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Opening Remarks

Dear Reader,

The coronavirus pandemic brought some unexpected challenges for us too. As a response to these we introduced measures, the aim of which was to strengthen safe working conditions and to ensure constant operation. Despite the changed circumstances we were able to reach our goal, which was to maintain the continuous supply of our products by cooperating with our suppliers and commercial partners. We believe that it is an important result that we did not have to say goodbye to any of our employees because of the pandemic.

Handling the changed environment on the market meant a serious task for our commercial partners, the previous year was especially hard for the catering sector due to the restrictions. Therefore, joint work and the improvement of cooperations became even more important so that the changing needs of the customers and consumers could be satisfied in high quality.

Borsodi Brewery pays extra attention to protecting the environment as well as taking into account the requirements of sustainable operation. As a producer company it is our major task to handle our natural resources with responsibility, to find environmentally friendly alternatives to our operation and to apply these new technologies that support our aspirations.

We consider this to be a fundamental part of business responsibility.

In 2020 we continued to work on realizing our sustainability goals that we set for 2025. We successfully finished our investment regarding capacity increase and production modernization. This improvement that took years to finish continued to broaden our innovation opportunities, hence last year we added numerous new products to our portfolio. We introduced two new members of the Borsodi brand, Borsodi Hoppy and Borsodi IPA. Apart from these, Borsodi Friss also got a new, non-alcoholic version with renewed flavour.

Beside environmentally conscious production, we also strive to help our environment. Thanks to the voluntary work of our employees, we actively contribute to the improvement of the communities that provide our background.

In our report we collected all those measures and results from the previous year that prove that in 2020 we managed to make significant progress in fulfilling our sustainability goals.

Zsolt Vuleta

Sales and Customer Excellence Director and Country Lead



About the report

Borsodi Brewery has always paid outstanding attention to taking responsibility for its environment, communities, employees and business partners as a producer.

The brewery considers its "Our Imprint" goals set by Molson Coors Beverage Company for 2025 as guidance for its own operations and sustainability efforts. It therefore reviews its operation each year and summarizes the results achieved in its annual sustainability report. This report outlines the events of 2020 and the results achieved along the three main pillars of the company's strategy: we refresh responsibly, produce and work together in an environmentally conscious way.

In preparing this report, we consider the requirements of the Global Reporting Initiative (GRI) standards* as well as the United Nations Sustainable Development Goals (SDGs) as guiding, on the basis of which Molson Coors has also developed its sustainability goals and aspirations.

Sustainably Brewing



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

Responsibly Refreshing



Ensure access to affordable. reliable, sustainable and modern energy.



Build resilient infrastructure, promote sustainable industrialization and foster



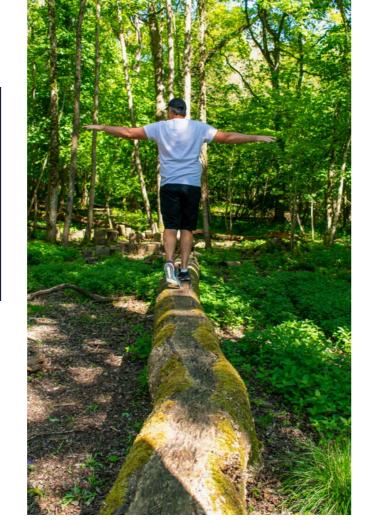
nsure sustainable consumption and production



Ensure access to water and sanitation for all.



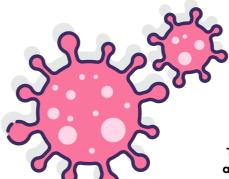
Revitalize the global partnership for sustainable development.



Collectively Crafted



Promote inclusive and sustainable economic growth, employment and decent work for all.



Covid-19 virus corporate action

The Borsodi Brewery treats the preservation of the health of its employees and the creation of safe working conditions as a top priority and has introduced a number of measures to this end.

We attached first and foremost importance to the protection of our colleagues and communities. During 2020 alone, we spent more than HUF 23 million on protective equipment provided to our employees. Following the outbreak, we provided 251,500 liters of hand sanitizer at the entrances to all our sites and at the main workstations, placing a total of 325 wall and manual disinfectant dispensers and replacing the soaps with antibacterial ones. In addition, we have made disinfectants available to those working in high-risk jobs (e.g. sales staff), with a continuous supply.





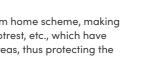
From the very beginning of the epidemic situation, we provided protective masks for everyday work to our colleagues working in the factory, as well as in the sales area. In addition, we introduced the mandatory use of masks in office areas, community spaces, and meeting rooms, therefore we made protective masks available to all colleagues. Last year we distributed more than 78,500 protective masks.



Colleagues used personal protective equipment in the factory areas: We provided 760 pairs of protective gloves and over 150 dungarees.



We have introduced mandatory body temperature measurements at all entrances, both for our colleagues and our partners.



In workplaces where this was possible, we introduced a working from home scheme, making office equipment available if necessary, such as a chair, monitor, footrest, etc., which have contributed to ergonomic work. We restricted access to our office areas, thus protecting the health of our colleagues.



We have kept business travel to a minimum and also asked our colleagues to go on private trips only when justified.

During the ascending phase of the epidemic, we were among the first to recall our sales colleagues from the areas and restricted face-to-face discussions and meetings.

In addition to preventive measures, it was of paramount importance to keep our employees informed. We regularly communicated government measures and rules to our colleagues, and established our corporate rules in line with them. With a view to ensure more effective communication, we created a common communication Sharepoint site, where colleagues could stay up-to-date on current rules and preventive measures, as well as receive practical advice for everyday life.

In addition to physical protection, we paid special attention to the mental health of our colleagues, so in 2020 we made the opportunity of anonymous psychological consultation available to all our colleagues.

As a result of our actions, we were able to ensure our safe operation throughout the year, the stability of our production and our entire operations, the continuous supply of our partners and the service to our customers.



About Borsodi brewery

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 2020, the company exported beer to eight European countries (Bulgaria, Czech Republic, Croatia, Poland, Montenegro, Romania, Serbia, Germany).

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 2020 or in preceding accounting periods.

In 2020, the company did not engage in any research and development activities. In 2020, the Borsodi Brewery completed the totally three-year multi-stage investment, which started in 2018, in the framework of which the company renewed its distillery. 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, making the brewery a regional strategic production center of Molson Coors.

The company has no organizational units abroad.

FACTS ABOUT BORSODI BREWERY

1973: the year of the establishment of the Borsodi Brewery

HUF 40.5 billion: annual net sales

48: number of brands sold (including sub-brands)

146: total presentation of marketed products (SKU)

416: number of employees

32%: proportion of female employees

12: average number of years employees spent with the company















Our values and vision

Our set of values focuses on people development, commitment and performance. Each of our values is clear, unambiguous and transparent, and can also be easily interpreted in everyday life. They are also ambitious, giving our organization room for growth and development. Together, these values contribute to the realization and development of our strategy, plans and goals.

OUR AMBISSION:

To be first choice for consumers and customers.

OUR PURPOSE:

Uniting people to celebrate all life's moments.

OUR VALUES:

PUT PEOPLE FIRST

W e value and respect differences and believe diversity with inclusion is the key to collaboration and a winning team culture.

BE BOLD AND DECISIVE

We are innovators, unafraid to be direct, move with speed and challenge the ordinary.

TAKE ACCOUNTABILITY

We act with integrity and honor commitments, while owning our mistakes, using them as an opportunity to learn.

LEARN EVERY DAY

We are always looking for ways to improve and to help one another grow.

CELEBRATE TOGETHER

We are passionate ambassadors of our brands and our business; and we believe in the importance of recognizing and celebrating our accomplishments.













SUSTAINABLE BUSINESS GOALS - OUR BEER **PRINT 2025**

Borsodi Brewery - in line with Molson Coors's worldwide goals – introduced in 2017 and continued in 2020 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

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

Sustainably Brewing: We work on the effective utilization of water resources based on the sustainability goals we set and published in 2017. In addition, we strive not to place any waste into landfills. At our plant situated in Bőcs, Hungary, we achieved this goal in 2018 and we maintained it in

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.

They used to say that the only constant thing in marketing is change. I think this can and should be said to be a development. The last year and a half have also brought changes in the lives of our brands. Our product portfolio has developed enormously, as we have been bringing almost three

years of innovation to market since March last year. There was room for improvement, of course, but the team showed that even in extremely difficult times, together, with expertise and will, it brought the most exciting and, according to many, the best innovations in the Hungarian beer market to consumers.

György Spiegel, Marketing Director

RESPONSIBLY REFRESHING

We believe that sharing a beer with our friends belongs to 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.



























BLONDE





















Our product portfolio

For the Borsodi Brewery it has always been important to keep in mind the needs of consumers, and the development of the domestic beer culture and high-quality beer production in the course of its product development. In terms of our portfolio, we think in the long-term, so it is essential to continuously expand the product range of the Borsodi brand.

In March 2020, the company introduced the first member of the Borsodi brand's latest portfolio, Borsodi Hoppy, which is one of the so-called hoplagers. That is, a light beer that, with its bolder use of hops, introduces not only bitterness but also aromas to the beer. It is a special combination of easy-to-drink fresh lager and more strongly fermented top-fermented beers.

Subsequently, in June, the brewery introduced the second member of the new 2020 product portfolio and the brewery's first self-fermented beer, Borsodi IPA. The new product is made from pure malt using several different hops, which is made characteristic by the bitterness of the Borsodi

Both Borsodi Hoppy and Borsodi IPA have been given a new, cleaner design that differs from Borsodi's clear classic packaging, evoking the more experimental taste of the new products.







Borsodi Brewery is not only committed to responsible alcohol consumption in its sustainability strategy but is also constantly expanding its range of non-alcoholic products to provide an alternative for responsible consumption. In 2020, the first Hungarian flavored beer brand, Borsodi Fresh, was renewed: in addition to the packaging of the renewed product family, it was expanded with a completely new non-alcoholic member, the 0.0% non-alcoholic raspberry-blueberry flavor.

In addition, the packaging of Staropramen has been renewed and the Belgian cherry beer, Belle-Vue Kriek, has been made available to consumers in cans.





Product safety and consumer health

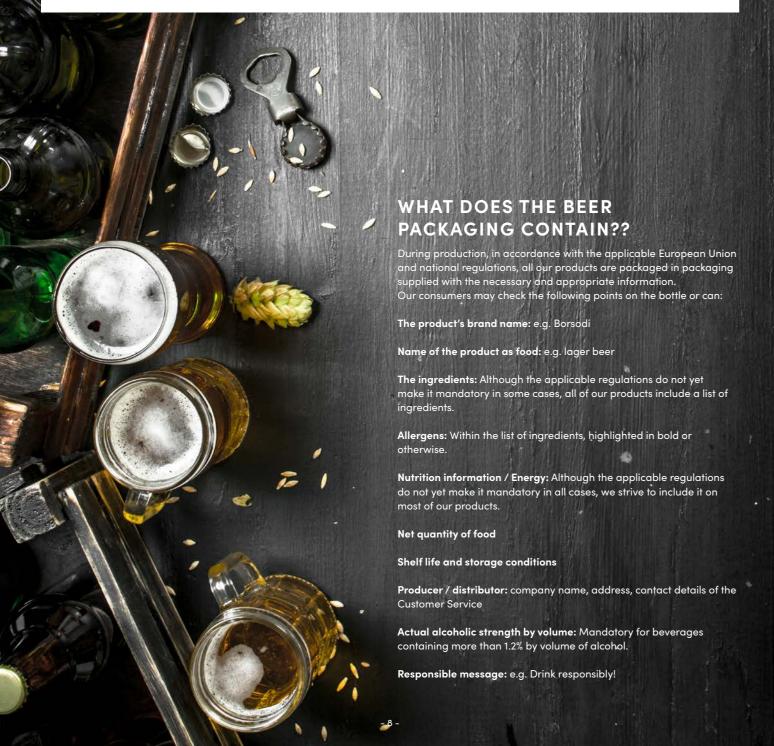
Guaranteeing the quality of the products has always been a fundamental aspect for Borsodi Brewery. It can be said that in 2020 we also performed well in this area.

Numerous inspections took place at the brewery during the year. Last year, 14 internal and two official inspections were carried out at the factory, during which no non-compliance was found. In addition, there were 13 official samples from different areas of the country, and the quality of the products was adequate at all times.

In 2020, Borsodi Brewery acquired the **IFS International Food Standard Certificate**, which the company received with a high rating of 97.3%. This warrants that the brewery operates in accordance with its quality management and food safety management systems, so no other customer audits were performed in 2020.

In addition, the brewery also received the international Kosher Certificate for the Miller brand canned product.

We are very proud that Molson Coors group also recognizes the effectiveness of Borsodi Brewery's Quality Department. As a sign of this, the Laboratory in Bőcs, a kind of central laboratory, regularly performs tests for more than 40 types of products from nearly 17 foreign breweries.



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 beer producers includes self-regulation of advertising and commercial communications. 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/).



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.

Recognizing the importance of strong and credible self-regulation and of the proper co-ordination of the statutory regulation and selfregulation, 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.

In 2020, the Borsodi Brewery made a commitment, under the leadership of the Self-Regulatory Advertising Board (ÖRT), beyond the Hungarian Advertising Code, to contribute to positive cultural change through a responsible and diverse portrayal of people in advertisina.



ABOUT BORSODI BREWERY SUSTAINABLE BUSINESS GOALS
OUR BEER PRINT 2025

RESPONSIBLY REFRESHING

BREWING

COLLECTIVELY CRAFTED

ABOUT BORSODI BREWERY SUSTAINABLE BUSINESS GOALS
OUR BEER PRINT 2025

RESPONSIBLY REFRESHING SUSTAINABLY BREWING COLLECTIVELY CRAFTED

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 Bőcs, operating today as our Visitor Center, is an excellent venue for transferring knowledge concerning

FOGYASZD FELELŐSSÉGGEL!

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. In 2020, the Visitor Center operated on a limited basis due to the coronavirus pandemic.



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, the Borsodi Brewery gives priority to the standards in **the Hungarian Code of Advertising Ethics**, which also addresses the rules on the advertising of alcoholic beverages in a separate article. In 2020, we requested a preliminary resolution from the Board in 24 cases.









Corporate Governance, ethics, anti-corruption measures

Borsodi Brewery also adheres to the Molson Coors **Code of Business 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, in the form of a compulsory training.

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 followed 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 visàvis 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 compulsory training package.

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SUSTAINABLY BREWING

We consciously build up our strategic plans by striving for sustainable production and logistics processes, and we also encourage our partners and suppliers to do so.

For beer to be of high quality, a number of conditions must be met. These include, first and foremost, production from hops to barley and water. It includes, first, the raw materials used in production, from hops through barley to water. During the manufacturing process, we aim to minimize losses from each batch in addition to the best quality. We reduce the use of non-renewable energy sources year by year. We have set continuously decreasing targets for the use of natural resources, which we have achieved in recent years through improvements, investments, and a review of production and logistics. All of this can result in less waste behind each bottle, can or glass of beer, while at the same time being more efficient, thus ensuring a smaller and smaller positive "beer print". These specific results are presented in this chapter of the report.



We do everything we can to make more efficient use of resources and to develop our production to a sustainable level through the use of clean and environmentally friendly technologies and industrial processes.

Investments

In 2018, the Borsodi Brewery began the largest investment in its history. During the total of three years multi-stage investment, the Borsodi Brewery renewed its distillery: thanks to the development of the bottle and can filling line, the plant's capacity expanded by about 700,000 hectoliters to 2.5 million hectoliters per year, enabling Bốcs to become one of Molson Coors's regional production centers.

As a first step in the process, the Borsodi Brewery replaced its bottling machine in the spring of 2018, and then replaced the labeling machine in 2019 as the second milestone of the project. Also in 2019, the second can filling line of the brewery was put into operation. The handover of the new production line is another milestone in achieving our sustainability goals, as thanks to the modern equipment, we can reduce the operating heat consumption by 50% and the water consumption by 90% on the line.

The third step in the development of the bottle distillery line was completed in 2020, in the framework of which palletizing (loading and unloading) machines and the associated bottle, compartment and pallet tracks were renewed.

This marked the beginning of a new era in the history of the factory, as we had the opportunity to supply markets such as the Czech or Croatian with high-quality products while serving growing domestic demand. To meet this challenge, in recent years we have begun to develop our logistics system.

As a first step in the development of the logistics system, in 2020 we handed over a renovated road section within the factory, which allowed us to optimize truck traffic within the factory, which helped reduce our loading time and thus our energy consumption. In addition, the logistics machine pool has been renewed and replaced with modern forklifts, thus ensuring greater safety for workers during material handling.

In 2020, the brewery replaced the instant pasteurization equipment of the bottling line as well as the dechlorination system, which also contributed to the reduction of energy consumption during production



Although the epidemic posed an unprecedented challenge to production and logistics last year, the factory has been further developed. Our strategic development projects have been completed to deliver even better quality, new products and even more efficient operations, further reducing our beer footprint. More importantly, we are very proud to have managed to protect our employees in the first three waves of COVID, as a result of the measures taken; there was no critical situation anywhere in the factory, so the supply to the market was smooth. In addition, we have

prepared for the development of employees and processes, the introduction of the WCSC 2.0 management system, with which we improve the knowledge of our colleagues and is one of the keys to further efficiency.

János Szilva Supply Chain Director



World Class Supply Chain (WCSC) 2.0.

The Borsodi Brewery is constantly reviewing its production processes and looking for development opportunities to optimize production processes. In 2019, it laid down the strategic foundations of the WCSC 2.0 system, which can help to achieve our competitive advantage in the long term by applying the most modern working methods, as it means the application of state-of-the-art business and production techniques and working methods, in the appropriate launching order.

The goal of the program is to reduce supply chain costs through efficiency gains, which in practice means continuous improvement of core production indicators. This, of course, 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 2020, the infrastructural and personnel conditions of the WCSC 2.0 system were fulfilled. As part of this, premises for daily management were built on the can filling lines, where our employees, within the framework of daily objectives, explore the factors hindering efficiency, analyze losses and improve the functionality of the line with immediate actions. The depth of the work is characterized by the fact that on average, hundreds of actions were born and implemented per year, per line. As a result, in 2020, our can filling lines achieved a 5% growth in efficiency gains and a 3% decrease in specific energy reductions, which were also recognized by MolsonCoors's regional management.

During the year, more than 50 proposals were received from employees that brought along efficiency improvements. A good example for this is when based on our operator colleague's proposal we optimized the product switching process of our filler machine, which resulted in a 20% decrease in the transition time. This means 50 hours of savings yearly.

During the year, as part of the EHS (Environment, Health and Safety) pillar, a new methodology was introduced to enable brewery staff to map the expected occupational safety hazards during production. The Quality pillar operates on a similar principle, as it helps to identify factors that endanger the expected quality.

In 2021, we will launch the full integration of our second can filling line into the WCSC 2.0 system, jointly with the Molson Coors regional organization, from which we expect further efficiency gains and energy savings. After that, all units of the factory will be connected to the system in several steps, and according to our plans, in 2023 the factory will reach the qualification of the 0 phase of WCSC, which requires the use of the methods of WCSC 2.0 as well as the use of the system. The requirements of the phase are described in a standard and certification can take place by audit.





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Suppliers, raw materials

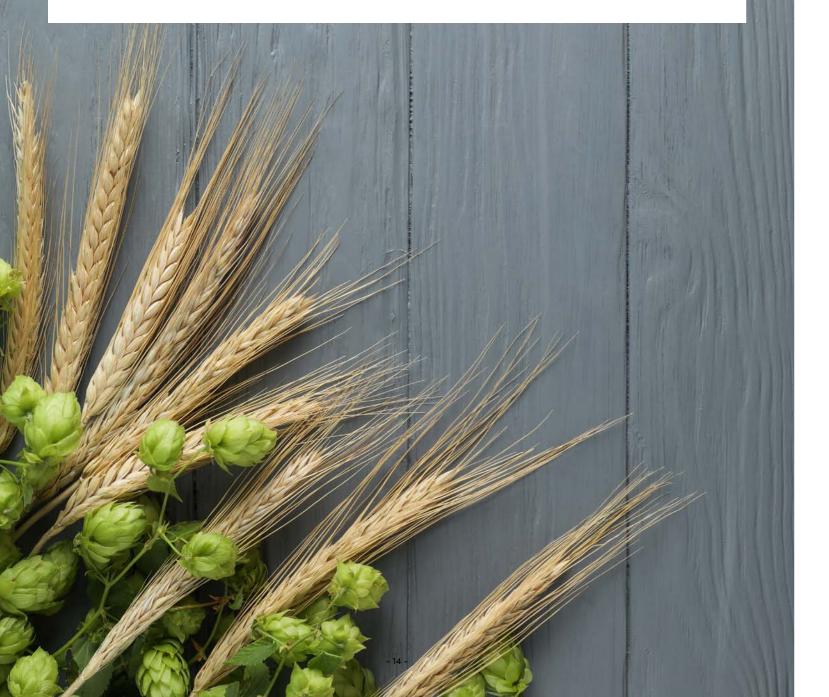
Our goal is to develop and maintain long-term relationships with suppliers and service providers of the main raw materials, paying special attention to the high quality of raw materials and services, the possibility of long-term development, the reduction of the ecological "beer print" and the application of various green solutions. In 2020, 87,72% of all products purchased and services used originated from local supplier companies*, and the remaining 12,28% from foreign supplier partners**. More than 35% 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 process, in order to ensure smooth production at the expected quality level. We constantly buy raw materials from Hungarian producers and farmers, thus providing them with predictability. 25% of malt and barley we use, as well all corn used are of Hungarian origin, the rest of the malt and specialty malt and hops come from abroad. Strict specifications have been set for all of our raw materials, which we also analyze on a regular basis. These specifications are reviewed with suppliers on an annual basis and amended as needed. Water is one of the primary raw materials for the production of beer. About our water treatment and water consumption please see the following chapters.

Borsodi Brewery is constantly working to significantly reduce its waste production and find ways to recycle waste.

- * i.e. companies with incorporation / a branch office in Hungary.
- ** i.e. companies incorporated abroad.



Our environmental goals

NAME OF THE GOAL	2018	2019	2020	2021	2023	2025
NAME OF THE GOAL	EREDMÉNY			CÉLOK		
reducing water consumption (value / 1hl of beer produced)	4,72 hl	5,011 hl	4,36 hl	4,21 hl	4,14 hl	3,5 hl
reducing electricity consumption (value / 1hl of beer produced)	7,31 kW	7,32 kW	7,40 kW	7,18 kW	7,07 kW	6,35 kW
reducing the use of thermal (value / 1hl of beer produced)	73,86 MJ	72,09 MJ	69,7 MJ	68,58 MJ	67,34 MJ	65,4 MJ
reducing the amount of waste going to landfill (value / 1hl of beer produced)	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.

In 2018, we achieved, and in 2019 and 2020 we maintained our goal that no waste from production will end up in landfills. Our task is to maintain this result in the long run. Our employees also directly contributed to maintaining the results of 2020 by applying the rules of selective waste collection.



Change in the amount of landfilled waste:

	2015	2016	2017	2018	2019	2020
Amount of waste landfilled (tonnes)	214,19	192,31	183,77	0	0	0

ABOUT SUSTAINABLE BUSINESS GOALS RESPONSIBLY SUSTAINABLY COLLECTIVELY **ABOUT** SUSTAINABLE BUSINESS GOALS RESPONSIBLY SUSTAINABLY COLLECTIVELY **BORSODI BREWERY OUR BEER PRINT 2025** REFRESHING **BREWING** CRAFTED **BORSODI BREWERY OUR BEER PRINT 2025** REFRESHING **BREWING** CRAFTED

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, CO2, 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.

We have set the main energy consumption goals up to 2023 and 2025 and continuously seek opportunities for savings. These targets apply to the 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 on the following priority projects and investments for 2020. The bottle filling line has undergone a major development, such as bottling at ambient temperatures, so the efficiency of the line has increased significantly and we have been able to reduce our per product specific energy consumption. In 2021, we will continue the series of developments with the expansion of the tank farm and the development of the logistics area. The expansion of the tank farm will help us in reducing the number of product transitions that result in the loss of production, while the bigger storage capacity enhances the efficiency of fulfilling unexpected demands. Long-term projects also include investments that will enable us to produce several types of energy in a carbon-neutral way. The possibility of geothermal energy supply is in preparatory phase. The installation of a solar panel park is also among our medium term plans.

Water



A further important indicator in our brewery is water consumption. Water is one of the primary ingredients in brewing, essential for preparing our great drinks. At the same time, it is a very precious commodity, and, for this reason, it is necessary to handle it responsibly and avoid wasting it.

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 2020, the water consumption rate was 4.36 liters of water per liter of beer. In order to keep water consumption to a minimum, we strive to seize every opportunity, for example, to optimize use during water-intensive processes. During the previously mentioned investment in the bottling line, we developed the production line with machines that enabled us to reduce the water consumption of the line by 25%. We plan to modernize our current water operator system. The water loss rate of the new machines would be lower.





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.

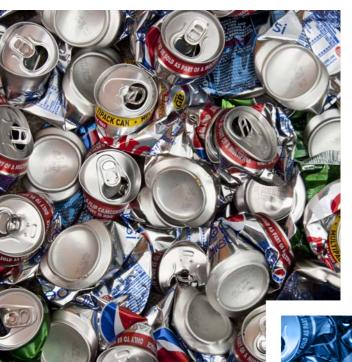
During the past year, tens of thousands of people have used the opportunities offered by near 200 automatic reverse vending machines placed in busy shopping malls and supermarkets and returned the used aluminum cans, thereby actively participating in the protection of the environment.

Emissions from beer production

In order to satisfy legal obligations, in the brewery we monitor the CO2 (greenhouse gas) emissions from the combustion of natural gas used in the combustion plants and from biogas produced from the waste-water treatment. In 2020, its certified greenhouse gas emission was 5522 tons of CO2. 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 NOX, CO, and SO2 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. In 2020, the emission values did not exceed the prescribed limits in either case.





Waste management

In 2020, 27155,784 tonnes of waste was generated at Borsodi Brewery.

The amount of waste recycled as a secondary raw material is 2800,1316 tonnes (10%) and the amount of waste recycled for energy is 92,468 tonnes (0.3%). 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 2020. 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 2020, the Borsodi Brewery sold 22,683 tons of brewers grains and 2,641 tons of waste yeast. The sludge from beer filtration and wastewater treatment was used as compost.



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 EHS pillar of our internal quality management system (World Class Supply Chain – WCSC), we 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 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 2020, we introduced preventive measures primarily in the prevention of the spread of coronavirus infection, which are described in Chapter 1.

Logistic

In transport, we cooperate with contractual partners who use vehicles that fulfill 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 compared to the previous year. 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. Following a transport tender last year, it is now a fundamental requirement that suppliers partners to meet the above emission standards.

During the organization of transport, the number of transports increased compared to 2019, 34% of the transports were realized as one-way transport, i.e. the wagon returns to our environment with a payload and goods during the return rather than empty. We are constantly working on increasing the utilization rates of trucks and the proportion of directional transports. A project has been launched to transport imported products more efficiently: we deliver a significant part of our imported products to a central depot rather than to the factory, so we optimize tour routes with the view that we can deliver them to dedicated partners via the shortest route, with less movement and in a shorter time

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

Employees of our company and communities play a role of equal importance to that of 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 the following data, results, and stories with the readers of this report.

Our employees have always been active in raising the bar higher in the brewing industry. That's why we are committed to providing a safe work environment, a supportive corporate culture, and equal opportunities for all. We accept and support diversity and distance ourselves from



Our employees



ABOUT

8 DECENT WORK AND ECONOMIC GROWTH

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 2020, we have filled 57 new positions.
- Overall staff turnover is 16.47%, of which 10.74% were voluntary and 5.73% of non-voluntary termination of employment.
- Mothers on maternity leave: In 2020, 28 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	48	201	71	130
6 to 10 years	10	43	15	28
11 to 15 years	12	49	23	26
16 to 20 years	6	24	5	19
21 to 25 years	7	28	6	22
26 to 30 years	6	23	3	20
31 to 35 years	6	26	4	22
26 to 40 years	3	14	7	7
more than 40 years	2	8		8
Total		416	134	282

The given data apply to 31 December 2020 and do not include employees on maternity leave

2020 was a year of leaving the zone of learning, development and comfort. We have experienced the constant change in our own environment; we have learned to adapt to it, in which agility as a capability has become an unprecedented key factor for workers, organizations and also the brewing industry. The market around us, our partners, our consumers, and the organization as a whole has been exposed to an unprecedented challenge that has involved a lot of resignation and sacrificial work. We have learned to work successfully in a world that not only sells fastmoving products, but also dictates terms and rules for all players, which change at lightning speed. We are proud of the Borsodi team, our employees, who have proved their ability to adapt quickly and react flexibly even in such an era, even in an unprecedented situation, while we were all able to stay human.



Employees engagement

We constantly work to better appraise the results of our employees. In 2020, we introduced Bravo!, a recognition system, where our colleagues can share their stories of how we live our values, and what we are proud of, in order to make our company a better place to work. Within the framework of the program, our colleagues can nominate each other, and we will recognize and celebrate the outstanding results.

In 2020, employees completed an engagement survey, where colleagues in different categories answered questions in areas such as managerial efficiency, business confidence, and representation of our corporate values.

Based on the results of the survey, we have developed an action plan to increase employee satisfaction with the involvement of each department, and we are currently actively working on the issues identified in the plan to achieve even higher levels of satisfaction rates in

Without wishing to be exhaustive, we pay special attention to working conditions, including the development of the office environment or the trim level of company vehicles used for work.

Training and development is also an important area so that we are able to keep our knowledge of our teams and people up to date. In addition to general development, career planning and related succession management are also a priority area.

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.



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.

he most important benefits that we offer to our employees are:





OUR BEER PRINT 2025





















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 2020):

	2019	2020
total number of empleyees	435	416
of them	32% female, 68% male	32% female, 68% male
in the case of management	25% female, 75% male	33,33% female, 66,67% male
average age of employees	41,1 years	41,78 years
average employment duration at the company	11,8 years	12 years



Trade union and Works Council

At Borsodi Brewery, the Food Industry Employees' Trade Union ("Élelmiszeripari Dolgozók Szakszervezete", ÉDSZ) and its Borsodi Brewery organization is represented. Borsod Sörgyár, as an employer, also concluded a collective agreement with the trade union.

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 should request information from the employer, and, in some cases, the right to joint decision-making, and the rights to comment, consult, 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 648 colleagues participated in the approximately 37 training sessions in 2020.

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. In connection with that, we launched a Talent Management Program in 2020.

In 2020 for new employees, we organized **introductory training** on 4 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.

University programs

In the light of the importance of continuous development and to ensure adequate recruitment, Borsodi Brewery has been consciously seeking cooperation opportunities with universities for years.

In 2020, the brewery targeted students in an unusual way. The "What's up?" stream responds to the challenges of the pandemic in the online space. The event showed the company's employer brand and corporate culture in the interpretation of our colleagues for young people starting their careers, presenting topics that coincided with their studies (marketing, trade, sales). In addition, participants were introduced to the Borsodi Sustainability Action Plan, which was complemented by an expert beer tasting program. The event was attended by 78 university students, who were members of the Liska Tibor Special College, Budapest Business Club, Rajk László Special College, and EVK Special College.

In 2020, 6 new trainees joined the brewery's team in the fields of marketing, communications, HR, finance and trade, thus the company employed a total of 11 trainees this year.







Internal communication

We consider internal communication to be an effective means of informing employees, however, as in all other areas, the coronavirus has had an impact here, as a result of which the focus has shifted even more from previous personal communication to online communication interfaces in 2020. The employees are usually informed of the changes and other important information about the company in the form of e-mail notifications, thus it continues to be the primary form of notification within the company.

The brewery's internal newspaper, Beer minutes, was also published in 2020, which we shared with our colleagues at the end of the year and included the most important events of the year, providing each function with the opportunity to report on the most important news and projects in its field.

As a multinational company, Borsodi Brewery also ensures the use of 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. A prominent role was given to the **SharePoint** site in this, on which the Covid-19 Hungary communication interface was created, which helps employee orientation, and the site is constantly updated in accordance with current news.

As a highlighted internal event, a **corporate conference** is held every year, to which all employees are invited. At this large-scale event, we 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 constitute 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 in addition to the local management of Borsodi Brewery (so-called townhall meeting) and ask questions, which in 2020 took place on the online interface.

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





Community and volunteering

In line with the new company name, Molson Coors Beverage Company, we have further developed our sustainability platform and changed our name from "Our Beer Print" to "Our Imprint"; however, our strategy remains unchanged: we remain committed to our 2025 sustainability goals and progress along the three pillars we already know. In this context, we pay special attention to responsible alcohol consumption, to environmental protection and to social responsibility.

In September 2020, due to the special circumstances of the year, our Sustainability Month was held online.

However, in smaller groups, colleagues in Bốcs organized a day revolving around sustainability and environment protection under which they cleaned the brewery's garden and its outdoor areas. 32 of our employees took part in this voluntary programme organized by colleagues.

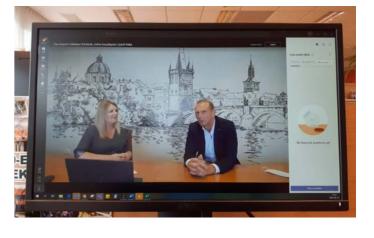
The importance of responsible alcohol consumption cannot be stressed enough in our daily lives, which is one of the main messages of the "Responsibly refreshing" pillar of our long-term strategy. Pál Győrfi, a spokesperson for the National Ambulance Service, spoke to our employees in a casual, online discussion about responsible alcohol consumption and the effects of alcohol, and why it is important to consume it in moderation..

The "Collectively crafted" pillar aims to give back as much as possible to the communities surrounding us. We are proud that hundreds of colleagues took part in person in our Volunteering Days in recent years. In 2020, we were unable to implement our mass Community Volunteering Day due to taking into account the epidemiological measures, therefore we shared a video selection with our colleagues showing how accustomed and helpful the team is and what has happened to us over the past period.

However, in smaller groups, a sustainability and environment protection day was organized by colleagues from Bőcs, as part of which the yard and outdoor areas of the factory were cleaned. The volunteering program, organized by colleagues, was attended by 32 of our colleagues.

Building on the messages of the second, "We produce in an environmentally conscious way" pillar, we shared our 2019 Sustainability Report with our colleagues and partners during the month of September, in which we proudly presented our achievements during the year.

Several times a year, we encourage our colleagues to help those in



need as volunteers or with donations. In 2020, we organized a clothing collection for families in need and the homeless in Miskolc and Budapest, and we collected foodstuffs for them during the Christmas period. We also joined the national #non-luxury bag campaign, in which we organized fundraising for homeless women.

In 2020, we organized two blood donations together with the Hungarian Red Cross with the participation of 39 helping colleagues.

In 2020, the coronavirus epidemic posed significant challenges to families raising school-age children. With the help of the Hungarian Reformed Church Charity Public Benefit Foundation, our company distributed 20 tablets to families in need, thus supporting home learning.

The 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 more than two million forints worth of beer donations.

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, Legal & Corporate Affairs Director.

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

In recent years, the joint cooking competition in Bőcs has become a tradition at Borsodi, which is not only a great opportunity for recreation and team building, but we have also been able to support families in need with hot food for several years, in cooperation with the Food Bank. Unfortunately, due to the virus-related situation in 2020, this was not the case, but I am confident

that we will be able to continue this tradition in 2021 and have even more opportunities to celebrate with colleagues and help others – as this is the foamy side of life!"

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Ágnes Besze Legal and Corporate Affairs Director



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Reporting period: This report covers the period from 1 January to 31 December 2020.

BORSODI SÖRGYÁR KFT.

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