

Kompania **2014** Piwowska — sustainable development report



*Covers Financial Year F14
(12 months from 1 April 2013 to 31 March 2014)*

The source of malt for our beer
Harvesting: a field of barley in the village of Zławieś Wielka



SABMiller plc



SABMiller plc

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In this report we will tell you about people who feel passionate about brewing beer. We will do it by showing our social initiatives and collaboration across the value chain, taking you for a journey that each bottle makes from the time it is produced, unravelling the art of beer brewing and showing how we select the best raw materials,



until the moment when the excellent beer is chosen by the consumer, who savours the beverage and, caring about the environment, returns the empty bottle for reuse.

Our greatest pride

3,251
employees -
beer ambassadors

3
excellent
breweries
Poznań, Tychy and Białystok

3 out of 5
most popular beer
brands

PLN 850 mln
spent to buy raw materials
and packaging on the Polish
market

PLN 4.2 bn
of KP contribution
to the Polish economy

2.99
litres of water
/1 litre of beer
water usage in beer production

36 %
market share*
** GUS statistics*

13.3 mln hl
of beer sold

100,000
sqm of warehousing
space
*3 central warehouses
11 beer depots
21 POSM warehouses (sales support materials)*

3,485
hours
worked by KP volunteers

over
PLN 630,000
total value of social investment

60,400
jobs
due to the production and sale of KP beer

ca. 700 tonnes
reduction of CO₂ emission





Here we will talk about people who feel passionate about brewing beer, and we will also show our workplace.

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It is our beers that Polish consumers buy most often. We take this as a sign of recognition for the skills of our brew masters and enthusiasm of more than three thousand employees of Kompania Piwowska.

It is our beers that Polish consumers buy most often. We take this as a sign of recognition for the skills of our brew masters and enthusiasm of more than three thousand employees of Kompania Piwowska. The fact we are the leader of the Polish brewing industry means also that we take responsibility for the livelihoods of our employees, their families but also of all our devoted collaborators in other industries within our value chain and their families as well as communities in which they, and as a matter of fact, all of us, live. We also take pride in providing for the society at large as one of the largest tax payers in the country.

Our impact on the Polish economy is significant; according to the EY report published last year, more than 60,000 people in Poland find livelihood thanks to the production and sale of KP beer, while the public finance sector gains PLN 4.19 billion. The company also spends PLN 2.4 bn to buy goods and services in the national market. Kompania Piwowska is also the largest European subsidiary of SABMiller, one of the world's largest brewers, operating in 75 countries. We are happy to be able to influence our Polish reality to such an extensive degree. It is our priority to use local resources and do business with local suppliers of goods and services, and as we develop our company we want to expand that collaboration to make our contribution even more meaningful. Over the past years we have been developing our sustainable development programmes, based on "Ten priorities. One future" framework and strengthening cooperation with our business partners and local communities to help them develop, while protecting the environment we live in.

We have a great track record as at the end of the financial year 2014 (March 2014) Kompania Piwowska became the leader among all SABMiller operations around the world gaining the highest score in 10 sustainable development priorities. In addition, it is the second year in a row where KP has been the industry leader in the Consumer Goods category in the Polish Ranking of Responsible Companies, which is the only comprehensive breakdown of the largest companies in Poland verified for the quality of CSR management. The evaluation line was developed with respect to five areas: responsible leadership, dialogue with stakeholders, community involvement, responsible management and social innovativeness.

Sustainable development has always been at the heart of the way Kompania Piwowska does business, so we are in the position to set the example and create best practice on how to integrate with the communities we live in and what role we should play in the society.

This is why we introduce our new SD ambition called "Postaw na Piwo" (mirroring Group-wide "Prosper" programme), because when our business does well, so do the local communities, economies and the environment around us.

Everyone wants a world in which they can prosper. As Kompania Piwowska we have an opportunity to help create this world. However, there is a strong business case for the level of ambition we are setting out in "Postaw na Piwo". We have to take responsibility for tackling shared risks, such as water scarcity, which could damage our business and harm local communities. And as an alcohol producer, making a full contribution to solving social and environmental problems is fundamental to our licence to exist. "Postaw na Piwo" is a vision for the future, which we hope we can use to inspire those around us. We want to use it to help others – NGOs, communities, business partners and so on – join us and work in collaboration to deliver our vision. "Postaw na Piwo" replaces our Ten Priorities, One Future framework for sustainable development. It is simpler, based around five priority areas we are calling our Shared Imperatives. They are called 'shared imperatives' because they are more than priorities – they are critical to our future success. We want to face these challenges and address them through sharing our local knowledge and collaborating through innovative partnerships with suppliers, governments, NGOs and many others. We are setting out a programme of action and have committed that by 2020 Kompania Piwowska will be delivering against the targets set out.

Andrew Highcock
Andrew Highcock
President of the Management Board

Paweł Kwiatkowski
and Paweł Kwiatkowski
Corporate Affairs Director

1. Who are we?



Meet us

The Tyskie Browarium and LECH Visitor Centre are those places in Kompania Piwowska where you can see how beer is made. In Europe, very few such facilities are open to visitors and take them for a tour along their production lines. More than 40,000 people take part in our brewery tours every year.

Kompania Piwowska was established in 1999 and owns 3 breweries, in Tychy, Poznań and Białystok, and 14 trade depots across the country.



SABMiller FY14 annual results



At the end of the F14 financial year, the company headcount was 3,251. In F14, KP maintained a strong position as leader in the Polish beer market, with sales volumes of 13.3 million hl and a 36% market share (GUS data).

Kompania Piwowska is part of one of the largest brewers in the world - SABMiller plc, operating in 75 countries.

Project TRIUMPH

Kompania Piwowska is SABMiller's first member company to have implemented the full version of the global system.

Project TRIUMPH was designed to provide KP with a single and fully-integrated global system delivering better and comparable data to inform more effective business decisions. It involved the implementation of the SAP system affecting all departments of the company. The system was switched on in Kompania Piwowska on 1 April 2013. The year F14 was one of a gradual development of new skills necessary in everyday work in the new system and the implementation of further functionalities.

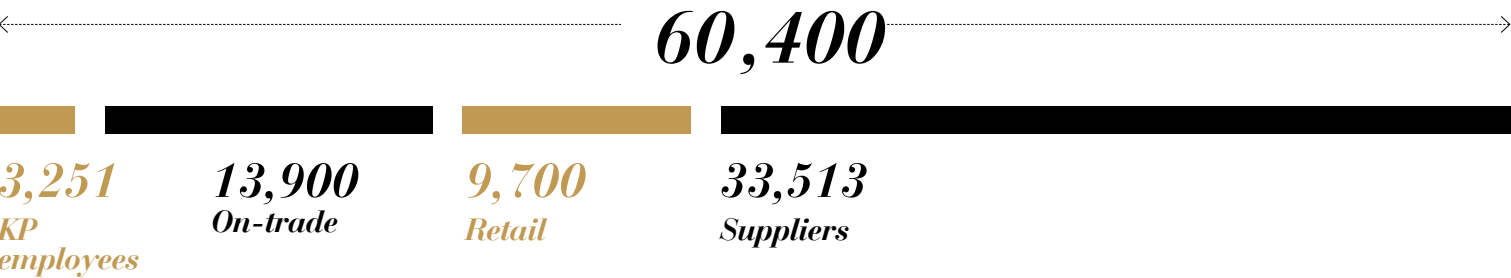
KP Economic Contribution in Poland

Kompania Piwowska has a very strong impact on local economies in the regions where its breweries are located, in Silesia (Tychy Brewery), in Wielkopolska (Poznań Brewery) and in Podlasie

(Białystok Brewery). In addition to 1,300 jobs at the breweries, 6,700 other jobs can be attributed to the company's business. Other regions also benefit from Kompania Piwowska activities: the Lublin region, Pomerania, Opole, Lower Silesia, Warmia and Masuria, as well as Western Pomerania, are areas where the company purchases malt and hops needed for beer brewing.

Due to KP business activity, billions of zlotys are generated for public sector revenues. Thanks to Kompania Piwowska, the sector gains around PLN 4.2 bn on an annual basis. This revenue consists of the excise duty and VAT imposed on the production and sale of beer (PLN 2.97 bn) as well as remuneration, corporate, environmental and other taxes (PLN 1.25 bn).

The production and sale of Kompania Piwowska beers generates employment for over 60,000 people.



More than half of the people employed thanks to KP business activities are suppliers of goods and services, with farmers being the biggest group.



*The KP brand portfolio
includes the most
popular Polish beers:*

*Tyskie from the tank
Fresh beer – direct from the brewery*



*Tyskie
Our way. As always.*



*Lech Premium
That's the pint!*



*Lech Free
For any occasion*



*Lech Ice Shandy
Ready for refreshment?*



*Żubr
Guardian of the wilderness*



*Dębouwe Mocne
Rich taste in every drop*



*Wójak
Honestly brewed*



*Książęce
Plenty to discover!*



*Redd's
Surprilicious! Beer and fruit flavours*



*Gingers
Find the taste of free moments*



*Grolsch
What's stopping you?*



*Pilsner Urquell
Sweet and bitter, balanced, as always*



*Green Mill Cider
Try the real cider!*

Żubr

Żubr is a unique brand on the Polish market: unlike many other beers it has been faithful to its philosophy for years. Always calm and prudent but also firm and humorous, the Żubr takes the consumer to the world of the guardian of the wilderness. He wins the consumer's liking by his metaphorical outlook and puns about the world, showing a positive attitude and effectively reinforcing his position on the market. Consistent actions pay back: Żubr has become the No. 1 beer in Poland.

*Kompania Piwowarska
and SABMiller Group
are members of specific
organisations*

The Union of Brewing Industry
Employers – Polish Breweries

The Union of Brewing Industry Employers – Polish Breweries is an organisation of the largest beer manufacturers in Poland representing approx. 85% of the market.

The Association supports its member businesses with knowledge and consulting services regarding market regulations and obligations of the market players. Caring for the good reputation of the brewing industry, it has been developing, for several years already, public campaigns for a responsible consumption of alcohol and promoting the beer drinking culture. The Management Board of ZPPP Browary Polskie includes Tomasz Bławat, Andrew Highcock, President of Kompania Piwowarska and Guillaume Duverdier.

Goals of the Union of the Brewing Industry Employers (ZPPP) – www.browary-polskie.pl:

- Protection of beer producers' interests in Poland – submission of proposals and drafts of new legal, economic and organisational solutions to local and government authorities.
- Representation of its members in relations with local and central authorities, social organisations and trade unions in the brewing sector.

Książęce

In the category of beer specialties, the Książęce beer collection not only commands consumers' biggest respect but it is also recognized by experts in the brewing industry. It has been proven by numerous awards and prizes won by Książęce in the recent years, including the Beer of the Year 2013 for the Ciemne Łagodne beer. As a leader, Książęce plays a major role in building the awareness of how fascinating and extensive the beer drinking culture is. The brand's workshops organized for cuisine bloggers, journalists and consumers, as well as beer tasting sessions held in on-trade outlets demonstrate clearly that beer, in its diversity, can become an indispensable part of a rich world of flavours for everybody.

- Building an appropriate image of the brewing industry and its products.
- Conducting activities aimed at shaping responsible alcohol consumption through fostering an appropriate drinking culture as well as taking and supporting initiatives aimed at limiting access to alcoholic beverages to minors.

ZPPP Polish Breweries is a member / signatory of the following:

- member of the European brewers' organization, the Brewers of Europe
- signatory of the European Road Safety Charter.
- member of the Advertising Council. The Union of Associations Advertising Council is an organization in charge of self-regulation in advertising in Poland. The council acts towards the improvement of marketing communication by promoting good standards and condemning unethical or dishonest advertising messages.

European Alcohol and Health Forum
(EAHF)

A coalition of over 60 companies and NGOs working together to reduce harm related to irresponsible alcohol consumption in the European Union.

Lech Premium

Lech Premium is the most refreshing Polish lager*. It owes its high quality and outstanding refreshment capability to carefully selected excellent ingredients. A sip of cold Lech Premium lets you look at things with a fresh eye. It is perfect for all who feel young at heart, all who are dynamic and full of energy. Invariably, it is one of those beers on the Polish market that consumers value most.

*Source: ATP, Millward Brown. 2013, ideally refreshing in the 18 – 34 y.o. group ABC1+ students

The complete list of our brands is available at our website: <http://en.kp.pl/brands>

Responsible Business Forum
(FOB)

The oldest and largest non-governmental organisation in Poland, which deals with the concept of Corporate Social Responsibility in a global manner. The organisation was established in 2000, and has a status of public benefit organisation. The FOB conducts a number of activities creating dialogue and exchange of experience with respect to responsible business and sustainable development between companies, NGOs and academic circles.

The Association Of Polish Industrial
Coalition For Green Packaging Eko-Pak

An organisation representing the industrial sector in the area of waste management, and packaging waste in particular, actively participating in building a system of spent packaging utilization.

Our way of doing business

Our awards

1. *The Seventh Edition of the Responsible Companies Ranking.*

KP became the leader of the industry category and won the second place in the general classification.

2. *Sustainable Development Leaders 2013*

Award in the area of “Production/Logistics” for projects aimed at optimizing energy consumption and for logistics solutions leading to the reduction of fuel consumption and emissions, and streamlining the corporate fleet.

3. *The Polityka Weekly Golden Leaf*

KP was numbered among 15 firms awarded with the Golden Leaf by the Polityka weekly for their CSR activities.

4. *Social Reports 2013*

The KP Sustainable Development Report received an honorary mention for its comprehensive supply chain reporting based on the latest standard of GRI G4.

5. *The White Certificate for the Tychy Brewery*

As the Tychy Brewery invested in energy-saving air compressors, Kompania Piwowarska was numbered among the elite group of 102 Polish companies which received energy efficiency certificates.

6. *The Ace of Responsible Business*

KP was recognized for its initiatives of Kompania of Volunteers and the Volunteering Platform in a contest for entrepreneurs in the Wielkopolska province.

7. *Szpalty Roku 2013 Award*

The Srebrne Szpalty Award for the Świat Piwa monthly for setting an editorial standard and the high quality of the content, and for the CSR Report for its original graphic design emphasizing the brand value.

8. *The Employer – The Ensurer of Safe Work, 20th Edition*

The Białystok Brewery was pronounced the safest large company in the Podlasie Region and the brewery also earned itself a national distinction in the National Labour Inspectorate contest in the category for companies employing over 250 people.

9. *Superbrands 2013/2014*

KP received honorary mentions in two categories: Business Superbrands and Created in Poland Business Superbrands. In addition, Lech was named one of the strongest brands in the alcohol/beer category.

10. *Randstad Award 2014*

Kompania Piwowarska was ranked among the 20 most desired employers in Poland, as the only representative of the food industry.

11. *The Golden Receipt 2013*

The contest is run by the “Hurt & Detal” monthly. The awarded brands were Żubr and Lech Shandy.

12. *FMCG 2013 Market Pearl*

A contest organized by the “Wiadomości Handlowe” monthly. The awarded brands are Tyskie Klasyczne and Lech Shandy.

13. *KTR Awards (Advertising Creators Club)*

Award for the Żubr commercial “Kawka” in the category of “Film/Radio Workshop”. Bronze for the Tyskie Fifth Stadium campaign in the category “Active Advertising. Integrated Campaigns”.

14. *Impactory 2012*

Two statuettes for the Fifth Stadium campaign of the Tyskie brand – in the category for Non-standard Marketing Project of the Year and the PR Project of the Year.

15. *The Media Trendy Competition*

Distinction for the Lech Tribute campaign in the integrated campaign category, and distinction in the category of “using the Internet and interactive media”. Distinction for the Tyskie Klasyczne campaign “Like us in reality” and for the Fifth Stadium campaign in the category of “communication channel applications”.

16. *Chmielaki 2013*

Gold for Ciemne Łagodne in the category of dark beer with extract content of 11.1 to 12.0 degrees Plato. Silver for Redd’s Apple in the flavoured beer category. Bronze for Jasne Ryżowe in the category of lager with the extract content of 10.1 to 11.0 degrees Plato.

17. *International Beer Challenge 2013*

The Taste category: silver for Książęce Jasne Ryżowe. bronze for Książęce Ciemne Łagodne and Złote Pszeniczne. The Design and Packaging category: silver for Książęce Ciemne Łagodne, bronze for Książęce Czerwony Lager and Książęce Złote Pszeniczne.

18. *Golden Beer Poland 2013*

Gold for Tyskie Gronie in the category for “Standard light lager”. The beer Książęce Burgundowe Trzy Słody won the first place in the Dark Lager category; silver was awarded to Ciemne Łagodne, and bronze went to Czerwony Lager.

19. *Effie 2013*

The Grand Prix and the Gold Effie for the most effective marketing campaign went to the Fifth Stadium campaign of the Tyskie brand. The “Lech Shandy – Beer Invigorated with Lemonade” campaign won the Silver Effie in the category for Beverages.

20. *Beer of the Year 2013 awarded by Bractwo Pivne*

The Society for the Promotion of the Beer Culture Bractwo Pivne awarded the title of Beer of the Year 2013 to the Książęce Ciemne Łagodne brand. The title does not result from subjective choices made by members of the Society, but from total assessments of beer made during beer contests, both amateur and professional, taking place in Poland in a given calendar year.



Our mission, vision and strategy

Management in Kompania Piwowarska means setting targets, controlling their achievement and performance-based rewarding of employees who contribute to the corporate success.

KP Vision

To be the most admired company in the Polish beer industry, thereby enhancing SABMiller’s global reputation.

KP Mission

To ensure that our local and international brands are the first choice for our consumers.

KP Values

- Our people are our enduring advantage
- Accountability is clear and personal
- We work in teams and win as a team
- We understand and respect our customers and consumers
- Our reputation is indivisible

Business strategy

The KP commercial strategy is based on the European priorities of the SABMiller Group within the model of “Winning in Europe – Winning in Poland. The model covers four of our key commercial priorities: win at the front-line, grow brand preference and category appeal, act simpler, better, faster – at scale, and drive results, sustainably. Winning in Europe is an overriding strategy, summing up all priorities that are common to our European countries. Because of similarities in many European beer markets where SABMiller operates, it is possible to introduce a strategic direction that is common to all these countries. On the one hand, the Winning in Europe strategy requires that we seek aspects that can be shared with the other markets, and on the other, as each and every market is different, we are pursuing our Poland-specific programme which has embedded our strategy in the Polish market reality. Merging our regional and local perspectives, sharing whatever we can and developing our own solutions for areas that are truly local, we can win in Poland and largely contribute to winning in Europe.

A new approach to social responsibility



Postaw na piwo

Five Shared Imperatives which will bring us shared success and benefits through various activities.

1. We will accelerate growth and social development through our value chains
2. We will endeavour to make beer the natural choice for the moderate and responsible drinker
3. We will secure shared water resources for our business and local communities
4. We will create value through reducing waste and carbon emissions
5. We will support responsible, sustainable use of land for brewing crops

Business viability depends on healthy communities, growing economies and the responsible use of natural resources. Therefore our business strategy for the upcoming years integrates these issues. Our new approach to sustainable development will be focused on 5 Shared Imperatives under the banner of Prosper.

If local communities, economies and environment around us prosper, so do we.

Prosper is the latest evolution of the company’s approach to sustainable development, which is a key element of SABMiller’s business strategy.

SABMiller has set targets for the year 2020 which define how the Group plans to address five ‘shared imperatives’ – big challenges that the company believes are shared by society, business and government. We seek to address them both locally and internationally in partnership with suppliers, customers, consumers and communities.



We will accelerate growth and social development through our value chains

We want a thriving world where incomes and quality of life are growing.

We will collaborate with farmers, distributors and retailers in our global value chains, by supporting their own development, the growth of their businesses, families and communities.

By 2020, we will:

- Directly support over half a million small enterprises to stimulate their business growth and enhance family livelihoods.
- Increase women’s representation within SABMiller at the executive level



We will endeavour to make beer the natural choice for the moderate and responsible drinker

We want a sociable world where our beers are developed, marketed, sold and consumed responsibly.

We will endeavour to make beer the natural choice for the moderate and responsible drinker.

By 2020, we will:

- Aim to reach all of our beer consumers with effective communication campaigns and partnerships to encourage moderate and responsible beer consumption
- Support responsible retail practices through industry leading levels of retailer training and engagement, targeting 340,000 small retailers in our value chains worldwide
- Encourage and support the establishment and enforcement of clear standards of beer retail in the on and off trade
- Support programmes to increase road safety awareness and enforcement, including drinking and driving, and reduce underage beer drinking
- Build sustainable development messages into the brand activations of three brands in each market*

*Where we have a beer market share of 15% or more.



We will secure shared water resources for our business and local communities

We will continue to tackle water risk across all of our breweries.

We will do it in two ways: by reducing the demand and increasing water supply.

By 2020, we will:

- Secure water supplies to all facilities through detailed site-by-site risk assessment and partnerships to tackle the water risks we share with local communities
- Further reduce water use to 3.0 litres of water per litre of beer and 1.8 litres of water per litre of CSD
- Have programmes in place to mitigate shared water risks for our key crop origins at risk



We will create value through reducing waste and carbon emissions

We want a clean world where nothing goes to waste and emissions are dramatically lower.

Can a fridge help cool the climate? Our consumers enjoy the refreshment of a cold beer but refrigeration can have harmful impacts on the environment, contributing to climate change because of energy use and the gas used for cooling.

Which is why last year we purchased 8,000 new fridges for our Polish retail network, all of them equipped with propane gas refrigerant. This innovation reduces the cost of cooling for retailers while removing the harmful global warming impact of the gas used so far. And our consumers can still get a cold beer.

In many markets we’re also investing in energy-saving devices and LED lighting, reducing the energy consumption of older fridges by up to 40%.

We’re working to reduce the carbon footprint and waste from our own operations and helping our suppliers, customers and local communities reduce theirs too.

By 2020, we will:

- Reduce the carbon footprint per litre of beer across our value chain by 25% (against a 2010 base) including:
 - 50% reduction within our breweries per hl of beer produced
 - 25% reduction in packaging carbon footprint
 - 25% reduction in refrigeration carbon footprint and no new HFC powered fridges
- Focus on reducing emissions across our agriculture and distribution networks
- Divert a very high proportion of brewery waste from landfill to create new value from waste



We will support responsible, sustainable use of land for brewing crops

We want a productive world where land is used responsibly, food supply is secure, biodiversity is protected and brewing crops can be accessed at reasonable prices.

Our business depends on the crops that we use. We’re making sure we have the ingredients we need today and in the future, and local communities have a secure and affordable food supply by protecting shared resources and supporting farmers.

By 2020, we will:

Ensure the sourcing of brewing crops measurably improves both food security and resource productivity:

- Improve the amount of malting barley grown per hectare, while reducing inputs such as water, energy and fertiliser, in key growing areas
- Improve productivity of other key brewing crops where we have influence
- Improve food security for small-scale farmers who supply us in emerging markets by helping them increase their incomes and food production. We will achieve local sustainable sugarcane standards for all of our sugarcane.

We have pursued our “10 Priorities. One Future” strategy since 2007. This report presents our performance against the 10 Priorities for the last time.

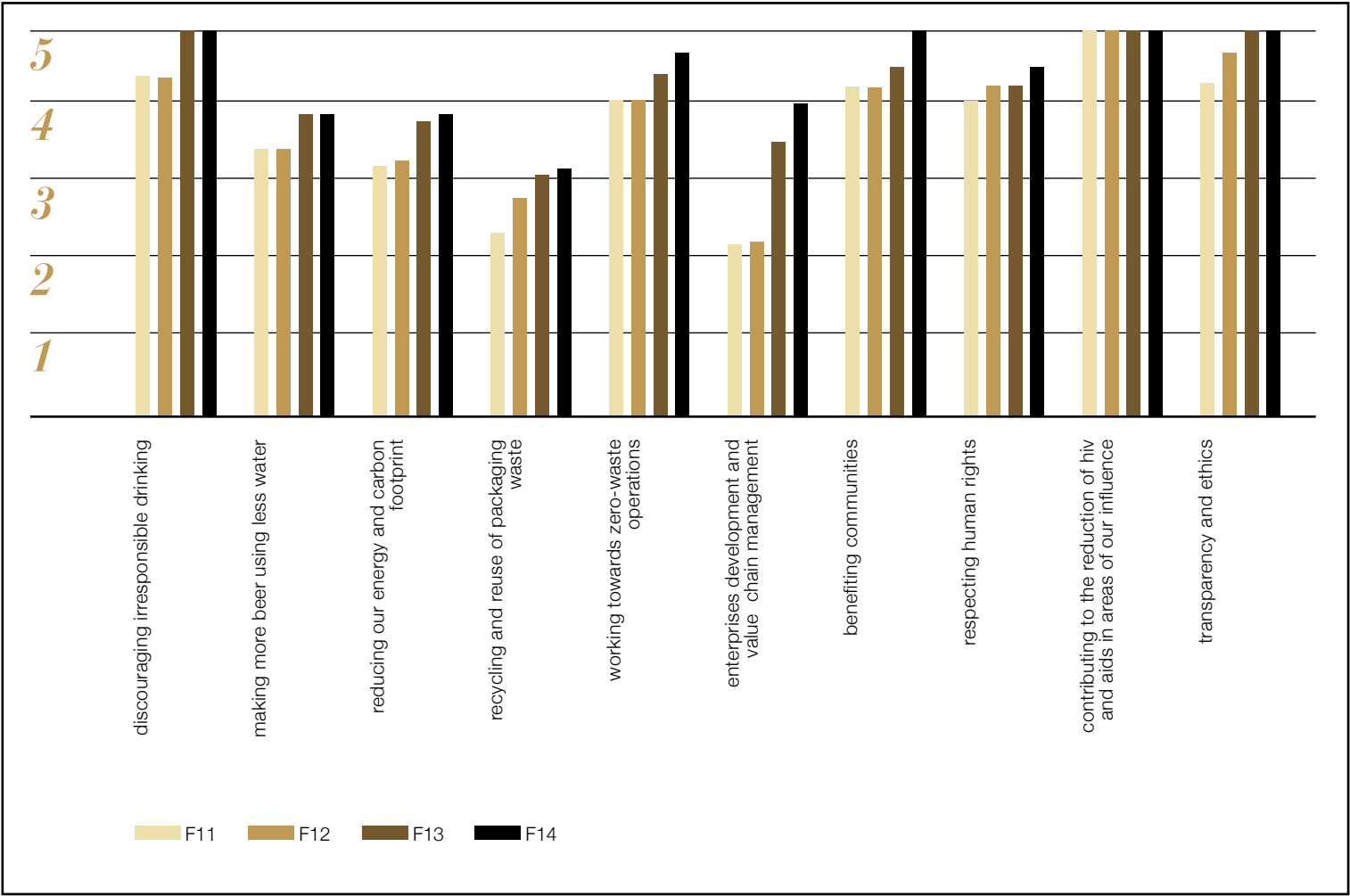
10 Priorities. One future.



In the following financial year, we will assess our progress against 5 shared imperatives defined in keeping with the new SABMiller Group strategy introduced in FY15 (i.e. 1 April 2014 – 31 March 2015).



1 minimum standard 2 progressing 3 developing leadership 4 best practice 5 leading edge



SAM – performance assessment

The Sustainability Assessment Matrix based on our 10 sustainable development priorities is applied for the last time in the financial year FY14 (covering the period from 1 April 2013 to 31 March 2014). In the next financial year, our reporting will be based on 5 shared imperatives defined in keeping with the new SABMiller Group strategy effective from the year FY15.

The performance reporting system based on 10 sustainable development priorities was applied from 2007. In 2014, it was replaced with a new approach focused around 5 shared imperatives.

- 1. Business and social growth – we will accelerate growth and social development through our value chains.
- 2. Responsible consumption – we will make beer the natural choice for the moderate and responsible drinker.
- 3. Water saving - we will secure shared water resources for the future.
- 4. Clean environment – we will create value through reducing waste and carbon emissions.

5. Productive and sustainable agriculture – we will support responsible, sustainable use of land for brewing crops, to drive their local value.

The end of the financial year F14, not unlike in previous year, marked an undisputed and audited leadership of Kompania Piwowarska in the SABMiller Group, with KP scoring 4.39 points (the average of 10 areas). We are progressing year by year, as KP achieved the level of 3.81 at the end of F12, and 4.22 in F13.

Management standards

As a company we want to manage business in a way that enables us to achieve the desired results. We develop a culture of work that allows for our people’s comprehensive engagement and enables them to grow in the light of universal values.

In everything we do, we adhere to the system of values adopted in Kompania Piwowska and our internal Code of Ethics. The code is a signpost to us in such spheres as responsibility, honesty, transparency or conflicts of interest. The practical application of ethical principles covers workplace relations. It applies to relations between employees as well as between employees and the organization and its environment during the conduct of business duties. Every large organization develops principles and guidelines to make sure that actions taken by individual employees and their teams do not undermine the image and position of the company as a whole, and that company activity does not harm any third parties.

The Ethics Committee

All employees are not only entitled but are also obliged to question possible unethical behaviour and to bring it to the attention of their managers. Work in Kompania Piwowska and life itself outside the company is related to constant decision making. Many of the decisions are of an ethical nature, as the decisions made by employees affect the lives and business of other people. At Kompania Piwowska and SABMiller we believe that ethical behaviour, acting in good faith, in an open and fair manner is a basic condition for effective commercial activity. Kompania Piwowska has established a permanent Ethics Committee. The former President of Kompania Piwowska, Paweł Sudot was appointed Ethics Committee Chairman in April 2012. He deals with promoting ethical conduct, supporting all employees in development of a sense of ethics and awareness with respect to possible ethical

dilemmas and actions that should be undertaken in case of unethical conduct. In addition, the Committee includes persons endowed with full trust, ensuring an objective and decent attitude to others: Wojciech Moliński, Vice-President: HR, Paweł Kwiatkowski, Corporate Affairs Director, and Waldemar Koper, Legal Director, and Bartosz Kruchlik, Internal Audit Manager, who assists the Committee as its Secretary. The Committee deals with all the issues pertaining to ethics, promotes ethical standards in the company and serves as a consultative and advisory body for all employees. The Committee has developed new General Terms of Conduct, complementing the Code of Conduct adopted in Kompania Piwowska and the Plan for Responding to Reported Cases of Infringement of Ethical Principles (the so-called Whistleblowing Policy). Information about policies and codes are available to all employees on the Infonet and employees can report infringements and complaints in various ways.

How can you contact the Ethics Committee?

- personally by reporting a concern to any member of the Ethics Committee or any KP executive
- by email: etyka@kp.sabmiller.com
- by phone at 801 133-133 (for people from outside the company), or 008004412392 (for KP employees)
- by filling in a form available at KP's website at: www.kp.pl/etyka-w-kp/formularz-etyczny/

During the F14 reporting period, the Ethics Committee received 35 notifications. The notifications concerned various types of transgression, such as mistreatment of employees by superiors, mismanagement of company property, violations of KP's internal procedures, complaints from business partners, misgivings about conflicts of interest, and consumer complaints about the quality of our products. The Committee responded to all such complaints, including anonymous ones, as each potentially endangered the company's reputation.

Integrated Risk Management System (IRMS)
The integrated risk management system (IRMS) aims at supporting a company in preventing and managing risk related to product quality and health safety; environment protection and occupational health and safety. The goal of Kompania Piwowska is also compliance with the SABMiller group objectives.

Under IRMS we manage the following: quality (QMS according to ISO 9001), product health safety (FSMS according to ISO 22000), environment protection (EMS according to ISO 14001), occupational health and safety (OHSAS 18001). IRMS is audited by a renowned international company BVC (Bureau Veritas Certification). At present, Kompania Piwowska has certificates granted by BVC which officially authorise implementation of the following:

- Quality Management System (QMS) according to the ISO 9001: 2008 standard; in November 2013, all divisions of SABMiller Europe AG met the necessary conditions of the QMS Certification as per the ISO 9001:2008 standard and received a joint certificate,
- Environment Management System (EMS) according to the ISO 14001:2004 standard,
- Food Safety Management System (FSMS) according to the ISO 22000:2005 standard,
- Health & Safety Management System according to the PN-N 18001:2004 OHSAS and 18001:2007 standards.





How we assure the quality of our beer.
The ISO 9011 standard

The Quality Management System is an international standard specifying requirements for companies whose activity is focused on learning about and satisfying consumer requirements, which means that the system is a tool enabling the company to satisfy customer and consumer requirements through constant improvement in product quality. The idea behind the Quality Management System is the constant pursuit of excellence in any field of activity and ensuring “quality at source”. In the manufacturing process, our activities focus on preventing the production of products that do not meet quality standards.

How we care about the environment
The ISO 14001 standard

The international ISO 14001:2004 is a set of requirements pertaining to the Environment Management System. The standard has been developed to define the rules of the delicate balance between retaining profitability and the minimisation of impact on the natural environment. That means that a company may specify aspects of its business activity affecting the environment and better understand the issues of the applicable legal regulations. The next step is to define the areas of potential improvement and to develop a management programme making it possible to attain the defined goals. Also a programme of regular checks ensuring constant improvement in business procedures should be developed. Implementation of the process approach allows for our continuous improvement, due to goals being set for specific processes, departments and teams.

How we care about food safety
The ISO 22000 standard

– this is an international standard specifying the requirements for the food safety management system. The standard is a tool helping to meet national and international requirements related to food safety and health quality - its requirements may be implemented by organisations operating along the entire food chain (from the field to the table). Implementation of the ISO 22000 standard requirements helps to attain the basic goal of Kompania Piwowarska – manufacturing beer which is safe in terms of consumer health. That means that we strictly supervise those stages of the beer manufacturing process at which there is any potential for contamination of products with pathogens (e.g., bacteria, chemical substances such as washing agents or mould toxins) or the introduction of mechanical impurities (e.g., glass fragments). Meeting the standard requirements and the receipt of the certificate validates the use of appropriate methods of supervision and health hazard control in the beer manufacturing process.

How we care about occupational health and safety
The ISO 18001 standard

OHSAS 18001 specify the requirements related to occupational health and the safety management system to make it possible for an organisation to define a policy and related goals. The OHS policy contains the obligation of an organisation to prevent accidents in the workplace and occupational illnesses, to pursue improvement in OHS conditions, to observe legal regulations, to constantly improve OHS measures, to provide adequate means for implementation of that policy and to improve personnel qualifications. For more information about IRMS Policy see: http://www.kp.pl/pol/files/odpowiedzialnosc/Polityka_IRMS.pdf Environment Management EMS ISO 14001 Quality Management QMS ISO 9001 Integrated Risk Management System (IRMS) Health and Safety Management System OHSAS 1801 Food Safety Management FSMS ISO 22000

The Internal Control System

In 2005, the Management Board of Kompania Piwowarska initiated a project aimed at implementing a mechanism of internal controls, to secure consistency with the Sarbanes-Oxley Act (SOX). The said act requires that senior management of the company implement a system of internal controls of financial reporting (and review its efficiency on an on-going basis) to make sure that the financial reports of the company reflect its assets and financial condition genuinely and reliably.

As a result:

- the company’s key business processes were identified,
- the organizational, technological and change-management risks were identified in the key processes.
- adequate audits to mitigate such risks were designed and implemented.

Benefits from the implementation of the internal controls system:

- investor confidence,
- financial reporting transparency,
- high ethical standards,
- best business practices,
- key business processes in the company well documented and optimized, risk management.

In the financial year 2014, the range of projects covered by the internal controls system was expanded to include processes which do not directly affect the company’s financial statements, and these include maintenance, manufacturing, quality, distribution and supply chain management. As a result, the company improved its risk management standards.

The realization of SARBOX controls is regularly reviewed by the internal audit department and an independent external auditor. The following areas are reviewed:

- control design – to see if the controls are designed adequately to meet the existing risks
- control effectiveness – to see if controls are run on a timely basis, in a proper manner and whether control evidence is retained (properly authorised documents, reports etc.)

Review results are reported to the Company’s management at the local and global levels (Kompania Piwowarska and SABMiller Group, respectively).

UN Global Compact

SABMiller Group has committed itself to applying the United Nations Global Compact (UNGC) principles. As a part of the SABMiller Group, Kompania Piwowarska respects the UNGC principles in its business activities. It is a framework for companies which have committed themselves to respect 10 universally accepted principles in the areas of human rights, the natural environment and anti-corruption. It is thus the world’s biggest initiative for global, socially responsible companies.

1. Support and respect human rights as adopted by the international community.
2. Rule out all human right violations by the company.
3. Respect the freedom of association.
4. Eliminate all forms of forced labour
5. Abolish child labour
6. Effectively combat discrimination in employment
7. Adopt a preventive approach to the natural environment.
8. Undertake initiatives aiming at promoting environmental responsibility.
9. Apply and disseminate environment friendly technologies.
10. Combat corruption in all forms, including extortion and bribery.

Supervisory Board

The term of office of the Supervisory Board is 3 years.
In keeping with the Articles of Association and Supervisory Board Regulations, the Board is made up of 3 to 6 members selected by a resolution of the Annual General Meeting.
The Supervisory Board works on the basis of the Company's Articles of Association, the Regulations of the Supervisory Board and the Commercial Companies Code.

In addition to the rights and obligations stipulated by legal regulations, the supervisory board's main area of authority includes regular supervision over activities taken by the company in any field of its business.

Candidates standing to become its members should have appropriate education, professional background and life experience, as well as represent high moral standards. Supervisory Board meetings take place at least 3 times a year. In order to avoid potential conflicts that may arise in Supervisory Board members' work, the processes specified in Supervisory Board Regulations are applied, based on which any Supervisory Board member is obliged to inform other Board members about an existing conflict of interest or a possibility of its arising, and he or she should refrain from taking part in discussions or voting on resolutions related to matters where a conflict of interests has occurred. Supervisory Board compensation is set by the Annual General Meeting.

Members of the Supervisory Board in F14:

*Susan Michelle Clark
Brodman Douglas
Mauricio Roberto Restrepo*

The Management Board

In keeping with the Articles of Association, the Management Board is made up of 3 to 9 members. The Supervisory Board appoints and dismisses the Management Board President and, on his or her request, other members or Vice-presidents of the Management Board.

Kompania Piwowska is managed by Management Board chaired by its President: it manages current affairs, sets strategic priorities and represents the company in external relations.

The Management Board provides the Supervisory Board with comprehensive information on all important matters related to company management on a regular basis. In order to avoid possible conflicts that might take place during Management Board work, any member of the Board should inform the other members of any conflict or potential for its occurrence. In addition, any such Board member should abstain from expressing opinion in discussions or voting on resolutions concerning a matter affected by a conflict of interest. Management Board compensation is set by the Supervisory Board. The Supervisory Board assesses the performance of the Management Board, whose compensation is based on financial performance delivered by the Company, and the degree of progress made with respect to other goals including sustainable development priorities.

At present, the Management Board of Kompania Piwowska is made up of 6 members:

*Andrew Highcock
President of the Board
Mauricio Patino Aranda
Piotr Jurjewicz
Jacek Kopiejewski
Wojciech Moliński
Marzena Piórko*

Kompania Piwowska is part of one of the largest brewers in the world SABMiller plc. Its legal personality is joint stock company.

Company Management



*President of the Management Board
Andrew Highcock*



*VP: Finance
Mauricio Patino Aranda*

Finance Department
Operational Finance, Accounting, Taxes, Treasury, Internal Audit, Internal Purchases, Legal Department, IT



*VP: Marketing
Piotr Jurjewicz*

Marketing Department
Marketing Innovations, Insight, Communication and Marketing Service, Portfolio Planning and Strategy, Brand Teams



*VP: Technical
Jacek Kopiejewski*

Manufacturing and Technical Department
Manufacturing (Breweries), Materials Management, Investment Projects, Manufacturing Development, Quality, Safety and Environmental Systems, Supply Chain Planning



*VP: HR
Wojciech Moliński*

HR Department
Personnel and Payroll, Business Partners Team, Administration, OHS, Learning and Development, Talent Management



*VP: Sales
Marzena Piórko*

Sales Department
Sales, Customer Marketing, Key Accounts, Sales Development, Sales Support, On-trade Development



*Logistics
Konrad Czebreszuk*



*Strategic Planning
Robert Grygier*



*Corporate Affairs
Paweł Kwiatkowski*

Our dialogue with the social environment

The level of company engagement and responsibility with respect to stakeholders depends on the range of activities, set objectives or standards and commitments established in a dialogue with business and social partners.

Stakeholders

Stakeholders are people, communities, institutions, organizations and offices which directly or indirectly influence the company and, on the other hand, the company impacts on them. The term was first used in 1963 by the Stanford Research Institute. We maintain steady relationships with our stakeholders, relying on various forms of contact and methods of their engagement presented below.*

Internal stakeholders

Employees

Employee satisfaction surveys, the Male Piwo portal, corporate newsletter, graphical email messages, on-line chats, surveys and questionnaires, meetings, on-line chat rooms, surveys, meetings, roadshow (meetings of the management board and employees across Poland), official postulates from employee representation organizations, dialogue with stakeholders according to the international AA1000SES standard, sustainable development report, video-blog of the CEO, events for employees (The Green Wardrobe, In Tune with Nature).

SABMiller Group

Ongoing communication, meetings, financial statements, sustainable development report.

External stakeholders

Consumers

Helpline, press office mail box, pocza@ kp.pl mail box, research, Facebook, Flickr, Twitter, KP website, sustainable development report, the report on KP contribution to the Polish economy, beer knowledge website (Piwopedia), websites: www.sprawdzpromile.pl (Check your BAC), and www.abccalkoholu.pl

Customers

Meetings , training, website, sustainable development report.

Suppliers

Meetings, supplier surveys, ongoing email communication, website, sustainable development report.

Social organizations, scientific institutions and local communities

Interviews, engagement through employee volunteering programmes or social-educational programs, e.g., Check your BAC!, meetings, helpline, conferences, website, dialogue with stakeholders according to the international AA1000SES standard, participation in work groups, e.g. Responsible Business Forum, sustainable development report, trade fairs, conferences.

Public administration

Meetings, research, financial statements, dialogue with stakeholders according to the international AA1000SES standard, sustainable development report, the report on KP contribution to the Polish economy.

The natural environment

Meetings with environmental organizations, dialogue with stakeholders according to the international AA1000SES standard, sustainable development report.

The mass media

Press office and on-going communication (email, phone), sustainable development report, the report on KP contribution to the Polish economy, the Brewing Information Service newsletter, events and meetings of the Journalism Beer Club and the Club's website, Press conferences, mailings, one-on-one meetings, KP website www.kp.pl.

Experts

Meetings, interviews, consultations, dialogue with stakeholders according to the international AA1000SES standard, sustainable development report.

Industry organizations

Meetings, membership, dialogue with stakeholders according to the international AA1000SES standard, participation in working group projects, e.g., ZPPP Polish Breweries, sustainable development report.

The most frequent questions asked via our email box pocza@kp.pl concern the following:

- desire to start business collaboration as a supplier of goods or services for our company,
- training or collaboration proposals,
- request for contact details of a specific sales representative to initiate collaboration,
- sponsorship requests for events, initiatives, sports clubs.

All questions are forwarded to the people in charge of the individual topics.

Using our helpline, stakeholders most frequently ask about the ingredients in our beers, our gadgets, and the origins of the hops we use. All questions are answered. They ask questions about our products and their quality, but there are also consumer complaints. Here answers are provided too, and complaints are forwarded to the Complaints Department, who further contact the person who reported a problem.

Our stakeholder map has not changed since last year. We developed it with the involvement of KP employees during our first reporting against the GRI standard. The stakeholders were identified in view of their impact on the company and our influence on their standings. At the time, we reviewed our forms of engagement and our relationships with the stakeholders. The process led to, among other things, holding the first joint panel involving stakeholders.

The people of Kompania Piwowska

Employment data for the financial year ended on 31 March 2014.

Headcount		
Collective labour agreement	2,683	82.53%
3,248 people employed full-time, and 3 people employed part-time (3/4 FTE)		

Women		
HR		75.00%
Corporate Affairs		75.00%
Customer Marketing		69.00%

Directors		
	women	8
	men	42
Managers		
	women	158
	men	359
Management Board		
	women	1
	men	5

One woman is a member of the company Management Board, holding the position of VP: Sales and Distribution.

Disabled persons	
moderate disability	3
slight disability	6

Employment contract	
Civil-law contracts	110

Full-time employees	
Part time employees (3/4 FTE)	3

KP employment by age and gender

< 30	101	359	460
30-50	513	1,821	2,334
> 50	110	347	457
Total	724	2,527	3,251
	Women	Men	No. of employees

KP employment by region and gender

Technical, Production Planning and Administration	54	43	97
Białystok Brewery	27	138	165
Poznań Brewery	88	433	521
Tychy Brewery	131	374	505
Central Depts. and Marketing	184	181	365
Sales & Distribution	240	1,358	1,598
Total	724	2,527	3,251
	Women	Men	No. of employees

KP employment by job grade and gender

Other employees	297	1,267	1,564
Specialists	261	859	1,120
Managers	158	359	517
Directors	8	42	50
Total	724	2,527	3,251
	Women	Men	No. of employees

KP employment by job grade and age

Other employees	220	1,003	341	1,564
Specialists	216	821	83	1,120
Managers	24	465	28	517
Directors	0	45	5	50
Total	460	2,334	457	3,251
	< 30	30-50	> 50	Total

Employment by gender

Women	724
Men	2,527

Employee category

Other employees	1,564
Specialists	1,120
Managers	517
Directors	50

How we care about our employees

Kompania Piwowarska cares about its employees in a comprehensive way. It offers, among other things, sports packages, provides home improvement loans on preferential terms and a unique healthcare package for the whole family, as well as a beer allowance and attractive insurance policies. These are just a few benefits of working for our company.

Employee’s health

Employees of Kompania Piwowarska and their families are covered by Healthcare and can use Medicover packages, available across the whole country. Our employees have access to very well equipped health centres that employ experienced medical personnel. The maximally simplified system for using the medical services is cash-free and does not require presenting valid licenses or certificates. All it takes is to present a special card. The broad scope of examinations and consultations with top specialists guarantee optimal healthcare.

We promote sport

Sport is not only about health but is also a way to release stress and everyday tensions as well as to improve your well-being. The MultiSport card helps KP employees make sport a part of their lifestyle. The MultiSport card is a programme for additional sport and recreation benefits that ensures unlimited access to over 2,000 sports facilities across the whole of Poland. These include such activities as: aerobics, swimming pools, fitness, salt grottos, yoga, active mum clubs, dancing classes, etc. The MultiSport package can be used not only by KP employees but also their guests and children.

Attractive loans

Employees of Kompania Piwowarska can also take low-interest loans on terms more favourable than in a bank. This is a beneficial way to boost your family budget. Nearly 850 KP employees and 250 of their family members use this form of sports subsidies.

Meals

All employees of the company can make use of subsidized meals at canteens located in our three breweries in Poznań, Tychy and Białystok.

Beer allowance

Every employee of Kompania Piwowarska can receive a monthly beer allowance. This way employees can try every brand of beer we produce. Moreover, employees can meet over a beer in corporate pubs in Poznań and Tychy and try their favourite brands at the employer’s expense.

Life insurance on favourable conditions

Every employee has the possibility to sign up for life and accident insurance offered by an insurance company collaborating with KP. All employees can buy insurance for themselves and their families. KP concluded a contract with an insurance broker who regularly searches the insurance market to suggest what more we can expect from the insurance companies, so that their offers are constantly attractive to our employees. In addition, the broker supports our employees in claiming their benefits.

Additional offers for employees:

- favourable offers on mobile phone networks,
- favourable offers for car sales under a Partnership Programme,
- favourable banking offers for employees – depending on the bank’s offer, employees can use low interest overdrafts and credit cards, revolving credit lines, consolidating loans.



Safety in the workplace

Our employees’ safety is a permanent priority in Kompania Piwowska. The company takes many activities to keep the highest possible standards of occupational health and safety at work.

Prevention of accidents at work is crucial. The duties of our OHS services include, among other things, assistance in the assessment of occupational risks, organization of work environment measurements, new employee training, close support in audits run by state offices and supporting managers in their everyday activities.

In the year F14, 23 accidents were reported, including zero grave and fatal ones.

In the reported accidents 2 women were injured and 21 men. There were no occupational illnesses reported.

The total amount of working days lost because of accidents equalled 712.

The Disabling Injury Frequency Rate (DIFR) in F14 was 0.75 and it was lower than that in F13 (1.10).

In statistical terms, the following numbers of accidents were reported in F14: Tychy Brewery – 5, Białystok Brewery – 1, Poznań Brewery – 4, Planning and Technical – 0 Sales and Distribution – 13.

Work safety in a non-standard and funny way

At Kompania Piwowska we strive to ensure our employees’ safety. We eliminate and limit risk factors in the work environment. We introduce new personal protection equipment and ensure that it is safe as well as comfortable. We decided to boost our OHS communication at the breweries and implement internal campaigns in out-of-the-box formats.

1. Not only boxers use gloves

The breweries in Poznań, Tychy and Białystok sported posters and boards presenting gloves and a caption: “Every serious discipline necessitates wearing gloves”. They encouraged the employees to partake in events organized on Friday afternoons in the company pubs. The employees could use PlayStation sports game where various types of gloves are used. At the same time, there was an opportunity to discuss the need of using gloves when tackling various tasks related to beer production and packaging.

2. “Healthy spine, ergonomic workplace”

Occupational health and safety behind the desk is as important as on brewery production floor. KP chose to equip its employees with the requisite safety knowledge and, with its internal intranet-based campaign, encourage them to learn useful tips on how to modify one’s workplace to make it comfortable and safe.

3. “Safe driving for your safety”

or the key rules of how to use a mobile phone safely when driving a car.

4. The Conscious KP Driver

we improve the safety and comfort of our drivers’ work.



Employee development and training

The motivational system

Talent management, or an effective management of employee development and careers, is one of the basic processes which enables KP to realize the established strategy and objectives and to continue to grow.

The talent management process enables our employees to:

- obtain information about their strengths and areas for development
- plan the directions of their development and the realization of developmental activities in terms of current and future organizational and individual needs.

Talent Management includes

- Development discussions
- Individual Development Plans (IDP), talent review and succession planning sessions

Performance Management is an important component of our company management strategy.

In order to effectively attract, develop and retain employees we follow stringent processes and standards applied in the acquisition of the best talents.

In our recruitment of people showing diverse talents to meet our current and future business needs, we put a proper emphasis on diversity. The foundation and motor of the Talent Management process is Performance Management – an integrated process of performance management that guarantees a culture of high performance and commitment. Performance Management (PM) is a management approach that enables all of us independently to discover the best ways of improving results and adding value. In other words, PM is a transmission of the company’s strategy to everyday work and the aims of employees and work teams. PM defines “how we do things”, making sure that we are headed in the right direction, choosing the best

way we communicate feedback one to another. Managers regularly meet their reports (one-to-one meetings), and peers share knowledge and comments every day. We sum up and review our operation during annual and semi-annual assessment programs (for all KP employees), so we can check where we are on our road to success and what we need to continue on it.

All employees at the company are subject to regular assessments of their work quality, and in keeping with the performance management policy they can plan their career development. The career development process is obligatory for all managers, who account for 17.5% of KP employees. Employee gender, age and employee category are irrelevant in terms of performance evaluation and career development – each and every employee has equal rights to them, irrespective of these factors.



Our goal is to create optimal conditions for professional development, where every employee’s potential is used in the best way. Our employees develop their competence according to the corporate strategy, which guarantees more effective performance of everyday duties and prepares our people to face future professional challenges. Human Resources and the L&D departments integrate employee development processes and ensure support during their implementation.

Development programmes

Kompania Piwowska provides a whole range of various training programmes for its employees.

Training for managerial staff

To be able to support the performance of strategic corporate objectives, KP organizes training courses for managerial staff based on the development of key leadership competences. Specific programmes are dedicated to various groups of managers.

Basic Leadership

A training programme dedicated to newly appointed managers and people with a short management experience. It consists of several modules whose participants learn their new roles of team leaders. They learn how to build effective teams and delegate tasks, as well as how to communicate effectively with their reporting people and care about their development.

The magic of cooperation

Workshops intended for managers, designed in a way that supports their growth and strengthens collaboration between KP departments and functions.

Development portal kplider.pl

All managers in Kompania Piwowska can make use of a specially prepared development portal. It is the company’s response to the growing need for informal development. In Kompania Piwowska we believe and teach our managers that they are the best people to influence their own growth. At the portal, they can read short articles, case studies, e-learning lessons, inspiring speeches delivered by leaders and business people, as well as reading recommendations. The www.KPLider.pl can also be accessed by mobile devices, which enables one to use it at work, at home and on business trips.

Training on nomination

In order to ensure the long-term success of the company, it is necessary to develop managers who are capable of observing the lasting values of the country or region and improving SABMiller Group’s operations. Nominated persons have an opportunity to take part in several international programmes such as EMDP organised by the SABMiller Group. The training participants learn to understand business and its external factors in an integrated way. The scheme ensures improved effectiveness of inter-functional and intercultural cooperation. During the several month long programme, managers develop their own individual leadership style. All of it takes place during interactive lectures delivered by renowned experts, in practical workshops, business simulations, meetings with people of success, as well as in various projects supporting the delivery of the strategic corporate plan.

Presentation and problem solving skills

In their leadership development programme, managers attend workshops focused on developing their problem solving skills and teaching them to prepare presentations by, among other things, proper selection of source information, proper approach to their presentation topic and structure. In addition to other essential presentation skills, the participants learn to listen actively, identify the personality types of their audience members, and recognise how their body language and voice projection impact on the effectiveness of their presentations.

Functional training for the Finance Department

Finance excellence

Finance employees can develop their financial knowledge in a development programme prepared to meet their needs. The scheme consists of four modules dealing with, among other things, taxation, investment project assessments, and international standards of financial reporting.

e-Learning courses

KP employees may also use over a dozen e-learning courses available on our internal platform. These courses focus on areas of personal development, management skills, and KP internal processes and procedures.

A broad range of training for the Sales Department

Sales excellence

Every employee of the sales department undergoes Sales Excellence training. The purpose of this course is to implement Kompania Piwowska’s sales standards. The training also teaches customer service skills and sales techniques. It is an essential sales training.

Sales Academy

The purpose of this training is to present the broad business context of KP operation to new sales employees. The participants are familiarised with our brands, expand their knowledge about expectations linked to their work and standards of behaviour.

Commercial Academy

This is a comprehensive training programme whose profile closely resembles that of the Sales Academy. The courses are focused on KP’s Marketing, Trade Marketing and Sales, as well as Category Management, Trade Mathematics and Elements of Law.

Client communication

The training programme for sales representatives is completed with a Client Communication course. The trainees learn how to identify client types, handle reservations and overcome reluctance, and master sales processes in various trade channels. They gain practical skills in efficient argumentation, breaking stalemates and finalizing negotiations. After the course, the sales staff are able to build long-term relations with clients that translate into business results.

Advanced management programme

A 12-month development programme for Sales Managers developed in collaboration with the International Management Faculty of the Warsaw University, and based on the Executive MBA model of the University of Illinois. The programme covers five theme modules (a total of 100 teaching hours): Strategic Management, Strategic Marketing, Operational Management, Management Finance / Revenue Management and Strategic Challenges in HR Management. The whole project is complemented with a strategy game embracing the issues covered in the theme modules, as well as a business project where the participants can use their knowledge acquired in the programme.

Sales Manager Academy

The sales manager academy is an innovative development programme intended for line managers. Over several training modules of the programme, participants develop the required skills related to their positions, such as: sales team management, analytical skills – working on data and making informed decisions, revenue management, building relationships with a customer, and negotiations. Each module also contains a training component, which prepares managers for cascading knowledge to sales representatives and teaches them how to develop specific skills at an outlet (on-the-job training).

EDAC Workshop

Training/workshop for on- and off-trade Area Sales Managers who manage their reporting staff. The training provides a body of knowledge on ways to conduct training in the field. During the hands-on part of the workshop, participants learn to convert their newly-acquired knowledge into practical skills. The field training is broken up into the four components of Explanation, Demo, Action and Consolidation (EDAC) which the participants need to understand thoroughly and link together properly.

Multidimensional trade negotiations

The purpose of the training is to teach the participants how to effectively negotiate value with their customers and improve the company’s return on investment. During the workshop, the trainees learn to build the three main negotiation pillars, as used by the world’s best negotiators.

Train the Trainer

Training for selected managers: Sales Trainers, Regional Trainers and District Sales Managers who teach at the Commercial and Sales Academies. The training is to prepare the participants to offer training in the field as so-called meta-trainers, i.e. trainers who train, for example, area managers assigned to provide standard field training for sales representatives. The training is also designed to prepare the participants to hold workshops, training courses and deliver presentations.

Sales Techniques

Training designed to prepare sales representatives for business relations with customers – its participants learn about the sales excellence components directly related to sales, the Persuasive Sales Format and how to overcome customer objections. They are also taught how to present their sales offerings to customers in a manner that makes them most likely to accept it and allows sales representatives to close the deal. They also learn how to respond when the customer has misgivings or objections.

Professional beer serving

Training dedicated to KP’s external customers (owners and managers of on-premise outlets which serve our products). The course participants learn about the history, classification and production of beer, the principles of professional beer serving as well as quality in trade, microbiological risks and ways to prevent them. The workshop part is devoted to the sensory evaluation of beer and to serving draft beer professionally.

Trade mathematics

Designed for Sales Representatives and Sales Managers, the training covers the practical aspects of using financial arguments and sales calculations in the selling process. The course provides Sales Representatives with new ways to present arguments based on sales profit, generated margins, profit per square foot of selling floor or shelf and return on investment. The course includes a number of hands-on activities offering opportunities to practice the newly acquired theory.

KOP – SWOT

Designed for Key Account Managers, the training offers knowledge about SABMiller-developed management processes and ways to work together with key accounts, as enshrined in the Key Account Operations Principles. Once the process is broken down into components, the trainees learn to understand thoroughly the meaning of individual steps and action sequences.

On-the-job training for staff of the operational function

Advanced Kronos labeller settings

Designed for operators and maintenance services, the training relies on Kronos Academy materials and the knowledge of specialist mechanics. Its agenda comprises procedures for advanced settings of labeller units, such as labelling heads, adhesive stations and label containers. A key part of the training is hands-on activities in which participants perform the above procedures under the watchful eye of specialists and trainers.

Calibration of Kronos Linatronic inspector

Designed for maintenance automation experts, the training covers calibration procedures and offers step-by-step instructions on how to adjust the parameters responsible for proper container detection. The training programme includes a lecture in theory and hands-on practice at a machine. The training materials include manuals on how to calibrate machines by taking steps in their proper order.

The Kronos Labeller

Designed for operators and operators/mechanics, the training covers machine design, its operating principles and its routine production floor operation. The participants learn which activities to perform to properly retool the machine, modify key labelling settings, perform quality checks and start it up and shut it down and the start and end of production. The scope of the course corresponds to the competence matrix for the respective jobs and provides missing competences in labeller operation.

Basic brewing

Designed for all employees of the operational function, this training covers the basic knowledge on beer brewing. The course programme includes a brief history of beer and general information about beer and raw materials, the key process parameters, and a description of the production process. The workshop is run at the production departments.

Advanced brewing

The training is designed for all employees working directly in production, as well as for experts. The programme offering specialist knowledge is hosted by a trainer with an extensive practical knowledge and an expert in beer production. The training explains parameters that are crucial for the quality and flow of the production process, the key indicators and practices regarding the taste and flavour stability of beer, foam, and the standards of quality and microbiology.

Hygiene workshops

Designed for all packaging employees, this training is hosted together with laboratory experts. During the training, the participants learn about the basics of brewing microbiology, standard sources of contamination in packaging, and how to care about the micro-purity of the product.

GEM training

Training based upon the lean philosophy, whose main assumption is continuous improvement, tailored to the company's internal approach and pursuing operational excellence (Manufacturing Way). The workshop is divided into sections - fundamental practices (GEMs) dedicated to: work arrangement and standardisation, visualisations and methods for achievement measurement, teamwork, continuous improvement and preventing losses, health and environment safety, manufacturing flexibility, quality and property management. The GEM training is mainly addressed to line employees and supervisors.

Moderation of problem solving sessions

This training is addressed to specialists, leaders, and managers from operational departments who want to moderate problem solving sessions and have the relevant personal predispositions. The training presents a unique approach to the problem solving process; it stems from the best global practice and uses the 6 steps methodology. During the workshops, the participants learn the methods, techniques, and tools for every stage of problem solving, ways of working with a group and techniques of reinforcing creative thinking. After the training, the operating department employees are well prepared to host sessions.

Workshops on keeping microbiological standards

The training is designed to increase the commitment of packaging and technical workers to upholding microbiological standards. It is meant to raise their awareness of packaging hygiene principles and make them sensitive to irregularities in routine activities, technical condition and installation design. The workshop participants are taught to assess infection risks in the technological process, identify critical issues which cause shut-downs, and ways of preventing infection, including the drafting of infection prevention plans.

Training methods

The training is intended for practitioners and specialists who share their expert knowledge, additionally playing the role of an internal coach. The aim of this training is to equip an employee with the basic interpersonal skills necessary for conducting classes and workshops.

The number of training days in F14

The number of training days in the operational department amounts to 2,355, which means statistically that each and every employee spent 1.7 days in the training room. The production training department employs three trainers who began their career in the production departments, perfected their expert skills in practice and then developed training skills in keeping with their individual development plan. Thanks to their work, training courses run in the operational function are practical and provide their participants with knowledge that can be readily adopted in the workplace, resulting in a higher performance. Workshops run by internal trainers in F14 account for 63% of all training.



The average number of training hours per employee by gender and employee category			
F14 data (incl. obligatory)		female	male
Training days		2,201.43	8,418.4
Training participants		724	2,527
Training days per person		3.13	3.12
	Employee category	Training days excluding obligatory training	Average no. of training days per employee of a grade
OTHER EMPLOYEES	1,564	1,686	1.08
SPECIALISTS	1,120	2,401	2.15
MANAGERS	517	2,615	4.97
DIRECTORS	50	134	2.68
TOTAL	3,251	6,836	2.10

Diversity management

Beer Ambassadors

The Beer Ambassadors programme has been run since 2012. It is designed to build knowledge about the products of Kompania Piwowska, ignite passion about them and teach the so-called beer culture using KP products as examples.

The programme developed only with the use of our internal experts' knowledge and experience was split into several stages. In the first stage, 21 workshops were run in three locations: the breweries in Poznań, Tychy and Białystok. They covered beer-related themes and our employees had an opportunity to recall a lot of information about the category itself, the manufacturing process, KP brands, and the art of tasting. Since that time, KP experts and beer enthusiasts have developed a number of activities, knowledge tests and initiatives addressed to KP employees and broad local communities. Over the last year we saw a lot of colourful projects. In liaison with our business partners, numerous workshops were organized to foster knowledge and passion about the beer category. In addition, four winning projects were implemented under the programme named "All the Truth About Beer", where KP employees offered their ideas for the creation of the beer culture in Poland. The results of their creativity gradually appeared on the market, and these included, for example, the "Beer Menu" or an electronic advisor whose task was to help in the selection of the right beer for a given occasion.

In addition, by sharing the best practices, the Polish project of Beer Ambassadors was recognized in an international contest of SABMiller– Mercatus. The programme committee highlighted the simple mechanism of the project, easily implementable in other markets, as well as its potential to drive the value of premium brands. There was also an e-learning course that reminded about all the key elements of the ABCs of beer and refreshed the knowledge about KP brands. Its main characters and heroes were genuine Beer Ambassadors, KP employees who participated in as many as 29 short educational films. Over 1,500 people participated in the e-learning course closed with a short test.

Awards for KP employees

The Fifth Beer

Contests and appreciation programmes are great incentives for employees. One example is the Fifth Beer programme, which originally started out as a contest organised by the editorial team of Kompania Piwowska's Świat Piwa monthly. In 2007, the contest evolved into the Duże Piwo recognition programme. Two years ago, the contest changed its name and modified its rules. Held on a quarterly basis, the event allows any KP employee to nominate an individual or a team who have performed outstandingly in supporting KP's strategic priorities or who excel in furthering the company's values in their day-to-day work. The quarterly winners are selected by area councils, presented with a trophy and nominated for the annual prize. At fiscal year end, KP's Vice Presidents and CEO select the annual laureates from among these winners. The names of the laureates are announced at an official gala. Prizes are conferred in the five areas of Sales, Logistics, Production, Other Commercial Activities (such as Marketing, Customer Marketing, Insights and Global Brands) as well as other support functions (such as Finance, HR, CA and IT) and the four categories of Excellence, Leadership, Value Creation/Innovation and Corporate Values. The first three categories are individual ones and the last one is dedicated to teams.

In F14, winners of the prestigious Fifth Beer award received financial prizes and a trip to South Africa in October.

Place of work and human rights respect

"All human beings are born free and equal in dignity and rights: they are endowed with reason and conscience and should act toward another in a spirit of brotherhood."

Source:
Article 1 of the Universal Declaration of Human Rights

Provisions of the European Convention on Human Rights and its protocols guarantee:

- right to life, freedom and personal safety,
- right to a fair trial in civil and criminal cases,
- right to vote and stand as a candidate at elections,
- freedom of thought, conscience and religion,
- freedom of expression (including freedom of media),
- right to own property and use it freely,
- freedom of assembly and association.

Why do we consider respecting human rights important?

As a socially responsible company, we aim to promote universal values, respecting human rights that impact every aspect of our lives, both personal and professional. There are HR policies in Kompania Piwowska related to work safety, employee and human rights, combating violence, bullying, discrimination and harassment in the workplace, that reflect the priority treatment of the matter and ensure the comfort of all our employees.

Kompania Piwowska

- Complies with international work standards and commits to respect human rights in the workplace and in the communities where it operates. It promotes human rights in the supply chain, and takes care to appoint as many internal candidates as possible to company positions, in order to provide employees with development opportunities.
- Employs both men and women in management positions, and the number of women performing the roles keeps growing.
- Handicapped candidates can also apply for work in Kompania Piwowska.
- KP complies with the "Policy of combating violence, bullying, discrimination and harassment in the workplace".
- Considers its employees' opinions and ideas using, among other things, employee opinion surveys or the Big Conversation workshops.
- All KP policies and procedures comply with the Labour Code and the Code of Ethics.

Diversity management in Kompania Piwowska involves a range of activities aimed at creating a workplace where employees feel respected and are able to develop their potential fully, irrespective of their gender, age, (dis)ability, race and ethnic origin, or other diversity dimensions.

Responsible diversity management is a challenge to the employer but also an opportunity for skilful talent management. It is certainly one of the sources of innovation which can help gain a competitive edge.

As one of 14 companies in Poland, Kompania Piwowska signed, on 14 February 2012, the Diversity Charter, a document promoted by the European Union. Minister Agnieszka Kozłowska-Rajewicz, the Government Representative for Equal Treatment and Professor Irena Lipowicz, the Ombudsman for Civil Rights are honorary patrons of the Diversity Charter. The Diversity Charter is an international initiative supported by the European Commission, implemented in such EU countries as Germany, Austria, Sweden, Italy, France, Belgium or Spain. The Charter is an obligation in writing undertaken



by an organisation to implement effective solutions for the development of an equal treatment policy and diversity management at work and disseminating them among business and social partners. The Diversity Charter in Poland goes beyond the regulations of the Labour Code or the so called equality act, obliging companies to introduce diversity management. Among other things, it includes provisions on anti-discrimination and anti-bullying monitoring, appointing a person or team to co-ordinate diversity management at an organisation, introducing regular anti-discrimination education for all company employees and reporting on the measures taken and their effects.

This year, not unlike in previous years, Kompania Piwowska and representatives of other companies took part in meetings in the Diversity Charter educational programme called "Implementation of the Diversity Charter at the Workplace" held by the Responsible Business Forum.

We have come together and created a document which becomes a successful inspiration, attracts other organizations and elaborates on human rights at the workplace.

The total number of training hours on themes related to specific aspects or issues of respecting human rights in the areas of activity, amounted to 1,463 hours. Human rights issues were discussed in theme training on Diversity Management and First Time Manager, where a total of 2,972 KP employees participated.

2. 

How is beer made?

“Implementing a new bottle design for production is a long and demanding process with a lot of decisions to be made. When the first production batch is launched, it feels like the birth of your child. Over the last years, we have carried out many such implementations in cooperation with Kompania Piwowarska. The aim of each project was to achieve the highest possible quality and ensure product safety in an environmentally friendly way while respecting the principles of corporate social responsibility.”

Robert Tatarczyk
Pol-Am-Pack S.A.
„Orzesze” Glass-works

How we develop relations with our suppliers

To maintain continuity of production, it is critical to secure supplies of key materials and put aside a strategic stockpile before the peak season. By working with SABMiller Procurement, a unit which centrally negotiates and arranges purchases for all of the Group’s breweries, KP benefits from synergies and obtains the best

prices for the resources it needs for beer production and packaging materials. Yet cost cutting is not the only advantage of global purchasing. The arrangement also works well in crises, such as hop shortages. In its marketing and promotional activities, KP now relies on the notion of return on investment to find what revenue increases

come from its individual market activities. The information is used to select the most effective market activities and ultimately to maximise the sales volume.

Value chain at Kompania Piwowska			
Suppliers of raw materials for beer production	Kompania Piwowska – beer producer – production, packing, logistics	Pubs (Tyskie from a tank)	
50		32	
Suppliers of energy and production support processes	Cash & Carry (Makro and Eurocash where retailers buy their products directly)	Source: Monthly HORECA report (as on 31.03.2014)	
84	3		
Suppliers of packaging	Discount chains	Retail outlets and sub-wholesalers	
67	4	ca. 55,000* ⁽¹⁾	
Suppliers of other services (including marketing, financial, advisory, etc.)	Wholesalers associated in a purchasing group	On-premise outlets (pubs, restaurants)	
4,903 ⁽¹⁾	12	ca. 13,000* ⁽¹⁾	
	Key Accounts (hypermarkets, supermarkets, fuel stations)	Source: MESS sales effectiveness report (as on 30.10.2013*; 27.02.2014**) NOTE! Two changes were made in FY14 (01.11.2013; 01.03.2014) resulting in changes in the amount and structure of points of sale. * up to 03.2014	
	22	⁽¹⁾ The difference in the number of suppliers against the previous period stems from consolidation of suppliers and removal of those with whom KP had no transactions for the 12 months preceding the implementation of the new system (Triumph project)	
	Wholesale		
	252		
	Source: SAP ECC	(estimates)	

We seek partners who share our commitment to social responsibility. We have adopted a set of rules to govern our supplier and buyer relationships. These transparent and easily accessible rules cover supplier selection, responsible cooperation, employee protection, settlement transparency, freedom of association, the right to unionize, ban on discrimination, ban on child labour and environmental protection.

Currently all contracts signed with Kompania Piwowska partners (both suppliers and customers) include clauses on knowing and observing the Code of Ethics and sustainable business development, including respecting human rights.



Since 2008, Kompania Piwowska has been engaging in dialogue with its business partners (suppliers and buyers) guided by our sustainability principles. Our cooperation with business partners extends beyond merely negotiating pricing and supply terms. Kompania Piwowska expects its partners to match its dedication to sustainable development. It ensures, for instance, that its suppliers have in place and actually pursue policies for streamlining water consumption to reduce their water footprints, reduce energy consumption, cut CO₂ emissions to reduce the carbon footprint, and recycle packages and waste.

We additionally check our partners’ respect for human rights, focusing on working conditions, wages, terms of employment, freedom of association and diversity. We expect our partners to share their ideas and experience to enable us to work together sustainably. Promoting local industry and suppliers is one of the priorities pursued by our company.

About 75% of expenditure on raw materials (including supplies of malt and hops) and packages goes to the local market and local suppliers. In F14, Kompania Piwowska spent over PLN 850 million on raw materials and packages purchased on the Polish market.

Contracts concluded by KP contain a clause to the following effect: “The Buyer (i.e. Kompania Piwowska SA based in Poznań) pursues its activities in accordance with the Code of Ethics and Sustainable Development Priorities established for the SABMiller Group. The Buyer is willing and makes every effort to ensure that all suppliers/buyers cooperating with it are aware of the Buyer’s approach to the business activity it pursues and commit themselves to act accordingly. More information on the Code of Ethics and Sustainable Development Priorities is available on the Buyer’s website www.kp.pl

The clause is used in every investment contract. It is absent, however, in some one-off commercial contracts. This accounts for about 5% of all contracts signed. Over the last financial year, KP concluded about 400 contracts.

Responsible Action Principles

Business activities

Kompania Piwowska is committed to working openly and fairly with its suppliers respecting contractual terms.

Working conditions

As a minimal requirement, occupational health and safety policies and procedures are to comply with local legislation or, where no such legislation exists, adhere to the standards of decent employment.

Employment

Forced or compulsory labour shall be prohibited. Workers must not be coerced to work; pressure is unacceptable.

Child labour

Under the conventions of the International Labour Organization, a child can only be employed if fully protected from any forms of potential exploitation, harms to morals, endangerment of physical safety, long-lasting endangerment of health and loss of educational opportunities.

Wages

Remuneration shall not be lower than the legal minimum wage or, where not regulated, not lower than the industry average.

Diversity

While we remain sensitive to cultural differences, we expect equal opportunity employment without discrimination on the grounds of race, religion, gender or other arbitrary grounds.

Freedom of association

Constructive dialogue shall be maintained between workers and management. Employees will be allowed to associate in legal organizations.

Environment

Business partners shall comply with local environmental laws and show sensitivity to any other environmental issues which may affect local communities and our company.

As we cooperate with our suppliers, it is important to establish priorities and focus on high-risk areas and those sections of the value chain where there are opportunities for improvement.

To assess the risk posed by every supplier, basic information is needed about its enterprises and products, including:

- business name,
- a list of products supplied and country of origin of each of the supplied products
- turnover value.

A specially-designed risk assessment tool can be used to identify high-risk suppliers, audit them and develop action plans for any suppliers failing to comply. In the case of low risk suppliers, we rely on a memorandum of understanding. The supplier is expected to sign such a memorandum to demonstrate it has met all the requirements set out in the Responsible Action Principles. The memorandum may be a separate document as well as part of the agreement or General Conditions to a contract. The recommendation for medium-risk suppliers is to use a sustainable development self-assessment questionnaire. The supplier should fill it out to demonstrate it has adequate policies and systems in place to ensure compliance with the standards we require. High-risk suppliers should undergo in-depth audits of conformity with the Responsible Action Principles. All (100%) of Kompania Piwowska’s major suppliers have been checked for compliance with the Responsible Action Principles.

For more information, visit www.kp.pl

Raw materials and packaging



Purchasing raw materials, packages and sundry materials for production and packaging is the responsibility of the SABMiller Procurement. It analyses the market, conducts commercial negotiations with suppliers, plans purchasing and manages supplies.

In FY14, Kompania Piwowska purchased 192,080 tonnes of malt and about 679.68 tonnes of hops.

In early 2013, the SABMiller Procurement company in charge of sourcing raw materials entered into further contracts to buy hops for brewing KP beers from Poland. New long-term contracts to purchase Polish hops were signed one year before, too. These cover the period up to the harvests of 2016, which will help many Polish hop producers to plan their production appropriately. In addition, wherever possible, hops sourced previously from other suppliers will be replaced with Polish hops. As a result, nearly 100% of KP’s hop requirements may be covered by hops from Poland starting from the 2015 harvests. Increasing the use of Polish hops depends on whether or not suppliers provide the highest-quality raw materials, observe contract conditions and apply market prices.

Packaging and the natural environment

We search for and support our suppliers in securing interesting and effective solutions which ensure innovation, while reducing the volume of production waste, optimising the use of resources and improving the recycling of used materials. While it is often a challenge to achieve such goals, we are capable of successfully working with suppliers and marketers to overcome stereotypes and deploy new solutions.

Financial year 2014 was the year of innovative packages prepared in accordance with the philosophy of sustainable development. While complying with stringent quality standards, we introduced new packages with optimised weight and size and minimised environmental impact.

Cans

We optimised can weight reducing the mass indicator to 0.246 g/ml – the lowest indicator achieved so far.

Can lids

Thanks to the modernisation of our production lines, we could launch new lids with a slightly different profile, reducing lid weight by 0.3 g.

Labels

Working with our suppliers, we deployed a process to optimise the thickness of our labels while maintaining top quality of both the labels and the final product.

Crowns

We concluded tests of pry off crowns with reduced metal sheet thickness; as a result we switched completely to 0.18 mm crowns which is optimal for the technologies currently available on the market.

Trays

We verified if it was possible to optimise trays for cans and bottles focusing on certain areas and technological tests; we expect tangible results as early as the middle of the current financial year.

Stretch foil

Following the tests we carried out, we introduced stretch foil produced with the use of innovative technological solutions which allowed us to reduce its consumption by up to 28% while ensuring top quality and stability of the pallet load.

SQM

Supplier Quality Management, as the division managing supply quality on many different levels, is responsible for providing Kompania Piwowska with materials (packages and raw materials) which not only comply with the most demanding quality and technical standards, but are also produced in accordance with business practices based on the principles of sustainable development.



3.

How do we care for the environment?

“Care for the interests of local communities located close to KP breweries is a characteristic feature of the way Kompania Piwowarska pursues its business. This is proved by the agreement concluded in 2013 with the RPWiK Tychy S.A. water supply company saying that, in case of a crisis threatening the provision of utilities for the city, everyday needs of its inhabitants will be satisfied from the brewery’s own sources.”

Krzysztof Zalwowski
President of the Management Board
RPWiK (District Water and Sewage Company)
in Tychy

The quality of our beers

The production process begins with receiving raw materials at the brewery. At this stage, they are thoroughly checked in order to ensure top quality products which would be safe for the consumer.

Malt obtained from selected barley varieties in the process of malting at approved suppliers is analysed upon delivery. If the results are positive, it is ground and mixed with water. It then goes to the mash tub where brewers set correct temperatures and mashing time in order to decompose starch contained in the grains into monosaccharides and dissolve part of the grains in water (obtaining malt extract). When the process is finished, malt is filtered to obtain wort (water solution of the malt extract) and spent grain which is no longer involved in the process of beer production. Next, hops are added to wort which is then boiled in a brewing vessel to arrive at desired parameters of extract concentration, level of bitterness, colour, correct level of flavours and colloid stability.

After the boiling (brewing) process, precipitated sediments (so-called hot sediments) are separated from the wort which undergoes cooling and is sent to fermentation. The fermentation tank is filled to an appropriate level so that the yeast added to wort may start working. Thanks to the correct management of temperature and pressure conditions the fermentation process transforms sugars into alcohol and carbon dioxide (alcohol fermentation). Compounds created at this stage will determine beer flavour. After fermentation, yeast is removed from beer, whereas beer itself (called “green beer” in its present form) is sent to seasoning in low temperatures. During the process, beer matures (developing its proper aroma) and clears. After seasoning, beer is filtered to remove sediments and remaining yeast cells. Then, as cleared beer, the beverage is stored in buffer tanks waiting to be put in bottles, cans or kegs.



Total expenditure on environment protection and investments made by Kompania Piwowska to protect the environment

Environment protection costs:

Atmospheric air and climate protection (charges for emission of pollutants into atmosphere including consumption of fuel in combustion engines)

PLN 164,634

Water management (charges for the use of ground water; costs of water treatment and supply)

PLN 10,663,937

Ensuring consistently high quality of beer is a priority for Kompania Piwowska. To this end, the company has implemented exacting internal standards of product quality and safety. They are a guarantee that each batch of product will have identical parameters ensuring its top quality.

A lot of factors contribute to maintaining consistently high quality of KP products from the best ingredients and technologies to quality checks at each stage of production. The quality of the

Wastewater management (charges for the disposal and treatment of waste)

PLN 15,643,942

Waste management (service charges for the collection, management and disposal of waste as well as for contracting the obligation to recover and recycle waste with waste recovery organisations)

PLN 6,405,698

Protection of soil, surface water and ground water (e.g. maintaining protection zones around water intakes)

PLN 3,467

product also depends on the way it is stored, transported or even served by a competent barman. Eager to offer top quality products to its customers, Kompania Piwowska cares about every stage in the “life” of the products. Their quality is ensured, among other things, by the Quality Management System conforming to ISO 9001:2008 and Food Safety Management System complying with ISO 22000:2005, both systems being part of the Integrated Risk Management System.

Protection against noise (costs of inspections, monitoring and laboratory tests)

PLN 10,000

Other costs related to environment protection (costs of environmental consulting and stamp duties for changes of permits and decisions)

PLN 13,900 *

*source: report from Kompania Piwowska to GUS, the Central Statistical Office of Poland for calendar year 2013 (from January to December)

Risk assessment is carried out for every product and for each stage of production, storage and distribution in order to identify and assess all threats (potential and real) which could impact consumer health and safety. Moreover, threats have been identified and assessed for individual raw materials, auxiliary materials, packaging and media. Account has also been taken of threats related to equipment and devices used during the production process as well as the environment and infrastructure of production and storage facilities.



We are using less and less water to brew our beers.

Making more beer using less water

Water is the source of life and the greatest good. Protecting this source is a responsibility we all have! As a conscious and responsible company, we also must save water and manage it rationally.

Water consumption in hl				
	F11	F12	F13	F14
Total water consumption	46,134,680 hl	41,045,198 hl	43,595,926 hl	40,924,900 hl
Municipal water supply	33,056,450 hl	28,990,628 hl	29,840,036 hl	28,458,490 hl
Water drawn from own wells	13,078,230 hl	12,054,570 hl	13,775,890 hl	12,466,410 hl

SABMiller commitment: reduce water consumption by 25% per hectolitre of beer between 2008 and 2015.

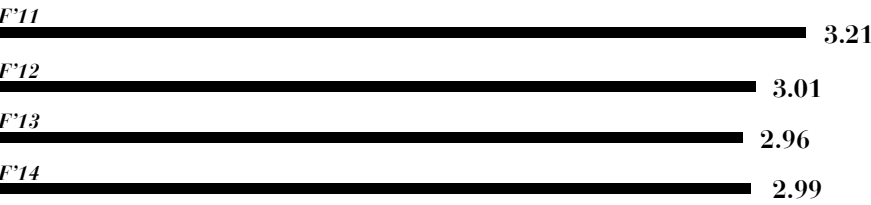
Globally, SABMiller's point of departure was 4.6 hl of water for 1 hl of beer. The company managed to reduce the amount to 3.5 hl of water per 1 hl of beer within just 5 years. The objective was reached 22 months ahead of time.

SABMiller Group developed a global programme to solve local problems with water. The 5R programme (Protect, Reduce, Reuse, Recycle, Redistribute) has been implemented in all SABMiller breweries, an initiative offering the bigger picture of water management. The standards in force in the entire Group are meant to reduce the amount of water used in the process of beer production and all along the supply and wastewater treatment chains.

At Kompania Piwowska water is one of the key beer ingredients which makes it especially valuable in the brewing industry.

It is supplied to individual KP breweries by municipal water supply systems or from our own water wells (Tychy brewery). Then it is subjected to treatment to adapt its parameters to the requirements used in the beer industry.

Indicator of water consumption at KP [hl of water / hl of beer]



Being aware of the dangers related to uncontrolled discharge of contaminated water, Kompania Piwowska thoroughly controls the quantity and quality of its own wastewater. The basic principle observed in each of the breweries belonging to Kompania Piwowska is wastewater treatment prior to its discharge into the environment. In Tychy, it is pretreated in the company's anaerobic wastewater pretreatment plant prior to discharge into the sewage system. In the other breweries wastewater is transferred directly to municipal wastewater treatment plants.

In order to reduce the amount of wastewater, water used for the manufacturing process is partly recovered for reuse. Our ways of reusing water involve:

- use of water from brewing vessel pot condensate for preliminary flushing of whirlpools,
- use of water from the final CIP flushing for external rinsing,
- use of excessive water from bottle washers for cleaning empty crates,
- feeding conveyor sprayers with return water from can and bottle washers,
- use of cascade water in foam breakers.



Energy and emissions

Reduced energy consumption and carbon dioxide emissions

We have no problems complying with European Union standards for the brewing industry related to the use of heat energy and electric power. Kompania Piwowarska has set itself the standard of being responsible for the society and the natural environment as well as fully committed to measures aiming to reduce the negative impact on climate change.

SABMiller's commitment: to reduce by 50% the emission of fossil fuels per one litre of produced beer by the year 2020.

Sources of heat energy in KP SA

Kompania Piwowarska has its own sources of heat energy (modern gas and oil heat plants) in the Poznań and Tychy breweries. The brewery in Białystok receives heat energy from an external supplier. As for electric power, all three breweries of Kompania Piwowarska use services of local providers.

The most energy-intensive stages of beer production are the following:
- brewing – wort boiling
- fermentation – cooling
- packaging – washing, pasteurising

Indicator of the amount of wastewater produced [hl of wastewater / hl of beer produced]				
	F11	F12	F13	F14
Poznań Brewery	2.07	1.99	1.83	1.94
Białystok Brewery	2.03	2.00	1.79	1.97
Tychy Brewery	2.09	1.94	1.93	2.11

Wastewater characteristics				
	F11	F12	F13	F14
Wastewater volume [m³]	2,981,547	2,682,734	2,757,079	2,760,319
Chemical oxygen demand [g/m³]	3,713.277	2,921.57	3,363.22	3,256.69
Suspended solids [g/m³]	827.94	591.64	603.51	709.30

Tychy Brewery has its own pretreatment plant in which anaerobic methods with granulated sludge are applied. The technology is based on the ability of anaerobic microorganisms under specific conditions to produce granulated sludge having high sedimentation ability and high biochemical activity. Anaerobic fermentation also yields biogas, which is stored and used as normal fuel for company boilers.

Water from Tychy Brewery for the inhabitants of the city
In July 2013, Kompania Piwowarska and the District Water and Sewage Company in Tychy signed an agreement on free-of-charge provision of water for city inhabitants in case of emergency. Under the agreement, under special circumstances such as war or natural disaster, inhabitants of the city will use water from the sources belonging to Tyskie Browary Książęce.



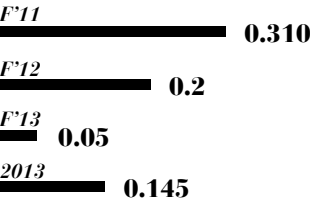
Energy consumption				
	F11	F12	F13	F14
Production output (hl)	14,364,997	13,646,374	14,740,165	13,682,745
Electricity consumption (kWh)	87,579,223	80,687,663	86,118,109	79,078,510
Indicator (kWh/hl)	6.1	5.91	5.84	5.77
Consumption of heat from non-renewable sources (GJ)	884,049	813,127	823,277	749,436
Consumption of heat from renewable sources (GJ)	56,597	43,265	50,036	53,517
Indicator (kWh/hl)	65.6	62.8	59.2	61.3

Emissions of pollutants to the atmosphere:

NOX* emissions [Mg]



SOX* emissions [Mg]



CO emissions [Mg]



CO₂** emissions [Mg]



Emissions of pollutants for the year F14 are reported in accordance with the data contained in the consolidated information on the extent of environmental footprint (calendar year – January-December 2013)
CO₂ emissions related to the process of fuel combustion without taking account of unorganised emission.

* Methods for NOx and SOx measurements are based on PN-ISO 10396:2001 (A)

** The volume of carbon emissions generated by burning biogas is negligible for production purposes. In addition, the emissions of biogas, which is a renewable source of energy, are assumed to be zero and thus on par with the best practices on the market.

How do we care for the environment?
52.



Growing use of renewable energy sources

Technical facilities at the Tychy Brewery enable the use of renewable energy in the form of biogas produced in the on-site wastewater pre-treatment plant. Due to its composition, biogas is burned together with natural gas.

In the financial period F14, the amount of burned biogas stood at 18.1% of the total amount of gas burned in the heat plant.

From the perspective of environment protection, the use of biogas is very beneficial as it is a renewable source of energy which emits much fewer substances generated during the burning process compared to such sources as hard coal or fuel oil.

Investment initiatives focusing on energy management and emission reduction

Continuous processes:

CO₂ recovery points – recovery means that there is no need to purchase CO₂ necessary for the process of beer production.

Přaduko (heat exchanger in the brewing vessel) with a recovery unit – reduced consumption of heat and, consequently, natural sources such as gas, coal or fuel oil.

Heat recovery from the condensation of ammonia used to evaporate CO₂ – using waste heat generated in the process of ammonia burning and using it to evaporate ammonia – replacing vaporisers.

Burning biogas generated during the process of treating wastewater from the on-site heat plant together with natural gas – reduced consumption of gas/fuel oil.

Additional ammonia unit supplying the horizontal storage plant and cylindrical-conical tanks making it possible to change the temperature of ammonia evaporation from -7 to -3°C.

Change of the cooling agent (from glycol to ammonia) used to chill beer during filtration.

Projects of initiatives to improve energy efficiency aiming to obtain the so-called “white certificates”:

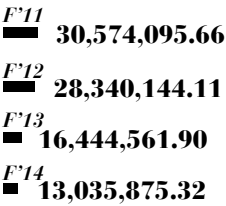
- 1. Change in the units chilling beer before filtration (glycol-ammonia) allowing to reduce losses of cool on exchangers and the use of electric energy supplied to pumps. Energy effect: reduction in final energy by 581 GJ/year (1,758 GJ of primary energy). Environmental effect: reduction of CO₂ emissions – 165.01 Mg/year.
- 2. Change of the technology to produce deoxidised water used to push through and rinse beer pipes – switching off water cooling in the glycol/deoxidised water section in the plate heat exchanger. Energy effect: reduction in final energy by 991 GJ/year (3,004 GJ of primary energy). Environmental effect: reduction of CO₂ emissions – 282 Mg/year.
- 3. Modernisation of heat exchanger units in the heat recovery area of the station producing deoxidised water – reduced demand for steam to heat up treated water and lower demand for glycol used to cool deoxidised water. Energy effect: reduction in final energy by 2,681 GJ/year (3,878 GJ of primary energy). Environmental effect: reduction of CO₂ emissions – 260 Mg/year.

- 4. Modernisation of CO₂ gasification/ammonia cooling unit through installing new heat exchangers and changing CO₂ and NH₃ parameters.

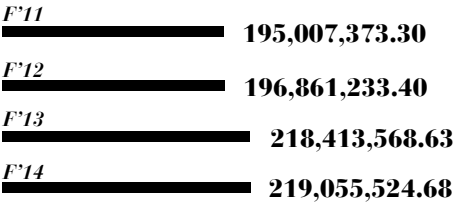
Energy effect (final energy): 281,000 kWh/year which accounts for a reduction in energy consumption by 7.2%. The amount of CO₂ reduction related to primary energy saved stands at 250.1 tonnes/year.

Fuel consumed by means of transport (calorific value 39.2 MJ/l)

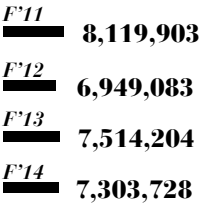
Petrol [MJ]



Diesel fuel [MJ]



Trucks [km]



Cars [km]



Waste

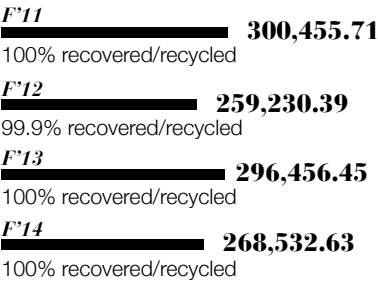
Kompania Piwowarska is proud of its excellent waste management.

All waste generated by the production process – spent grain, malt dust and yeast cake – is practically 100% reused in the agricultural, pharmaceutical and cosmetic sectors.

Other waste such as glass, non-ferrous metals, paper, cardboard, foil or wood are segregated and sent to specialist companies for recovery or recycling. In order to reduce waste volume, breweries have introduced, among other solutions, can presses and press-containers for other kinds of waste.

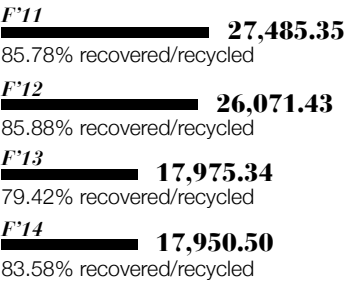
Total waste weight by type and management method [Mg]

Organic waste (spent grain, malt dust, yeast cake)



Production waste	Management method
Spent grain accounts for almost 80% of production waste. It is made of residual grain with high content of digestible protein and moisture of up to 80%.	Used in agriculture as fodder fed directly to farm animals or a component in mixed fodder.
Yeast cake (secondary yeast) is rich in protein, group B vitamins, calcium, iron and microelements.	Used in agriculture or large processing plants.
Malt dust is generated during transport of malt – germinated barley grains.	Used as a valuable fodder additive.
Packaging waste: - cullet, - packaging foil, - paper and cardboard, - aluminum cans.	Used packaging is an excellent raw material to be reused by recycling plants where it is sent for this purpose.

Other waste (including cullet, aluminum, plastics and municipal waste)



Hazardous waste





4. 

How do we supply our beer?

“We keep on working to supply beer to our customers efficiently and on time, while remembering about the need to reduce CO₂ emissions. This is achieved by continuously improved logistic standards where particular attention is given to returnable packages and the quality of bottle sorting. Our transport is both economical and environmentally friendly.”

Konrad Czebreszuk
Logistics Manager

How do we supply our beers?

Wanting to combine good environmental stewardship with our continuous search for ways to reduce distribution costs, we equipped 113 vehicles in KP's heavy fleet with hybrid LPG-Diesel installations.

The installations make it possible to partially replace diesel with LPG. LPG is a cleaner sort of fuel with a higher octane number, thus reducing emissions of harmful substances generated during transport. In addition, the technology makes for more efficient diesel consumption contributing even further to a drop in harmful substances such as nitrogen oxide, sulfonic acid and particulates.



Test results for exhaust emissions [g/km] from diesel powered engines

Cycle	carbon oxide	ntrogen oxide	sulfonic acid	particulates
urban	0.887	1.915	1.937	0.011
extra-urban	0.014	1.142	1.146	0.007
weighted average	0.338	1.429	1.440	0.009
DF	1.1	1.0	1.0	1.2
DF weighted average	0,372	1.429	1.440	0.010

Test results for exhaust emissions [g/km] from diesel/LPG powered engines

Cycle	carbon oxide	ntrogen oxide	sulfonic acid	particulates
urban	0.900	1.479	1.508	0.006
extra-urban	0.026	1.067	1.077	0.004
weighted average	0.349	1.219	1.236	0.004
DF	1.1	1.0	1.0	1.2
DF weighted average	0.384	1.219	1.236	0.005

Reduction of harmful substances through changing fuel type

Kompania Piwowarska operates a fleet of 1,220 cars and delivery vehicles of up to 3.5 tonnes as well as 128 trucks of over 3.5 tonnes. Total fuel consumption in 2013* amounted to 5.8 million litres. Due to such high consumption of fuel by own means of transport, for several years now we have implemented parallel projects aimed at reducing fuel use and CO₂ emissions. Over 60% of fuel is used by the fleet of vehicles of up to 3.5 tonnes. In 2013, we launched the Conscious KP Driver programme whose key component was to involve all drivers of passenger cars of up to 3.5 tonnes in eco-driving training. Results obtained by the group of 300 people trained in 2013 were so promising (average reduction of fuel consumption by 5%) that the decision was made to train all drivers of KP passenger cars, that is 800 people, by March 2015. In addition, as part of the project, all purchased passenger cars must be equipped with devices supporting safe and environmentally friendly driving style – an on-board computer displaying information about current driving parameters and other systems indirectly reducing fuel consumption and exhaust emissions.

In our on-going purchases, we pay special attention to the amount of exhaust emissions generated by individual vehicle models. Another key component of the Conscious KP Driver programme was to replace over 425 vehicles with models generating less emissions in 2013. This will have a long-term impact on CO₂ reduction in the expected 4-year-long life cycle of each vehicle. Moreover, ECO initiatives and implemented projects directly reduce fuel consumption and CO₂ emissions in logistics and heavy distribution. And so, in 2013, we purchased 13 tractors conforming to the EURO 5 standard and equipped with environment-friendly systems. Optimising routes, minimising idle journeys and GPS monitoring deployed for the entire heavy fleet have all had great impact on the reduction of fuel consumption and CO₂ emissions.

By combining all ECO measures initiated and pursued in 2013 with a minimum increase in the number of vehicles compared to 2012, KP reported a drop in fuel consumption by over 220,000 litres, thereby reducing CO₂ emission by about 700 tonnes.

However, the projects take full effect over the long period. In 2014-2015 we expect to significantly decrease our environmental footprint as, for us, reductions in fuel consumption and CO₂ emissions are one of the most important aspects of sustainable development.

* calendar year 2013 in accordance with the environmental report submitted to the Marshal's Office.



5. 

Why do consumers drink our beers?

“When we design a new package, the target consumer is always at the heart of what we do. We are careful to arrive at the best possible match between the shape and appearance of the bottle and the nature of the brand. But we do not stop there though. We also care about the needs of our business partners and anticipate beer market trends.”

Radosław Pawlak
Marketing Innovation Director



How we create our flavours.

Marketing has been a part of innovation since the very beginning. Each new product which we place on the market originates either with an identified consumer need or with a future trend we anticipate. This is indispensable as effective innovations are those which not only make a good impression, but, most of all, respond to a need present in the population.

When the product is ready, all it needs to be fully successful is strong marketing support. Flooded with messages every single day, consumers must first of all learn about the new product and intuitively understand its key benefits. This is why, while developing new products, we put so much emphasis on the stage of creating the brand and communication concepts. Who are our main customers? What are their needs? What key benefits of the product will be important for them? What should the product be called? How to show everything we have to offer in an attractive way? How much should we invest to reach our customers effectively? – these are the questions we need to answer every time. Developing an attractive communication platform for the new brand requires several months of intensive work. But it is thanks to this effort that we may enjoy healthy, long-term growth of such “stars” in the KP portfolio as Książęce or Lech Shandy.

We are happy about our wide range of beers satisfying the most demanding customers. We follow the needs and taste of our consumers to offer them new sensations.

Product innovations placed on the market in F14:



Shandy Dry Orange

Limited edition of Lech Shandy – a blend of crystal clear Lech and lemonade tasting of dry orange.



Książęce Jasne Ryżowe

A summer option in the Książęce brand collection. Refreshing beer with a unique taste and aroma achieved with a combination of rice and a specially composed blend of aromatic hops.



10,5

Limited re-edition of the legendary beer from the 1990s placed on the market on consumers’ and customers’ request.



Green Mill Cider

First KP brand in the category of ciders. Genuine cider made of 100% apples. Refresher and perfect thirst quencher.



Wojak Radler

Blend of beer and lemonade with lower alcohol content for those who seek refreshment.



Redd's Apple Dry i Max

Seasonal varieties of Redd's offered as a summer refreshment. Favourite apples in two versions –sophisticated beery taste with lower alcohol content and strong apple taste so popular with consumers.



Książęce Burgundowe Trzy Słody

A winter option in the Książęce brand collection. The beer is perfect for autumn and winter thanks to its unique ingredients – 3 types of malt and dog rose fruit.

Marketing

As a responsible employer and alcohol producer, Kompania Piwowarska has introduced a lot of solutions to prevent irresponsible drinking, ensuring seamless integration between initiatives targeting company employees and those focused on its environment.

Among the measures addressed to employees, we must highlight several key ones which are unique on the Polish market. Our Employee Policy on Responsible Drinking comprises such innovative solutions as sobriety checks for employees or funding treatment for employees suffering from alcoholism. The novelty in 2013 was the introduction of “on demand checks” whereby KP employees may ask security staff for a test with a professional breathalyser before they enter company premises. In addition, Kompania Piwowarska implemented a number of internal regulations such as the Policy on Marketing Communication whose provisions are much more strict than the Act on Upbringing in Sobriety and the Prevention of Alcoholism in terms of advertising content, selection of communication channels or the use of responsibility labels. In September 2013, the previously binding rule of 70/30 related to the age structure of recipients in communication channels was changed to the more restrictive 75/25. Currently, at least 75% of recipients of a given channel must be of age in order for the channel to be used by KP brands for promotional purposes. The media house cooperating with Kompania Piwowarska submits quarterly reports to confirm that the principle of 75/25 is adhered to. The company also abides by the internal Policy on Market Research, Policy on Product Portfolio and some other, additional, voluntary guidelines on the presence of beer brands in social media. In August 2013, age gates used for KP brand websites were equipped with files blocking users who declared to be less than 18 from accessing the site again. Such persons are automatically redirected to www.niedlanielnetnch.pl (“not for minors”).

Further, films available on brand YouTube channels were blocked for unlogged users. In spite of all the strict measures put in place to control access to advertising content, two complaints were filed with the Advertising Council in the reporting period and were admitted by the Commission of Ethics as justified. As a result, the promotional materials covered by the complaints were removed. In order for our employees to be genuine ambassadors of responsible drinking, they are obliged to participate in two-hour-long training sessions entitled “Alcohol ABC” where we discuss KP’s alcohol standards and policies as well as ways to apply them in everyday life. In addition, employees working in departments in charge of preparing marketing content participate in an obligatory, whole day “Alcohol IQ” session devoted not only to in-depth theoretical training but also to practical case studies demonstrating actual application of the many policies and guidelines on responsible advertising. Invitations to take part in the training are also sent to employees of advertising agencies cooperating with Kompania Piwowarska. One year after the training, every participant receives an invitation for a refresher e-learning session to bring them up to date with recent developments in alcohol policies in force at the company. In the reporting period, 86% of employees completed an alcohol-related training appropriate for their job title. All of the promotional activities being developed for all KP brands are overseen by the special Commission on Responsible Marketing and Sales which is charged with giving opinions on marketing projects and actions before they are presented to consumers. The Commission is made up of 10 people – managers and directors of different company divisions. As for the bigger picture of the company’s external environment, Kompania Piwowarska is involved in such important initiatives as cooperating with the brewing industry in Poland and educating consumers on topics related to the influence alcohol has on people. Wanting to self-regulate their activities and eager to maintain the highest possible advertising standards, beer producers associated in the Polish Breweries Union have become members of the Advertising Council, an organisation working to improve marketing communication standards through promoting good practices while stigmatising unethical and unfair advertising content. The system of self-regulation is based on the Code of Advertising Ethics incorporating a special chapter on the brewing industry.

The bottle is a perfect communication medium as every consumer has the opportunity to notice clear and legible responsibility labels as he reaches to take it off a shelf. Such messages are placed on all primary and secondary packages of our brands. To the well-known slogans “I never drive after drinking” and “Alcohol. Minors not allowed” was added another important message, this time addressed to pregnant women. Under an agreement signed by all members of the Polish Breweries Union, the label with the words “I’m pregnant. I don’t drink” will gradually appear on packages of beers produced by the members of the Union as well as on other promotional materials such as POS materials or television ads. The label was officially presented on the 9th of September 2013 during the International Foetal Alcohol Syndrome Day observed in Poland. Primary and secondary packages of our products display legally required information aiming to inform the customer, among other things, about the name of the product, its alcohol content, name of the producer, allergen content, storage instructions and the necessary market-related details such as the bar code or recycling and returnability signs. All our packages also bear a marketing message and non-mandatory responsibility labels. In 2013, an industry agreement was signed with the members of the Polish Breweries Union requiring that one of 3 non-mandatory responsibility labels be placed on all primary and secondary packages of beer, the agreed versions of the labels being “I never drive after drinking”, “Alcohol. Minors not allowed” and “I’m pregnant. I don’t drink”. Packages of KP products additionally show the internet address www.abccalkoholu.pl.

Why do consumers drink our beers?

62.





6. 

How are we engaged in social activities?

“The bottle is a perfect place where we can communicate information on responsible beer drinking to our customers. This is why, in 2013, we signed an agreement with the largest beer producers in Poland according to which the label saying that pregnant women must not drink alcohol should be placed on the very package. Thanks to many educational campaigns, women have become much more aware of the fact that even small quantities of alcohol drunk during pregnancy may lead to Foetal Alcohol Syndrome.”

Katarzyna Radecka
Sustainable Development Manager
at Kompania Piwowarska

Discouraging irresponsible drinking

Beer is a beverage with low alcohol content created to be relished and enjoyed as a refreshment on sultry days. It is drunk by millions of consumers in Poland. And yet there are situations when even the smallest amount of alcohol should be avoided. Such is the case when we plan a journey by car. Neither is alcohol recommended for pregnant women or minors. Consequently, for many years, campaigns to educate consumers on the prevention of irresponsible drinking have been part of the strategy pursued by Kompania Piwowska as the leader of the brewing industry in Poland. Every year an ever wider range of partners become involved in our educational programmes broadening their scope. This is especially important for us because excessive drinking in any form many have detrimental impact on the society, damage our reputation and trigger attempts to curb commercial freedom.

In its drive to continuously raise consumer awareness of alcohol-related issues, Kompania Piwowska develops a unique website at www.abcalcoholu.pl which aims to help people make informed and responsible decisions about drinking. Only in the reporting period, i.e. from April 2013 to the end of March 2014, the website had 181,000 hits with almost 58,000 unique visitors. At the same time, the [abcalcoholu](#) profile on Facebook attracted 16,000 followers.

One of the important objectives we managed to achieve in 2013 was to establish cooperation with the brewing industry in Poland in order to include a voluntary “I’m pregnant. I don’t drink” message on the packaging and in marketing communication.

The initiative was supported by many educational measures such as the distribution of guidebooks for pregnant women with a promotional book-mark reminding them of the dangers of drinking alcohol during pregnancy.

Educational measures reached 138,000 pregnant women

thanks to our cooperation with companies distributing promotional materials to gynaecologist’s offices and maternity classes. The International FAS Day on the 9 of September 2013 was the day of the first meeting organised by the Polish Breweries Union under the patronage of the Parliamentary Women’s Group devoted to the problems caused by drinking alcohol during pregnancy and the risk of newborn babies presenting FAS (Foetal Alcohol Syndrome). The meeting was attended by the representatives of the media as well as experts (gynaecologists and members of the Fastryga Foundation). It resulted in a December session of the Standing Sub-Committee on Public Health whose agenda included a debate on the importance of alcohol abuse prevention in the promotion of a healthy lifestyle with particular emphasis put on FAS. Members of the Sub-Committee concluded that it was necessary to have uniform recommendations on FAS developed for doctors by a group of renowned gynaecologists. The position of experts was clear – every amount of alcohol drunk by a pregnant woman may pose a risk for the health of her unborn child and a message to that effect should always be communicated by gynaecologists to their patients who plan or expect a baby.

Educating drivers on the impact of alcohol on their ability to drive is important. Hence, Kompania Piwowska does not limit its actions in this respect to placing non-mandatory responsibility labels on the packages of its products,

but also uses such labels on POS materials or in clips shown on television or the internet. In addition, since 2008, the company has developed the programme “Check your BAC” which is intended to make drivers aware of how much blood alcohol content results from drinking just one beer. This may be done in a matter of seconds by means of a free smartphone application working much like a portable breathalyser. Over 182,000 people have used the application so far. Importantly, the programme was joined by

Raben, a company employing 6,500 drivers, and Tesco which recommends “Check your BAC” to its customers in a free magazine with a print run of 100,000 copies. For more information about the programme, visit www.sprawdzpromile.pl. The application may also be used via Facebook at http://apps.facebook.com/sprawdz_promile. Educational programmes for drivers are also delivered in cooperation with members of the Polish Breweries Union through the Facebook profile “Driver’s Club” which associates responsible drivers – people who care as much about good fun as about a safe journey back home. Thanks to its attractive content and competitions on responsible driving habits, the profile’s followership is over 30,000 strong. In addition to the Driver’s Club platform on Facebook, the Polish Breweries Union has, for a number of years, conducted its “Driver. Sober.” educational campaign supported by the European Road Safety Card. The initiative has put Driver’s Club volunteers in many national and local road safety events where they promote the idea of “not driving under the influence” by means of alco-goggles and a driving simulator.

Another important topic raised by Kompania Piwowska is the prevention of selling alcohol to minors.

Social acceptance of selling alcohol to minors is still widely spread in Poland, which is why it is so important to change the attitude of shop assistants so that they are aware not only of the legal consequences this may entail but also the damage caused by minors drinking.

Relevant knowledge about the problem was provided to 600 participants of training sessions organised in 22 towns and cities for vendors of beer working during the largest events sponsored by brands owned by Kompania Piwowska. During the sessions, experienced trainers apply elements of psychological training related to responsible sale and organise workshops to communicate the necessary knowledge about verifying customers’ age as well as the legal aspects and adults’ responsibility. They also facilitate exercises improving customer service skills.

For a number of years now, member of the Polish Breweries Union have also run the campaign “Appearances may be misleading. ID is not” together with the National Police Headquarters. Its leitmotif is “React when you see a minor buying alcohol”. It is important to bring attention to the fact that alcohol is intended for adults only. This year, work continues to develop an e-learning platform for vendors through which they could learn about the principles of responsible sale and practice how to refuse selling alcohol to minors.

Developing relations with our business environment, we organised, in November 2013, the third edition of the KP stakeholders panel in line with the international standard AA1000SES. This year, the panel was devoted to setting up a cooperation forum for responsible drinking. It was directly inspired by recommendations made by the participants of last year’s meeting during which stakeholders highlighted the value of building coalitions and better coordination of actions encouraging responsible drinking habits. The meeting was attended by the representatives of non-governmental organisations, public sector bodies as well as members of the clergy and trade unions who confirmed the need to create a Polish forum on the initiative of the entire alcohol sector.



In 2013, we started acting on a joint commitment made in 2012 by the brewery, wine and spirits sectors on stepping up and widening the scope of efforts reducing irresponsible drinking.

The declaration adopted for the years 2013-2018 complies with the global strategy of the World Health Organisation. Its aim is to focus on 5 areas – prevention of drinking alcohol by minors, strengthening the codes of good marketing practices, educating consumers, combating the problem of drunk drivers and cooperating with retailers to establish principles of responsible drinking. Practical examples of such actions include an e-learning platform for alcohol vendors, educational initiatives targeting drivers to discourage them from drinking and driving as well as the introduction of the 75/25 principle for printed materials, TV, radio and the internet whereby brands in the KP portfolio will be present only in such communication channels where it is to be expected that at least 75% of recipients are of age.



We work together for our communities

For many years now, we have been working for our local communities through actions which soon became permanent programmes. We support the society in such areas as education, upbringing, healthcare, social exclusion, disability, culture and sports. We are involved in different charity endeavours and make donations for various purposes.

Volunteering has been blooming at KP for 15 years on the initiative of employees themselves and thanks to the dedication of many people! One of the first volunteering initiatives was Santa's Emergency Service. The company started its social aid work by providing a number of gifts and substantially supporting charities. Subsequently, at the initiative of its employees, KP developed a long tradition of preparing Christmas gifts in the Santa's Helpers Christmas campaign. In time, the project turned into a year-round effort to help the needy in ways which extended beyond Christmas. As a result, KP volunteering evolved again, changing its name and the way it operated. As of November 2008, the initiative became a regular employee volunteering programme known under the name of Come Rain or Shine. KP's employees submitted their own projects supporting non-governmental organisations. The focus of KP volunteers shifted from helping individuals to supporting credible and trusted social partners. In 2012, the programme was renamed Kompania of Volunteers. It was expanded by the addition of new forms of volunteering and the innovative tool: the Volunteering Platform. The nature of the programme remained unchanged. It continues

to be dedicated to those Kompania Piwowska employees who are willing to contribute their time and energy as well as share their passions. The volunteering employees who are sensitive to the needs of others have come up with a wide range of projects in the fields of education, care, culture, art and sports. While people's needs seem endless, there seem to be as many ideas for helping them! The company wants to see durable results of the projects and reach a wide range of those who need help.

Who do we work with?

Social partners who cooperate with us under our volunteering schemes are non-governmental organisations and public interest institutions. These include foundations, associations, community day care clubs, old people's clubs, schools, pre-schools, libraries and orphanages..

Every employee may become a volunteer!

The company supports its volunteering programme organisationally and financially. Membership is open to everyone.

How does it work?

Volunteers submit a support project together with their social partners. The themes and scope of such projects reflect the actual needs of specific organisations. The submissions are evaluated by the Programme Board which allocates funds to finance the work. The Board is made up of company employees based all over Poland and working in different jobs for different departments. The maximum amount of co-financing to be granted by the Board has been set at PLN 10,000 and it takes two months on average to complete a joint project.

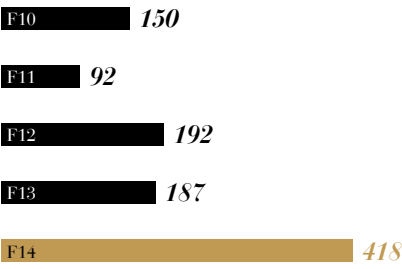
Volunteering Platform is an internal KP tool integrating the volunteering community and volunteering-related matters.

The Volunteering Platform is Kompania Piwowska's novel, internally-developed tool created to streamline volunteering activities. The tool forms a bridge between social partners and KP volunteers. What is also new is an opportunity to submit projects by external organisations which want to start cooperating with Kompania of Volunteers and have not been able to do it so far. The Volunteering Platform was developed as a response to the needs of numerous groups. We talked to volunteers, organisations and volunteering coordinators. We gathered opinions, comments and suggestions including those which were raised during the Stakeholder Panel in 2011. All of them were reflected in the way the tool was designed. As it was being developed, we consulted its individual elements (e.g. the content of application forms) with selected organisations and employees. All comments and amendments have been taken on board. The Volunteering Platform is also used for the technical management of Kompania Piwowska's employee volunteering programme. Its purpose is to bring together in one place all the volunteering programme data for all project stages, from the conception of ideas to supporting specific people, to the submission of specific project ideas by employees or organisations, to the admission of working partners, the allocation of funds and final assessment in the form of a report.

Kompania of Volunteers on the web

KP homepage has a dedicated KOMPANIA OF VOLUNTEERS tab at [http:// www. kp.pl/ odpowiedzialnosc-spoleczna/ /kompania-wolontariuszy/](http://www.kp.pl/odpowiedzialnosc-spoleczna/) with information about volunteering and KP activities as well as a special form which organisations may use to submit projects and invite Kompania of Volunteers to cooperate. The submissions are recorded in the Volunteering Platform database where, after being approved,

Number of volunteers



As ambassadors of volunteering we have brought Kompania Piwowska closer to local communities and contributed to the creation of social welfare together. Kompania of Volunteers is a strong group of people intent on changing their environment for the better!

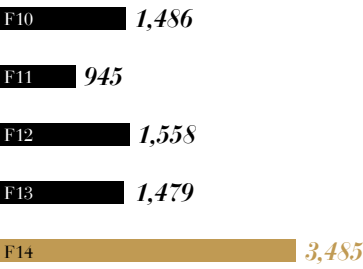
In addition, Kompania Piwowska develops other forms of involvement such as donations to local communities.

Through local community donations, the company supports local health care organisations, foundations as well as fire-fighting and police units and engages in charity campaigns. However, the majority of our support is provided within the framework of our employee volunteering programme. KP has also used its donations to support its own employees through hardship such as illness or misfortune.

they can be seen by all KP employees across Poland. This provides employees with an easy way to search through projects in their area and engage in supporting them. Organisations may take advantage of our advanced environmentally friendly channel for project submission, rather than sending letters and emails with requests for help or invitations to cooperate.

Kompania of Volunteers has also got its own group on the internal social portal male.piwo.net containing all the information about volunteering as well as news and a project database.

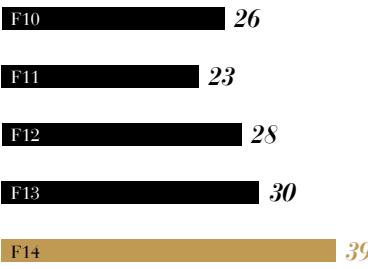
Number of hours



Volunteers get organised around specific problems, share opinions, offer comments and post pictures from project implementation.

Volunteering produces a wealth of benefits to the company, its employees and the cooperating organisations. By engaging in voluntary initiatives and programs, employees can pursue their interests and acquire skills which prove useful also in their daily work. The opportunity is precious for any person who seeks to evolve on many levels and experience new feelings and situations by helping others.

Number of projects



How are we engaged in social activities?



Special campaigns

The employees of Kompania Piwowska are always eager to get involved in helping others, and their help comes in a variety of ways. Many a time, these are one-off and spontaneous campaigns that attract a great many of employees, e.g. charity collections for fire victims.

Regular campaigns

“Out of the Outfit”

The “Out of the Outfit” campaign, in which we have been involved for two years, disenchants old clothes and enables us to use them smartly. The campaign focuses on the collections of clothing, footwear and textiles.

Textiles collected in special containers across the whole of Poland undergo sorting. If they lend themselves to being worn again, they are sent to West Africa and the poorest regions in Asia.

Other items are processed into a yarn, industrial cleaning wipes, car sound dumping materials or alternative fuels. Thanks to textile scrap recycling we reduce the consumption of natural resources and the accompanying degradation of the environment.

Funds gathered in clothing collection campaigns (PLN 0.30 per 1 kg of clothing or footwear) support The Anna Dymna “Mimo Wszystko” Foundation, which uses all the money to finance the Therapy and Rehabilitation Centre for Intellectually Handicapped Adults in Radwanowice near Cracow.

In Kompania Piwowska, we succeeded in collecting 4,488 kg, between 21 May 2012 and 1 June 2014, which enabled us to support the Foundation with PLN 1,346.40.

Together with other companies, institutions, textile and footwear businesses, we collected 51,956 kg of clothing and footwear between January and December 2013. As a result, the “Mimo Wszystko” Foundation received PLN 21,533.60.

Plastic caps collection

Being positively twisted is really worthwhile! Over nearly 2 years of the collection (FY13 and F14) we managed to gather around 500 kg of plastic caps. Thanks to integrated efforts, KP collections and initiatives taken by other companies and people, the “Bez Tajemnic” Foundation helped their wards fund their rehabilitation gear under the charity-and-environment programme “Caps Info”. The value of their support amounted to PLN 185,000: the Foundation purchased 3 electrical wheelchairs, 9 wheelchairs, 1 pram and rehab seat, 2 therapeutic chairs and a therapeutic walker.

Together with the Great Orchestra of Christmas Charity

Every year we play together with the Great Orchestra of Christmas Charity (WOŚP) and we donate items to its great Christmas auction. Since 2010, items given by KP have been auctioned off for a total of over PLN 80,000.

Donate 1% of payable tax

Every year, we encourage our employees to donate 1% of their tax to a public interest organisations. A list of organisations proposed by our employees is posted at all times on Kompania Piwowska’s Intranet.

Cooperation with social enterprises

What are social enterprises?

They are mainly social companies whose main goal is public and social activity. Their profits are reinvested in these goals or in the community, and they are not used to drive the company profit or increase their owners’ or shareholders’ revenues.

In collaboration with the Professional Activation Office in Piła we have developed a line of eco-design items, including bags made of used advertising banners from KP brand campaigns. Such advertising banners are normally subject to disposal and utilization, but we gave them a second life. The banner eco-bags offer a combination of comfort, environment protection and fashion. The bags were sewn by workers of the social enterprise dealing with professional activation of people with mild to severe handicaps.

Its mission is to achieve the social and professional rehabilitation of mentally disabled and mentally ill people. Each bag is one-of-a-kind and exceptional. All bags come with a tag saying not only that the bags are produced by people with disabilities but also that they have been made out of Kompania Piwowska banners. Any purchase of a bag produced by PAO supports the community.

The cooperation with PAO is an ideal example of practical solutions under the sustainable development policy.

One area of the policy is respecting human rights, which relates not only to KP employees. Pursuing this priority, the company aims to support people with disabilities and generate workplaces in the process.

Measuring community investment

The LBG (London Benchmarking Group) methodology, also applied in SAM internal reporting, is a tool for measuring and reporting the effectiveness of corporate community investment with one of the most solid track records in business practice. The tool helps accurately and comprehensibly assess a company’s total investment in the community and express, in zloty (or another currency’s) terms, the total contribution that a company has made to further its community projects. Community commitment is assessed in terms of not only the sums donated but also the time contributed by volunteer employees and the cost of managing individual projects.

The company’s total community investment in the fiscal year F14, as measured by the LBG method (donations, community projects, socially responsible marketing projects), amounted to PLN 631,593.

SROI Analysis

The Social Return on Investment (SROI) is a tool designed to analyse the mechanisms through which organisations gain and exercise their influence on society, the environment and the economy, as well as to measure and report on this influence. While the underlying pioneering work was performed by the US company REDF at the turn of the century, SROI Analysis, as it is known today, was developed by the New Economics Foundation, a UK-based think-and-do tank which has supported innovation in the economy for a quarter of a century. The SROI is known and widely used by the public and social support sectors in the United Kingdom and the Netherlands in internal and external reporting and to manage special promotions. The tool is of particular value as an aid in decision-making by public institutions (for more, see: www.sroi.pl). SROI combines the strengths of cost and benefit analysis with those of social audits. What makes it unique is its ability to present in monetary terms all the significant investments and effects of particular activities, that is, simply put, to express societal impact as money. Each analysis is summarised by quoting the so called SROI ratio which correlates investment in a particular project with the benefits that the project provides to society. Kompania Piwowska has applied SROI Analysis to evaluate its employee volunteering programme, Kompania of Volunteers. The analysis was intended to determine the social value generated by the Programme, describe the change mechanism from the stakeholders’ perspective and identify the projects which provide the highest social return on investment. KP examined a total of 19 projects conducted in the financial year 2012/2013. Most of the projects supported the education and treatment of children and youths, including those with mental and physical disabilities. Such young people were also the key stakeholders. The volunteers provided help by upgrading facilities, supplying equipment for treatment, fun and games and education, organising entertainment and simply spending time together. The Social Return On Investment varied significantly ranging from 0.27 to 9.78. Although the SROI ratio should not be used to compare organisations having different profiles, correlations between the ratio and project types can easily be seen in this case.



The average SROI ratio for all projects was 5.81, meaning that each zloty invested (as a monetary contribution or in the form of volunteer labour) generated PLN 5.81 of social value. This excellent result confirms the money was well spent.

We are “In tune with nature”!

Since 2007, Kompania Piwowska has been implementing “In tune with nature”, an innovative employee environmental education programme of a kind never before seen in Poland.

It relies on humour and a friendly approach to teaching ways to care for the environment.

What does the programme encourage?

The goal is to reduce waste stream volumes, sort waste smartly and conserve water, electricity and heat not only in the workplace but also at home. Caring for the environment ultimately means caring for the quality of life. The program is supported by recycling and environmental protection role models. Employees can use the internal community website malepiwo.pl to share ideas and interesting pieces of environmental information.

Kompania Piwowska and Biedronka retail chain go green together!

The Earth Day was a good pretext to organise yet another edition of the “In tune with nature” environmental initiative. On the 19th and 20th of April, Kompania Piwowska and the Biedronka retail chain encouraged inhabitants of 12 Polish cities to segregate waste. Customers in selected shops received practical, environment-friendly bags in return for 5 glass or aluminium packages.

Result:
8,000 environment-friendly bags for 7.5 tonnes of recyclable raw materials.

The initiative reached Warsaw, Białystok, Poznań, Tychy, Lublin, Płock, Wrocław, Kędzierzyn-Koźle, Słupsk, Olsztyn, Tyczno and Toruń. In addition to the University of Ecology and Management in Warsaw, Biedronka and Kompania Piwowska were supported by the Rekopol recovery organisation which took care of the packages collected.

Green MAG

Since 2012, KP has taken part in the environmental Green MAG (Zielony MAG) programme under which waste plastic foil is collected from stores free of charge. The shops place their foil in special bags provided to them at no charge. The collection is then performed during deliveries. The project is designed to:

- raise awareness of the need to sort waste
- help shops dispose of their waste
- diversify KP’s partnerships with vendors

Results of the programme:
150 contracts signed for the collection of foil. Collecting over 18 tonnes of foil waste*.

* data for December 2012 – January 2014

The “Don’t just throw it away” initiative

We want our employees to be very knowledgeable on sorting waste and its recycling and use the knowledge not only theoretically but also in their everyday lives. (especially in the context of waste legislation)

We have promoted knowledge on segregating waste in a way which is accessible, interesting and easy to remember.

The malepiwo.net portal and Zielony Ludzik’s blog posted information and images related to sorting waste. Every entry provided employees with an opportunity to write comments or ask relevant questions. A competition was launched in the form of a quiz checking knowledge on waste segregation (a dozen or so questions). People were encouraged to participate in the competition via mailing and announcements in the Świat Piwa magazine. All materials used for the purposes of the initiative were based on data provided by the EKO-PUNKT Recovery Organisation which offered expert support during the project and helped us answer questions on segregating waste posed by employees.

Results:
181 employees participated in the competition. 50 participants were awarded environment-friendly bags for segregating waste. Information mails were sent to over 3,000 KP staff.

The initiative raised a lot of interest among employees and was commented upon in positive terms also because knowledge was transmitted in an interesting and accessible way. Many employees asked for approval to distribute posters at housing co-operatives where they live which proves that the step was necessary and was well received by the participants.



How do we contribute to reduce the effects of HIV and AIDS?

What is the impact of the virus on the human body? The virus attacks the immune system and significantly weakens the body’s defences rendering it unable to fight diseases and fend off infections. IN ITS ADVANCED STAGE, HIV INFECTION MAY CAUSE AIDS, A DISEASE WHICH REMAINS INCURABLE. Antiretroviral therapy may delay the onset of AIDS after HIV infection and considerably extend the life expectancy of an infected person.

Why is it important to reduce the effects of HIV and AIDS? Contrary to what might be expected, awareness of potential infection routes is still low. This is why it remains of paramount importance to continuously educate the population. The bottom line is to understand the problems related to HIV/AIDS and ways to prevent infection. Tests are important as they make it possible for the infected to get faster access to treatment. Education and prevention may stop the disease from spreading.

There are currently over 35 million people in the world who are infected with HIV or suffer from AIDS.

Between the time tests were first done in 1985 and 31 March 2014, HIV was detected in 17,935 Polish citizens and foreign nationals residing in Poland (the figure has been adjusted and updated to eliminate duplication and other distortions). By and large, of the 3,113 reported AIDS cases, 1,269 patients died (according to the National Health Institute/State Hygiene Authority). All registered infections were confirmed in accordance with the criteria in the European AIDS definition adopted for the purposes of epidemiological supervision.

We take preventive measures. Healthcare benefits for Kompania Piwowska’s employees include free tests at Medicover healthcare centres or the use of the country-wide base of facilities performing the tests, posted at the National AIDS Centre at www.aids.gov.pl. We monitor the number of people infected with HIV in Poland on an on-going basis.

We keep informing our employees of the risks and preventive measures, particularly during the annual World AIDS Day on 1 December, which offers an opportunity for a more profound discussion.





What further use do we make of packaging and waste?

“Glass packaging waste undergoes secondary segregation at the waste sorting plant. Cullet is then cleaned, crushed to correct size and sorted into separate colours. Such raw material is sent to glass-works where it is reused for the production of glass packaging.”

Marcin Jakubkiewicz
Rhenus Recycling Polska Spółka z o.o.
Cullet Processing Plant



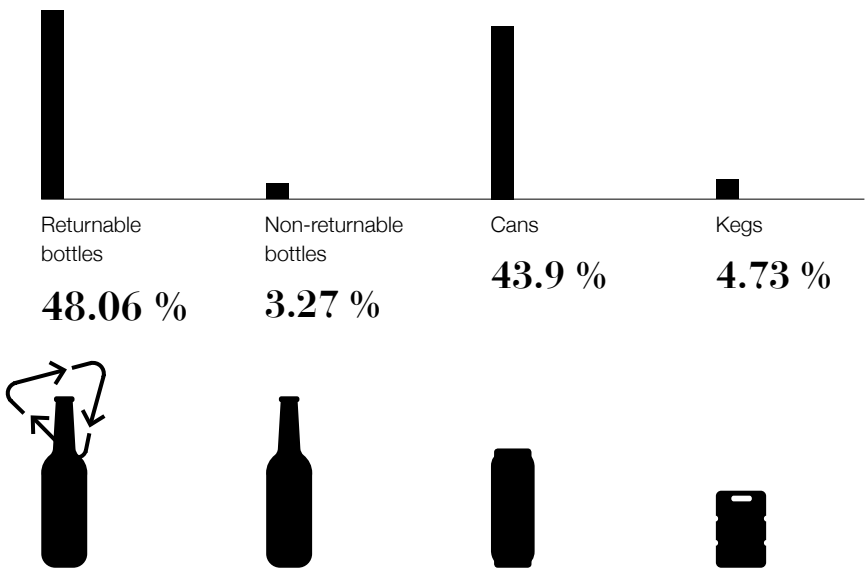
Packaging waste recovery and recycling

Packaging types

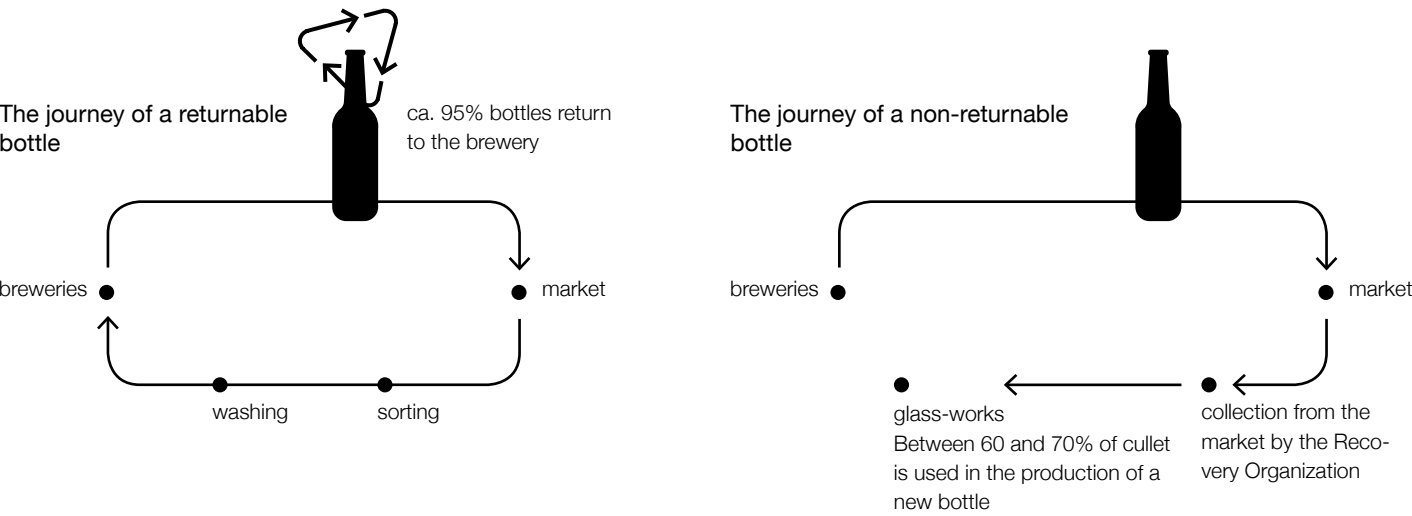
Breweries pack and distribute beer in three types of packaging: kegs, aluminium cans and glass bottles.

The basic type of packaging used for all our beer brands is multiple use 0.5 l glass bottles. Such bottles are used several times during their lifecycle. Before being reused, a returnable bottle runs through a bottle washer. In addition to returnable bottles, breweries rely on 0.5 l aluminium cans, or larger 5.0 l packs used in smaller quantities and mainly on a temporary basis. On-trade establishments such as bars and restaurants have their beer delivered in bottles and kegs. Kegs are returnable containers specially designed for multiple use.

Pack market shares based on actual sales volumes in F14



Two bottle journeys in Kompania Piwowarska:



The Recovery Organization supports our company in the recycling and reuse of packaging materials, through a permanent system of selective waste collection, management as well as reuse and recycling. The organization also takes multiple measures aimed at environmental education. It guarantees comprehensive, reliable and professional services.



What further use do we make of packaging and waste?



Quantities of products and reused packaging materials by material type from 2010 to 2013

ALUMINIUM APPLIED [KG]	
2010	22,298,823.71
2011	21,633,988.36
2012	21,848,715.66
2013	19,401,261.03

METAL SHEET RECOVERED [KG]	
2010	590,266.67
2011	464,124.34
2012	494,591.74
2013	467,289.06

PLASTICS RECYCLED [KG]	
2010	577,857.66
2011	733,313.88
2012	797,617.15
2013	1,424,958.61

GLASS RECOVERED [KG]	
2010	8,595,154.49
2011	6,198,911.34
2012	6,428,728.21
2013	2,820,010.52

ALUMINIUM RECYCLED [KG]	
2010	10,034,470.67
2011	10,167,974.53
2012	10,487,383.52
2013	9,506,617.90

PAPER AND CARDBOARD APPLIED [KG]	
2010	8,369,700.45
2011	7,414,116.44
2012	8,997,757.16
2013	8,193,941.35

PLASTICS RECOVERED [KG]	
2010	1,123,612.12
2011	1,389,436.82
2012	1,475,591.72
2013	2,452,254.35

WOOD PALLETS APPLIED [KG]	
2010	4,180,635.18
2011	5,059,191.53
2012	5,840,344.91
2013	7,872,938.49

ALUMINIUM RECOVERED [KG]	
2010	2,229,882.37
2011	1,730,719.07
2012	1,966,384.41
2013	1,843,119.80

PAPER AND CARDBOARD RECYCLED [KG]	
2010	4,352,244.24
2011	4,003,622.88
2012	5,038,744.01
2013	4,752,485.98

GLASS APPLIED [KG]	
2010	85,951,544.87
2011	68,876,792.66
2012	80,359,102.64
2013	80,571,729.09

WOOD PALLETS RECYCLED [KG]	
2010	627,095.28
2011	758,878.73
2012	876,051.74
2013	1,180,940.77

METAL SHEET APPLIED [KG]	
2010	2,951,333.37
2011	2,578,468.58
2012	3,297,278.24
2013	3,738,316.06

PAPER AND CARDBOARD RECOVERED [KG]	
2010	83,697.00
2011	74,141.16
2012	89,977.57
2013	40,969.71

GLASS RECYCLED [KG]	
2010	36,959,164.29
2011	31,683,324.62
2012	39,375,960.29
2013	44,314,451.00

WOOD PALLETS RECOVERED [KG]	
2010	1,588,641.37
2011	2,023,676.61
2012	2,452,944.86
2013	3,424,728.24

METAL SHEET RECYCLED [KG]	
2010	973,940.01
2011	954,033.37
2012	1,384,856.86
2013	1,719,625.84

PLASTICS APPLIED [KG]	
2010	3,210,320.36
2011	3,859,536.72
2012	3,988,085.74
2013	6,627,714.46

Studies of packaging life cycles have proven the environmental benefits of using returnable bottles instead of any other type of packaging. Given the present turnover of bottles and product distribution distances, returnable bottles save energy and reduce the emissions of green-house gases and other pollutants. Brewers are prepared to wash such bottles properly. Furthermore, returnable bottles also make financial sense, as they take up to 20 or even 30% off the price of the same product in a disposable pack. Even a single additional cycle generates significant financial and environmental benefits.



With its well-developed returnable bottle collection system, Kompania Piwowarska has been recovering the largest share of packs compared to any other brewer in Poland, at a rate as high as ca. 95%.

Turnover cycles for specific bottle types:
Gold – 16
Alaska – 7
Crown – 4

About the report

The key information

As a socially responsible company, Kompania Piwowska openly and transparently communicates information about issues regarding its activity in the light of its priorities. The company shares its achievements and successes as well as wide social and environmental initiatives with its stakeholders. This report developed in keeping with the GRI standards presents a structured journey through the key aspects of our business.

For many years now, we have been developing our activities using regular panel meetings with our stakeholders, in compliance with the AA1000SES standard. In 2011, the panel focused on the evaluation of our company's previous social engagement and on identifying areas on which KP should concentrate. In 2012, two meetings were organized in Warsaw, devoted to solving problems linked to irresponsible alcohol consumption. The purpose of the 2013 stakeholder panel was the presentation of views and opinions about a proposed organization of an alcohol and health forum in Poland.

In the course of the financial year, the composition of the Management Board changed. The reported data show the Management Board at the time of the financial year closure.

The KP sustainable development report for the year F14, covers all units of the company, i.e. the breweries in Tychy, Białystok and Poznań, with the company head office, as well as 14 trade depots spread across the whole country.

We present our social activities through the journey of a bottle, the story of which takes the reader from one chapter to another. This document was prepared in a different way than the previous year's report, which was based on 10 sustainable development priorities.

This sustainable development report describes KP activities in the financial year F14 (12 months from April 2013 to March 2014), unless stated otherwise. The report is published in an annual cycle.

The KP sustainable development report for the year F13 (12 calendar months from 1 April 2012 to 31 March 2013) was published in September 2013.

The methodology

The Global Reporting Initiative is an international non-profit organization which develops and guards reporting guidelines for corporate social responsibility and sustainable development. In May 2013, GRI published a new generation of guidelines, the so-called GRI G4, which were used in the preparation of this report.

This report was produced according to the latest reporting guidelines of Global Reporting Initiative G4, the "Core" version. The report presents the main impacts that Kompania Piwowska makes and the degree of progress made in implementing its sustainable development strategy.

Report preparation

Preparation of the report is a multi-stage process spread over time. One of the first steps was a meeting of the team who created the report. In our workshop, we all selected significant issues that were considered most important in the F14 reporting. Having thus developed a map of the report, we decided upon further steps and a split of tasks. Such a working meeting is of key significance for further work on the report.

The scope of the report was defined in line with the GRI reporting procedure, based on the four principles of stakeholder recognition, significance, sustainability and completeness. We identified the reporting aspects and issues, and in particular we considered:

- 1. Aspects of the GRI guidelines.
- 2. Aspects and issues reported in the previous reporting cycle.
- 3. Aspects of guidelines and indicators in keeping with internal reporting covered by the SAM matrix.
- 4. Other major issues linked to the company's activities in the reported year.
- 5. Outcomes of the stakeholders' panel run in the reporting period.

We presented the nature of these issues, their place of occurrence and scope of effect. We then set our priorities, in keeping with the significance principle. To that end, we considered the three criteria of: the impact of a given aspect or issue on company success, its importance for the company's stakeholder, and its presence in SABMiller's strategy. Then, by reference to the completeness principle, we selected the priority aspects to be reflected in the report. The new GRI G4 guidelines adopt the notion of aspect scopes, which are based on assessments of whether a given aspect affects the organization internally or impacts its external spheres of influence. The majority of the identified aspects affect both the internal and external environment, and vary in the degree and nature of their impact.

The reporting process involved a number of people who are in charge of specific areas of the company's activity. The process itself was managed by KP Sustainable Development Manager. The report map was prepared in liaison with CSRInfo. Not unlike in previous years, the report was submitted to an external review carried out by an independent audit company. It constitutes an element of the sustainable development monitoring and reporting system in Kompania Piwowska. The reported data on specific aspects is fed into a common system of the whole SABMiller Group and subjected to reviews by managers of Kompania Piwowska and the SABMiller Group.

Key reporting aspects at Kompania piwowska

Key aspect	Impact of aspect within the organization	Impact of aspect outside the organization
Economic		
market share	●	●
economic influence	●	●
hops purchasing policy		●
Environmental		
raw materials	●*	●
energy consumption	●*	●
care of water resources	●*	●
sewage management	●*	●
green gas emissions		●
waste (packaging and other)	●*	●
supplier certification		●
Social: employment and decent work		
employee growth and human capacity improvement	●	
employee assessment	●	
diversity (women in executive positions)	●	
occupational health and safety and employee health	●*	●
Social indicators: respecting human rights		
supplier certification		●
Social indicators: society		
employee volunteer programme	●	●
Social indicators: product liability		
alcohol – discouraging irresponsible drinking		
efforts to mitigate social harm of alcohol drinking	●	●
brand image and responsible marketing communication, including the creation of a positive image of beer and drinking behaviours		
finished product quality	●	●
product innovations	●*	●

* an aspect particularly important in production activity (breweries)

Definition of stakeholders: Chapter 3.3

Contact

Questions concerning this Kompania Piwowska sustainability report should be addressed to:

Katarzyna Radecka, Sustainable Development Manager
Landline: +48 61 6677455
Mobile: 601 599 223

GRI Content Index

– the Core Version

Indicator	GRI G4 Guidelines	External Assurance	Reference in the Report
Strategy and analysis			
G4-1	Statement from the most senior decision maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	✓	7-8
Organizational profile			
G4-3	The name of the organization	✓	11
G4-4	The primary brands, products and services	✓	13-14, 61
G4-5	The location of the organization's headquarters	✓	11
G4-6	The number of countries where the organization operates	✓	11
G4-7	The nature of ownership and legal form	✓	25-26
G4-8	The markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	✓	3, 11, 27, 61
G4-9	The scale of the organization	✓	3, 11
G4-10	The total number of employees by employment contract, region and gender	✓	28
G4-11	The percentage of total employees covered by collective bargaining agreements	✓	28
G4-12	The organization's supply/value chain	✓	41-43
G4-13	Any significant changes during the reporting period regarding the organization's size, structure, ownership	✓	41
G4-14	Report whether and how the precautionary principle is addressed by the organization	✓	21-24
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	✓	24, 38, 62, 65-66
G4-16	Memberships of associations (such as industry associations) and national or international organizations	✓	14

Indicator	GRI G4 Guidelines	External Assurance	Reference in the Report
Identified material aspects			
G4-17	Information on all entities included in the organization's consolidated financial statements or equivalent documents	✓	KP has subsidiary companies which do not run operational activity
G4-18	The process for defining the report content and for implementing the reporting principles for defining report content	✓	79
G4-19	The key reporting aspects	✓	80
G4-20	Materiality of the aspect within the organization	✓	80
G4-21	Materiality of the aspect outside the organization	✓	80
G4-22	The effect of any restatements of information provided in previous reports, and the reasons for such restatements, as well as their impact	✓	no restatements
G4-23	Significant changes from previous reporting periods in the scope, boundaries or measurement methods applied in the report	✓	no changes
Stakeholder engagement			
G4-24	A list of stakeholder groups engaged by the organization	✓	27
G4-25	The basis for identification and selection of stakeholders with whom to engage	✓	27
G4-26	The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	✓	27
G4-27	Key topics and concerns that have been raised by stakeholders, and how the organization has responded, including through its reporting	✓	27
Report parameters			
G4-28	Reporting period	✓	79
G4-29	Date of most recent previous report (if any)	✓	79
G4-30	Reporting cycle (such as annual, biennial)	✓	79
G4-31	The contact person	✓	80
G4-32	A table showing places where the indicators are presented in the report.	✓	81-84
G4-33	The organization's policy and practice with regard to external assurance for the report	✓	79

Indicator	GRI G4 Guidelines	External Assurance	Reference in the Report
Governance			
G4-34	The governance structure of the organization, including committees of the highest governance body in charge of specific tasks.	✓	25-26
Ethics and integrity			
G4-56	Internally created mission or values of the organization, the code of conduct and the code of ethics	✓	16, 21
Economic indicators			
G4-EC8	Identification and description of significant indirect economic impacts, including the extent of impacts.		8, 11-12
G4-EC9	Proportion of spending on local suppliers		41-44
Environmental indicators			
G4-EN1	Materials used by weight or volume	✓	44
G4-EN3	Energy consumption within the organization	✓	52
G4-EN8	Total water withdrawal by source	✓	50
G4-EN10	Percentage and total volume of water recycled and reused		50-51
G4-EN15	Total direct greenhouse gas emissions by weight	✓	52
G4-EN19	Initiatives to reduce greenhouse gas emissions and their achieved results	✓	53
G4-EN21	NO _x , SO _x , and other significant air emissions by type and weight	✓	52
G4-EN22	Total wastewater discharge by quality and destination	✓	51
G4-EN23	Total weight of waste by type and disposal method	✓	54
G4-EN27	Initiatives to reduce the impact of products and services on the environment and the extent of impact mitigation	✓	53
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category of material	✓	77
G4-EN29	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce		57-58
G4-EN30	Total environmental protection expenditures and investments by type		49

Indicator	GRI G4 Guidelines	External Assurance	Reference in the Report
Social indicators: labour practices and decent work			
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operations		29
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	✓	31
G4-LA9	Average hours of training per year per employee by gender and by employee category		35-36
G4-LA11	Percentage of employees receiving regular performance and career development reviews by gender, age and employee category		32
G4-LA12	Composition of governance bodies and breakdown of employees by gender, age group, minority group memberships and other indicators of diversity	✓	28
Social indicators: human rights			
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		41-43
G4-HR2	Total hours of employee training on human rights policies and procedures concerning various aspects of human rights that are relevant to operations, including the percentage of employees trained		37-38
G4-HR10	Percentage of new suppliers that are screened using human rights criteria		43
Social indicators: product responsibility			
G4-PR1	Percentage of products and services for which health and safety impacts are assessed for improvement		47-49
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements		44, 47



Limited assurance report

To the Management Board of Kompania Piwowarska S.A.

Subject matter and Criteria

As per terms of our Agreement dated 28 July 2014 (the “Agreement”) we have been engaged to perform a limited assurance engagement on sustainability information marked with a check symbol ✓ in the GRI Content Index for “in accordance” – Core table (the “GRI Content Index”) and presented in the “Kompania Piwowarska Sustainable Development Report 2014” (the “2014 SD Report”).

Kompania Piwowarska S.A. (the “Company”) management prepared the 2014 SD Report ensuring its adherence to the Sustainability Reporting Guidelines of the Global Reporting Initiative version 4 “in accordance” - Core (the “GRI G4 Core criteria”). The 2014 SD Report presents quantitative and qualitative information on the Company’s corporate responsibility practices for the period from 1 April 2013 to 31 March 2014.

Management’s responsibility

The Company’s management is responsible for the preparation of the 2014 SD Report in accordance with the GRI G4 Core criteria.

This responsibility includes the selection and application of appropriate methods to prepare the non-financial data and the design, implementation and maintenance of systems and processes which ensure the adherence to the GRI G4 Core criteria relevant for the preparation of the non-financial data using assumptions and estimates which are reasonable in the circumstances.

Practitioner’s responsibility

Our responsibility is to express a limited assurance conclusion as to as to whether the indicators marked with a check symbol ✓ in the GRI Content Index as presented in 2014 SD Report have been prepared in accordance with the GRI G4 Core criteria. Performed procedures were chosen based on our judgment and take under consideration our judgment of the risk of material misstatement (the definitions of the indicators and respective reference to the page of their reporting are presented in the 2014 SD Report in the GRI Content Index table).

We conducted our work in accordance with International Standard on Assurance Engagements 3000 “Assurance engagements other than audits or reviews of historical financial information” (“ISAE 3000”).

Summary of the work performed

Our procedures included:

- Analysis of the sustainable development strategy of the Company as presented in the 2014 SD Report and examination of the supporting management documentation,

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- Interviews with persons responsible for CSR management and CSR reporting in the Company in respect of the processes established for preparation of the 2014 SD Report, including the process of defining material aspects and boundaries of the 2014 SD Report, we were not responsible for concluding on correctness of materiality determined by the Company.
- Examination of the relevant documentation regarding relevant systems and processes for gathering and analysing the data for the selected indicators marked with the check symbol ✓ ,
- Inquiries of the appropriate management members as well as personnel responsible for the reporting of CSR information and performing of analytical procedures on the indicators marked with the check symbol ✓ , and
- Obtaining sample evidence for the selected indicators marked with the check symbol ✓ . Sample analyzed documents included invoices/reports from external service providers, and internal reports including data generated as reports from the Company’s IT-systems.

In a limited assurance engagement the evidence-gathering procedures are more limited than in a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Limited assurance conclusion

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the indicators marked with the check symbol ✓ as presented in the 2014 SD Report have not been prepared, in all material respects, in accordance with the GRI G4 Core criteria.

Limitation of use and distribution

Our limited assurance report prepared by PricewaterhouseCoopers sp. z o.o. („PwC”) for Kompania Piwowarska S.A. in respect of the Agreement is directed to the sole use of the Company’s Management Board and should not be used for other purposes.

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The 2014 SD Report should be read together with Global Reporting Initiative Sustainability Reporting Guidelines, Implementation Manual, version 4 “in accordance” - Core.

TRANSLATION ONLY

PricewaterhouseCoopers Sp. z o.o.
Warsaw 15 September 2014

KP employees
 who contributed
 to this report





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