



**KOFOLA GROUP**

**WE OPERATE WITH RESPECT  
TO NATURE, SOCIETY AND INDIVIDUALS**

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*Sustainability is not a new issue at Kofola. Because we are not fond of fashionable words, however, you will hear us speak rather of consideration and respect for nature. Since 2010, we have been focusing intently on major issues, such as water protection, minimization of waste and carbon neutrality, which we would like to achieve by the end of the decade.*

*Of course, the life of each of our products starts at a more basic level – with the ingredients. We prefer local suppliers; ideally those whom we know personally. Thanks to them, we are able to guarantee first-class product quality for our customers and, at the same time, support the economic ecosystem in the place where we live and do business.*

*We enjoy the constant search for new ways to create healthy beverages and to do business in symbiosis with nature. Therefore, we do not undertake one-off projects. My major goal is to bring sustainable thinking into the day-to-day running of the company, into every single decision – from limiting single-serve milk for coffee to protecting water sources. This is the only way to ensure that we at Kofola can be consistently proud of the things we do.*



**Jannis Samaras**

Kofola Group CEO



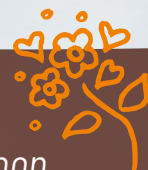
# A COMPREHENSIVE APPROACH IS THE CORNERSTONE OF OUR SUSTAINABILITY PHILOSOPHY

*Sustainable initiatives affect the entire lifecycle of our products, from ingredients, through production technology, to the means of transport. And, finally, there is also waste - both from production and from the utilized packaging. We try to prevent the generation of waste wherever possible. Where that is not possible, we promote the concept of the circular economy. Waste is then returned to the beginning of the cycle as a raw material. In many cases, we have already drawn close to this ideal.*



# CARBON FOOTPRINT

*We are reducing the carbon footprint of our operations in order to achieve carbon neutrality by 2030. We have identified the 20 most important factors and we are actively working with them: We are reducing energy consumption and we prefer to use green energy, of which we have achieved a 100% share in Slovakia. We are limiting fuel consumption in transport – of both input raw materials and final products. We plan to offset the part of the carbon footprint that we cannot reduce by planting trees and through other green measures.*

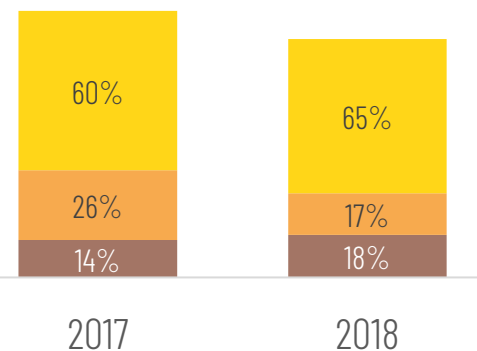


## WE OPERATE THE LARGEST FLEET OF CNG-POWERED TRUCKS IN CENTRAL EUROPE

Nearly half of our fleet does not run on diesel, but on compressed natural gas (CNG). In comparison with ordinary trucks, their carbon footprint is 25% smaller. In 2020, we enlarged our CNG fleet to a total of 60 trucks. We even operate our own CNG filling station, which we also opened to the public.

## WE REDUCE OUR CARBON FOOTPRINT BY TEN PERCENT YEAR ON YEAR

The Group's carbon footprint in tons of CO<sub>2e</sub>



### SCOPE 3

Other indirect emissions resulting from the Kofola Group's activities (particularly the leased vehicle fleet, purchased goods, waste)

### SCOPE 2

Indirect emissions from purchased energy

### SCOPE 1

Direct airborne emissions from the Kofola Group's activities



# WE PREFER PACKAGING WITH A SMALLER CARBON FOOTPRINT

We rank among the key beverage producers in Central Europe and the Adriatic region. Therefore, we focus extraordinary attention on the carbon footprint of beverage packaging, which we analyze in cooperation with the public benefit organization CI2.

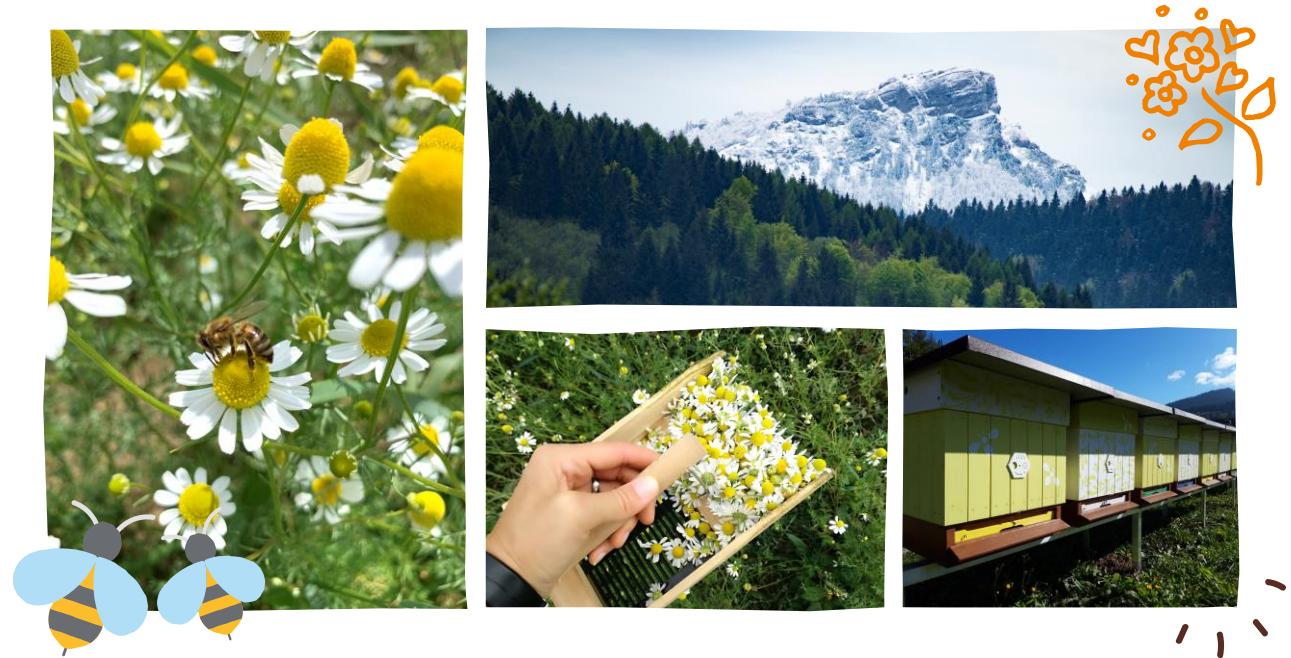
Based on the findings, we strive to give priority to large-capacity containers such as beverage barrels (KEGs) and Bag-in-Box (BiB) systems, which are more economical in terms of the carbon footprint. We also support returnable packaging, the reuse of which essentially does not generate any waste.





# WATER PROTECTION

*Our business is fully dependent on high-quality water sources. We actively protect them against pollution beyond the framework of statutory requirements. We strive to conserve water in nature in order to prevent droughts and to permanently reduce the amount of water needed per liter of beverage produced. We focus particular care on the sources of our spring and mineral waters, which include Rajec, Radenska, Kláštorňá Kalcia, Studenac, Ondrášovka and Korunní.*



## THE TRANSFORMATION OF RAJECKÁ DOLINA ILLUSTRATES OUR COMPREHENSIVE APPROACH TO SUSTAINABILITY

Rajecská dolina in Slovakia is the source of our Rajec spring water. In 2019, we established closer cooperation with local farmers and we are striving to obtain organic certification of the entire area. The purpose of this initiative is to protect not only the water source, but also the unique Rajecská ecosystem and its biodiversity. Besides water production, in Rajecská dolina we also cultivate herbs for the production of our products and we keep bees. All of these activities illustrate our holistic approach to the issue of sustainability.



# INGREDIENTS AND PRODUCTS

*We make healthy, natural products. We collaborate with local farmers and even grow some ingredients ourselves. We do not use any thickening agents, artificial colors or sweeteners. You will not find aspartame in our beverages. We thus support a healthy lifestyle. We never promote products with added sugar and caffeine at schools or even in their vicinity. We are proud of our traditional recipes such as Kofola and Vinea, and we protect them as if they were the family jewels.*

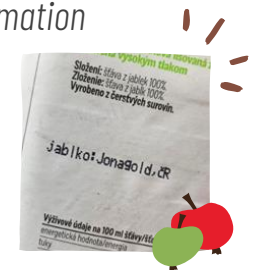


## UGO: FROM THE FIELD DIRECTLY TO THE BOTTLE

We know the fields where many of our ingredients are grown and we know their growers. For us, authenticity is not a marketing slogan, but our everyday reality.



*You can see that for yourself on, for example, UGO bottles, where you will find not only information on the ingredients' country of origin, but also their variety in the case of apples.*



## LEROS: NEW DIMENSION OF INGREDIENT CARE

We operate a network of collection points and we obtain medicinal plants and herbs directly from the source – from the pickers themselves. The next time you pour yourself some LEROS tea, picture the herbs dried in the attic like those that you see in the image at left.



# WE LIMIT PRESERVATIVES

Since 2011, we have been systematically eliminating preservatives from our beverages. Our long-term goal is to maintain the highest standard and natural character of all of the products that we make. We are helped on the path to healthy beverages by modern processes and production technologies, in which we have invested hundreds of millions of korunas in the past ten years.



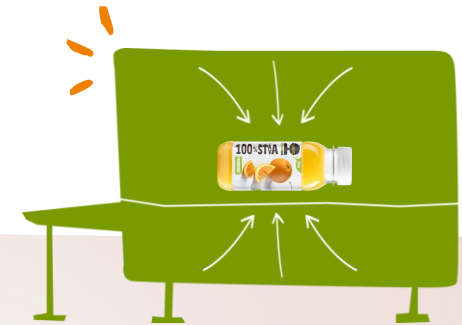
## ASEPTIC BOTTLING LINE

We bottle Rajec and Radenska flavored waters on aseptic lines, where production is carried out in a sterile environment in which the beverage, bottle and cap are rid of all microorganisms. Therefore, no preservatives are needed.



## PASCALIZATION

We treat freshly squeezed UGO fruit juices with high pressure. Unlike with thermal pasteurization, the juice does not lose its vitamins, flavor or color. Thanks to this unique technology, the juice remains fresh for up to four weeks.



## HOT-FILL TECHNOLOGIE

We make Jupí syrups and Jupík fruit beverages without any preservatives or other additives thanks to the technology of hot-pouring the beverages directly into bottles. Hot-fill technology is installed in our plant in Mnichovo Hradiště.







# WE REDUCE THE AMOUNT OF SUGAR

We limit not only preservatives in our beverages, but also the amount of sugar. We were the first to introduce to the Czechoslovak market beverages sweetened with stevia, which significantly reduces their caloric value.

We also joined an initiative of the UNESDA Soft Drinks Europe and committed to reducing the amount of sugar per liter of beverage by 10% between 2015 and 2020. Our current figures confirm that we are fulfilling this commitment.

We believe that consumers will increasingly give priority to healthier products with a lower sugar content and we are taking a helpful approach toward them.

10%

of sugar eliminated in just the past five years

-30%

less sugar contained in Kofola compared to other cola beverages

20%

of consumers are interested in which sweetener beverages contain

## THREE WAYS WE ARE REDUCING THE AMOUNT OF SUGAR



We are modifying recipes and preparing limited editions of traditional beverages with a lower sugar content



We support sales of water-based beverages

We are focusing on selling beverages in smaller containers





# WE SUPPORT A HEALTHY LIFESTYLE

*We believe that all of our products can be part of a healthy lifestyle under the condition that they are consumed in moderation and with respect to the physical activity of the individual. Therefore, we support a number of sports activities and we are members of professional organizations in which we provide education on having a healthy lifestyle together with other food producers.*



We are fans of sports activities. For 2021, we are preparing the 40<sup>th</sup> edition of the Three Hearts marathon.

## WE PLAY AN OPEN GAME WITH CONSUMERS

We always provide all information about our products on packaging and we do not mislead consumers.



We conscientiously label beverages with a higher caffeine content with a warning that they are not appropriate for children and pregnant women.

není vhodné pro deti a tehotné ženy.  
kofeín (32 mg/100 ml), aroma, b  
hu. Chraňte pred mrazom a pri  
ahou 1, 794 01 Kmov. www.semt  
a sa detom ani tehotným a dojc  
kofeín (32 mg/100 ml), arómy, fi  
te pred mrazom a priamym slne  
č. 1, 013 15. www.semtex-ene



We tell the Story of Herbs, which teaches consumers to listen to their bodies and to trust in the preventive healing power of herbs.



We promote a healthy lifestyle also by being the biggest operator of freshbars and salad bars in Central Europe.



# WASTE-MANAGEMENT POLICY

*We identify with the philosophy of zero waste. Therefore, we strive to minimize the amount of waste generated in connection with our business. And if waste is generated, we seek out sensible uses for it, as you can see in the examples at right. Limiting the production of waste is not a matter only of our production plants, but also our offices. Within the zero waste office initiative, hundreds of earthworms have become our hardworking colleagues, helping to utilize organic waste in vermicomposters.*

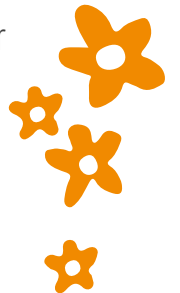


## NOTHING GOES TO WASTE

We are able to make Leros raspberry tea from the pressed raspberries left over from production of Premium Rosa organic syrups.



We can make great cookies from the pressed apples that remain after production of UGO fresh juices.



## WE SAVE 768 KM OF ALUMINUM WIRE EVERY YEAR

At Leros, we stopped using metal fasteners to attached tea bags to the string and label. Thanks to this simple and barely perceptible innovation, we annually save as much aluminum as is needed for the production of 2-3 passenger cars.





# WE LIMIT PACKAGING ACCORDING TO THE PRINCIPLE OF REDUCE – REUSE – RECYCLE

If possible, we strive to not create any packaging waste at all. This category includes all of the draft beverages that we offer. This year, we are introducing the first draft spring water for the HoReCa segment. We are also reducing the weight of beverage packaging, by means of which we will save up to 20 tons of PET annually.



## REDUCE



We do not package 75M half-liter mugs at all



The first draft water for HoReCa



Lightweight PET bottles and caps

We prefer returnable packaging and are coming up with new ways to expand its use outside the HoReCa segment. At UGO locations, we serve food on porcelain dishes and beverages in glasses. We will thus save at least 32 tons of single-use plastic over the course of three years.

## REUSE



Returnable bottles in the HoReCa segment



Reusable dishes

Our Kláštorňá Kalcia brand is the first Czech-Slovak water bottled in 100% rPET. We are endeavoring to make all of our single-use packaging fully recyclable or compostable by 2025.

## RECYCLE



100% recyclable



100% compostable



# WE ARE HELPING FULFIL THE GOALS OF BEVERAGE PACKAGING COLLECTION

The EU set ambitious goals for collecting beverage packaging. We welcome this initiative and we are doing everything possible to help fulfil those goals. We are providing significant financial support for used-packaging collection systems in the countries where we operate.


## EU REQUIREMENTS FOR PACKAGING COLLECTION




## SITUATION IN THE COUNTRIES WHERE THE KOFOLA GROUP OPERATES




The Czech Republic is now fulfilling the goals for 2025 and is considering how to fulfil the goals for 2029



Slovakia will introduce a deposit system in 2023






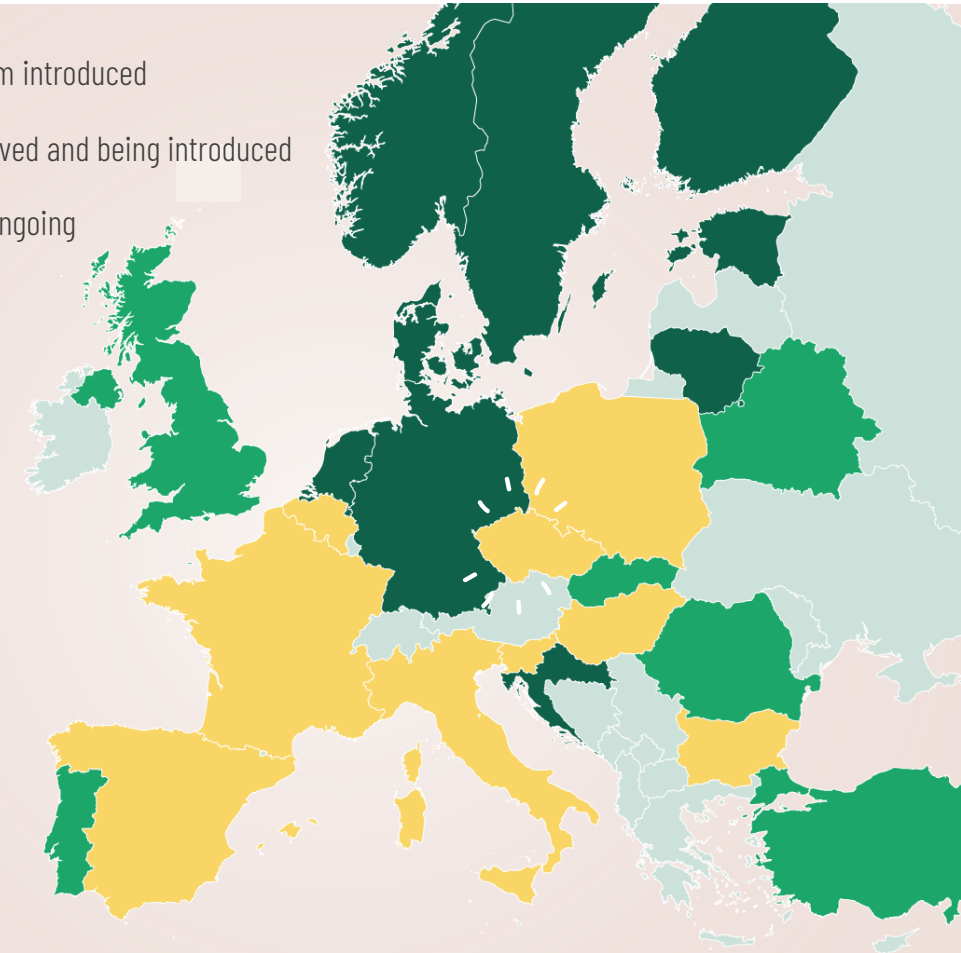
We are actively discussing the parameters of a deposit system in Slovenia



A deposit system has already been introduced in Croatia



-  Deposit system introduced
-  System approved and being introduced
-  Discussions ongoing





# LOCALISM

*Our business is based on local brands that consumers love. We are firmly connected to the markets on which we operate. Therefore, it is only logical that we strive to support the local economic ecosystem. We prefer raw materials and ingredients from producers and growers in the vicinity of our plants, we collaborate with local residents and farmers in protecting water sources and we support local communities. We believe that every koruna that remains in the region makes the society not only wealthier, but also more resistant to outside influences.*



## WE SUPPORT BENEFICIAL ACTIVITIES

We sponsor more than 1,000 sports, gastronomic and cultural activities every year. We build children's playgrounds and offer a helping hand to local non-governmental organizations. We donate prams to all newborn triplets in Slovenia and Croatia.

## WE HELPED DURING THE PANDEMIC

During the coronavirus pandemic, we sewed masks, launched production of disinfectants and supported front-line workers with more than 200,000 of our beverages.



## OUR PLANTS HAVE THE FRAGRANCE OF HERBS

We learned how to steep our own herbal extracts, which we produce from, among other things, herbs acquired directly from individual pickers at Leros purchasing points.



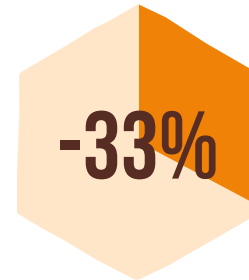
# OUR PEOPLE

*Our business is built on people. Therefore, we focus tremendous care on creating a work environment that is healthy, motivating and supportive of personal and professional development. Our effort is praised not only by a number of public awards, but primarily by the employees themselves: three out of four Kofola employees give Kofola the highest marks as an employer. Satisfied employees are our best ambassadors.*



## KOFOLA EMPLOYEES PERCEIVE THE CHALLENGE OF SUSTAINABILITY

The vast majority of Kofola employees perceive environmental problems. Nine out of ten believe that every individual can be an agent of change. This helps us promote the concept of sustainability in the company's day-to-day operation.



## WE ARE IMPROVING YEAR BY YEAR

In recent years, we have succeeded in reducing employee turnover by one-third, thus further improving the employee experience and reducing the costs expended on recruitment, hiring and adaptation of new employees.



## WE ARE A FAMILY BUSINESS. CERTIFIABLY.

Three-fourths of parents on maternity or parental leave want to remain in contact with Kofola. We accommodate their wishes and have been supporting them within the KOFOMami project since 2017. We were awarded the Family Friendly Company certificate in Slovenia.



# SUMMARY: SIX KEY AREAS ON WHICH WE FOCUS

## CARBON FOOTPRINT



**We are reducing and offsetting the carbon footprint of our operations in order to be completely carbon neutral by 2030.**

- The largest fleet of CNG-powered trucks with 25% less CO<sub>2</sub> emissions compared to ordinary trucks
- Purchase of green energy: Slovakia 100%, Czech Republic 20%

## WASTE-MANAGEMENT POLICY



**We limit the amount of waste generated in connection with our operations and we are seeking ways to reuse waste.**

- 100% recyclability of packaging and materials
- Support for returnable and reusable packaging, preference for packaging-free alternatives
- Operation of offices on the zero waste principle

## WATER PROTECTION



**Water is the cornerstone of our business. We actively protect water sources and strive to conserve water in nature.**

- Effort to obtain organic certification of Rajecká dolina in Slovakia in cooperation with local farmers
- Collaboration with farmers in protecting the Radenska water sources in Slovenia

## LOCALISM



**We give preference to local suppliers, because we believe that we must support the place where we live and do business.**

- Preparation of our own extracts from locally sourced herbs
- Collaboration with relevant stakeholders in the vicinity of our production plants and support for local activities

## INGREDIENTS AND PRODUCTS



**We prefer natural ingredients from proven suppliers. Only thus can we produce healthy products for our customers.**

- Elimination of preservatives thanks to modern technologies
- Reduction of the amount of sugar in beverages
- Transparent information on the origin of ingredients on labels – e.g. UGO fresh juices

## PEOPLE



**We create a healthy and motivating work environment. Satisfied employees are our company's best ambassadors.**

- Family Friendly Company certificate in Slovenia
- Support for personal and professional development





# WE ARE GLOBAL BY HOW MUCH WE ARE LOCAL

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