

A large, stylized eagle logo in a lighter shade of blue, positioned in the upper half of the page. The eagle is facing left, with its wings spread and its head turned slightly towards the viewer.

GLOBAL COMPACT REPORT 2016

Karlovarské minerální vody, a.s.

STATUTORY DIRECTOR'S STATEMENT OF CONTINUED SUPPORT

"I am pleased to confirm that the Karlovarské minerální vody, a.s. company is committed to supporting the ten basic principles of the United Nations Global Compact organization in the area of human rights, labour conditions, environment and anti-corruption actions."

In our first Communication on Progress Report (COP) we describe activities by which we have integrated the Global Compact principles into our corporate strategy, culture and daily operations.

We want to share this information with our customers, employees, suppliers, and partners, as well as with the professional and general public.



With regards,

Alessandro Pasquale
Statutory Director
Karlovarské minerální vody, a.s.





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GENERAL INFORMATION ABOUT THE COMPANY

Karlovarské minerální vody, a.s.

We are the largest producer of mineral and spring water in Central Europe. We pay the utmost attention to building up well-known brands with a strong image, which will contribute to increasing the quality and the drinking culture in the world. We also participate in the cultural, sports, and social life in the Czech Republic significantly. We support projects related to the protection of nature and the environmental issues as well.

The Karlovarské minerální vody company employs over 400 people (650 employees within the group). A team of top experts along with a clear vision contribute to the success of the company in a very significant way. Our efforts are regularly transformed into awards in the Sodexo Employer of the Region competitions, we repeatedly win awards for best advertising, design and innovation, not only in the Czech Republic but also in the world.



SOCIAL RESPONSIBILITY

We understand the importance of environment protection, and therefore we support the development of approaches and technologies that lead to the best results in this area. What does our long-term approach look like?

100% recycling

All PET bottles we produce can be re-used for further processing, including caps and labels. The Karlovarské minerální vody, a. s. company has been one of the founding members of the EKOKOM organization, which is a considerable contributor to the system of waste sorting and recycling in municipalities.

Smaller quantities of PET

When designing new bottles we think not only about their practicality and design but we also want to make them environmentally friendly. Therefore we keep lowering the amount of plastic required for the bottles production.



HUMAN RIGHTS

Support for disadvantaged people

We have been supporting our citizens with disabilities in the Czech Republic on a long-term basis. Along with the supported Kampi Office company, we managed to create more than ten new jobs for persons with disabilities in 2015. The number of the disabled employees increased from the original 70 to more than 89 people – and more importantly, we have achieved it thanks to the good work that these people are performing. These employees produce top-quality products that are able to stand their ground in the fierce competition, not only in this country but also abroad.



WORKING CONDITIONS

DEVELOPMENT AND EMPLOYEE BENEFITS

Our employees are important for us. We provide them with ample opportunities for further education and professional and personal development and growth. Our associates are provided optimal conditions for full development and realization of their abilities. At the same time we require a proactive approach to their own development and further career growth on their part. Employees always get quality work tools with regard to their work and the type of position (car, laptop, mobile phone). We want to give them tools that facilitate their work and help them fully concentrate on it. We motivate employees through fair remuneration which is regularly compared with market conditions. We are expanding the range of employee benefits and flexibility in their use with the help of a benefits portal.



QUALITY CONTROL

We are consistently using the potential of all employees in our plants to meet the requirements, needs and expectations of the customers, particularly in the areas of quality, sanitariness and safety, delivery times, and in no small measure in prices of products while making profit for the company.

Assurance of quality, sanitariness and safety of our products must be a fundamental duty of all employees. We create conditions for continuous improvement of cooperation between the plants, departments and individual employees. We focus on quality of the new products development, on prospective manufacturing and control processes that enhance product competitiveness.

Employees' association policy

We are in a regular dialogue with representatives of employees associated in trade unions and respond to their suggestions.

CERTIFICATE

Standard **ČSN EN ISO 9001:2009**
Certificate Registr. No. 01 100 528 050008

The certification body of TÜV International s.r.o. - COTI Unternehmensgruppe TÜV Rheinland / Berlin-Brandenburg Washingtonova 5 · 110 00 Praha 1 · Czech Republic certifies:

Certificate holder:

KARLOVARSKÉ MINERÁLNÍ VODY


Karlovarské minerální vody, a.s.
Marianské náměstí 159/4 · 110 00 Praha 1 · Czech Republic
IČ: 14706725
with address according to the Commercial Register:
Horova 3 · 360 21 Karlovy Vary · Czech Republic
with the joined plants according to the enclosure

Scope:

Production and sale of bottled natural mineral water of spring water and of bottled drinking water; development, production and sale of soft flavoured drinks

An audit was performed, Report No. 528 CZ 260. Proof has been furnished that the requirements according ČSN EN ISO 9001:2009 are fulfilled.

Validity:

The certificate is valid until 26.5.2017.

Prague, 5.6.2014

Ing. Zuzana Kubínová
The certification body of TÜV International s.r.o.



ISO 9001:2008



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ID 91050516



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ANNEX TO CERTIFICATE

Standard **ČSN EN ISO 9001:2009**
Certificate Registr. No. 01 100 528 050008

Location: Karlovarské minerální vody, a.s. · MATTONI · 362 72 Kyselka
Czech Republic
IČ: 14706725

Certificate Registr. No. 01 100 528 050008/02

Scope: Production and sale of bottled natural mineral water of spring water and of bottled baby water; development, production and sale of soft flavoured drinks

Location: Karlovarské minerální vody, a.s. · MAGNESIA · 353 83 Mnichov
Czech Republic
IČ: 14706725

Certificate Registr. No. 01 100 528 050008/03

Scope: Production and sale of bottled natural mineral water; production and sale of soft flavoured drinks

Location: Poděbradka, a.s. · Nymburská 239/VII · 290 01 Poděbrady-Velké
Zboží · Czech Republic
IČ: 47550562

Certificate Registr. No. 01 100 528 05008/04

Scope: Production and sale of bottled natural mineral water of spring water and of bottled drinking water; development, production and sale of soft flavoured drinks

Location: Poděbradka, a.s.
Dobrá Voda · Byňov 117 · 373 34 Byňov · Czech Republic
IČ: 47550562

Certificate Registr. No. 01 100 528 050008/05

Scope: Production and sale of bottled natural mineral water of spring water and of bottled baby water; production and sale of soft flavoured drinks

Prague, 5.6.2014

Ing. Zuzana Kubínová
The certification body of TÜV International s.r.o.
Washingtonova 5 · 110 00 Praha 1 · Czech Republic



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ENVIRONMENT

PROTECTING THE SPRINGS

Pumping water from the depths of nature entails responsibility towards the spring's environment and the mineral water itself. Our mineral water sources are protected by the first protective zone and constantly monitored.

We keep reducing our impact on the environment. Over the last ten years, we reduced the environmental impact by as much as twenty percent for the Mattoni mineral water. We are doing this through innovation, cost-saving measures, more efficient energy management or transportation by rail, which can fully replace road transport.

On 10 May 2012, we started reconstructing the industrial rail built already by Heinrich Mattoni in 1894, which connected the municipality of Kyselka with the European railway network. Restoration of the original local line significantly improved the quality of the environment and reduced the number of trucks on the roads by 3,700 every year.



WE SUPPORT RESEARCH AND EDUCATION

For many years, we have been funding research by the Faculty of Architecture of the Czech Technical University in Prague, focused on long-term use of PET as a building material. The concept of structural units made of PET is a unique and innovative project, which was first presented exclusively in the Czech pavilion at EXPO 2015 in the form of a bench made of PET material.

At the end of 2015, the second construction came about - a PET Christmas tree, which was created with the assistance of pupils and students of primary and secondary schools.

WE ARE TRYING TO SAVE A NUMBER OF BUILDINGS IN KYSELKA IN COOPERATION WITH PRESERVATIONISTS

We are one of the founding members of the NGO called Lázně Kyselka and our employees work as volunteers for it as well. The activities of the Lázně Kyselka NGO focus on saving, reconstruction and subsequent protection of the heritage area of the former Kyselka spa in the village of Kyselka.

The Stallburg House has been completely renovated and there are seven modern apartments in it. The renovation of the Löschner Pavilion was finished in 2015 and a museum of bottling in Kyselka and the Mattoni brand will be opened there soon. Along with Vladimír Lažanský, the town of Karlovy Vary, municipalities of Kyselka and the Revitalizační investiční společnost company, we participated in establishing the Lázně Kyselka NGO, which is trying to save other historic buildings of the former spa too.

We have already invested over CZK 75 million into reconstructions in Kyselka.

In the autumn of 2015, we started constructing a publicly accessible park for pleasant leisure activities close to the Stallburg House. Upon completion, there are e.g. swings for children, benches and decorative plants here. We opened the park

fully in the spring of 2016. The new layout of the area will bring benefit to the area and the local community, because it respects the nature protection zone of Lázně Kyselka and will enhance the location aesthetically as well.

We financially support the operation of the local fire station regularly. We have also contributed to the development of the local primary school and kindergarten, the school gym or the community theatre. In 2013, we made arrangements and provided funds for making a replica of the statue of Heinrich Mattoni. In addition, each year we contribute by monetary and in-kind donations to the organization of the Children's Day for children from the municipality of Kyselka and its surroundings.



WE SUPPORT THE DEVELOPMENT OF CULTURE AND SOCIAL EVENTS

We have been systematically supporting the development of live culture, especially literature and film. We were present at the birth of the annual literary prizes of Magnesia Litera and we have been its general partner for many years. We cooperate

on the presentation of the Czech Lion film awards, in which we newly started supporting particularly young and aspiring filmmakers by the Magnesia Prize.

We support major social events, e.g. the most popular pop music survey, the Český slavík Mattoni. For fifteen years, we have organized the international bartenders' competition Mattoni Grand Drink, which in the past two years gained the official status of the World Championship in mixing non-alcoholic cocktails thanks to the high level of professionalism.



WE HELP TALENTED ATHLETES – MAGNESIA GO FUND

The MAGNESIA GO Fund is a joint project of the Karlovarské minerální vody company and Ondřej Vetchý. Together, they decided to distribute one million Czech crowns donated by the Karlovarské minerální vody to 6 promising athletes.

The goal is not to be a substitute for the regular financial support the athletes already get based on their current performance. Magnesia GO Fund support is to be a form of appreciation and an impulse that will help the talented athletes to achieve an even higher level in sports. It is an encouragement and support on their way to reaching their sporting goals and dreams. The Magnesia GO Fund helps them get a decisive lead in their careers.

Among sports fans, we are also known for our long-standing support of the prestigious marathon races series under the auspices of the Prague International Marathon and the top Czech basketball league, Mattoni NBL.

