



**BORSODI**

– SÖRGYÁR –

A MOLSON COORS COMPANY

# SUSTAINABILITY REPORT 2019

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## OPENING REMARKS

Dear Reader!

2019 was a successful year in the life of the Brewery: we were able to increase our sales in a market that is stable in terms of quantity, but significantly changing and developing in terms of quality.

This successful year was based on hard work; in previous years, we have made serious efforts to improve the efficiency of our supply chain, including the modernization of our factory in Bócs and the expansion of our production capacity, as well as the updating of our logistics system. In addition, we continued to develop our cooperation with our trading partners, enabling us to meet the needs of our customers and consumers to a high standard.

We have strengthened the foundations of a company capable of continuous renewal, taking the requirements of long-term, sustainable operation into account, with which we, as a manufacturer, employer and business partner, actively contribute to by safeguarding our operating environment and developing the communities that provide our background.

We will continue to implement our strategy consistently for the period up to 2025: we will continuously reduce the carbon footprint that we leave behind as a manufacturing



**ZSOLT VULETA**

Managing Director – Borsodi Sörgyár Kft.

company, taking the guidelines of environmentally conscious production into account. We are proud that we successfully maintained our 2018 zero waste result in 2019.

2019 can be considered an important milestone in the life of our factory: the production line handed over during June marks the beginning of a new era in the history of the brewery. In addition to increasing our production capacity and efficiency, this state-of-the-art equipment also helps us to achieve our sustainability goals.

In addition to environmentally conscious production, we strive to give as much as possible back to our communities. Nothing proves this better than the more than 1,000 hours our employees spent doing voluntary work during 2019.

Companies and the communities they represent have an important role to play in shaping the future. Borsodi Brewery wants to be one of those responsible companies that, in addition to their business activities, pay special attention to reducing the impact on the environment.

We look forward to providing our readers with information on the pages of our report that demonstrates that we have done a lot in 2019 to meet our sustainability goal.

Cheers!



# ABOUT BORSODI BREWERY

## COMPANY PROFILE

The predecessor of the company started its operation in 1973; the registered date of Borsodi Sörgyár Kft's (Ltd) incorporation is November 10, 2009. The seat of the company is located at 81 Rákóczi utca, 3574 Bőcs, Hungary, and its main activity is beer production. The company has been registered by the Court of Registration of the Tribunal of Miskolc under no. 05-09-019849, and its tax number is 14981140-2-05.

The company is owned by Molson Coors Netherlands B.V. (with a business share of 100%), registered in the Kingdom of the Netherlands, with its seat at 1043 BW Amsterdam, Naritaweg 165, registration number: 34362656

The parent company of the entire Molson Coors group (of which our company has been a member since 2012) is Molson Coors Beverage Company, registered in the United States of America. Borsodi Sörgyár Kft. has no subsidiary companies.

The company owns properties in which it operates a brewery in Bőcs, Hungary.

Borsodi Sörgyár Kft. is one of the largest beer producers in Hungary and is a beer exporter to various countries across Europe. In 2019, the company exported beer to eight European countries (Bulgaria, Czech Republic, Croatia, Poland, Montenegro, Romania, Spain, Serbia).

The company is not dependent on any patents or licenses, trading or financial contracts or new production processes that would be of fundamental importance to maintaining its business operations. 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 2019 or in preceding accounting periods.

In 2019, the company did not engage in any research and development activities. However, Borsodi Brewery Kft. will modernize its packaging plant in a multi-phase investment that will last for a total of three years. In 2019, the investment reached one of the milestones of the project with the commissioning of the can filling line. The capacity of the plant is expected to be increased by about 700,000 hectoliters, to 2.5 million hectoliters at an annual level, possibly making the brewery a regional strategic production center of Molson Coors.

The company has no organizational units abroad.



ABOUT  
BORSODI BREWERY

SUSTAINABLE  
BUSINESS GOALS-  
OUR BEER PRINT 2025

RESPONSIBLY  
REFRESHING

SUSTAINABLY  
BREWING

COLLECTIVELY  
CRAFTED

# ABOUT BORSODI BREWERY

## FACTS ABOUT BORSODI BREWERY - 2019 IN NUMBERS





THE YEAR OF ESTABLISHMENT  
OF BORSODI BREWERY



BILLION FT  
ANNUAL NET SALES



NUMBER OF BRANDS SOLD  
(INCLUDING SUB-BRANDS)



TOTAL PRESENTATIONS  
OF MARKETED PRODUCTS (SKU)



BORSODI IS THE HUNGARIAN  
BEER-CONSUMING POPULATION'S  
MOST POPULAR LIGHT BEER BRAND\*



EMPLOYEE HEADCOUNT



PROPORTION OF FEMALE  
EMPLOYEES



AVERAGE NUMBER OF YEARS  
EMPLOYEES SPENT  
WITH THE COMPANY

\* (Based on the annual average of monthly surveys conducted by Kantar Hungary with personal interviews in 2019, which is representative of the Hungarian beer-drinking population aged 18–65.)



# OUR BRANDS



Borsodi beer has been present on the Hungarian market since 1973. Since then, we've been constantly perfecting both its taste and its appearance. This high-quality, well-proportioned pils type beer is one of the most popular brands in Hungary. Its appeal is thanks to the pleasant bitter taste of the hops and the sparkling golden yellow color, which is crowned by a rich, fine-pore foam.



Since 1987, Borsodi Póló has served as a refreshing alternative for those who want to enjoy a beer without alcohol. The beer, crowned with thick foam, is made from classic ingredients, so its taste is similar to that of the alcoholic Borsodi.



Domestically developed, and introduced in 2003, Borsodi Bivaly, with an alcohol content of 6.5%, is the strongest starter in the field. Compared to Borsodi beer, the taste and strength of a slightly darker and fuller beer create a perfect harmony.



Borsodi's latest premium speciality beer, Borsodi Mester, was created for the 45th anniversary of the Borsodi Brewery. Made using the traditional brewing process and two types of malt and two types of hops, Mester is a full-bodied, quality light beer with a special taste and unique aroma, with a 5% alcohol content.



In 2011, the Borsodi Brewery introduced its first flavored beers to the domestic market, the Borsodi Friss product family. Borsodi Friss is a harmonious ensemble of cool beer and tart fruits, available in 2019 in several flavors - lemon, grapefruit, elderberry-lemon, and non-alcoholic apple.



Staropramen - the world's number one Prague beer - has been closely linked to the history of Prague since 1869. The brilliantly clear golden color meets a thick, creamy foam, which is made even more memorable by the particularly delicate taste. With a full-bodied, balanced character and a hop-rich scent, Staropramen Premium begins with a soft malt flavor and ends with a pleasantly bitter finish.



Staropramen Dark is a special-looking, full-bodied brown beer that offers a whole cavalcade of flavors at every velvety sip, combining the soothing sweetness of caramel with the bitter taste of the finest hops.



Staropramen Granát is a unique lager beer, a proud embodiment of our Czech brewing tradition. The particular "pomegranate" (ruby red) color of the beer is given by the special brewing process and mixing of pale colored and special malts.



Staropramen Unfiltered is made according to an original recipe, from 34% wheat malt and specially selected hops with a hint of coriander. The hazy, opaque liquid evokes warm summer evenings, and its taste has only a hint of bitterness.



In the case of the non-alcoholic Staropramen, carefully selected, aromatic Saaz hops and spring barley harvested in the Czech countryside meet in a recipe that our Czech brewers keep top secret. The result is a refreshing beer full of flavor and aroma, with compact foam and a pleasant taste.



A particularly pleasant, bitter-tasting premium German beer that is recognized and loved worldwide. Beck's is made according to the German purity law, i.e. it contains only four natural ingredients, the cooking technology of which provides the characteristic taste of the brand.



A lambic speciality beer made in Brussels at the Belle-Vue brewery using a traditional process with the addition of fresh cherries. It is aged for three years in oak barrels, from which it acquires its magnificent burgundy color and refreshing, fruity taste.



The apple and cherry Carling British Cider is made using a traditional fermentation process, from hand-harvested apples and hand-picked cherries specifically for cider-making. Thanks to its exceptionally high fruit content, this cider has a perfect balance of sweet, sour and astringent flavors, which together provide a characterful, fresh and tasty experience.



The golden color, soft taste and iconic glass bottle of Corona have been enchanting beer lovers since 1925 - an outstanding, unique brand in the world beer market. The pride of Mexico is not only a beer, but also a philosophy: experience the moment, live for today!



Hoegaarden is a Belgian speciality beer, in which an exceptional harmony of fruity and bitter aromas can be discovered. Its magical taste is given by dried orange peel (curaçao), coriander and a third secret spice, and its opaque appearance is due to brewing it according to the original recipe.



The iconic Hoegaarden glass has a legend in the shape of a hexagon: long ago, when there was not a clean glass left in the village pub, jam jars were used as replacements. This gave the inspiration for the Hoegaarden Rosée, too, which is a fruity wheat beer with the exciting, summer taste of raspberries.



The high quality Leffe Blond is a dry, slightly spicy, fruity, characterful and creamy beer that uniquely combines body with elegance. It is made according to the original recipe of the monks of Leffe Abbey, using selected malt.



Leffe Dark has also been made according to the original recipe of the monks of Leffe Abbey in Belgium since 1240. A brown speciality beer with a much stronger flavor than its light brother, in which a sophisticated combination of characteristic aromas can be discovered, with a hint of sweet after-taste. An unparalleled companion for spicy food.



It is marketed in more than 50 countries around the world. Löwenbrau is also unique among Munich beers as it is a full-bodied yet easy-to-drink beer.



Miller Genuine Draft provides a soft, refreshing taste experience. It is characterized by a pleasantly bitter, hop aroma with a delicate malt after-taste. The special soft taste of the moderately full-bodied beer is due to the special Cold-filtering technology.



There are brands that do not age. Rákóczi beer was once one of the most popular drinks of Hungarian beer consumers. Made of selected quality ingredients, the golden, easy-to-drink nectar is back, and its exterior has been suitably updated for our era.



Stella Artois is a Belgian premium speciality beer, which is one of the most popular beers for beer consumers thanks to its unique taste. The pleasant sweetness of the malt and the slight bitterness of the hops are a perfect treat. Also available in a non-alcoholic version.





# ABOUT BORSODI BREWERY

## OUR VALUES AND VISION

### OUR PURPOSE:

Delight the world's beer drinkers



### OUR GOAL:

To be first choice for consumers and customers

We rely on the “Our Brew” corporate culture and “Brewhouse” operating model to achieve our ambitions.



#### OUR PURPOSE

Delight the World's Beer Drinkers

#### OUR AMBITION

First Choice for Consumers and Customers

#### WHO WE ARE

People who:  
Champion beer and Our Beer Print  
Demand quality  
Challenge the expected  
Embrace diversity and inclusion  
Treat everyone with integrity and respect  
Execute brilliantly

#### HOW WE WORK

Win the right way vs. Win at all costs  
Take smart risks vs. Accepting the norm  
Decide and do vs. Revisit decisions  
I will deliver vs. I will find excuses  
Team first vs. Me first  
One way vs. My way

#### MUST DOs

Engage and develop great people  
Build growing, extraordinary brands  
Delight customers and partners  
Fuel growth through highly competitive operations  
Transform and build scale  
Ignite top line growth

#### WHAT WE DELIVER


##### Exceptional results

Top Line Growth • Bottom Line Growth  
Cash Growth • PACC Growth




Together, we have the power to meet our ambition and turn best practice into common practice. We'll get there by working together and delivering exceptional results. That's where the Brewhouse comes in.

The Brewhouse is our operating model. It maps our route to First Choice and defines what we "Must Do" to meet our ambition.



The Brewhouse powers our six Must Dos: Develop Great People, Build Extraordinary Brands, Delight Customers, Fuel Growth, Transform and Build Scale, and Ignite Top Line Growth. It also defines how we'll deliver results and measure performance along the way- because we need to know when we're first, and where we still have work to do.



We need everyone to be part of the journey and take personal accountability for becoming First Choice for Consumers and Customers, because leading in a changing world requires the best people, bolder ideas and new solutions.

We will **Develop Great People** with relentless focus on growing the best, diverse and most inclusive team in beer.

We will **Fuel Growth** in our business by challenging the expected so we find ways to earn more, use less and invest wisely.

We will **Delight the World's Beer Drinkers** by focusing on the quality, insights and innovation it takes to **Build Extraordinary Brands**.

We will leverage our world-class commercial capabilities so that we can **Ignite Top Line Growth** and win in the marketplace.

We will **Delight Customers** by executing brilliantly and building strong partnerships that extend our reputation for putting customers at the center of everything we do.

We will **Transform and Build Scale** in our business so we can unlock opportunities and improve how we brew, market and sell our brands.

# SUSTAINABLE BUSINESS GOALS - OUR BEER PRINT 2025

**Borsodi Brewery - in line with Molson Coors's worldwide goals - introduced in 2017 and continued in 2019 its sustainability strategy, forward-looking until 2025.**

We have always been committed to our communities, our consumers and the protection of the environment but, as a member of one of the world's largest brewers, we have set our goals to be a leader in tackling vital industry challenges ranging from climate change to the need to conserve valuable resources.

As we look forward to 2025, we have identified three important principles that we need to focus on and that are underpinned by key objectives that are in line with our priorities.



## RESPONSIBLY REFRESHING

We will introduce even more programs for responsible alcohol consumption, expand the nutrition information on labels, and ensure that low-alcohol and non-alcoholic beers are also widely available to consumers.



## SUSTAINABLY BREWING

We work on the effective utilization of water resources; furthermore, our goal is to reduce total carbon dioxide emissions by 50% within the scope of our business operations and 20% in our value chain. In addition, we strive not to place any waste into landfills and we are on a good path in this direction at our plant situated in Bőcs, Hungary, since we achieved this goal in 2018 and maintained it in 2019.



## 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.

For further information please visit the **Molson Coors Sustainability** website.



# RESPONSIBLY REFRESHING

## PRODUCT SAFETY AND CONSUMER HEALTH

**We believe that sharing a beer with our friends is one of the simple pleasures of life. That's why we're constantly working to ensure that our consumers get the most out of this experience. We promote responsible consumption and strive to provide comprehensive nutrition information about our products, as well as to make non-alcoholic or low-alcohol products available as alternatives to traditional beer products.**

Guaranteeing the quality of the products has always been a fundamental aspect for Borsodi Brewery. It can be said that, in 2019, we also performed well in this area.

Numerous inspections took place at the brewery during the year. Last year, 13 official samples were taken at the factory. In addition, the conformity of our products was examined in a customer partner survey, and a total of nine internal quality audits were conducted by ourselves and the Molson Coors Group. The series of inspections concluded with outstanding results, thus confirming that production within the framework of our internal quality management system (**World Class Supply Chain - WCSC**) and our food safety system (Hazard Analysis and Critical Control Points - **HACCP**) ensure the high quality and safety of our products.

We are very proud that Molson Coors group also recognizes the effectiveness of Borsodi Brewery's Quality Department. Thanks to this, the laboratory in Bócs (**as a central laboratory**) regularly performs tests for more than 40 types of products from nearly 15 foreign breweries.

### WHAT DOES THE BEER PACKAGING CONTAIN?

During production, in accordance with the applicable European Union and national regulations, all our products are packaged in packaging supplied with the necessary and appropriate information.

Our consumers may check the following points on the bottle or can:

**The product's brand name:** e.g. Borsodi

**Name of the product as food:** e.g. lager beer

**The ingredients:** Although the applicable regulations do not yet make it mandatory in some cases, all of our products include a list of ingredients.

**Allergens:** Within the list of ingredients, highlighted in bold or otherwise.

**Nutrition information:** Although the applicable regulations do not yet make it mandatory in all cases, we strive to include it on most of our products.

**Net quantity of food**

**Shelf life and storage conditions**

**Producer / distributor:** company name, address, contact details of the Customer Service

**Country of origin or place of provenance** (if necessary)

**Actual alcoholic strength by volume:** Mandatory for beverages containing more than 1.2% by volume of alcohol.

**Responsible message:** e.g. Drink responsibly!

# RESPONSIBLY REFRESHING

## MEMBERSHIP OF PROFESSIONAL CHAMBERS



Borsodi Brewery, as one of the most important brewery companies in Hungary, founded the **Association of Hungarian Brewers** ("Sörszövetség", AHB) together with four other brewers, in 1992. The AHB is currently a social organisation covering nearly 90% of the domestic beer market, representing the three largest Hungarian breweries, and while the three members compete fiercely on the domestic beer market, they cooperate to represent their common interests, to express their social responsibility and to promote beer culture. Borsodi Brewery, and hence the AHB, are committed advocates of cultured and responsible drinking of alcohol. To this end, cooperation between the brewers extends also to advertising and commercial communication. The AHB has been conducting several successful campaigns and organizing events in the light of social responsibility and to promote beer culture for years. For more information, please visit the AHB's website (<http://www.sorszovetseg.hu/en/>).



The AHB is in close cooperation with **Returpack Kft.**, which, at the request of the AHB, has planned, set up and is successfully operating currently an inverse logistics system designed to recycle a large proportion of aluminum beer cans and other aluminum drink cans. For more information, please read the "Packaging Materials" chapter or visit the Returpack Kft website (<https://returpack.hu/en/>).



Recognizing the importance of strong and credible self-regulation and of the proper co-ordination of the statutory regulation and self-regulation, Borsodi Brewery has been a member of the **Hungarian Advertising Self-Regulatory Board** ("Önszabályozó Reklám Testület", ÖRT) for years. The activities of ÖRT and our joint cooperation are further described in the next chapter, "Responsible Marketing". The ÖRT website is available at <http://www.ort.hu>.



Finally, Borsodi Brewery is also a member of the **Branded Goods Association Hungary** ("Magyar Márkaszövetség"), founded in 1995, which is the professional interest-protection organization of the Hungarian FMCG sector. The ultimate goal of the Branded Goods Association is to maintain a business and regulatory environment that is favorable for the manufacturers' brands and for brand-building. Although it is a professional organization representing the manufacturers, its mission is to contribute to ensuring that its members provide maximum value for consumers through innovation, sustainable production and strong but fair competition.



In 2019, Borsodi Brewery joined the **Hungarian Business Leaders Forum**, which is Hungary's outstanding international CSR organization. Its mission is to promote the sustainable social, economic and environmental development of Hungary with the participation of its members.



# RESPONSIBLY REFRESHING

## RESPONSIBLE MARKETING

Irresponsible consumption of alcohol is dangerous for the whole of society and, as a significant producer, we are fully aware of the risks. For this reason, one of the priorities of the Our Beer Print 2025 strategy continues to be maximum support for responsible and moderate consumption of our alcoholic products. We follow strict rules defined by the applicable legislation, self-regulatory standards and internal policies and our employees are regularly notified of the concerned requirements (among others, in the form of electronic training). The old brewhouse of the brewery in Bócs, operating today as our Visitor Center, is an excellent venue for transferring knowledge concerning the above topics. In our Visitor Center various meetings, training sessions or other events take place with the participation of our customers, employees or even the representatives of the press.

ENJOY RESPONSIBLY!

In 2012, along with other global leading beer, wine and spirits producers, Molson Coors Brewing Company, as a member of **the International Alliance for Responsible Drinking (IARD)**, adopted a Global Commitment to reduce harmful drinking. The Molson Coors **Global Commercial Responsibility Policy**, also applicable for Borsodi Brewery, reflects actions that we need to take to meet the Commitment.



**Digital Guiding Principles (DGPs)** are an integral and important part of the above Commitments. The DGPs are aimed at strengthening and expanding marketing codes of practice on digital platforms at global level. IARD members pledged to develop a set of global guiding principles for alcohol beverage marketing in digital media.

**The DGPs are composed, among others, of the following 5 safeguards:**

1. An age affirmation mechanism;
2. A Forward Advice Notice;
3. A Responsible Drinking Message;
4. Provision of a Transparency statement / official profile;
5. Use of social media User Generated Content policy.

In addition, Borsodi Brewery, as a member of **the Hungarian Advertising Self-Regulatory Board (ÖRT)**, pays special attention to responsible marketing activities.

**The tasks of ÖRT include, among others:**

- ▶ Preliminary norm control, i.e. to check whether the advertisement complies with the ethical and legal requirements;
- ▶ Investigating and assessing any possible complaint, with the involvement of appropriate experts if necessary;
- ▶ Monitoring the entire advertising market; and
- ▶ Maintaining international relations.

ÖRT is a member of the European Advertising Standards Alliance (EASA), so it can keep up to date with the European Union's resolutions and expectations regarding advertising.

As a member of ÖRT, Borsodi Brewery gives priority to **Hungarian Code of Advertising Ethics**, which also touches upon the rules on the advertising of alcoholic beverages in a separate article.



# RESPONSIBLY REFRESHING

## CORPORATE GOVERNANCE, ETHICS, ANTI-CORRUPTION MEASURES

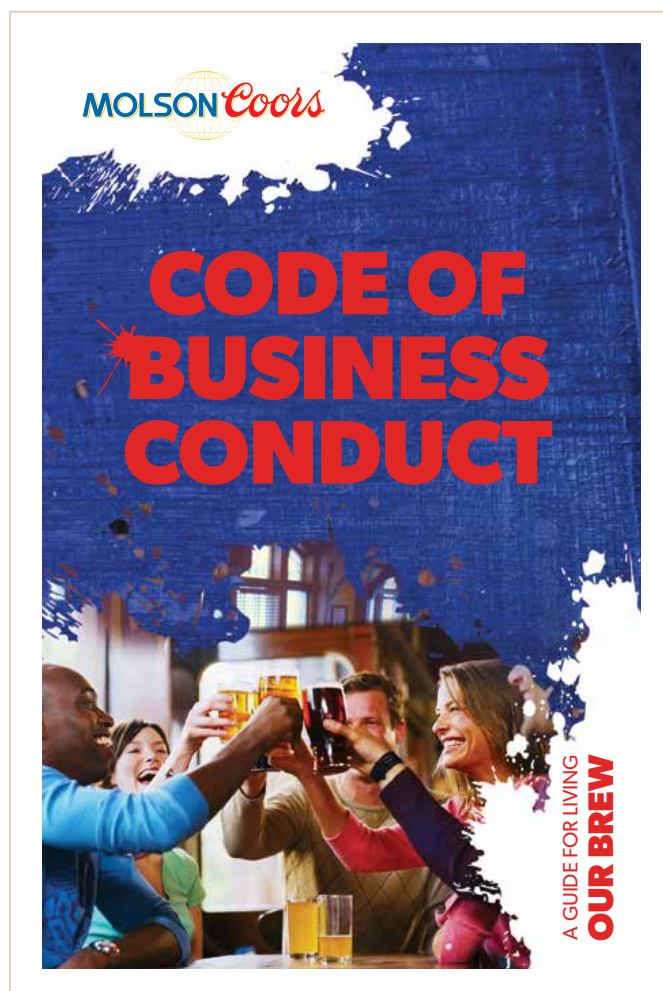
Borsodi Brewery also adheres to the Molson Coors **Corporate Code of Conduct** that regulates corporate values, objectives and basic principles of conduct and fair business, and which is binding for all employees of the Molson Coors group worldwide. All employees are familiarized with the Corporate Code of Conduct, among others, in the form of electronic training – new employees are familiarized with it within the scope of introductory training, and all other employees once a year.

We also endeavor to ensure that a corresponding ethical approach is not only maintained in relation to our partners but to our employees as well. Employees have the possibility to give timely notice to their superiors, or even directly to the global ethics and compliance department. For these purposes, the special **Ethics and Compliance Help Line** was established, through which employees may at any time submit any observations that, in their opinion, violate the rules of the code of conduct. The line is operated for the entire Molson Coors group by a third party, the independent company EthicsPoint.

We have firmly established transparent and fair communication rules with our customers and business partners, which we also apply with regard to the requirements of all of our ethical rules. We have introduced the **Anti-Bribery and Anti-Corruption Due Diligence**: prior to start of cooperation, our suppliers are duly screened in the form of questionnaires to map all the criteria that we must keep in mind, already before the establishment of the business relationship. They are continuously informed about our rules and an **anti-corruption clause** is an integral part of all agreements concluded with our suppliers. We also inform employees on our bribery and anti-corruption program on an annual basis in the form of electronic training.

An important part of the observance of ethical values and legal requirements is also the **competition rules**. As one of the dominant companies in the Hungarian beer industry, we have to behave in such a way that we strictly observe the rules of economic competition vis-à-vis our competitors, trading and other business partners. Employees are informed about the requirements of compliance with the competition rules at least once a year in the form of electronic training, as well as their participation in further training. These training sessions also include presentations and discussions that provide an opportunity to discuss all the situations that employees may encounter in their daily work.

Once a year, all employees are also informed of the rules of conduct for negotiations with commercial and other business partners. This includes, but is not limited to, **accepting and granting gifts or sponsorship**, in particular in situations where the participants concerned are public or municipal bodies or authorities. Its objective is to prevent any risk of such conduct being associated with any business advantages or that 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 the training package.





# SUSTAINABLY BREWING

## THE LARGEST INVESTMENT IN THE HISTORY OF BORSODI BREWERY

Beer of excellent quality 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 seek using every drop in such a manner as to get the best from each batch. We are continuously cooperating with the suppliers 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.



In 2018, Borsodi Brewery began the largest investment in its history. During this multi-stage investment, for a total of three years, Borsodi Brewery will renew its packaging plant and, thanks to the development of the bottle and can filling line, the plant's capacity is expected to increase by about 700,000 hectoliters to 2.5 million hectoliters per year, which will enable Bócs to be one of the Molson Coors company's regional production centers.

As the first step in this process, Borsodi Brewery replaced its bottling machine in the spring of 2018, and then as the second milestone of the project, **in 2019, it also commissioned its second can filling line.** This production line marked the beginning of a new era in the history of our company and the Bócs plant, as it provides us with a long-term opportunity to supply markets, such as the Czech or Croatian, with high-quality products while serving domestic needs. At the same time, the handover of the new production line is another milestone in achieving our sustainability goals, since, thanks to modern equipment, operating heat consumption by 50% and water consumption by 90% can be reduced on the production line.

The third phase of the investment will take place in 2020, in the framework of which palletizing and stacking (loading/unloading) machines and the associated bottle, crate and pallet tracks will be renewed.

### The second can line in numbers in 2019:



# SUSTAINABLY BREWING

## WORLD CLASS SUPPLY CHAIN (WCSC) 2.0.

Borsodi Brewery is constantly reviewing its production processes and looking for development opportunities to optimize production processes. In 2019, it laid down the foundations of WCSC 2.0, a strategic system that, by using state-of-the-art working methods, may help us achieve our competitive advantage in the long run, as it means the application of the most modern business and production techniques and working methods - in the right roll-out order.

The goal of the program is to reduce supply chain costs through efficiencies, which in practice means continuous improvement of key production indicators. Of course, this means reducing the use of raw materials and specific energy, and thus the environmental impact, ensuring the implementation of the company's sustainability strategy.

In 2019, the program's three-year strategy and roll-out plan was completed, setting out exactly what we want to achieve and how in the coming period.

The WCSC 2.0 structure at Molson Coors consists of three main modules: modules supporting the organization and the fulfillment and development of colleagues; the modules that build the systems and the methods used to reduce losses. Within this, we have identified a total of 12 main groups for the WCSC 2.0 system, around which we will build our operations. Here it is important to highlight the EHS (environment, health, and safety) and FI (continuous improvement) modules. The former develops conscious, environment-focused, conscious behavior in a safe work environment, while the latter focuses on the continuous reduction of our resources.

### SYSTEM MODULES:

- LDR** – Leadership
- FI** – Continuous improvement
- PM** – Progressive maintenance
- ET** – Education and Training
- SN** – Logistics
- WPI** – Work Process Development
- IM** – New product launch
- QFS** – Quality Assurance
- EHD** – Environment, Health, and Safety
- ENT** – Strategy
- AM** – Autonomous maintenance
- ORD** – Organizational Development



In the preparatory section of the program we already introduced the **LPA - Layered Process Audit (multi-level process control)** method, which allows the creation of a work environment that helps to create greater added value. In doing so, our employees, together with their managers, check in a standardized expectation that the given work area complies with everything specified therein. In the event of a deviation, action shall be taken immediately to eliminate deviations.

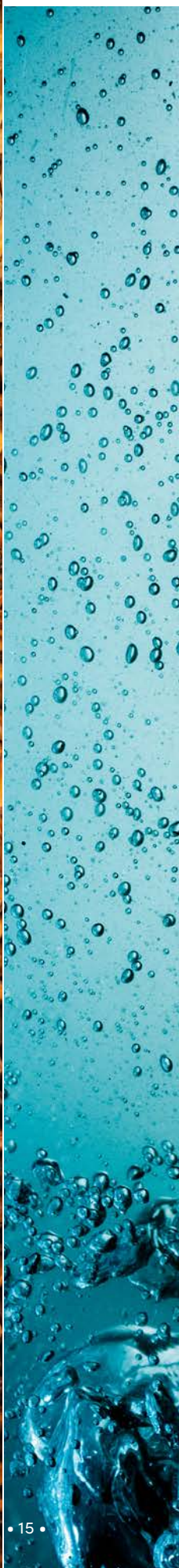
As part of the 'leadership pillar', the so-called can-filling line and the brewing house also started the so-called **DDS - Daily Direct Settings** (daily monitoring of key indicators), as a result of which cross-functional teams jointly analyze the results achieved and then take actions for development.

In beer production, the team has formulated and implemented approximately 65 ideas and actions. These actions have helped to reduce energy consumption (e.g. steam and electricity consumption), and promote technical and environmental reliability and safety, and more efficient work.



# SUSTAINABLY BREWING

## SUPPLIERS, RAW BREWING MATERIALS



Our goal is to develop and maintain **long-term relationships with suppliers and service providers of the main raw materials**, paying special attention to the high quality of raw materials and services, the possibility of long-term development, the reduction of the ecological “beer print” and the application of various green solutions. In 2019, **82.84%** of all products purchased and services used originated from local supplier companies\*, and the remaining 17.06% from foreign supplier partners\*\*.

**More than 50%** of our total expenditure on procurement went to local suppliers\*.

Building a long-term partnership is particularly important in the case of **suppliers of raw materials used in brewing** in order to ensure smooth production at the expected standard. We constantly buy raw materials from Hungarian producers and farmers, thus providing them with predictability. The malt used is partly of Hungarian origin; the rest of the malt and the special malts and hops come from abroad. Strict specifications have been set for all our raw materials, which we also analyze on a regular basis. These specifications are amended jointly with suppliers on an annual basis and as needed. Water is one of the primary raw materials for the production of beer. You can read more **about our water treatment and water consumption** in the following chapters.

*\* i.e. companies with incorporation / a branch office in Hungary.*

*\*\* i.e. companies incorporated abroad.*

# SUSTAINABLY BREWING

## OUR ENVIRONMENTAL GOALS

### OVERVIEW OF GOALS

Name of the goal	2018 result	2019 result	Goals – 2020
reducing water consumption	4.72 hl / 1hl of beer produced	5.011 hl / 1hl of beer produced	4.48 hl / 1hl of beer produced
reducing electricity consumption	7.31 kW / 1hl of beer produced	7.32 kW / 1hl of beer produced	7.31 kW / 1hl of beer produced
reducing the use of thermal energy	73.86 MJ / 1hl of beer produced	72.09 MJ / 1hl of beer produced	71.71 MJ / 1hl of beer produced
reducing the amount of waste going to landfill	a total of zero tonnes of landfilled waste	a total of zero tonnes of landfilled waste	a total of zero tonnes of landfilled waste

Example goal – Achieve zero waste to landfill

Our goal is the same as the EU's ambition to minimize landfilling. We sell and hand over the packaging waste generated in the production technology as a secondary raw material and for energy recovery to our waste management partners. In addition, Borsodi Brewery utilizes waste from beer filtration and wastewater treatment as compost in the agricultural areas it utilizes, in accordance with the current permits, and sells brewers' grains and waste yeast generated during brewing to feed manufacturers and livestock farmers.

**While in 2017, the amount of the landfilled waste was 183.77 tonnes, in 2018 and in 2019, we reached our zero-waste target set for 2020! Our task is to maintain this result in the long run. In order to maintain the 2019 result, our employees also directly contributed to the application of the rules of selective waste collection.**

Change in the amount of landfilled waste:

Year	Amount of waste landfilled (tonnes)
2019	0
2018	0
2017	183,77
2016	192,31
2015	214,19





# SUSTAINABLY BREWING

## ENERGY

As a responsible company, we make an effort to ensure that the negative beer print and impact of our activities on the environment is as small as possible. One of the biggest factors that influence the impact of our operations is consumption of energies and their conversion to other (more sustainable) energies. For this reason, it is our main task to minimize this impact by making an effort to consume as little energy as possible and utilize it with as little loss as possible. In the case of Borsodi Brewery, this applies to electricity, natural gas for steam generation, CO<sub>2</sub>, water and waste water as well.

For us to achieve energy reductions, we must be capable of measuring the energy and monitor the consumption trend long-term. To achieve the most efficient energy consumption, we have established the **€sense monitoring system**. With the help of this system, we can determine the optimal energy consumption of the production equipment. We are able to monitor the energy consumption of individual pieces of equipment and production plants. We have the opportunity to identify sub-optimal consumption and eliminate the cause of increased consumption. In the case of investments, it is particularly important that new equipment has a consumption meter. In recent years, we have been able to reduce our specific energy consumption by an average of 15%.

We have set the **main energy consumption goals** up to 2023 and 2025 and continuously seek opportunities for savings. These targets apply to electricity, natural gas and hydropower consumption. We are committed to reducing our specific energy consumption by at least 30% compared to 2016 data.

In the context of responsible and efficient energy use, we can report the following **priority projects and investments** for 2019. When selecting the new can-filling production line, we aimed at the minimum energy consumption of the production line. Compared to the previous filling line, the new one uses almost 50% less heat energy and food industry CO<sub>2</sub>, as well as 80% less water to produce the finished product. Our goal is to install new - geothermal and solar - renewable energy sources at the site in the future, thus reducing the brewery's impact on the environment.

For us to achieve maximum savings, we must consume the energy effectively and, at the same time, maintain the good technical condition of our brewery. For this reason, we also have a long-standing **good ideas program**, through which we seek effective and smart solutions initiated by our colleagues, which helps us reduce consumption. Such was the case for optimizing the efficiency of the brewing process, which was an operator-level initiative.





# SUSTAINABLY BREWING WATER

A further important indicator in our brewery is water consumption. Water is one of the primary raw materials for the production of beer. At the same time, it is a very precious commodity, and, for this reason, it is necessary to handle it responsibly and avoid its incessant wasting.

Borsodi Brewery extracts the water from its **own 5 wells** itself. The brewery produces the water used for the brewing using its own water treatment system; moreover, it also treats the wastewater itself. At the end of the process, the water returned to nature is perfectly clean, while the generated sludge is utilized in agriculture.

A mixture of sewage sludge from sewage treatment and diatomaceous earth sludge from beer filtration will be disposed of in the agricultural land owned by the brewery after 6 months of desiccation and accredited laboratory testing prior to disposal, in accordance with current official permits. The sludge mixture is applied in spring and autumn, before or after agricultural work. Transport and cultivation are carried out by a licensed contractual partner.

In 2019, the water consumption rate was 5.011 liters of water per liter of beer. In order to use as little water as possible, we try to seize every opportunity; for example, we reuse the rinsing water during can filling. The can-filling line, which was installed earlier as part of the investment launched last year, works with modern solutions that will help minimize water consumption in the future.



# SUSTAINABLY BREWING

## EMISSIONS FROM BEER PRODUCTION • PACKAGING MATERIALS

### EMISSIONS FROM BEER PRODUCTION

In the brewery, we monitor the CO<sub>2</sub> (greenhouse gas) emissions from the combustion of natural gas used in the combustion plants and from biogas produced from the waste-water treatment. In 2019, 6,260 tonnes of CO<sub>2</sub> was the verified greenhouse gas emission. Our long-term goal is to use technologies based on renewable energy sources and to reduce the use of conventional (non-renewable) energy sources.

We measure the NO<sub>x</sub>, CO and SO<sub>2</sub> emissions from the operation of the combustion plants, as well as the solid matter emissions from the dust-separation system of the brewing house as required by the applicable IPPC (integrated pollution prevention and control) permit.

The emission values did not exceed the prescribed limits in any case in 2019.



### PACKAGING MATERIALS

Since 2010, as a member of the Beer Association, Borsodi Brewery has also been working closely with **Returpack Kft.** which operates vending machines for the redemption of aluminum beer cans and other aluminum drink cans at more than 120 locations. Thanks to the system, more than 100 million (1,700 tons) aluminum cans are recycled every year.

During the past year, tens of thousands of people have used the opportunities offered by the approx. 200 automatic reverse vending machines placed in busy shopping malls and supermarkets and returned the used aluminum cans, thereby actively participating in the protection of the environment.



# SUSTAINABLY BREWING

## WASTE MANAGEMENT • ENVIRONMENTAL HEALTH AND SAFETY

### WASTE MANAGEMENT

In 2019, 27,855 tonnes of waste was generated at Borsodi Brewery.

The amount of waste recycled as a secondary raw material is 1,290 tonnes (4.56%) and the amount of waste recycled for energy is 127.5 tonnes (0.6%). As reported above, while the amount of landfilled waste in 2017 was 183.77 tonnes, we already achieved our zero landfill target for 2020 in 2018, and maintained it in 2019. Our long-term goal is to maintain the achieved waste management results.

Related to this topic is the treatment of brewers' grains and waste yeast. These are by-products of brewing that are highly sought after by feed manufacturers and livestock keepers. In 2019, Borsodi Brewery sold 2,343,515 tonnes of brewers' grains and 2,450 tonnes of waste yeast. Waste from beer filtration and wastewater treatment is also utilized as compost in the brewery's agricultural lands. This amount of waste represents 1.78% of the total waste stream.

#### GOLDEN RULE

ALWAYS WEAR  
THE REQUIRED  
PPE



#### GOLDEN RULE

ALWAYS USE  
PROPER MANUAL  
HANDLING  
TECHNIQUES



#### GOLDEN RULE

ALWAYS MAINTAIN  
YOUR VEHICLE  
IN SAFE  
WORKING ORDER



#### GOLDEN RULE

ALWAYS HOLD  
THE HANDRAIL  
ON STAIRS



#### GOLDEN RULE

ALWAYS REPORT  
INCIDENTS  
IMMEDIATELY



#### GOLDEN RULE

ALWAYS USE  
DESIGNATED  
WALKWAYS



#### GOLDEN RULE

ALWAYS  
RESPOND TO  
ALARMS



#### GOLDEN RULE

ALWAYS USE  
LOTO AS  
REQUIRED



### ENVIRONMENTAL HEALTH AND SAFETY

Our company is committed to ensuring health and safety at work in accordance with the legal requirements of Hungary and the European Union. Molson Coors has established a **safety management system based on the OHSAS 18 001 standard** for the maintenance and regular internal control of the operation in accordance with the law, and also regularly audits the compliance of the brewery, every three years.

Within the scope of the EHS pillar of our internal quality management system (**World Class Supply Chain – WCSC**), we make an effort to place emphasis on risk prevention, ensuring safe conditions both for our employees and our suppliers, as well as for visitors to our brewery. We have set **strict goals** in the area of work accidents and injuries **up to 2025**, with the ambition to achieve zero injuries that require treatment by a physician. In order to achieve these goals, we continuously improve our equipment and processes: with these innovations and modern corporate management methods, we want to provide a safe working environment. **In 2019, we focused primarily on two areas:** the safe implementation of the new can-filling line investment and the introduction of a new LOTO procedure to minimize the risk of work performed in the hazardous area of the machines. As for the first topic; we are proud that the project was completed in 204 days, with the cooperation of 126 employees and without accidents.

LOTO (Lock out – Tag out) is a planned work safety procedure that aims to turn off or disconnect the power supply to machinery and equipment during maintenance and repair work. By using this procedure, one can prevent the unexpected start of machines and equipment and the unexpected release of stored materials or energies. With the introduction of the new LOTO procedure, all our affected employees can check their personal safety during interventions in the hazardous area of machines with their own registered locking device. A machine or equipment may only be restarted after all persons concerned have removed their personal locking devices from all power connection points and start switches.



# SUSTAINABLY BREWING

## LOGISTICS • PROTECTION OF BIODIVERSITY AT OUR BREWERY

### LOGISTICS

In transport, we cooperate with contractual partners who use vehicles that fulfil the Euro V or Euro VI emission standard. At the moment, nearly 80% of our contractors' vehicles are meeting this standard, ensuring lower CO2 emissions. We are continuously seeking to collaborate with contractors who can ensure the reduction of emissions and vehicle fuel consumption related to the distribution of our products.

Thus, in our subcontracting system, 55% of the loading trucks are EURO6 rated and 40% are EURO5 rated.

In 2019, Borsodi Brewery purchased an electric forklift for the packaging material warehouse.

In addition to transportation, we are also looking for sustainable solutions in other areas of logistics. During the organization of transport, 30% of the transports were sold as one-way transports, so we can optimize the mileage of the beer trucks. We are constantly working to increase truck utilization and the proportion of directional transports.



### PROTECTION OF BIODIVERSITY AT OUR BREWERY

Our production facility is not located in a protected area. With regard to this fact, our production operations do not impact the biodiversity in the immediate surroundings of our operations.



# COLLECTIVELY CRAFTED

## EMPLOYEE ENGAGEMENT

Employees of our company and communities play an equally important role as that the raw materials used for brewing. Our beer products are made and provided to our consumers by dedicated employees who also help make Borsodi Brewery, our common workplace, a better living place. 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.

# COLLECTIVELY CRAFTED

## EMPLOYEE ENGAGEMENT • OUR EMPLOYEES

Borsodi Brewery devotes a lot of effort to the care of its 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 labor mobility::

- In 2019 we have filled 92 new positions.
- Fluctuation – overall 21.6%, of which 15.9% were voluntary and 5.6% non-voluntary termination.

Mothers on maternity leave:

- In 2019, 18 of our employees were on maternity leave.

Employees according to the number of years they have worked for Borsodi Brewery\*



YEARS SPENT	IN PERCENT	NO. OF PERSONS	WOMEN	MEN
0 to 5 years	46%	199	71	128
6 to 10 years	11%	50	18	32
11 to 15 years	12%	54	26	28
16 to 20 years	6%	24	5	19
21 to 25 years	7%	30	6	24
26 to 30 years	6%	24	3	21
31 to 35 years	6%	26	4	22
36 to 40 years	4%	18	8	10
41 to 45 years	2%	10	0	10
<b>TOTAL</b>	<b>100%</b>	<b>435</b>	<b>141</b>	<b>294</b>

\* The data provided is for 31.12.2019.

## OUR EMPLOYEES

We used the year to get to know the smaller organizational units of the brewery better, so we did research in three areas: sales colleagues, commercial teams and supply chain.

In the case of the **sales team research**, the participation rate of which was more than 90%, we focused on three topics: daily work, benefits, and training and development. The aim of the survey was to simplify work processes, reduce administrative processes, and increase competitiveness and satisfaction.

The action plans based on the results of the research will be implemented in 2020.

In the **survey of commercial teams**, we aimed to map each workflow and the communication between units more accurately. The first steps of the action plans developed on the basis of the results obtained have already been implemented.

In the second half of 2019, we also conducted a survey among colleagues working in the **supply chain** field, with the aim of assessing team satisfaction and mapping collaboration between teams. The action plans based on the results of the research will also be implemented in 2020.



# COLLECTIVELY CRAFTED

## DIVERSITY AND EQUAL OPPORTUNITIES

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

Employee structure, including management (as of 31 December 2019):

	2018*	2019**
<b>All employees</b>	Total of 435 employees	Total of 435 employees
<b>of them</b>	31% female, 69% male	32% female, 68% male
<b>in the case of management</b>	37,5% female, 62,5% male	25% female, 75% male
<b>average age of employees</b>	42 years	41,1 years
<b>average employment duration at the company</b>	13 years	11,8 years

\* The data for 2018 include the number of the colleagues on maternity leave.

\*\* The data provided is for 31.12.2019.

The remuneration strategy at Borsodi Brewery is based on the corporate culture of the parent company, Molson Coors. Our goal is to provide **equal remuneration opportunities**, which are directly linked to the performance of the company and the wage level on the labor market. The strategy is also designed to recognize and reward the conduct of the employee and their results that are necessary for achieving company goals.

We use local market data to set the wages for individual positions. The wage span is thus determined for each position based on the wage data available throughout Hungary. We exclusively use data from remuneration surveys, which are provided by verified and internationally established companies. The wage of a specific employee within the wage span depends on their current experience, readiness to cope with the tasks in the given position, and also their performance. In the determination of wages, requirements of equal treatment are always taken into account: gender, nationality or sexual orientation are not considered. The remuneration system is set in such a manner that employees get a comparable wage for comparable work, while each further wage increment depends directly on the performance of the employee and also on where their wage lies in the salary band corresponding to the given position.

The **annual remuneration system** of employees is tied to the annual cycle of performance assessments. The remuneration system is based on fulfilment of specific KPIs. The assessment meeting between superiors and subordinates takes place twice per year and, during the meeting, both sides not only evaluate the achieved goals, but also the method applied for their achievement.



# COLLECTIVELY CRAFTED

## COOPERATION WITH UNIVERSITIES • INTERNAL COMMUNICATION

### COOPERATION WITH UNIVERSITIES

In the light of the importance of continuous growth and appropriate recruitment, Borsodi Brewery has been consciously seeking cooperation opportunities with universities for years.

In 2019, we maintained a close relationship with the University of Miskolc: we participated in the job fair, where we focused on the presentation of our internship program and the recruitment for it.

We continued to cooperate actively with universities providing commercial training based in Budapest (Corvinus University of Budapest, Metropolitan University of Budapest), from where several interns came to our team for trading positions. In 2019, Borsodi Brewery provided internship opportunities for a total of 11 trainees.



### INTERNAL COMMUNICATION

We consider internal communication as an effective tool for conveying information to employees. It consists of the following elements.

The employees are usually informed of any changes and other important information about the company in the form of **e-mail notifications**. Twice a year, **Beer Minutes (Sörpercek)**, our **internal newspaper** is published; in this, every function has the opportunity to report on the most important news and projects in their own area.

As a multinational company, Borsodi Brewery also ensures the use of various platforms that allow the employees to stay in touch with their colleagues from other countries in the group, report on the major local or joint projects, and share their successes. This includes, amongst others, **the PubTalk intranet site or the Yammer corporate social media application**. On April 22, Earth Day, we announced a competition to our colleagues on Yammer: we encouraged everyone to plant plants together in the Budapest office. As a result of this initiative, colleagues planted 10 empress trees in the area of the Böcs factory.

As a highlighted internal event, a **corporate conference** is held every year, to which all employees are invited. At the large-scale event, we will evaluate the previous year and discuss the main objectives for the year ahead. In the framework of the annual conference, we will also celebrate the jubilee colleagues, whose work and perseverance will greatly contribute to bringing the Borsodi Brewery closer to achieving its goals.

The close, direct working relationship between the employees and the senior executives and the continuous flow of information form integral parts of the corporate culture, not only for Borsodi Brewery but also for Molson Coors. That is why, several times a year, the colleagues have the opportunity to meet the European management of the Molson Coors group (so-called **townhall meeting**), in addition to the local management of Borsodi Brewery, and ask questions.

Borsodi Brewery considers it a priority task (and not just as a task of internal communication) to consistently follow its Employer Branding strategy in order to provide current and future employees with the most attractive workplace possible.

# COLLECTIVELY CRAFTED

## COMMUNITY AND VOLUNTEERING

Each year, the Molson Coors group organizes the so-called „**Our Beer Print**” month, the mission of which is to strengthen the company's positive “beer print” in the world. In this context, we pay special attention to responsible alcohol consumption, to environmental protection and to social responsibility. The activities of Our Beer Print Month are organized based on our strategy, forward-looking until 2025. A significant number of our employees participate in the events on a voluntary basis.

In September 2019, the volunteer day was held in **Borsod-Abaúj-Zemplén County Central Hospital and University Teaching Hospital**, based on the principles of the pillar "Collectively crafted", where the employees of Borsodi Brewery actively contributed to making the environment where the everyday lives of those in the institution are spent more beautiful and tidy. The area near the main building of the hospital was renovated, to which Borsodi Brewery contributed not only hard-working hands, but also with a material offer worth more than HUF 3,000,000.

The focus of the work was the joy of co-creation, during which trees and flowers were planted, fences and benches were painted, flower boxes were installed, and the environment was landscaped to the greatest delight of the people of Miskolc.

Colleagues at Borsodi Brewery have proven that they are at least as good at cooking as beer brewing. Within the "**Responsibly refreshing**" pillar, for the second time this year, we also announced charity cooking at a corporate cooking competition with a long tradition, where our colleagues joined the Jótékony program, together with the Hungarian Food Bank Association, to help families in need by cooking and distributing 600 meals a day.

Building on the basic ideas of the "**Sustainably Brewing**" pillar, in the spirit of sustainable development, the Humus Association gave a presentation to the colleagues of Borsodi on how environmentally conscious thinking starts at home.

Year	Featured location	Number of participants	Number of working hours / person	Total number of working hours / total
2019	Miskolc Central Hospital Park	100	7	700
2018	Hernádnémeti, Munk Castle	70	6	420
2017	Borsodi Brewery Kft., waste collection	122	5	610
2016	Bükk National Park, Szinva educational trail	95	7	665
2015	Putnok, Bányász tér	90	6	540
2014	The village of Böcs	70	6	420
Total		547		3355

In 2019 we organized a **Health day** twice for our colleagues. Within the framework of the Health Preservation and Sports Day, our colleagues could take part in various screening tests (allergy testing, mole screening, general condition assessment) as well as conscious nutrition and stress management, among others. During the afternoon, they tested their skills in dragon boat, ping-pong and foot tennis competitions. Nearly 200 of our colleagues took part in the events.

Several times a year, we encourage our colleagues to help those in need as volunteers or with donations. In 2019, we twice organized a clothing collection for families in need and the homeless in both Miskolc and Budapest, and we also collected durable food for them during the Christmas period. Furthermore, we joined the national #nemluxustáska (#nonluxurybag) promotion, during which we organized a collection for homeless women.



In 2019, we organized blood donations a total of 5 times, together with the Hungarian Red Cross: three times in the Bőcs factory, and twice as a novelty in the Budapest office, with the participation of a total of 83 helping colleagues.

In 2019, we organized a campaign together with the Borsod-Abaúj-Zemplén County Police Headquarters, where we drew the attention of drivers to the importance of responsible alcohol consumption within the framework of a traffic inspection.

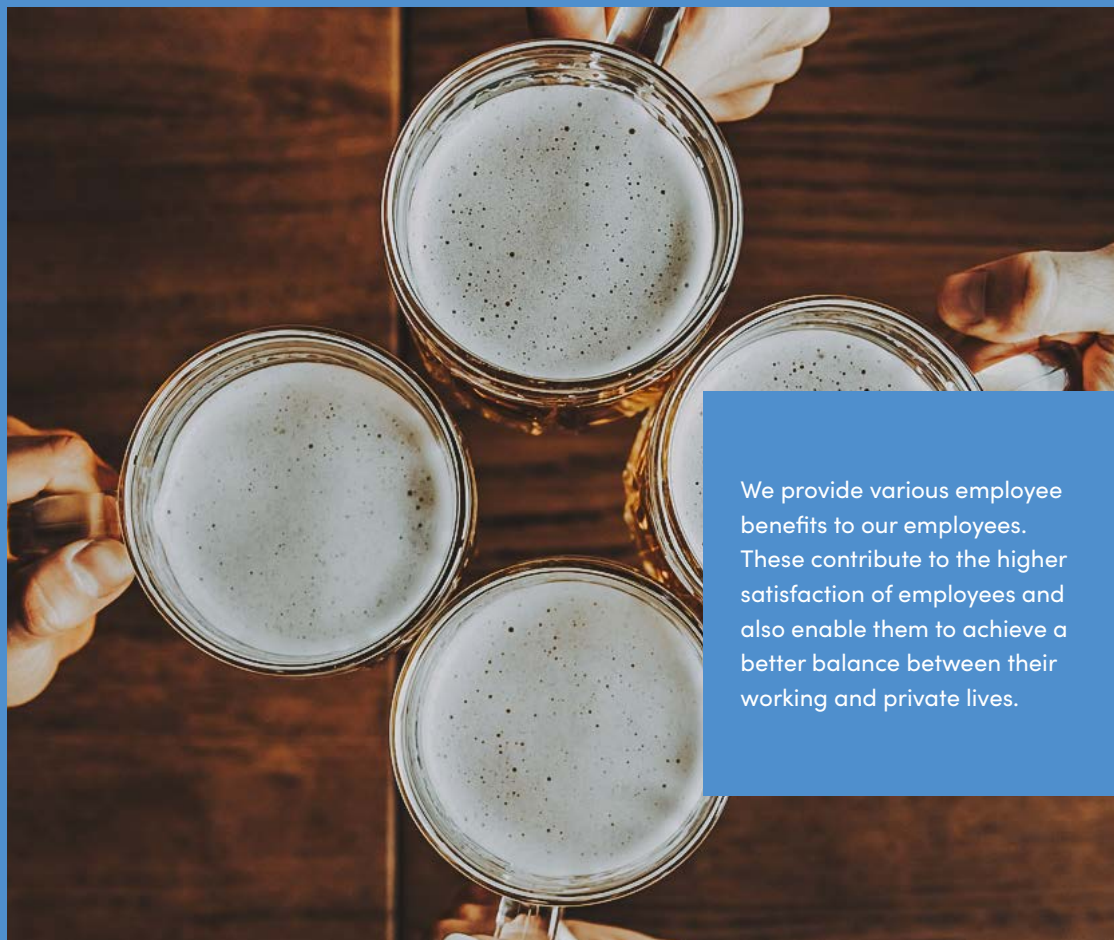
Borsodi Brewery also regularly supports various charity events with its products. This includes the event of the National Blood Donation Day held in Miskolc last year, as well as the various activities of the Belgian, Czech and Mexican embassies. The company supported these events with nearly HUF 2.5 million worth of beer donations.





# COLLECTIVELY CRAFTED

## BENEFITS



We provide various employee benefits to our employees. These contribute to the higher satisfaction of employees and also enable them to achieve a better balance between their working and private lives.

### THE MOST IMPORTANT BENEFITS THAT WE OFFER TO OUR EMPLOYEES ARE:



Cafeteria



Life and accident insurance



Bonus opportunity, depending on the annual corporate and individual performance



Discounted option for beer purchase



Jubilee cash reward



Discounted festival, beach and sports tickets



Recommendation reward in the framework of the "I recommend my friend" program



Discounted sports facilities (AYCM card)



Contribution to private pension fund



Holiday and recreation opportunities and discounts



## WORKING ENVIRONMENT AND EMPLOYEE RIGHTS

We support a positive working environment in which only legal, ethical and responsible behavior 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 comprise part of an international company in which employees from all over the world are working. We appreciate diversity and inclusion and commit ourselves to ensuring 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.

### TRADE UNION AND WORKS COUNCIL

The Food Industry Employees' Trade Union ("Élelmiszeripari Dolgozók Szakszervezete", ÉDSZ) and its Borsodi Brewery organization is represented at Borsodi Brewery. Borsodi Brewery, as an employer, also concluded a collective agreement with the trade union, which it renewed in November 2019.

In 2019, Borsodi Brewery implemented a differentiated wage increase in all areas as a result of wage negotiations between the trade union and the employer.

Moreover, a 7-member works council operates at the company and exercises its rights as defined in the Labor Code and in the works agreement. These include, in particular, that the works council may request information from the employer, and, in some cases, the right to joint decision-making, and the rights to comment, consult, and negotiate, and the right to inform the employees.

### EMPLOYEE EDUCATION AND CAREER DEVELOPMENT

In line with Molson Coors' training strategy, the tasks of Borsodi Brewery regarding the training of colleagues during the year are rather complex. The diverse training calendar does not only cover the compulsory training required by law, but the various online training courses offered by the Molson Coors group to companies worldwide, including Borsodi Brewery.

The most important areas of development include the following professional training: sales techniques, supply chain training, occupational safety, EHS training, knowledge of the beer market and beer, beer tasting and drafting techniques, and management programs. A total of 527 colleagues participated in the approximately 48 training sessions in 2019.

In all cases, the training opportunities offered are in line with the company's strategy. 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 and career plans.

For new employees, we organized introductory training on five occasions in the premises of Borsodi Brewery with the goal of supporting them in the process of adaptation and to ease their first steps in our company. Individual representatives of the organization introduce their departments, and a popular part of the training is the Beer Champion training, which is presented to new employees by the Beer Ambassador of Borsodi Brewery. Here, participants learn the most important information about beer, beer production, beer tasting, and our products.

### CSR MANAGEMENT

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 Ágnes Besze, Senior Legal & Corporate Affairs Manager.

We regularly inform our business partners, customers and consumers of our results achieved in the area of CSR and sustainable development.





**MOLSON  
COORS** beverage  
company



This report covers the period from 1 January to 31 December 2019.

## **BORSODI SÖRGYÁR KFT.**

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