beginning of 2018, a change of our waste management partner took place. The new partner is capable of taking the waste processing to a higher level, as they do not incinerate our waste labels to generate energy but process this waste by recycling. Our purchasing department helps with selecting and retaining suppliers. In its priorities, environmental sustainability is ranked higher than financial values.

Project progress and measuring results – Staropramen and Ostravar Brewery:



We compare the quantity of wastes in the Company in such a manner as for it to correspond to the equivalent production volumes of the individual plants, i.e., the weight of the waste is related to the volume of beer brewed. The goal of our Company is to completely eliminate landfill waste by 2020. If the current trends remain unchanged and our collaboration with waste management partner is good, we should be able to achieve this goal already in 2019. A key element of this achievement is 100% involvement of our employees in sorting individual waste streams from production and other processes, with support and incentives from the Company management.

SUSTAINABLY BREWING

Energy

As regards energies, we use natural gas to generate steam, electricity for our plants and machinery and to generate cold and compressed air, CO₂ and water, which is a key raw material for the production of beer and is used throughout the production process.

In previous years, we have commissioned the eSight monitoring system allowing to oversee energy consumption across our cost centers. In order to easily compare energy consumptions, all energies are measured per unit of product produced. In our case, this is a hectolitre of filled beer. After implementing the WCSC 2.0 programme in the Smíchov bottling line K36, the eSight monitoring system resulted in the reduction of water consumption from 1.58 hl for 1 hl of beer produced to 0.96 hl for 1 hl of beer produced in this line. By doing so, we saved 81,516 hl of water just in this line in the 2nd half of 2018.

Electricity is consumed directly in all production stages to drive motors and conveyors and to produce other energies, as e.g. cold or compressed air. In beer brewing, cooling and production of compressed air accounts for more than one third of electricity consumption and is absolutely indispensable. Therefore we plan to invest in a new compressor in the Smíchov brewery in 2019, to replace the older and less efficient compressor and help us to further decrease the consumption. As regards the compressed air, we also take measures to reduce its consumption, mainly on the basis of increased monitoring. This involves installation of new measuring devices on compressors. They ensure an optimum use of compressors and give us early warning in case of any emerging issues that might result in non-efficient production of compressed air.

Other uses of electricity include energy for compressing CO₂, management and operation of a boiling room and the electricity consumption in the production of beer throughout the plant. We generate heat in the gas-fired boiler house in the form of saturated steam. It is then primarily used for brewing, pasteurisation, sanitation and maintenance of the micro-climatic conditions throughout the entire brewery. To achieve the maximum efficiency in steam production, we plan to purchase a new and more efficient boiler for the Smíchov brewery. Apart from lower emissions, the new boiler should also bring 2% savings of thermal energy, 3,000 GJ in total per year. Improvements and innovations in the insulation area help to reduce the heat consumption as well.

In the Ostravar brewery, the water treatment plant was upgraded in 2018. It is newly equipped with a reverse osmosis station working under lower pressure (reduction from 14 bar to 9.2 bar) and consumes less electricity (by 15%). At the same time, its operation is fully automated which saves the labour of the energy operator. Installation of the Simmerboil technology in the brewing house had the highest positive effect on energy savings. Application of the Simmerboil procedure reduces the consumption of steam on the copper by approx. 3.5 GJ per 1 brewing. In 2018, the savings amounted to 540 GJ (full operation started in mid-October). In 2019, we plan to apply this process in the production of special beers and the estimated savings will amount to 2,700 GJ per year.

SUSTAINABLY BREWING

Water

A further important indicator in both of our breweries is water consumption. Water is one of the primary and most frequent raw materials for the production of beer. Apart from that, we live in a period of decreasing groundwater and surface water resources, when we are starting to perceive its irreplaceableness. As such, the water that we cool with compressors is secondarily used, for instance, in the boiler house, brewing house or the bottling plant.

In 2018, the total water consumption in the Staropramen Brewery was 968,462 hl, which is a consumption rate of 3.76 l of water per litre of beer. In order to achieve our goal by 2025 we are starting a number of projects aiming at gradual decrease of consumption in the years to come. The most significant projects include those implemented at filling lines, where sanitisation processes have been optimised and the monitoring of possible leaks has been intensified. Our plans for the next year include a new bottle washer that utilises energy and water in particular in a more efficient manner.

In the Ostravar Brewery, the total water consumption in 2018 was 201,566 m³, which is a specific consumption of 4.62 l of water per litre of beer. Almost 79% of the total amount of water consumed was pumped from our well and treated in our plant. When pumping water from our own well, we continuously monitor the water level to avoid disruption of the ground water balance. In case of an extreme drop in the water level in summer, we opt for limited or intermittent pumping of water and supplement it with water from the municipal conduit. Thanks to this attitude, we have acquired a new permit to pump water valid until 2030.

In connection with climate change and its impact on water resources, we prepared an analysis of the risks. Once every two years, we also use an internal system to analyse and manage water resource risks and prepare the so-called **WRI - Water Risk Index** - for both of our breweries. It is a questionnaire, which initially asks how we use the water and how we plan to manage it, and further ascertains the readiness for extraordinary events and our options upon the failure of water resources and eventually the impact on production.

Emissions from beer production

At Pivovary Staropramen, we do not measure the total carbon footprint. Within the framework of our goals, we focus on the emissions from brewing. Due to the fact that we use a gas-fired boiler to make steam in the Staropramen Brewery, we are obliged to measure emissions and ensure that they do not exceed the set limit. In the case of NO_x with a limit of 200 mg/m³n, we get values in the region of 115.7 mg/m³n. For us to maintain this high standard and generally reduce the emissions, we are solving the construction of a new boiler, which shall lower NO_x emissions to 80 mg/m³n.

SUSTAINABLY BREWING

In 2018, the Staropramen Brewery produced 8,812 tons of direct CO₂ emissions especially for thermal energy production requirements (steam) from our gas-fired boiler house. This entails an increase by 13% as compared with 2017 when 7,821 tons of CO₂ were produced. This increase is due to higher consumption of heat for pasteurisation of products for export. As regards indirect CO₂ emissions, we report 10,429 tons of CO₂ produced by power plants in relation to electricity consumed by our brewery, which is roughly the same quantity as in the previous year.

In its production processes, the Ostravar brewery utilizes steam centrally generated by VEOLIA ČR in Ostrava, as the central steam generation has substantially better economy and environmental impact than a small local steam source. In 2018, indirect emission from the supplies of steam amounted to 2,204 tonnes of CO₂ in total. This means a decrease by approx. 160 tonnes of CO₂ compared to the previous year, which is the result of the installation of the new Simmerboil technology in the Ostravar's brewing house. In 2018, indirect emissions from the supplies of electricity amounted to 2,423 tonnes of CO₂ in total.

Obaly

THE QUANTITY OF PACKAGES FOR COLLECTION AND RECYCLING PURSUANT TO THE PACKAGING ACT IN (quantities in tonnes):

	 SOFT PLASTICS (FOILS)	 PET	 CANS (FE)	 CANS (AL)	 GLASS (DISPOSABLE BOTTLES)	 GLASS (TURNAROUND BOTTLES)
2016	18.15	1 551.3	935.22	224.23	1 125.1	43 708.1
2017	62.68	1 602.38	1 122.14	497.66	1 035.1	52 164.1
2018	64.37	1 491.44	1 461.07	389.69	936.23	54 169.09

Our Company has signed a contract on joint performance with EKO-KOM, a.s., by which we fulfil the obligation to secure the collection and recycling of packaging waste materials in a manner according to Section 13(1)(c) of the Packaging Act from 2017.

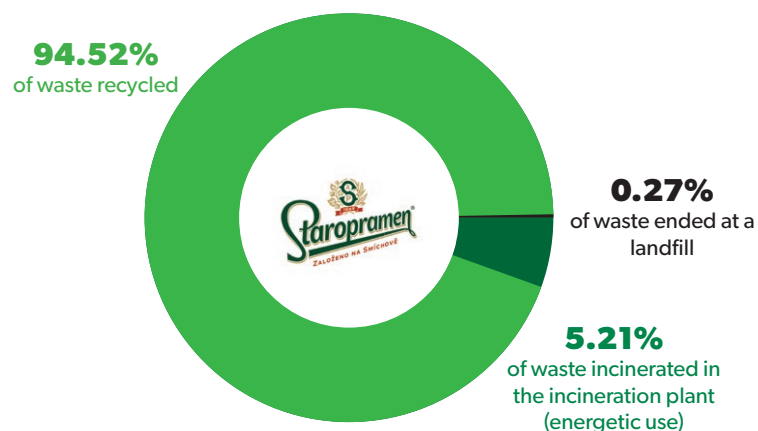
SUSTAINABLY BREWING

Thanks to active cooperation with EKO-KOM in the system, more than 77% of packaging waste is recycled and the availability of grading in the Czech Republic is increasing at the level of the highest EU standard. The grading system and subsequent recycling of useful packaging waste is being developed continuously.

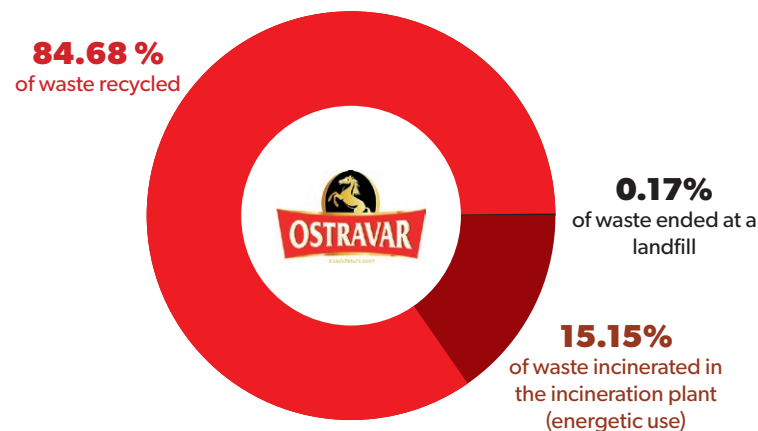
Wastes

In 2018, the Staropramen Brewery produced 1,440.5 tons of waste (of which 1.1 tons is hazardous waste), which was submitted for recycling or ecological liquidation (especially for energy use). As a responsible Company, we make a special effort to reduce that element of the waste which ends at a landfill. In 2018, the Staropramen Brewery generated a total of 3.86 tons of landfill waste. In 2017 the waste quantity was 4.38 tons. Our 2025 goal is to completely eliminate the production of waste that had to be stored.

GRADED WASTE IN THE STAROPRAMEN BREWERY IN 2018 (production including offices)



GRADED WASTE IN THE OSTRAVAR BREWERY IN 2018 (production including offices)



In 2018, the Ostravar Brewery produced a total of 802.79 tons of waste, of which 1.14 tons was hazardous waste, which was submitted for ecological liquidation. Within the framework of our goals, we make an effort to reduce the volume of waste that goes directly to landfill. In 2018, the Ostravar Brewery generated a total of 1.36 tons of landfill waste. In 2016 the waste quantity was 3.734 tons. The 2025 goal is to completely eliminate the production of waste that had to be stored.

SUSTAINABLY BREWING

An active approach to waste management is the active domain not only of the production employees who are trained once per year, but also their colleagues in the offices. As in the preceding years, we guided employees towards consistent grading of waste in the offices in 2018 too.

Feeds

Grain and waste yeast are commodities that are created as by-products of beer brewing, and which have recently become a highly sought-after article for manufacturers of feed. In order to ensure that the supplied feed raw materials are safe and cannot cause any damage to health in the food chain, we decided to certify the entire feed raw materials production system according to international standards for feed. Based on a request from our buyer of yeasts, we chose the GMP+ standard, which we also use for dregs.

In 2018, the Staropramen Brewery sold 42,886.54 tons of grain and 35.835 tons of waste yeasts. In 2018, the Ostravar Brewery sold 7,198.23 tons of grain and 353 tons of waste yeasts.

Logistics

The logistics KPIs are focused on maximisation of productivity and operational efficiency. We reward performance of our partners, use electrical and gas-propelled forklifts. Our beer is distributed by a partner who also distributes other goods, thus reducing the number of customer trips. All waste is sorted in all of our warehouses and energy-efficient LED lighting is used to illuminate the warehouses.

We are continuing the renewal of our truck fleet in order to ensure the reduction of emissions and vehicle fuel consumption related to the distribution of our products. At present, more than 50% of our trucks fulfil the EURO VI emission standard. The Euro emission standard is a mandatory standard defining the limit quantities of pollutants in exhaust gases. It sets out limits for carbon monoxide, carbohydrates, nitrogen oxides and particulates. Euro VI is applicable to vehicles approved for operation since 2014 and significantly reduces limits of the specified pollutants. At the same time, our trucks are operated fully loaded.

We use sophisticated direct distribution planning tools allowing us to reduce mileage and fully utilise vehicle capacities. Utilisation of capacity of our vehicles exceeds 80%. At the same time, these tools allow us to combine our deliveries to customers with other goods of our partners, thus reducing the number of truck trips. Considering the increasing export volumes we try to transport a maximum of our products using railways. From April to December 2019, we despatch 500 trucks and 40 tanks on a railway from Prague to Sweden.

SUSTAINABLY BREWING

Environmental protection - significant days

Environmental protection, the environmental impact of our production operations on the surroundings of our breweries, sustainable business and leaving a positive beer print are important topics for our Company and, at the same time, also one of the pillars of **Our Beer Print 2025** strategy.

Within the framework of environmental protection education, we also commemorated **World Water Day, Earth Day, and World Environment Day**. We internally communicated our corporate goals and methods for achieving them. At the same time, we sent practical tips to employees on how to better take care of the world around us – from energy saving to waste sorting.

In collaboration with EKO-KOM, we provided our employees with a chance to experience virtual reality as part of the World Environment Day. In just a few minutes, they could follow the entire route of plastic waste recycling and virtually visit places that are not commonly accessible.



SUSTAINABLY BREWING

Environmental health and safety

Our Company is committed to ensuring health and safety at work in accordance with the legal requirements of the Czech Republic and the European Union. Above the scope of the stated legislation, we have established **a safety management system based on the OHSAS 18 001 standard**, which is subject to regular internal audits by our parent company, Molson Coors. Within the scope of this system, we make an effort to place emphasis on risk prevention, ensuring safe working conditions both for our employees and our suppliers and visitors to our breweries. We have set demanding goals in the area of incidents and injuries; our requirements on safety improvements have been increasing over time. We thus support modern technologies in the area of prevention of incidents and injuries. Last but not least, we develop a safety culture in the Company, particularly with the help of non-capital projects and initiatives.

In 2018, we focused mainly on the following areas – improving the level of pedestrian safety and introducing new operating standards for handling equipment in logistic areas, conducting analyses of the safety of ammonia cooling system, which will be followed by actions in the years to come, creation of a database of suppliers with authorisation to enter the premises based on the fulfilment of safety qualification conditions and provision of entry cards, which has resulted in a significant improvement in control of risks associated with suppliers, both in the area of occupational safety and food safety. Last year's project focusing on the improvement of quality of trainings for our employees and the provision of training on occupational safety and environment protection to all persons entering production areas of breweries, together with the database system connected to the brewery access control system, resulted in increase in efficiency of the entire process significant improvement in control of access of third parties in the premises, reduction of risks associated with absence or low quality of training and an overall safety culture improvement in production areas. As regards machinery safety, we revised the system of safe manner of entering of persons and groups of persons in machines during common operation or planned line outages. In the area of logistics safety, we launched the second part of investment in a new system for scanning pallet cargo during dispatch from the warehouse, thus eliminating the necessity of the physical movement of persons manually scanning the cargo in the dispatch area, among other things. We have also started to increase safety standards when operating handling equipment within the premises.

Last year, we also implemented the planned project focusing on the improvement of work environment of the filtration control room, with a complete upgrade of the air conditioning system ensuring comfortable climate for our employees. In 2019, the same upgrade will be carried out in the control room of the production department.

SUSTAINABLY BREWING

Monitoring and protection of biodiversity at our brewery sites

Our production facilities are not located in protected areas. With regard to this fact, our production operations do not impact the biodiversity in the immediate surroundings of our operations. We are thus aware of the beer print we are leaving behind as a production company and, for this reason, we target all activities in the area of social responsibility and environmental protection at alleviation of this impact.



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People in our company and communities play an equally important role as that of the hops in our beer. They are the beating heart in our breweries and our neighbourhood.

Our beer is made by talented employees who are in close contact with the communities and help make our workplaces better places to live. We are glad that we can share stories full of enthusiastic people, communities full of life and strong partnerships, which document the success of our efforts, with the readers of this report.

Our people

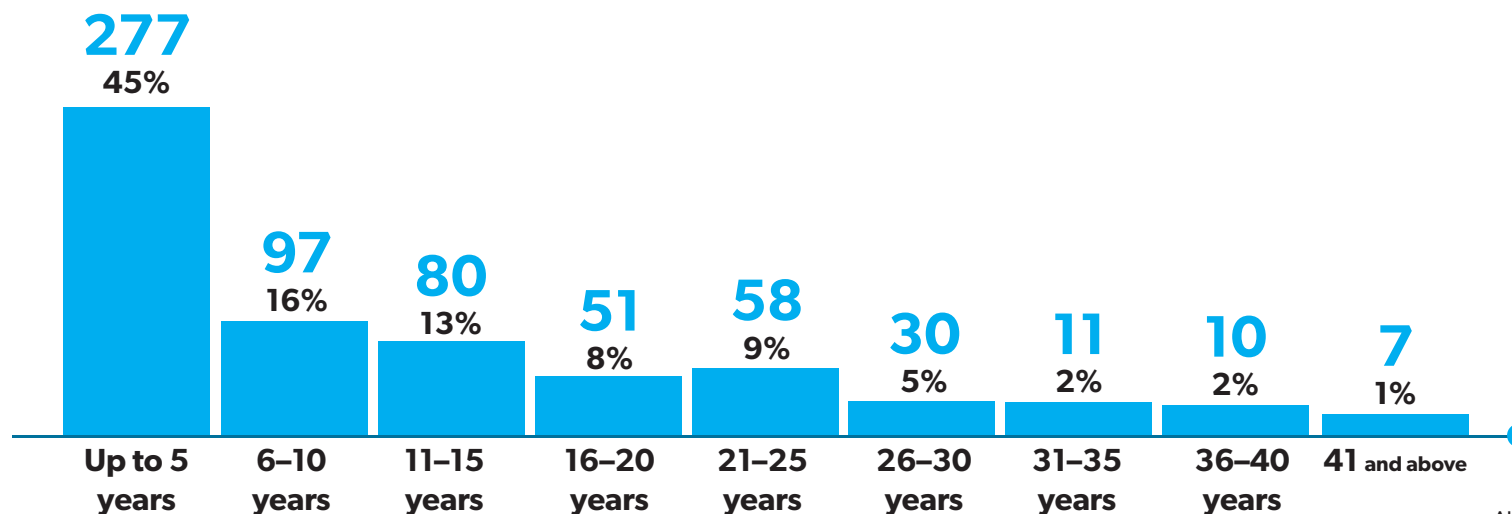
We devote a lot of effort to the care of our employees. We are aware that correctly motivated employees are the best team players and also dedicated ambassadors of our Company and its brands.

RECRUITMENT AND LABOUR MOBILITY:



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EMPLOYEES ACCORDING TO THE NUMBER OF YEARS THEY HAVE WORKED FOR PIVOVARY STAROPRAMEN:



All data valid as of 31/12/2018

Employees engagement

A biannual comprehensive **Survey of employee engagement** was carried out in autumn 2017. We reported a record-breaking participation, **93% of employees** responded to a number of questions and we achieved an **87% engagement coefficient**. Based on the survey results, we prepared an action plan with the individual departments and are now actively addressing the partial areas so that we can achieve even higher satisfaction of our employees in the future.

In 2018, **two minor surveys** were arranged as a follow up of the Employee engagement survey, helping us to measure views of our colleagues on **change management** in our Company and of our **management culture**. Again, we attained a high score of 85%.

We transparently communicate and present the results of our Company through internal e-mail communication and the „Od Pramene“ corporate magazine. We organise regular fortnightly meetings for the executive staff, at which we acquaint them with the running performance of the Company, major successes in the period just ended, and other plans for the future. The executives subsequently convey this information to their teams. Once per year, we organise the all-company conference for all employees.

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Benefits

In 2018, we significantly reduced our offer of employee benefits, so that we could introduce a **new benefit system** in 2019, which will be more competitive and help our employees to better align their professional and private life.

THE MOST INTERESTING BENEFITS THAT WE OFFER TO OUR EMPLOYEES ARE:



- **Optional benefits system**
- **Multisport card**
- **Company products**
- **Meal allowance**
- **Additional leave (one week)**
- **3 sick days**
- **Additional pension insurance contribution**
- **Compensation for lost income during the period of long-term incapacity for work up to 80% of the base wage**

Flexible working conditions and work from home – employees without fixed working times in a shift can utilise a flexible working time. All Company employees whose work can be done from home without any impact on the Company operations have the opportunity to work from home 1 day a week.

ABOVE THE FRAMEWORK OF THE LAW, WE OFFER 1 ADDITIONAL DAY OFF ON THE FOLLOWING OCCASIONS:



- **Own wedding**
- **Child birth**
- **Relocation**
- **Accompanying a child on his first day to school (1st grade of primary school)**
- **Death of a close family member**

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Human rights

We support a positive working environment in which only legal, ethical and responsible behaviour that complies with Our Brew and our Corporate Code of Conduct is acceptable. We are proud of the fact that as a member of the Molson Coors group, we are an international company in which employees from all over the world are working. We appreciate the diversity and inclusion and commit ourselves to ensure a workplace where our people are treated with such respect. We make an effort to become a place where everyone feels comfortable and free and can change things for the better.

Cooperation with trade union organisations

Our Company has 2 trade unions - for the Staropramen Brewery and the Ostravar Brewery. The Collective Agreement is concluded for 1 year. The trade unions are represented at regular quarterly meetings of the Environmental Health and Safety, and Environment Committee. Quarterly meetings also take place between the trade union representatives and the employer's representative for the purpose of exchanging information relating to development of the wages, morbidity, overtime work and current events in the Company.

In 2018, we agreed on an average basic wage rise of 7% for blue collar jobs. In the end, the real wage rise for the blue collar jobs was higher by nearly 9%.

In order to appreciate the loyalty of our employees, in 2018 we decided to raise the working jubilee bonus from CZK 500 to CZK 600 for every year worked for the Company. Employees are entitled to this bonus after ten years of work for the Company and every 5 years thereafter. Our selected employees who are already retired are associated in the Pensioners' Club. The Company provides a contribution for annual meetings of the Pensioners' Club in the Staropramen premises as well as for the Club's organised trips. Members of the Pensioners' Club may utilise some employee benefits – for instance, purchase of products at discount prices. Union organisations take care of a holiday cottage near Prague that can be used by employees for team or private purposes for a discounted price.

Employee education and career development

In the field of education, we conceptually primarily focus on the sales teams and the production and logistics departments. Apart from statutory training, we offer an **opportunity for development of technical and, so-called, soft skills** to our employees (for instance, negotiation,

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presentation skills or time and priority management). **In 2018 we trained 267 employees in the production and logistics departments, and 343 employees in the sales teams.**

Quality was the primary topic in 2018. It was therefore necessary to develop an educational and development programme to support continuous improvement of work by employees in order to increase product and brand quality awareness. In the last year, 58 employees were trained in these programmes.

At the same time, we launched a production process development programme in February 2018. For 16 weeks, our production teams closely collaborated with colleagues from breweries from abroad so that they can gain new knowledge and learn modern production process management methods. Implementation of this programme continued throughout 2018. Our teams practised e.g. preventive maintenance, autonomous processes or troubleshooting.

The offered **educational activities for employees** are always compliant with the Company strategies and employee involvement is based on their work and plans for their personal growth in such a manner as for us to be able to support them in the achievement of their performance goals. At the same time, this enables us to help them fulfil their professional aspirations and career plans.

For new employees, we regularly organise **entry training** in the premises of the Staropramen Brewery with the goal to support them in the process of adaptation and to ease their first steps in our Company. They are guided through the two-day training by individual representatives of the management, who introduce their departments and their functions. A popular part of the training is the **brewery school**, which is presented to new employees by the commercial brewer. Here, participants learn about beer production, how to care for it, and also learn how to tap it correctly.



Internal communication

We consider internal communication as an effective tool for conveyance of information to employees. It consists of 3 pillars – internal media, internal events and corporate culture.

Under **internal media** we rank standard communication tools, for instance, internal notification, the „Od Pramene” internal magazine, bulletin boards in the production areas of both breweries, the Intranet and the Yammer social network and PubTalk.

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The **internal events** include working meetings, for instance, all-Company conference, quarterly presentation of the Brewhouse results, meeting with the general manager of Molson Coors, but also informal events including „Happy Hours” where employees can meet with colleagues and the Company management, as well as events for family members of employees such as St Nicolas Day.



In 2018, we organised the first **Health Days** event, during which we offered our employees in Prague and Ostrava lessons in yoga, meditation, exercises, massages and a lecture on a healthy lifestyle. Response to this event was enormous, participation totalled nearly 100 employees.

In **Corporate Culture** we focus on communication of the strategy, goals and ambitions of our Company and their implementation in the everyday work of our employees. In 2018, we started to work on the **Employer Brand** project together with an external partner. The project, the implementation of which is planned from 2018 to 2020, aims at improving conditions for newly hired employees as well as the Company image and competitiveness in the labour market.

In 2018, internal workshops and interviews with employees of all departments and the top management were carried out. Based on these interviews, we defined strengths and weaknesses, opportunities and threats. We have also developed a proposition that is used within our internal and external communication. During the first stage of implementation, employees participated also in activities for external candidate market – from involvement in designing new career website, interviews for media to involvement in the production of new audio-visual content for external candidates. Employee benefits and technical equipment were revised, meeting rooms were redesigned, the offer now includes work from home as well as discounted Company products. Further activities are planned for 2019 and 2020.

Cooperation with schools

Students of the Křemencova and Podskalská secondary schools and of UCT Prague have been offered work experience placement in the laboratory of the Staropramen Brewery throughout the year. In all, we thus cooperated with 10 students with placement ranging from 14 days to 1 month.

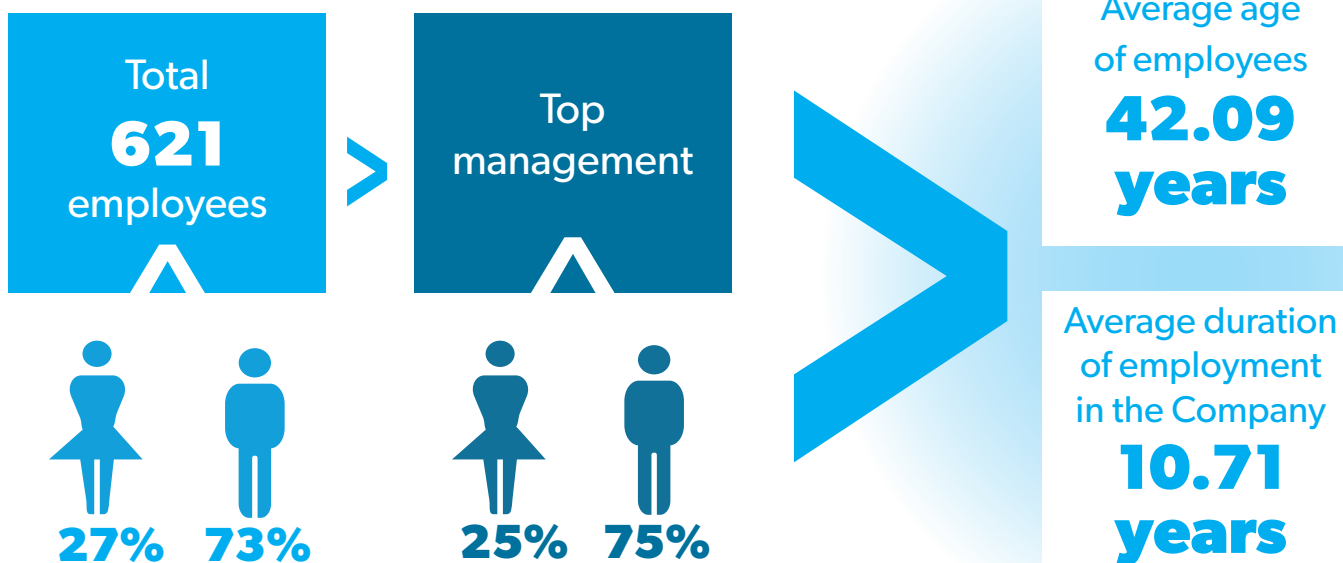
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Diversity and equal opportunities

All economically active age categories are naturally represented in the work teams of both breweries. We utilise the synergies of mixed teams comprising men, women, professionally experienced colleagues, but also new entrants and trainees.

We are **signatories to the European Diversity Charter**, in which the leading employees declare their commitment to developing a generally tolerant working environment. We actively participate in events which are related to this agenda. <https://diverzita.cz/charta-diverzity/>

STATISTICS AND STRUCTURE OF EMPLOYEES INCLUDING THE SENIOR MANAGEMENT (as of 31/12/2018):



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Within the framework of the Business for Society platform, we regularly participate in professional work teams on Diversity, which include not only gender issues, but also employment of persons over 50 years and the general topic of flexibility. This issue is also an integral part of our training for managers whose job content requires recruitment of employees. In the same spirit, we modified the benefits system so that our employees can choose individual contributions according to their preferences and with regard to their age and current life situation.

In Pivovary Staropramen, we believe in **the performance-based remuneration principle**. The remuneration strategy is designed so that it recognises and rewards behaviours that contribute to the achievement of the Company objectives, ensures competitive and fair wage opportunities and supports retaining and motivation of our talented employees.

At present, our priorities within the human resources management area include the **support for diversity and equal opportunities** and it is therefore not acceptable for us to make any differences in wages based on attributes like gender, nationality, race, religion or sexual orientation. When setting out an employee's wage, we consider his/her experience so far, preparedness to carry out tasks associated with his/her position and his/her performance. In our company, remuneration of women is – on average – not different from that of men.

Communities

As a significant manufacturer in two big cities, we have always made an effort to be a good neighbour, a capable helper and actively participate in the events in our surroundings.



In 2018, Staropramen concluded a **Memorandum on Collaboration with the Prague 5 Municipal District**, aiming at collaboration in organising cultural events, community support and re-cultivation of public space. We thus arranged a formal framework for our long-term collaboration supported by both parties, which has the form of events organised by one or the other party in the territory of Prague 5.

Everybody in Staropramen welcomes the increased level of openness of the brewery and its interconnection with the surrounding area. In 2017, we therefore started to occasionally operate the **"Under the Chimney" pub**; inhabitants of Smíchov and surrounding areas were the first guests invited there. During 2018, the "Under the Chimney" pub made its indelible mark in the cultural calendar of Smíchov and the Smíchov brewery. Smíchov residents regularly predominate among the guests, but employees of local companies participate as well. It is interesting that women represent more than one third of guests. In this way they show that they do not want to miss out on having fun with friends

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and acquaintances and that a meeting with a beer cannot be regarded as an exclusively masculine matter. The October meeting was dedicated to the 100th anniversary of our republic. Apart from the traditional beer directly from the brewery, visitors could view an exhibition of large-format photographs by famous reportage photographer Alžběta Jungrová.

The Staropramen logo and beers were present in 2018 at many festivals and events organised in the city of Prague. Celebrations of the **115th anniversary of Harley Davidson, Hanspaulská liga football competition**, a number of events that took place directly in the brewery's courtyard or Prague festivals like **Letní Letná** and **Mezi ploty**. The Staropramen brand is a partner of these events.



Ostrava brewery is also regularly open for public. **Traditional Ostravar brewery festivities** were organised here in June 2018. They are annually visited by more than 8 thousand visitors.

For the first time in 2017, representatives of Moravská Ostrava and Přívoz municipal districts participated in our brewery's volunteering day. They thus directly took part in renovation work in the city public areas. The collaboration continues, the municipal authority employees will participate in the 2019 volunteering day organised by Ostravar brewery for the third time already.

Volunteering

The oldest volunteering project ever, which focuses on direct support to communities, is **Community Days, alias Days when we help**. The 12th year of this event took place in 2018, covering five days, three cities, six locations and 200 participants.

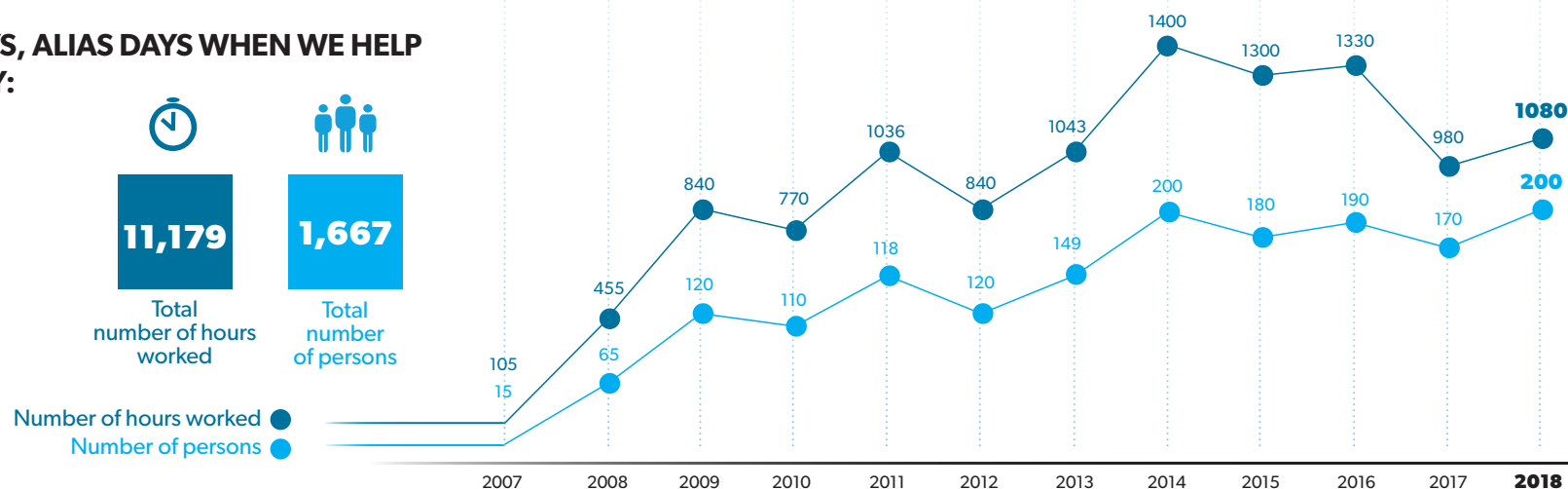
In Prague, we helped our long-term partners – Helppees dog training centre, the Centre for young scientists and the Prádelna community centre. In the Helppees dog training centre, we helped to create a decorative garden and build kennels for future assistance dogs. In the Centre for young scientists, renovated benches and playground equipment, improved greenery areas and repaired runs for animals will delight visitors. Seniors in the Prádelna community centre certainly welcome the new kitchenette, refurbished computer workplace, new painting in the gym and improved garden. In Ostrava, we have been participating in this event since 2009. In the last year, we again helped in the park in Železárenská Street where we established new flowerbeds and planted flowers and bushes there. We brushed and painted benches in the Milada Horáková orchards. This year, about thirty employees of the Moravská Ostrava and Přívoz municipal district authorities supported us again.

For our Slovak branch, however, this year's Community Days, alias Days when we help, were a complete novelty. The entire team worked on improvements in a park in Haburská Street, painting playground equipment and benches.

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The aim of the project is to help in improving areas surrounding the Staropramen and Ostravar breweries through our employees' work. **The project has been operational for 12 years, with more than 11,000 hours of voluntary work.** This year has shown again that the numbers of participants are steadily increasing and that we are able to maintain long-term collaboration with NGOs in our areas. Apart from that, the project ranked in medal places in the TOP Responsible Company contest for the second year already, in the Most Engaged Employee category. The contest is organised by the Business for Society platform.

COMMUNITY DAYS, ALIAS DAYS WHEN WE HELP PROJECT HISTORY:



2007	Prokopské údolí (Prague)
2008	Prokopské údolí (Prague)
2009	Toulcův dvůr (Prague) / surroundings of the Ostravar Brewery
2010	Toulcův dvůr (Prague) / Milada Horáková Orchards in Ostrava
2011	HELPPES dog training centre, Centre for young scientists (Prague) / Comenius Orchards, Bezruč Park in Ostrava
2012	HELPPES dog training centre, Centre for young scientists (Prague) / Milada Horáková Orchards (Ostrava)
2013	HELPPES dog training centre, Centre for young scientists (Prague), Sue Ryder Home (Prague) / House for seniors in Ostrava
2014	HELPPES dog training centre, Centre for young scientists (Prague), Sue Ryder Home (Prague) / House for seniors in Ostrava, Ostrava Forest Park and in the Ostravar Brewery surroundings
2015	HELPPES dog training centre, Centre for young scientists (Prague), Prádelna Community Centre (Prague) / surroundings of the brewery, Husův park and Indian City (Ostrava)
2016	HELPPES dog training centre, Centre for young scientists (Prague), Prádelna Community Centre (Prague) / Comenius Orchards, surroundings of the Ostravar Brewery
2017	HELPPES dog training centre, Centre for young scientists (Prague), Prádelna Community Centre (Prague) / Železárenská Park, Lechowiczova courtyard, surroundings of the Ostravar Brewery
2018	HELPPES dog training centre, Centre for young scientists (Prague), Prádelna Community Centre (Prague) / Železárenská Park, Milada Horáková Orchards (Ostrava) / Haburská Street Park (Bratislava)

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You can view the 10th anniversary event video here.

https://www.youtube.com/watch?v=sNASp7cpz_8&feature=youtu.be

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Long-Term Partnerships



Since 2011, we have been cooperating with the **Helppes** dog training centre, which helps people with a variety of handicaps on their path to integration, self-sufficiency and independence through specially trained assistance dogs. In 2012, our Company became its general partner.

Within the scope of cooperation, we provide free consulting and legal services to Helppes and, during the summer recondition stays of its clients, we also provide professional lectures on beer history and production. In addition to this, we provide product support for all its events. They include, for example, the Championship of the Czech Republic Guide Dogs Performance or **Super Day** – an event during which Helppes ceremonially hands the trained assistance dogs over to their new owners.

The partnership and cooperation with this organisation functions reciprocally. Thanks to their openness and willingness to help, we could introduce them to other partners from the non-profit sector. Once a year, Helppes provides canis therapy lessons to our long-term partner – **The Children's Rehabilitation Day Care Centre in Ostrava**. Our employees from Ostravar Brewery started supporting the Children's Rehabilitation Day Care Centre in Ostrava 14 years ago. Within their ranks, they regularly organise the Saint Nicholas Day fund raising event, the proceeds of which are handed over at the Saint Nicholas Day children's party, which they annually organise for the children from the Day Care Centre. The Company also makes a two-fold contribution to the collected amount. All the endowed financial resources are usually used to purchase medical equipment and toys for handicapped children.



A further irreplaceable partner is the **Prádelna Community Centre**, with which we have cooperated since 2015. This centre is a functional community, educational, but also cultural, social and art centre. All its activities primarily serve to link and support the local community. For children, youth, but also active seniors, the centre offers various music and dance projects, audio-video workshops, photographic and sight-seeing trips, various forms of coaching, art workshops, etc.

Our cooperation started within the framework of the Community Days, alias Days when we help. However, it expanded quickly and today our representatives regularly participate in the community centre events and, within the framework of cooperation, we also offer product support for the event and annually organise a tour of the Staropramen Brewery Visitor Centre.

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New Projects



On 14 February, we organised the first year of the charity event entitled Baked from the Heart. Our employees-volunteers baked savoury and sweet products that were subsequently sold to their colleagues. The first year recorded a large response. We sold everything and thus collected CZK 12,000. Our long-term partners HELPPES dog training centre, and Children's Rehabilitation Day Care Centre in Ostrava obtained these funds to purchase aids. The event was organised again in 2019, with even higher proceeds.

On Tuesday 20 March, we organised a spring collection of clothes in Prague and Ostrava. The response was very good and we thus collected a large amount of clothes and accessories for adults and children.

Clothes collected in Prague were handed over to FOREWEAR project representatives. Its weight was 110 kg in total. 50 kg of clothes were provided to the Koloběh charity shop. Proceeds from their sale amounted to approximately CZK 5,000. The remaining items were distributed to people in need or were transformed in protected workshops in practical functional-design products. In Ostrava, the collection helped the Salvation Army, which provides help to people in need in the area of social services or to people affected by extraordinary situations. Part of the collected items was sold in charity shops of the organisations, the remaining part was processed in an industrial plant.



The 6th year of the National Food Collection took place on 10 November and we participated in it for the first time ever. One of the ways to help was to purchase goods in selected shops of large chain stores, a total of 660, and to leave the purchased goods in marked stands staffed with volunteers organising the collection.

Another option, which we selected in the Staropramen brewery, was to make a purchase in any shop and to subsequently hand over the purchased goods to specific selected people in need. In collaboration with the Business for Society platform and the Club of Lone Mothers, we selected three mothers from Prague 5. They were then handed over stocks of durable food and drug-store goods sufficient for several months.



GENERAL INFORMATION

Our
Beer
Print

GENERAL INFORMATION

Management of Social Responsibility Agenda

The social responsibility agenda falls within the competence of the Legal and Corporate Affairs Department. The Company management is actively involved in all projects and initiatives, which this department controls under the leadership of the Legal & Corporate Affairs Director. We inform our business partners, customers and consumers about the activities in this area and the area of sustainable development.

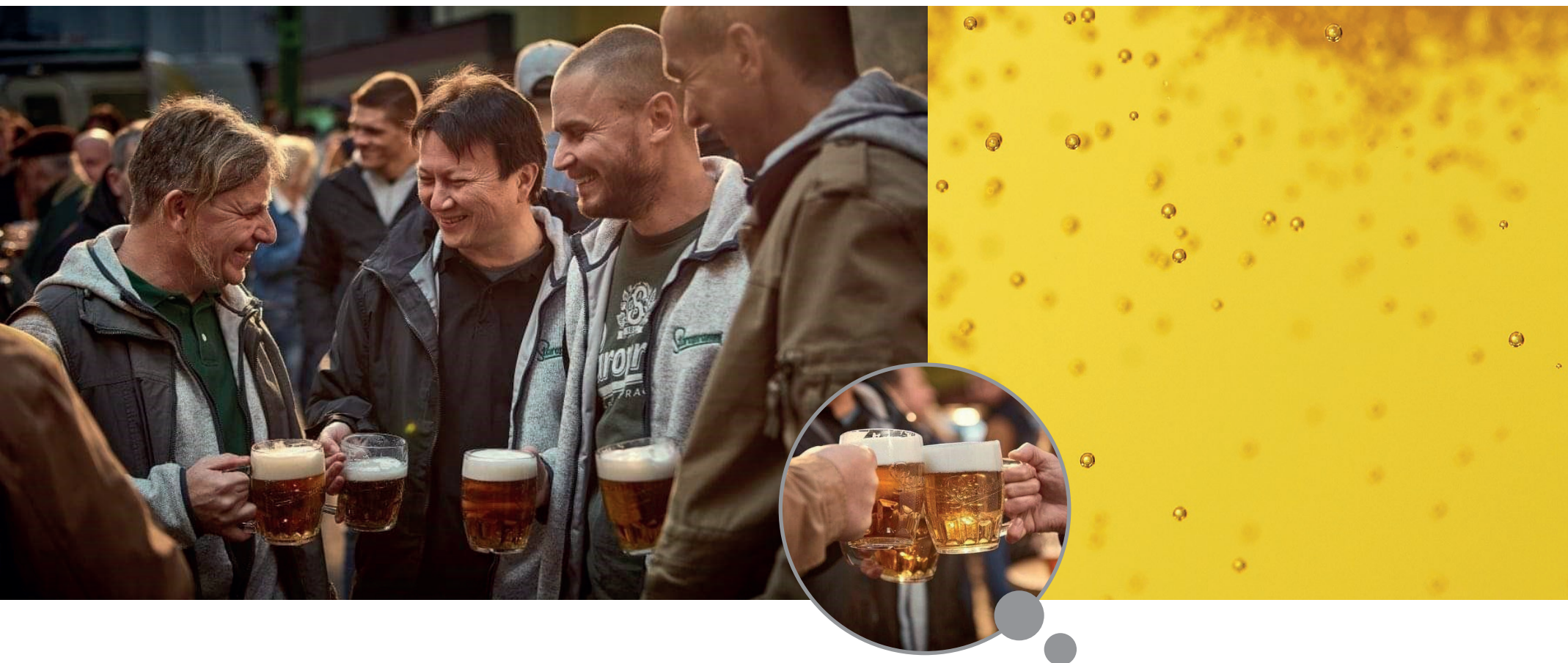
Organisational structure:



GENERAL INFORMATION

Reporting period:

This report was issued for the period 1 January – 31 December 2018



GENERAL INFORMATION

Overview of Indicators

Overview of Areas	Detail	Information	Detailed information where reported					
			Staropramen			Ostravar		
			2016	2017	2018	2016	2017	2018
Company Profile	About the Company	About the Company and General Information sections in the Report						
	Ownership structure	About the Company section in the Report						
	Composition of the top management (diversity)	About the Company and Collectively Crafted sections in the Report						
	Our economic contribution	About the Company section in the Report						
	Products	About the Company section in the Report						
Our values and visions	Our values and visions	Our Values and Visions section in the Report						
	Sustainable business goals	Our Values and Visions section in the Report						
	CSR management	Collectively Crafted and General Information sections in the Report						
	Awards	ve zprávě v sekcích O nás a Responsibly Refreshing						
Supplier chain	Scope, changes, supplier eligibility rules	Sustainably Brewing section in the Report						
Report materiality and scope	For which companies the Report is prepared	About the Company section in the Report						
Dialogue with stakeholders	Engagement of stakeholders	Sustainable business goals section in the Report and the parent company strategy						
ECONOMIC ASPECT			Staropramen			Ostravar		
			2016	2017	2018	2016	2017	2018
Corporate Governance, ethics, anti-corruption measures	Company's principal ethical rules and values	Responsibly Refreshing section in the Report						
	Protection of competition law	Responsibly Refreshing section in the Report						
	Manner of handling ethical complaints	Responsibly Refreshing section in the Report						
	Trade unions and collective bargaining	Collectively Crafted section in the Report						
Product safety and consumer health	Complaints / disputes with consumers	Responsibly Refreshing section in the Report						
	Food safety certifications	Responsibly Refreshing section in the Report						
	Labelling	Responsibly Refreshing section in the Report						
Communication with consumers and responsible marketing	Ethics, rules	Responsibly Refreshing section in the Report						

GENERAL INFORMATION

ENVIRONMENT			Staropramen			Ostravar		
			2016	2017	2018	2016	2017	2018
Our goals		Sustainably Brewing section in the Report						
Energy	Consumption in the Company	Detailed info in the Sustainably Brewing section in the Report						
	Consumption outside of the Company		N/A	N/A	N/A	N/A	N/A	N/A
	Energy portfolio	Detailed info in the Sustainably Brewing section in the Report						
	Consumption of electricity (kWh) per hl of the product	Detailed info in the Sustainably Brewing section in the Report	6.26	6.26	6.53	8.86	8.68	8.60
	Consumption of heat (Mj) per hl of the product	Detailed info in the Sustainably Brewing section in the Report	52.39	58.13	58.41	99.7	95.00	92.40
	Activities reducing energy intensity	Detailed info in the Sustainably Brewing section in the Report						
Emissions	Direct emissions of greenhouse gases (GHG) in tonnes of CO ₂	Direct emissions of GHG are generated from the boiler and fuels for logistics (fuel for forklift trucks) + purchased CO ₂ for filling and other purposes	8,412.98	7,820.78	8,811.98	300.58	337.47	335.46
	Indirect emissions of greenhouse gases (energy) in tonnes of CO ₂	Indirect emissions are generated in the Staropramen brewery and in the Ostravar brewery by the power plant supplying electricity to us; in addition to that, the latter is also supplied with steam from a	8,600.45	10,078.16	10,429.39	3,810.18	4,105.65	4,246.97
	Other GHG		N/A	N/A	N/A	N/A	N/A	N/A
	Gases (t) per litre of product	Detailed info in the Sustainably Brewing section in the Report	0.06	0.07	0.07	0.1	0.1	0.1
	Nox, Sox (t)	Detailed info in the Sustainably Brewing section in the Report	4.38	3.61	3.30	N/A	N/A	N/A
Logistics	Our fleet and collaboration with partners	Sustainably Brewing section in the Report						
	Consumption of fuels (l)		N/A	N/A	N/A	N/A	N/A	N/A
	Consumption of fuels (l/100 km)		N/A	N/A	N/A	N/A	N/A	N/A
Water	Total water consumption per 1 litre of product	Detailed info in the Sustainably Brewing section in the Report	3.54	3.53	3.76	4.50	4.45	4.62
	Percent/quantity of recycled and reused water	N/A	N/A	N/A	N/A	N/A	N/A	
Packaging materials	Packaging and recycling	Detailed info in the Sustainably Brewing section in the Report						
	Plastics/sustainable PET bottles	Sustainably Brewing section in the Report						
	Cans, glass	Sustainably Brewing section in the Report						
	Percentage of recycled packaging	Detailed info in the Sustainably Brewing section in the Report						
Wastes	Waste (in g) generated per hl of product	Sustainably Brewing section in the Report	3.80	1.68	1.50	9.11	4.20	3.13
	Total volume of hazardous waste (t)	Sustainably Brewing section in the Report	0.20	19.19	1.10	0.85	6.32	1.56
	Percentage of recycled waste	Sustainably Brewing section in the Report	74.60	78.26	94.52	67.79	71.26	84.68
Materials	Quantity of used materials	Sustainably Brewing section in the Report						
Biodiversity	Monitoring and protection of biodiversity in places of sites	Sustainably Brewing section in the Report						
	Activities to protect biodiversity	Sustainably Brewing section in the Report						

GENERAL INFORMATION

EMPLOYEES AND COMMUNITY			Total for Pivovary Staropramen		
			2016	2017	2018
Our attitude		Detailed info in the Collectively Crafted section in the Report			
Employees engagement	Study	Detailed info in the Collectively Crafted section in the Report			
Employees	Number of newly hired employees	Detailed info in the Collectively Crafted section in the Report	157	140	168
	Number of employees who left for ML/PL	Detailed info in the Collectively Crafted section in the Report	16	10	12
	Number of employees who returned from ML/PL	Detailed info in the Collectively Crafted section in the Report	2	6	2
	Absences without sick days		N/A	N/A	N/A
Cooperation with trade union organisations		Detailed info in the Collectively Crafted section in the Report			
Cooperation with trade union organisations	Injury statistics		N/A	N/A	N/A
	Activities and training	Detailed info in the Sustainably Brewing section in the Report			
Employee education	Number of trained employees	Detailed info in the Collectively Crafted section in the Report	560	691	610
	Activities to support development of skills	Detailed info in the Collectively Crafted section in the Report			
Career development	Activities to support career development	Detailed info in the Collectively Crafted section in the Report			
Diversity and equal opportunities	Statistics and distribution of employees	Number of male employees	422	450	453
	Statistics and distribution of employees	Number of female employees	218	227	168
	Equality and non-discrimination	Detailed info in the Collectively Crafted section in the Report			
Complaint handling	Tools for complaint handling	Detailed info in the Collectively Crafted section in the Report			
Human rights	Screening of suppliers / capital expenditure (CAPEX) and observation of human rights	Responsibly Refreshing and Sustainably Brewing sections in the Report and the parent company strategy			
	Number of reported discrimination cases		N/A	N/A	N/A
	Child and forced labour	Part of our policy, more in the parent company strategy			
Community	Management of impact of our activities on local	Collectively Crafted section in the Report			
	Long-term partnership and new social projects	Collectively Crafted section in the Report			
	Cooperation with schools	Collectively Crafted section in the Report			
	Volunteering	Collectively Crafted section in the Report			
Health	Activities to support healthy life style	Collectively Crafted section in the Report			



SUSTAINABILITY REPORT 2018



Contacts:

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www.staropramen.cz

**PIVOVARY
STAROPRAMEN**

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