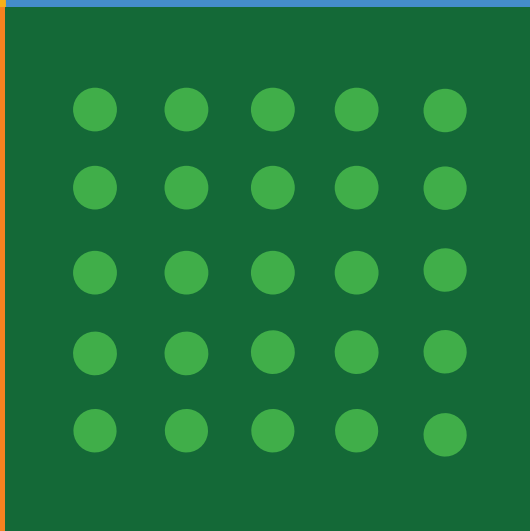


BORSODI

– SÖRGYÁR –

A MOLSON COORS COMPANY

SUSTAINABILITY REPORT 2022



Content

Welcome from the General Manager	3
ABOUT BORSODI BREWERY	4
About the report	4
CSR management	4
Company Profile	5
Our values	6
Our brands	7
OUR BASIC COMMITMENTS	8
Membership in professional chambers	8
Responsible marketing	9
Corporate Governance, ethics, anti-corruption measures	10
OUR SUSTAINABILITY STRATEGY	11
PEOPLE	12
Our employees	12
Employees engagement, support	13
Working environment and employee rights	14
Trade union and works council	14
Benefits	15
Diversity and equal opportunities	16
A diverse and inclusive working environment	17
Well-being	18
Employee education and career development	18
University programs	19
Internal communication	19
Community and volunteering	20
OUR PLANET	21
Product safety and consumer health	21
World Class Supply Chain (WCSC) 2.0	22
Supplier chain, raw materials	23
Our environmental goals	24
Energy	25
Water	26
Packaging materials	26
Emissions from beer production	26
Waste management	27
Workplace safety, accident prevention	27
Logistics	27

Welcome from the General Manager

In keeping with the tradition of recent years, we are pleased to share our 2022 Sustainability Report, the fifth in a row that we are making available to the general public.

In 2022, like other companies, we faced a number of unexpected economic circumstances. Despite the new challenges, we have done our utmost to further improve the efficiency of our operations and make progress towards our 2030 sustainability targets, while continuing to reduce our environmental footprint.

In 2022, we achieved another significant milestone in the development of our Bócs factory. As a result of the investments, we started in 2018, we are now a regional manufacturing hub for our parent company, Molson Coors Beverage Company, one of the world's largest beer companies. The increased capacity also required logistical improvements to the factory. As part of this process, we completed our new logistics hall in the autumn, built with an investment of nearly one billion forints.

When developing our products, we pay special attention to the feedback from our customers and partners. We have renewed the recipe of Borsodi Világos, which is brewed from pure barley malt, and added new products to the Borsodi portfolio of beer specialities. The Borsodi Friss range is now available to consumers in two new flavours, both low calorie and non-alcoholic.

And from 2022, we started distributing new high-quality brands such as Guinness, Kilkeny and Hop House 13.

In 2022, the number of our employees increased by nearly forty on an annual basis. To maintain the well-being of our staff, we continued our wellbeing programmes and made a number of lectures and events available to them. We continued to improve our internal processes and systems to support our people-oriented values and culture, and we are delighted to have been able to apply for the Top Employer certificate in autumn last year.

We are proud of the fact that over the past 50 years, in addition to developing the domestic beer culture, we have contributed to reducing our environmental impact, and have made significant efforts to achieve sustainable beer production. These measures and their results are summarised in this report for the year 2022.

Zsolt Vuleta
general manager



About the report

Borsodi Brewery has always considered it important to take 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 2022 and the results achieved along the main pillars of the company’s strategy: humans and our planet. In preparing this report, we consider the requirements of the United Nations Sustainable Development Goals (SDGs) as guiding, on the basis of which Molson Coors has also developed its sustainability goals and aspirations.



CSR management

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 on our results achieved in the area of CSR and sustainable development.

Company Profile

The predecessor of the company started its operation in 1973; the registered date of Borsodi Brewery Kft's (Ltd) incorporation is November 10, 2009. The seat of the company is located at 81 Rákóczi Street, 3574 Böcs, 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 solely owned by Molson Coors Netherlands B.V., registered in the Kingdom of the Netherlands, with its registered address at 1043 BW Amsterdam, Naritaweg 165, registration number: 34362656. The parent company of the entire Molson Coors group (of which our company is a member since 2012) is Molson Coors Brewing Company, registered in the United States of America.

Borsodi Sörgyár Kft. has no subsidiaries. The company owns properties in which it operates the brewery in Böcs, Hungary. Borsodi Sörgyár Kft. is one of the largest beer producers in Hungary and is a beer exporter to various countries across Europe. In 2022, we exported beer to nine European countries (Czech Republic, Slovakia, Poland, Russia, Germany, Denmark, Croatia, Slovenia, Romania). Our company is not dependent on any patents or licenses, trading or financial contracts

or new production processes, which would be of fundamental importance to maintaining its business operations. Our company is not currently involved in any significant litigation, the outcome of which could have a significant effect on its business operations. We did not interrupt our business operations in 2022 or in preceding accounting periods. In 2022, our company did not engage in any research and development activities and we have no organizational units abroad.

FACTS ABOUT BORSODI BREWERY in 2022

1973

the year of the establishment of the Borsodi Brewery

HUF 48,4b

annual net sales

111

total presentation of marketed products (SKU)

481

number of employees

33%

proportion of female employees

11

average number of years employees spent with the company

Our values

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 PURSUIT

To become first choice for our colleagues, consumers and customers.

OUR OBJECTIVE

To connect people, to celebrate every moment in life.



OUR PEOPLE COME FIRST

We value and respect differences. We believe that cooperation and a successful team culture are key to diversity without exclusion.



WE LEARN EVERY DAY

We always look for ways to become better and help others to develop.



BRAVE AND DETERMINED STANCE

We are innovators, and not afraid of being direct, move quickly and question familiar things.



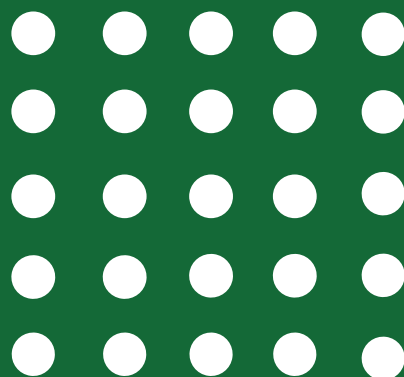
WE CELEBRATE TOGETHER

We are enthusiastic ambassadors to our brands and company; we believe in the importance of recognizing and celebrating our achievements.



RESPONSIBILITY

We act with integrity, highly appreciate commitment, acknowledge our mistakes and try to learn from them.



Our brands

In 2022, a new chapter in the history of the Borsodi Brewery was opened. In March 2022, we renewed the recipe of one of Hungary's favourite beers and brew Borsodi Világos from pure barley malt, hops and water. The new recipe has further balanced Borsodi's distinctive characteristic bitter taste and golden colour, topped with a rich, fine-pored foam.

The special portfolio of the Borsodi brand was also extended with new members last year. In addition to Borsodi Meggy Ale and Borsodi Ginger Ale, released in 2021, we have once again made the fruity Borsodi Tropical Ale available for lovers of special flavours. The unfiltered, top-fermented ale and the combination of mango, guava and passion fruit juices have proved so popular that the Bócs brewery has made it a permanent part of its range this year.

The Borsodi Friss product range has also been expanded with new members in 2022. Sun-ripened watermelon and juicy strawberries are impossible to resist on a hot summer day, while the exotic flavour of pineapple with a refreshing lime is the perfect choice for the eternal explorer longing for refreshment. The newest products are partly made with stevia, a natural sweetener, and have been winning consumers since last year with their low-calorie content.

From January 2022, we started a cooperation with Diageo, the world's leading premium beverage company. With this strategic partnership, we will contribute to the further expansion of the Guinness, Kilkenney and Hop House 13 Lager brands in the Hungarian beer market through the stable presence of Borsodi Brewery in the retail and catering distribution channels.



Our basic commitments

Membership in professional chambers

Borsodi Brewery, as one of the most important brewery companies of Hungary, founded the Association of Hungarian Brewers ("Sörszövetség", AHB) together with four other brewers in 1992. The AHB is currently a social organization 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 so the AHB, are committed advocates of cultured and responsible drinking of alcohols. To this end, the cooperation of the brewers extends also to self-regulation of 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 (www.sorszovetseg.hu).

The AHB is in close cooperation with Returpack Kft., which, at the request of the AHB, has planned, set up and is successfully currently operating an inverse logistics system designed with the aim of increasing the collection and recycling of aluminium beer cans and other aluminium cans. For more information, please read chapter "Packaging Materials" or visit the website of Returpack Kft (<https://returpack.hu/>).

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

Since 2019, Borsodi Brewery has been a member of the Hungarian Business Leaders Forum (HBLF), Hungary's prominent international CSR organisation. Its mission is to contribute to the socially, economically and environmentally sustainable development of Hungary with the contribution of its members. In 2022, the brewery signed the Diversity Charter again. Reaffirming our commitment to respect equality and taking concrete steps to create a diverse organisational culture.



Recognizing the importance of strong and credible self-regulation and of the proper coordination 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>



Responsible marketing

Irresponsible overconsumption 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 Imprint 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 and the importance of responsible drinking (among others, in the form electronic trainings).

The old brewhouse of the brewery in Böcs, operating today as our Visitor Centre, is an excellent venue for transferring knowledge concerning the above topics. In our Visitor Centre various meetings, trainings or other events take place with the participation of our customers, employees or even the representatives of the press. In 2022, the visitor centre reopened its doors to the public following the outbreak of the coronavirus pandemic.

In 2012, along with other global leading beer, wine and spirits producers, members of the International Alliance for Responsible Drinking (IARD), Molson Coors Beverage Company agreed to Global Commitments 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 Commitments. 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. A Transparency statement / providing an official profile;
5. Use of User Generated Content policy in social media.



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

- preliminary norm control, i.e. to check whether the advertisement comply with the ethical and legal requirements;
- investigating and deciding on complaints if any, with the involvement of relevant experts where necessary;
- monitoring the entire advertising market;
- maintaining international relationships.

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 2022, we requested a preliminary resolution from the Board in 32 cases. Starting in the autumn of 2021, along with other Molson Coors group companies, we as Borsodi Brewery, have committed to displaying icons, such as crossed-out car, pregnant lady and 18+ next to the "Drink responsibly" sign on all alcohol products and online ads promoting alcohol products, to raise awareness about responsible drinking. In addition, within the framework of the commitment made by the members of Brewers of Europe (of which Molson Coors Beverage Company has been a member since 26 May 2021), Borsodi Brewery will also indicate the ingredients and nutritional information on its products even in the absence of a legal obligation.



Corporate Governance, ethics, anti-corruption measures

The Molson Coors Corporate Code of Conduct that applies to the operation of Borsodi Brewery and regulates values, objectives and basic principles of conduct and fair business, and which is binding for all employees of the 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 entry training, and all other employees in a mandatory training once per year. We also endeavour to ensure that a corresponding ethical approach is not only maintained in relation to our partners but to our employees also. 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. Employees can at any time submit any observations that, in their opinion, do not match compliance with the ethical codex rules. The line is operated for the entire Molson Coors group by a third party, the autonomous 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 perform a preliminary Anti-Bribery and Anti-Corruption Due Diligence: prior to start of cooperation, our suppliers are duly screened by using questionnaires that map all possible risks even before establishment of the business relationship. They are continuously informed about our rules and an anti-corruption clause is integral part of all agreements concluded with our suppliers. Our anti-bribery and anti-corruption programme is also communicated to employees on an annual basis in the form of electronic training.

Competition rules are also an important part of the observance of business ethics values and legal requirements. As a dominant company in the Hungarian brewing industry, we have to behave in the market in such a manner that the economic competition rules are

strictly observed in our conduct toward competitors, customers and business partners. Employees are also notified of the requirements for observance of economic competition rules in the form electronic trainings at least once per year and further on-site trainings conducted for targeted groups of employees. These training sessions include presentations and conversations to discuss situations that employees may encounter in their daily work. Once per year, all employees are informed about the rules of conduct for negotiation with business partners and customers. It covers, amongst others, receiving or providing gifts, sponsorships, etc., especially with regard to situations in which the participants are state or local government bodies, authorities. Its objective is to prevent any risk of association of such conduct with any business advantages or an assumption could arise on the potential influencing of processes running in our company within the framework of the business activities of our company. This issue is also a component of the mandatory training package.

Our sustainability strategy

The Our Imprint strategy sets out our ambitions up to 2030, based on two main pillars: people and our planet. Our business success is closely linked to the health of our planet. We want to leave a positive legacy and we know that in order to do this, we need to put the protection of our environment at the heart of our strategy. That’s why we have identified three key priorities within our Planet Pillar – water, climate and packaging – to support our long-term sustainable ambitions.

PEOPLE

Our people are the heart and soul of our company, and our success is built on our collective efforts. That’s why our company is committed to building a culture where our people can be themselves and reach their full potential. They help build a more just society that treats everyone as equals: from the growers of raw materials to the consumers, and from the homes to the workplace communities.

WATER

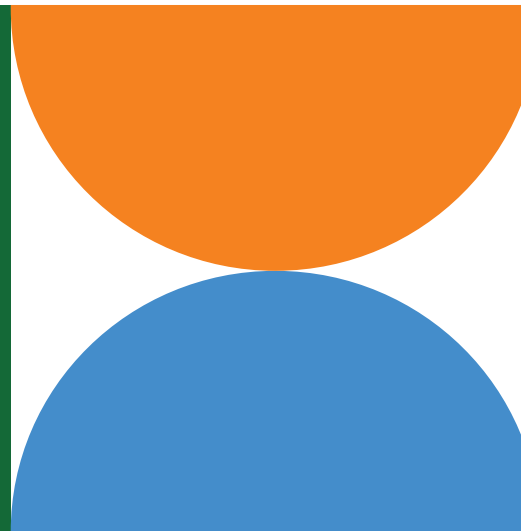
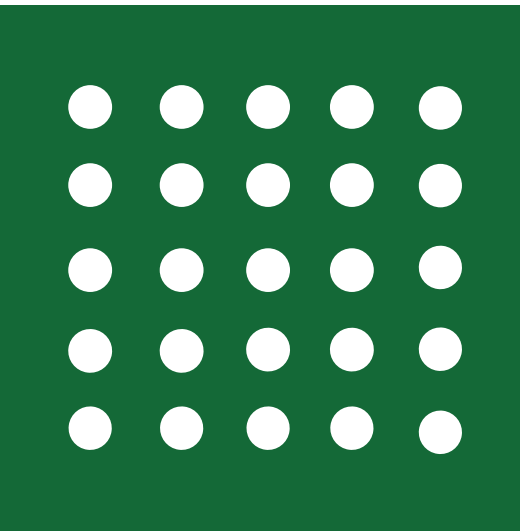
Water is the most important raw material for beer and an important environmental indicator that illustrates the environmental impact of our activities. Therefore, we seek to save as much water as possible and reuse it in further processes whenever it is possible.

CLIMATE

Preventing the irreversible effects of climate change requires bold and immediate action. Rising global temperatures will have a significant impact on our business and on our supply chain as a whole, including the operations of the farmers who produce our ingredients.

PACKAGING

We believe that waste is a resource. Today, global resources play an increasingly important role in the development of packaging solutions. With this in mind, we strive to design our packaging with sustainability in mind and make every effort to recycle waste. By closing the range of packaging and their manufacturing, we can do what’s best for our consumers and our planet.





People

Our people are at the heart of our company, and our success is based on their efforts. That's why we're committed to putting people first and creating a culture where they can be themselves and help them fulfil their potential. However, our value chain is managed by people from different backgrounds and perspectives. We want to contribute to building a more just society that provides opportunities for everyone – from the producers of our beverage ingredients, to consumers, to our communities at home and at work.

Our employees

Employee satisfaction is of utmost importance for Borsodi Brewery. We are aware that correctly motivated employees are the best team players and also dedicated ambassadors of our company and its brands.

RECRUITMENT AND LABOUR MOBILITY:

- In 2022, 71 new colleagues joined.
- Staff turnover – 13% overall, of which 9% were voluntary and 4% involuntary terminations.
- Mothers on maternity leave: in 2022, we had 29 employees on maternity leave.

EMPLOYEES ACCORDING TO THE NUMBER OF YEARS THEY HAVE WORKED FOR BORSODI BREWERY*

Years spent	Precentage	Persons	Woman	Man
less than 5 years	49%	235	73	162
6 to 10 years	13%	64	23	41
11 to 15 years	10%	46	17	29
16 to 20 years	8%	40	15	25
21 to 25 years	4%	20	3	17
26 to 30 years	5%	25	4	21
31 to 35 years	6%	31	5	26
36 to 40 years	2%	11	1	10
41 to 45 years	1%	7	2	5
46 years and longer	0%	2	0	2
Total		481	143	338

* The figures given are for 31.12.2022 and exclusive of employees on maternity leave.



Employees engagement, support

We constantly work to better appraise the achievements of our employees. In 2020, we introduced the Bravo! recognition scheme, which we have maintained ever since, and our colleagues are increasingly recognising each other's work through this opportunity. In this system 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 based on the company values, and we will recognize and celebrate outstanding results. In 2022, 41 nominations were submitted by our colleagues, of which 8 were recognized at the Central and Eastern European level within Molson Coors and 22 were recognized locally.

We constantly encourage our employees to show their appreciation for each other, creating a supportive and trusting working environment. In addition to regularly reminding them of the importance of verbal and written thank-you notes, we have created thank-you card templates that allow them to thank each other in writing and in confidence. In our HR IT system, employees can give each other feedback publicly through badges. In the event that an employee makes a significant effort that requires an extra investment of time over

several weeks, their manager can even recognize this extra effort with material gifts.

In 2022, 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 surveys, we have developed an action plan to increase employee satisfaction with the involvement of each function and department, and we are currently actively working on the issues identified in the plan to achieve even higher levels of satisfaction rates in the future. 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 corporate values and our Corporate Code of Conduct is acceptable. We are proud of the fact that as a member of the Molson Coors group, we are member of an international company in which employees from all over the world are working. We appreciate the diversity and inclusion and commit ourselves to ensure a workplace where our employees are also treated with such respect. We make an effort to become a place where everyone feels comfortable and confident and can change things for the better.

We have always been committed to putting people first. The Employee Assistance Programme (EAP) aims to make it easier for our employees to manage and experience personal and professional challenges that impact their health and well-being. This service is a permanently accessible, confidential support network, providing expert advice and support in a range of areas. It aims to help our employees and their families with financial, legal, mental health and well-being issues.

Trade union and works council

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. Borsodi Sörgyár, as an employer, also concluded a collective agreement with the trade union. The agreement includes that the Borsodi Brewery will initiate negotiations with the trade union when planning wages and other benefits.

Moreover, a 7-member Works Council operates at the company and exercises its rights as defined in the Labour Code and in the works agreement. These include the right of the Works Council to request information from the employer, the right to express opinions and to consult, and the right to inform employees.

Benefits



Annual gross cafeteria allowance of 300.000 HUF (after the first 3 months of employment)



Private pension fund contribution (after the probationary period (6 months), 4% gross of monthly salary)



Life and accident insurance



Discounts on beer purchases (up to 50 litres per month)



2-2 gift trays of beer at Easter and Christmas



10% discount in Praktiker stores



All you can move sports card



Employee Assistance Programme (EAP)



Discounted tickets for sport events and festivals



20% discount on tickets to Lupa Beach



15% discount at Danubius Hotels



40% discount at Philips webshop (seasonal)



Telenor "Friends and Family" fleet discount



Anniversary gift

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, but also new entrants and trainees.

Employee structure, including management (as of 31 December 2022):

	2021	2022
All employees	total of 444 employees	total of 481 employees
	of which 33% are women, 67% are men	of which 33% are women, 67% are men
	for management, 31% are women, 69% are men	for management, 31% are women, 69% are men
	average age of employees - 41.27 years	average age of employees - 42.3 years
	average employment with the company - 11 years	average employment with the company - 11 years

The remuneration strategy at Borsodi Brewery is based on the corporate culture of the parent company Molson Coors. It aims to provide equal remuneration opportunities, which are directly linked to the performance of the company and wage level on the labour market. The strategy is also designed to appreciate and reward the conduct of the employee and their results, which are necessary for achievement of the company goals. We use local market data to set the wages for individual positions. 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. During determination of the 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 the location of their wages in the wage 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 personal 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 to their achievement.



A diverse and inclusive working environment

Today, diversity and inclusion are essential requirements for a company that puts people first and wants to succeed in business. Borsodi Brewery believes in creating and maintaining a working environment where all employees can be confident that they will be listened to and respected. Where everyone is valued, everyone is appreciated and everyone feels safe, regardless of who they are. To make our company the first choice for our employees, customers and partners, we are working to build a more inclusive culture that encourages and supports diversity in our workforce. Diversity is a very important value, understanding it allows us to better understand each other, and an inclusive culture can accelerate this process. In the spirit of diversity and inclusion, the brewery takes responsibility for encouraging inclusion, recognizing and valuing the individualities present in the company and facilitating positive changes. For the path to success, we have set the following directions for the Diversity and Inclusion Programme launched in 2021, and we followed these also in 2022:

- Inclusion for ALL
- Diverse Teams
- Respect at work
- Age Balance
- Gender Equality
- Inclusive Leaders

Our company has always placed great emphasis on building and fostering a diverse and inclusive culture. As a result, the brewery joined the European Diversity Charter in 2021 and renewed its membership in 2022. As part of this, European Diversity Month was held by Hungarian Business Leaders Forum in May 2022. The initiative aimed to raise awareness against discrimination and inequality in the workplace. Our colleagues had the chance to participate in online programmes such as the #IamRemarkable workshop to support women and underrepresented groups, the roundtable discussion on the impact of diverse boards and decision-making bodies, or the exhibition called Perfectly Different, Differently Perfect featuring the work of young people with autism. In addition, as part of Molson Coors Girl Power series, we spotlighted great female leaders from our Central and Eastern European region who have all contributed to making their own departments – and our company as a whole – a more supportive, prosperous and equitable place to work. They told us through interviews about what inspires them, how a company could benefit from having more women in management positions, or what advice they would give to their younger selves and what they do for their well-being in their spare time.



Employee education and career development

In line with Molson Coors' training strategy, the tasks of Borsodi Brewery regarding the training of the colleagues are rather complex during the year. The diverse training calendar does not only cover the compulsory trainings required by law or the various online trainings offered by the Molson Coors group to companies worldwide, including Borsodi Brewery. The most important areas of development include the following professional trainings: sales skills, supply chain trainings, occupational safety, EHS trainings, knowledge of the beer market and the beer, beer tasting and drafting techniques, management programs. In 2022, 748 colleagues participated in some 74 trainings. The offered educational activities are always compliant with the company strategies. 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 2022, we organized five entry trainings

for 71 new colleagues in the premises of Borsodi Brewery with the goal to support them in the process of adaptation and to ease their first steps in our company. They are guided through the training by individual representatives of the organization, who introduce their departments and their functions. A popular part of the training is the Beer Champion training, which is presented to new employees by our Beer Ambassador. Here, participants learn about beer, beer production, beer tasting, our products. With the daily work of our sales colleagues and the importance of safe driving in mind, we have provided all our sales employees with the opportunity to participate in driving technique training. In 2022, an intensive, one-and-a-half-year international programme, QUEST, was launched as part of the talent management and leadership development programme, in which four of the 15 selected colleagues were from Borsodi.

Well-being

In 2022, we supported our employees to achieve and maintain well-being through a number of well-being programmes and actions. Creating the right working environment is one of the pillars of well-being, therefore we have made a number of improvements in our factory, including renovating several lavatories in the factory, replacing furniture, and installing air conditioning and thermo curtains in the Bócs office building. The improvements and changes did not only affect the Bócs site. The Budapest office moved to a new, more modern location, where ergonomic design of the workstations was a priority in the interior design.

In addition, Molson Coors shares its quarterly well-being newsletters with all employees, offering practical advice, health-related topics, and webinar opportunities where employees can



get advice on work-life balance, time management or mental well-being. Our group company also joined the challenges of the Molson Coors "step challenge" in the spring and autumn, with the mission to walk, run, cycle, swim or do any form of exercise together, not only to improve our physical and mental well-being, but also to discover the region's sites through an online route. We organised voluntary activities for colleagues working in the supply chain to improve the working environment and improve the cargo area: we repainted fences, gates, and lampposts, picked up rubbish along the road in front of the factory and in the central warehouse. We also encourage our staff to eat healthily. In September 2022, we hosted a health tent at our cooking competition event, where, in addition to tasting fruit and vegetables, our colleagues could ask a nutritionist for advice.

University programs

We have taken our cooperation with the University of Miskolc to a new level. From 2022, we have been working more closely together on specific research projects, from software development to laboratory experiments. In addition, in September 2022, we launched a dual training program, which welcomed 2 students from the University's BSC Mechanical Engineering Department for the 2022/2023 academic year. The training focuses mainly on a comprehensive knowledge of production activities and the areas of technical maintenance and head departments, with the aim that graduates will be able to join our workforce immediately after completing their university studies. It is of the utmost importance to

us that we work with the best professionals and collaborate with the actors in the region, while continuously developing our products and services. Accordingly, our company has been working closely with the University of Miskolc for more than 17 years.



MISKOLCI
EGYETEM
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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. 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. In addition, the company intranet interface has become increasingly important for internal communication.

In 2022 the brewery's internal newspaper, Beer minutes, was also published twice, which we shared with our colleagues in June and in December, and covered 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 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. As a highlighted internal event, a corporate conference is held every year, to which all employees are invited. At this large-scale event, held online in 2022, we

evaluate the previous year and discuss the main objectives for the year ahead.

We share online newsletters with our colleagues several times a month. We use the environmental newsletter to educate colleagues about environmental awareness, but we also send them our main press releases and organisational changes on a monthly basis.

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 2022 took place on the online interface, in a total of four occasions. 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 September 2022, Borsodi Brewery once again organized its Sustainability Month, where we held our events in line with the pillars of our sustainability strategy. Our Imprint month focuses on responsible alcohol consumption, environmental protection and social responsibility.

In line with our value Our people come first, we held our traditional cooking competition, which was open to entries in both traditional and beer-based food categories. There was also the possibility of volunteer cooking, which was realised with the help of the Hungarian Food Bank Association and more than 20 volunteer colleagues. As a result of the cooking, 450 meals were prepared and distributed to needy families in the Bőcs and Miskolc area. Zsófia Mautner helped us with the jury of the two categories and the cake competition. As in the previous year, in 2022, the jubilee and lifetime achievement awards were also presented at the cooking competition.

It is extremely important for us to raise awareness of safe driving and responsible alcohol consumption, therefore Borsodi was represented again this year at the "Tune in to safety" festival organised by the Traffic Safety Department of the Miskolc Police. Visitors had the opportunity to participate in several interesting activities this year. They could try out with the help of a pair of "drunk" glasses how alcohol can reduce reaction time, which they could test by riding in a go-kart on the Borsodi Friss slalom track and taking a quiz to assess their knowledge about the effects of alcohol consumption.

Besides this, in 2022, the company organized two blood donations together with the Hungarian Red Cross with the participation of 17 helping colleagues.



Our planet

Our business success is closely linked to the health of our planet. We want to leave a positive legacy and we know that in order to do this, we need to put the protection of the environment at the heart of our strategy. Addressing climate risks and identifying opportunities to reduce our environmental impact, from increasing water efficiency to innovating sustainable packaging, can help us succeed as a company now and in the future.

It is a challenge for us to use our resources efficiently. By working together with our suppliers and partners to reduce our collective footprint, we can help to make a positive impact on our planet and society.

Product safety and consumer health

Numerous inspections took place at the brewery during the year. Last year, 10 internal audits and four official inspections were carried out at the factory, during which no non-compliance was found. In addition, there were 7 official sampling by national and foreign authorities, and the quality of the products was adequate at all times. In 2022, Borsodi Brewery renewed the IFS International Food Standard Certificate, which the company received with a high rating of 97.41%. This warrants that the brewery operates in accordance with its quality management and food safety management systems. We are very proud that Molson Coors group also recognizes the effectiveness of Borsodi Brewery's Quality Department. As a result, in addition to testing our own products, the laboratory in Bőcs – as a central laboratory – also carries out regular testing of more than 40 types of products from 15 foreign factories around the world, including world brands such as Staropramen, Miller Genuine Draft and Blue Moon Belgian White.

Last year, our brewery was also audited by the regional compliance team. They audited our processes and systems in both EHS and quality and food safety, identifying some areas for improvement like the development of our documentation system, the specialised training of our colleagues, the review and updating of our procedures. On the positive side, the openness and motivation of colleagues and their commitment were mentioned.



World Class Supply Chain (WCSC) 2.0

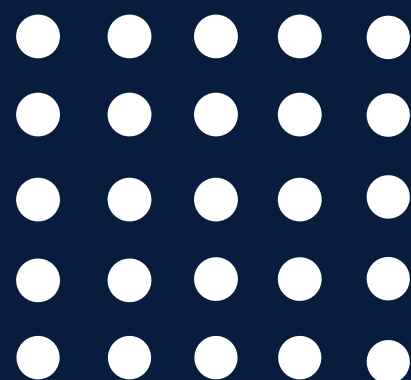
The second half of 2022 marked an important milestone for our brewery, as it successfully completed both the Run To Target Deployment and the World Class Supply Chain Phase 0 certification. (To World Class Supply Chain Phase 0).

The Borsodi supply chain was assessed in all areas where the capabilities and tools defined by the WCSC were applied according to the following eight key criteria:

1. Success of RTT implementation in the first area – CAN2
2. Success of RTT implementation using own resources in 1 additional new area – CAN1
3. Development of a safety and quality culture
4. WCSC organisational awareness
5. Stability and improvement of performance and KPIs
6. The factory's commitment to reducing losses
7. Activation and management of the activities of the pillars
8. Strategic management

This is an important step for our brewery, through our commitment to our employees and by ensuring long-term stability and success in our operations.

Borsodi will continue to support the ongoing development of the World Class Supply Chain (WCSC) by completing new levels and will continue to help our company to deliver exceptional products and transform our supply chain.



Supplier chain, raw materials

Our aim is to establish and maintain long-term relationships with suppliers of key raw materials and service providers, with a focus on high quality of raw materials and services, the possibility of long-term development, the reduction of ecological "beer footprint" and the use of different environmentally friendly solutions. In 2022, 77.81% of all products and services purchased were sourced from domestic companies*, with the remaining 22.19% from foreign supplier partners**. Within the share of domestic companies, 32.18% of products and services are provided directly by partners in Borsod-Abaúj-Zemplén county.

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 barleywe 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 a registered address / subsidiary in Hungary.*

*** I.e. companies with a registered address abroad.*



Our environmental goals

Name of the target	Achievement in 2019	Achievement in 2020	Achievement in 2021	Achievement in 2022	Targets - 2023	Targets - 2025
decrease in water use	5.011 hl / 1hl produced beer	4.36 hl / 1hl produced beer	4.40 hl /1hl produced beer	4.48 hl / 1hl produced beer	4.65 hl / 1hl produced beer	4.04 hl / 1hl produced beer
decrease in electricity use	7.32 kW / 1hl produced beer	7.40 kW / 1hl produced beer	7.26 kW / 1hl produced beer	7.62 kW / 1hl produced beer	9.08 kW / 1hl produced beer	7.10 kW / 1hl produced beer
decrease in heat use	72.09 MJ / 1hl produced beer	69.7 MJ / 1hl produced beer	67.93 MJ / 1hl produced beer	68.79 MJ / 1hl produced beer	79.83 MJ / 1hl produced beer	65.8 MJ / 1hl produced beer
decrease in waste volume sent to landfill	total zero ton waste to landfill	total zero ton waste to landfill	total zero ton waste to landfill	total zero ton waste to landfill	total zero ton waste to landfill	total zero ton waste to landfill

Achieve zero waste to landfill

Our aim is in line with the EU's ambition to minimize the amount of waste going to landfill. We sell and transfer packaging waste from our manufacturing processes to our waste management partners as secondary raw materials or for energy recovery. In addition, Borsodi Brewery also recycles waste from beer filtration and wastewater treatment as compost on its agricultural land, in accordance with the permits in force, and sells the brewing wort and waste yeast to feed producers and livestock farmers. Since 2018, no production waste has been landfilled. Our responsibility is to maintain this result in the long run. Our employees also directly contributed to maintaining the results of 2022 by applying the rules of waste separation.

Change in the waste volume sent to landfill:

Year	Change in the waste volume sent to landfill (t)
2022	0
2021	0
2020	0
2019	0
2018	0
2017	183,77
2016	192,31
2015	214,19



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 little 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 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 use the Eurosense monitoring system. Not only does the system allow us to draw short- and long-term conclusions from the available data, but we are also able to determine optimal consumption. We are able to monitor energy consumption of individual installations and production plants. It offers 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 is fitted with a 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 2022. As the saying goes, the greenest energy is the energy we don't use. With this in mind, we have installed insulation in many areas of the factory to ensure that the energy produced is only used for what it is intended. On our box machine line, we have modernised the condensate return of the tunnel pasteuriser to minimise energy loss. A modern air handling system has been installed on the bottle-pressing line to ensure the correct temperature of the line in line with the requirements of the 21st century. In 2022, the automation of our Filtrox filter line was also completed. This is designed to reduce idle losses in the system by eliminating the need for operator intervention and allowing the system to switch to the appropriate valves and programs at the right time. We would like to continue installing energy meters so that we can monitor the consumption of our machines online. Long-term projects also include investments that will enable us to produce several types of energy in a carbon-neutral way. Our medium-term plans also include the installation of a solar park.





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 the agriculture.

It will be disposed of on agricultural land owned by the brewery. A mixture of sewage sludge from wastewater treatment and

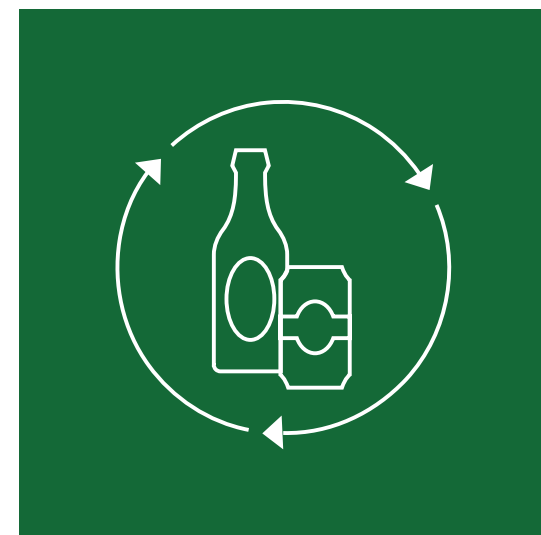
silica sludge from beer filtration will be disposed of after 6 months of dewatering and accredited laboratory testing prior to disposal, as required by the relevant official permits. The sludge mixture is distributed in spring and autumn before or after agricultural work. Delivery and cultivation are carried out by an authorized contractor.

In 2022, the water consumption rate was 4.48 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. Our plans for 2023 include upgrading the entire water treatment system to make our water use more efficient.

Packaging materials

Since 2010, as a member of the AHB, the Borsodi Brewery has also been closely cooperating with Returpack Ltd., which operates its vending machines for the return of aluminium beer cans and other aluminium cans at more than 120 locations. Thanks to the scheme, more than 100 million aluminium cans (1700 tons) 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 aluminium cans, thereby they actively participated in the protection of the environment.



Emissions from beer production

To meet legal obligations, 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 the brewery. In 2022, this equipment's greenhouse gas emission was 5031 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 NO_x, 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 2022, the emission values did not exceed the prescribed limits in either case.



Waste management

In 2022, the Borsodi Brewery generated 24572.82 tons of waste. The amount of waste used as secondary raw material is 447.648 tons and the amount of waste recycled as energy recovery is 96.044 tonnes. As we reported above, while in 2017, the amount of the deposited waste was 183.77 tons, in 2018 we have reached our zero-waste target set for 2020! Our long-term goal is to maintain the waste management results of 2018. 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 2022, the Borsodi Brewery sold 20854 tons of brewers grains and 2483 tons of waste yeast. The sludge from beer filtration and wastewater treatment was used as compost.



Workplace safety, accident prevention

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 its own set of criteria for the maintenance and regular internal control of the operation in accordance with the law, and also regularly audits the compliance of the brewery. Within the World Class Supply Chain 2.0 corporate governance system 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 October 2022, we organised a very interesting, colourful, educational and awareness-raising Occupational Safety Day for our employees, focusing on various professional topics, including road safety within the premises of the brewery, road driving safety, truck safety, fall protection demonstration, general fire safety, the impact of being under the influence of alcohol on pedestrian and vehicle traffic, safe handling of forklift trucks and personal protective equipment demonstration. Based on the positive feedback from our staff, we managed to highlight the most important hazards and accident prevention strategies on the premises.

Logistics

We are constantly looking for ways to reduce the emissions and fuel consumption of the vehicles used in the distribution of our products. During the organization of transport, the number of transports increased compared to 2021, 39% of the transports were realized as one-way transport, i.e. 61% of the transport device returned to our site 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 our routes with the view that we can deliver them to dedicated partners via the shortest route, with less movement and in a shorter time. In autumn 2021, we started one of the biggest developments in our logistics area, the construction of a new logistics hall. The project, worth nearly one billion forints, was completed in the autumn of 2022. With a floor area of 3,300 square metres, the hall will allow warehouse utilisation to be improved and loading times to be reduced by almost 10%.

Reporting period:

This report covers the period from
1 January to 31 December 2022.

BORSODI SÖRGYÁR KFT.

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