

A central image of a condensation-covered bottle of Estrella Damm beer. The bottle is positioned vertically, with its label clearly visible. The background is a solid red color. Overlaid on the red background is a white map of the world, where the landmasses are composed of numerous small white stars of varying sizes. The stars are more densely packed in some areas, creating a textured effect. The bottle's label features the brand name 'ESTRELLA DAMM' in large, bold, serif capital letters. Above it, in smaller text, is 'CERAS DE AROMATIZACIÓN LOCAL' and 'MALTAS EN DAMM'. Below the brand name, it says 'RECETA ORIGINAL' and '1876'. At the bottom of the label, it reads 'KUNTZMANN DAMM'. The bottle cap is also visible at the top.

# Damm

ANNUAL REPORT 2018

Annual report 2018

Letter from the executive chairman

2018 at a glance

The Damm world

We grow with our people

We are committed to society

We protect the environment

We purchase from local and responsible sources

We create value

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## Letter from the executive chairman

(102-14)

Ladies and gentlemen,

I am delighted to present to you Damm's 2018 annual report. This document provides a comprehensive overview of our company's performance in the economic, social and environmental spheres.

As you may remember, we are immersed in the implementation of the 2017-2021 strategic plan, whose goal is to double our turnover in five years. Consolidated income for 2018 (1.264 billion euros) increased by 8.7% compared with the previous year giving us with an excellent

base for consolidating this growth strategy with the maximum ambition and, at the same time, providing us with the fullest guarantee of sustainability and respect for the values that characterize us and guide our actions.

In fact we have coined the concept #LIVE (acronym for Loyalty, Innovation, Customer Value and Energy) to refer to those values shared by all of us who work at Damm. They inspire us in our day to day, they are our hallmarks and they encourage us to continue growing in order to share them with the whole of society.

Unsurprisingly, this desire for growth has been reflected in the arrival of new talent to the group: the company now employs 4,574 people and we are present in more than 120 countries, in line with the strategic importance we have placed on the company's internationalization. In fact, the success of Damm can only be explained through the solid commitment and proven competence of its team of people.

Among the initiatives launched during 2018, the Font Salem project stands out, aimed at increasing the productive capacity of its plant in

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Santarém (Portugal) to four million hectolitres. This project will involve an 20% increase in staff numbers and an investment of 40 million euros.

I would like to emphasize that, in the last eight years, Damm has already invested more than 500 million euros in the expansion of other plants such as those in El Prat de Llobregat (Barcelona), El Puig (Valencia) and Murcia, as well as in the building of the Cervezas Victoria factory, in Málaga. Thanks to this investment drive and the improvements achieved in terms of efficiency, the beverage production capacity of all our centres is now more than 25 million hectolitres per year for the first time.

Living up to our characteristic commitment to comprehensive quality and continuous innovation, 2018 has also seen the launch of new brands. These include Complot, our first IPA (India Pale Ale), Verna beer with lemons from Murcia and the hoppy beer Rosa Blanca from Palma de Mallorca. In addition, Estrella Damm has completely revamped its image to highlight the fact that it is produced with 100% natural ingredients.

Another highlight of 2018 has been the launch of our e-commerce channel, a new way of being closer to the consumer. Online sales

were launched with the limited and numbered edition of a beer matured with oak and chestnut, and we will soon be expanding our range of products and services. This project is framed within the process of digital transformation which the company continues to make progress in and which involves our entire value chain.

With regards to sustainability, innovation and the intensive use of the most advanced technology have been key in allowing us to increase our efficiency in the use of resources and minimize our carbon footprint (CO<sub>2</sub> emissions, for example, have been reduced by more than 2,600 tonnes per year). In addition, we have taken a giant step towards the transformation of a linear economy model into a circular economy model, which will enable us to reduce waste generation since it will largely be recycled to become new materials or resources. These achievements would not have been possible without the active involvement and commitment of our employees, suppliers and customers.

Last but not least, I would like to mention the cultural, social and sporting projects promoted by the Damm Foundation. The Club de Fútbol Damm and Club de Pádel Damm are two good examples of the work that is being carried out

by our Foundation, in this case, to encourage young people to take part in grassroots sports.

Without doubt 2018 has been a year full of challenges that we have successfully overcome, thanks to the effort and commitment of all of us and which together enable us to be ready for the future, consolidating growth in the coming years.

I'm very excited about 2019, not only because of the initiatives that we are promoting at Damm, but also because of the personal challenge of once again taking on the presidency of Cerveceros de España (association of Spanish brewers), at a time when the sector has an important role in the economy of the country, promoting sustainable growth and job creation.

**Demetrio Carceller Arce**  
Executive Chairman



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(102-7)

# Damm

**2**  
malthouses

**14**  
production  
and packaging plants

**10,433,463**  
pallets moved by Alfil Logistics

**22.8<sub>M</sub>**  
boxes delivered to customers by  
Damm Distribución Integral

## Restaurants

**153**  
Rodilla

**9**  
Café de  
Indias

**25**  
Jamaica  
Coffee  
Experience

## People

**4,574**  
Total company staff  
*(includes SA Damm and subsidiary companies)*

**3,539**  
Staff in the scope  
of this report

**38%**  
Female staff

**62%**  
Male staff

**81%**  
Staff on a  
permanent contract

**4,294**  
Staff who have  
received training



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## Environment



### Water consumption

BEER

**4.42** hl/hl packaged

WATER AND SOFT DRINKS

**1.91** hl/hl packaged

GRUPO RODILLA

**0.0034** m<sup>3</sup>/kg produced



### Energy consumption

(electrical and thermal)

BEER

**28.62** kWh/hl packaged

WATER AND SOFT DRINKS

**9.10** kWh/hl packaged

GRUPO RODILLA

**0.44** kg/kg produced

**90%**

**Electricity consumed in our production plants located in Spain under "green" origin certification**



## Company

**40,000**

**Visitors to the factories of El Prat, Estrella de Levante and Cervezas Victoria**



## Suppliers

**4,597**

**Active suppliers**

**93%**

**Suppliers located in Iberian Peninsula**



## Financials and shareholders

**113** M€

**Net profit**

**1.749** M€

**Total assets/liabilities**

**888** M€

**Net worth**

**1.061** M€

**Accumulated industrial investments since 2008**

**0,45**

**Earnings per share (euros/share)**

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## The Damm world

In 2018, all the centres that have a **quality management system certified according to ISO 9001** have been adapted to the new 2015 version of the standard.

Damm reinforces its strategic commitment in the Balearic Islands with the **recovery of Rosa Blanca**, and the development of the milk brands of Agama, who make Lacciao shakes, and the water brands Font Major and Font de Sa Senyora and the activity of capillary distribution (Comabe)

We reinforced our **presence in Asia**, where we have a team of 13 people, and we became the official beer of Asia's 50 Best Restaurants.

**We launched Verna**, the new beer from Estrella de Levante, made with 100% natural ingredients.

**Damm launches its e-commerce channel, putting on sale 1,000 units of a numbered limited edition beer matured with wood.**

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**Damm presents Complot** at Alimentaria 2018. Damm's first IPA is made with eight varieties of hops, including the one grown in Prades (Tarragona).

**Cervezas Victoria presents its new image** to mark the 90th anniversary of the brand.

Damm, new **Global Partner of Barcelona Tech City**.

Estrella Damm, Gold award in the brand category at the **10th National Marketing Awards** and winner at the **World Beer Awards**.

Estrella de Levante receives the **Stamp of Responsible Communication** from the Association of Journalists of the Region of Murcia.

Estrella Damm breaks a **record with the musical short "Álex y Julia"**, with more than 10 million views on YouTube.

## Committed to people

The **Let's Damm Together** initiative continues with the aim of involving people in the company's digital transformation. Demetrio Carceller, Executive Chairman of Damm, hosts one of the sessions.

Damm receives the **efr certificate from the Fundación Másfamilia** which certifies us as a family-friendly company.

In 2018 we launched the **2nd Equality Plan**.

For the first time, the Antigua Fábrica Estrella Damm and Estrella de Levante opened their doors to the families of our workforce to host our **first Family Day**.

Damm, the company that has climbed the most up the **Merco Talento reputational ranking**.

More than **70,000 people follow Damm's profile on LinkedIn**.

In 2018 the **Damm Academy** is launched, a new digital training space based on four axes: corporate, digital, competence and business.

**People Damm** is launched, a meeting point between Damm and the company's workforce, which contains information on all the human resources projects.

**Plena inclusión** recognizes **Estrella de Levante** for its commitment to workplace integration.

**Damm launches its new corporate values: Loyalty, Innovation, Customer value and Energy (#LIVE).**



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## Committed to society

We are closer to consumers with the **new Estrella Damm website and the Damm Corporate website.**

With the **"Cyranó" advert** and with its new image, Estrella Damm reinforces the message that its beer is made with 100% natural ingredients.

Estrella Damm celebrates **10 years of "Mediterráneamente"** with the musical short "Álex y Julia".

The Antigua Fábrica Estrella Damm hosts for the fifth time the awarding of the **2017-2018 Golden Boot** to FC Barcelona player Leo Messi.

Estrella Damm becomes a **Global Partner of FC Barcelona.**

The **Estrella Damm Padel Tour** promotes the largest padel tournament ever held with 850 players.

The **Estrella Damm Sailing Team 2018** is proclaimed winner of the 37th Copa del Rey Mapfre in the BMW ORC 1 class.

## Committed to the environment

Damm, one of the **Top 5 of companies that most drive the circular economy in Spain**, according to the Circular Economy report prepared by the Instituto Coordinadas de Gobernanza y Economía Aplicada.

**The El Prat factory reduces its energy consumption by 20%** thanks to the set of efficiency measures applied.

**Estrella de Levante receives the eco-management award** (sustainable environmental management) for being the first company in Europe to calculate and certify its water footprint.

We have **returnable formats for our mineral water brands**: Veri, Fuente Liviana, Font Major and Pirinea.

We created the **sustainable mobility committee**, made up of different departments and subsidiaries of the company.

Rodilla takes part in the **"More food, less waste"** initiative.

**Alfil Logistics receives the Lean&Green star** from AECOC after reducing its CO<sub>2</sub> emissions in the supply chain by 20%.

Alfil Logistics launches a **plan to transform the fleet** to use alternative energies.

**Estrella Damm launches its biodegradable cup during the Barcelona Open Banc Sabadell 66 Trofeo Conde de Godó and is recognized as the best sustainable initiative of the tournament.**



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## Committed to local and responsible procurement

Damm **prioritizes procurement from local suppliers**, 93% of whom are located in the Iberian Peninsula.

Damm completes its **second harvest of Mediterranean hops in Prades, Tarragona**.

## Committed to the creation of value

**Damm Distribución Integral** is consolidated as one of the main food and beverage distributors of the Horeca channel with access to more than 30,000 points of sale and **invoicing 200 million euros**.

**Alfil Logistics exceeds 100 million in turnover** and becomes the largest logistics services company in Spain.

**Font Salem will invest 40 million euros in its factory in Santarém**, in Portugal, between now and 2020.



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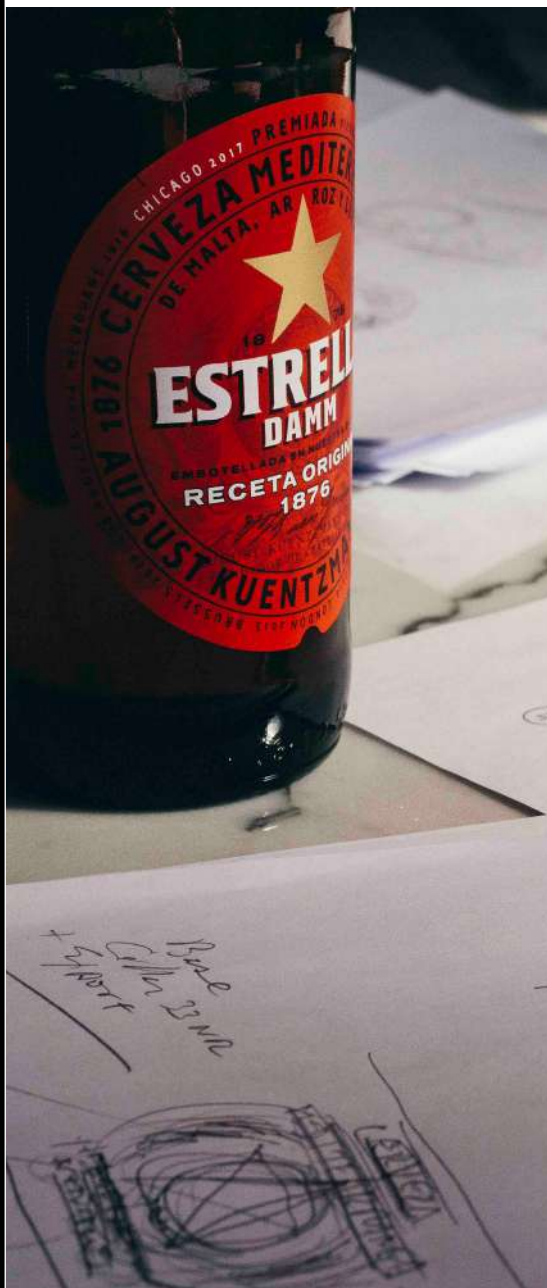
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# About Damm

Damm was founded in 1876 by master brewer August Kuentzmann Damm, who settled on the Mediterranean coast more than 140 years ago. Today the company is a leading multinational in the food and beverages sector.

At Damm we are carrying out an important industrial strategic plan. The improvement and expansion of our existing factories and the opening of new facilities makes us more competitive and prepares us to face new challenges in a sustainable manner.

In 2018, we acquired the Goethe dispensing company in Sa Pobra (Mallorca) and established the limited company Damm Canarias, with the aim of boosting sales in the Canary Islands.

We have also expanded our business presence in the restaurant sector. Grupo Rodilla has just entered the premium hamburger segment with the purchase of 75% of the Hamburguesa Nostra group.

In addition, we aim to deploy new business strategies that are driven by emerging technologies. Digitalization is one of the fundamental pillars of our strategy to become a more agile, efficient and committed company.

**2018 marks the 175th anniversary of the birth of August Kuentzmann Damm, founder of Damm.**



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## Our companies

(102-1, 102-10) Damm is made up of S.A. Damm as the parent company and comprised of a network of companies involved in different areas of activity.

### Beers



### Water and soft drinks



### Dairy



### Restaurants



### Logistics and distribution



### Others



### Foundation



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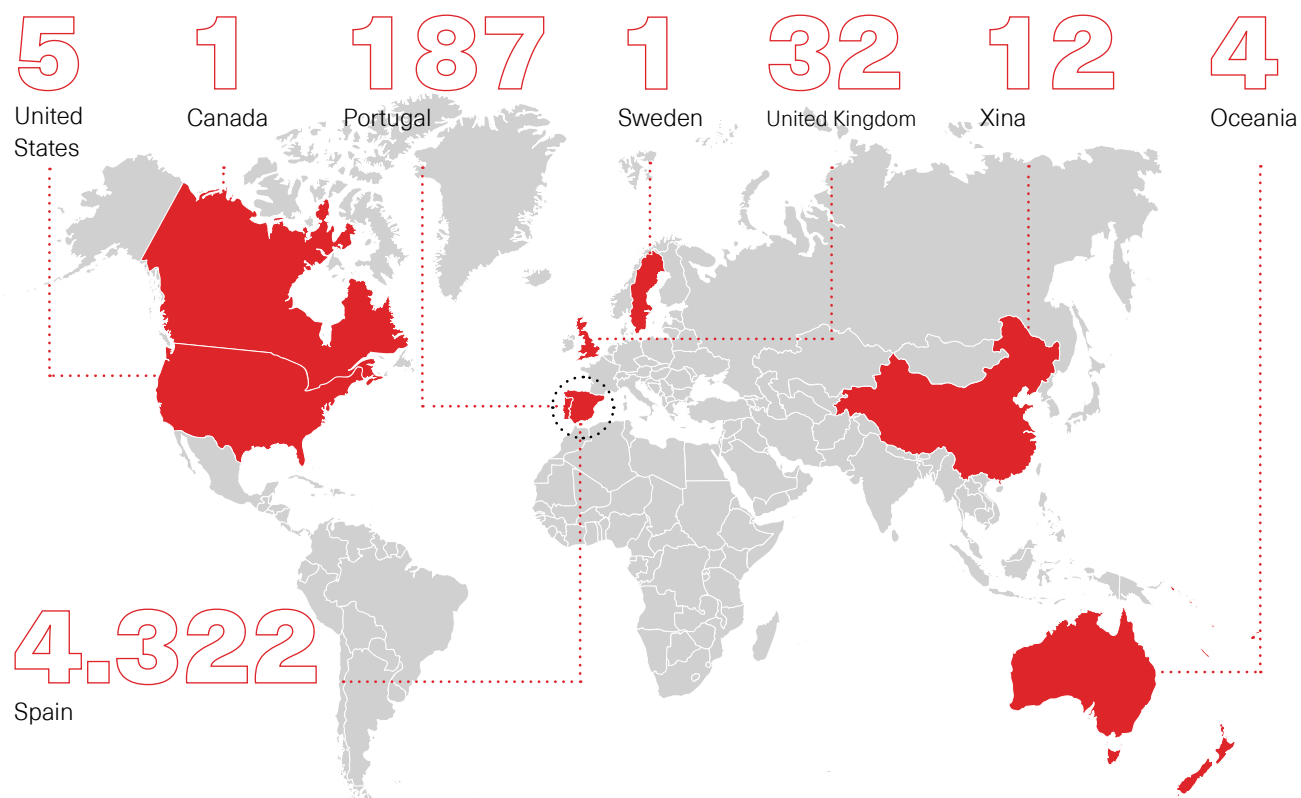
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## Damm people in the world



(102-4, 102-6)

Our brands are present today in more than 120 countries and internationalization continues to be one of our strategic axes.

**Rodilla has begun its internationalization with the upcoming opening of four stores in Miami, in the United States.**

**Alfil Logistics continues its international expansion boosting the business in Asia with the opening of the new Alfil China office, in Shanghai, which will focus on the sale of Spanish drinks, fruits and vegetables.**

**Since 2018, we have our own subsidiary and a team of 12 people in China.**

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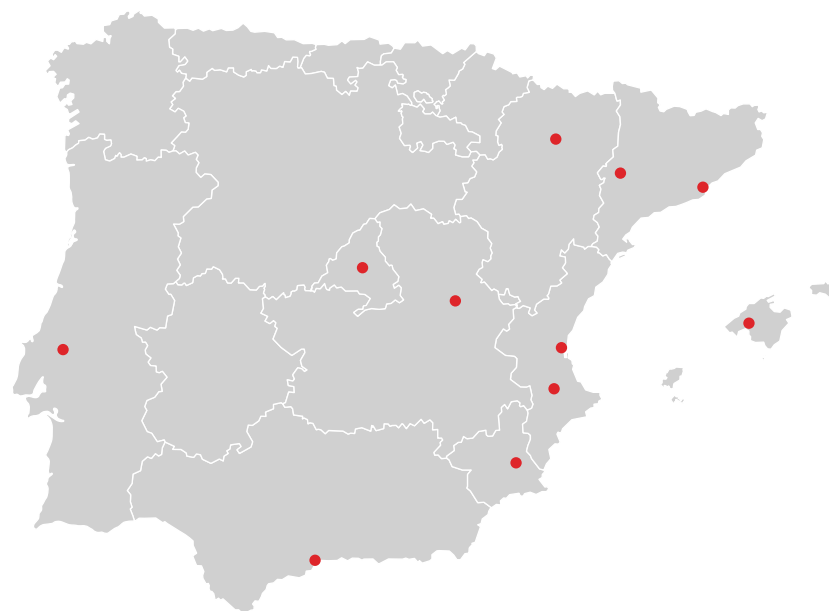
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**Damm is carrying out an important industrial strategic plan, investing 500 million euros in the expansion of some of the production plants such as the factories of El Prat de Llobregat (Barcelona), El Puig (Valencia) and Espinardo (Murcia).**

### Barcelona

Sociedad Anónima Damm  
Damm Distribución Integral  
Corporación Económica Delta  
Compañía Cervecera Damm  
(El Prat de Llobregat)  
Cafés Garriga (Barberà del Vallès)  
Alfil Logistics (El Prat de Llobregat)

### Madrid

Plataforma Continental Madrid  
Grupo Rodilla  
Pall-Ex Iberia  
Setpoint Events S.A.  
Artesanía de la Alimentación

### Murcia

Estrella de Levante (Espinardo)

### Valencia

Font Salem (Salem)  
Font Salem (El Puig)

### Lleida

La Moravia (Bell-Lloc d'Urgell)

### Cuenca

Gestión Fuente Liviana (Huerta del Marquesado)

### Málaga

Cerveza Victoria

### Huesca

Aguas de San Martín de Veri (Bisuarri)  
Aguas de San Martín de Veri  
(El Run - Castejón de Sos)

### Mallorca

Agama (Palma de Mallorca)  
Font Major (Escorca)  
Font de Sa Senyora (Deià)  
Aquaфона (Palma de Mallorca)  
Goethe II (Sa Pobla)

### Portugal

Font Salem Portugal (Santarém)



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## Our products

### Damm beers



**Estrella Damm**



#### Superior Taste Awards

Three Stars

#### World Beer Championships

Gold Medal

#### World Beer Awards

#### Great Taste Awards

1 Star

#### The International Beer Challenge

Bronze Medal

**New image of Estrella Damm, which reflects its elaboration with 100% natural ingredients, using the original recipe of 1876**



**Voll-Damm**



#### World Beer Championships

Silver medal

#### Superior Taste Awards

Three Stars

#### Great Taste Awards

Two Stars

#### The International Beer Challenge

Bronze Medal

#### Brussels Beer Challenge

Silver Medal

**Launching of the 65th anniversary commemorative bottle. In 1953, Damm produced its first Märzenbier, which, in the early years, was only produced from October to April. Due to its great success, in 1955 it was decided that it would be produced continuously.**

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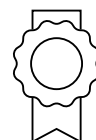
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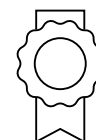
**Damm Lemon**



**Complot**



**Inedit**



**Malquerida**

### World Beer Awards

Silver Medal

### World Beer Championships

Gold Medal

### Superior Taste Awards

Two Stars

**Damm's first IPA, made with eight varieties of hops, including the Nugget, grown in Prades (Tarragona).**

### Superior Taste Awards

Two Stars

### Australian International Beer Awards

Bronze Medal

### World Beer Championships

Gold Medal

### Great Taste Awards

Two Stars

### The International Beer Challenge

Silver Medal

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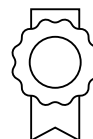
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**Bock-Damm**



**Free Damm**



**Free Damm Limón**



**Daura**



### Superior Taste Awards

Two Stars

### International Beer Challenge

Silver Medal

### Great Taste Awards

1 Star

### US Open Beer Championship

Gold Medal (USA)

**New image, new  
formula, better taste.**

### World Beer Awards

Silver Medal

### World Beer Championships

Gold Medal

### Superior Taste Awards

Two Stars



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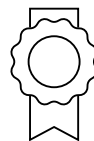
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**Daura Märzen**



**Shandy Daura**



**A.K. Damm**



**Saaz**

### Superior Taste Awards

Two Stars

### Great Taste Awards

1 Star

### The International Beer Challenge

Bronze Medal



**Xibeca**



**Cerveza de Navidad  
(Christmas Beer)**





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## Other beers



**Estrella de Levante**



**Verna**



**Estrella de Levante Sin**



**Punta Este**

**The new lemon shandy from Estrella de Levante, with a bitter, light and balanced taste, made with 100% natural ingredients.**



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**Victoria**



**Victoria Sin**



**Oro**



**Turia**

**New image to mark its 90th anniversary, with a vintage style and a tribute to the founder.**





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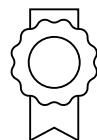
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**Keler**



**Keler Brown**

### World Beer Championships

Gold Medal

### Superior Taste Awards

Two Stars

### Great Taste Awards

1 Star

### International Beer Challenge

Bronze Medal



**Calatrava Pilsen**



**Calatrava**



**Rosa Blanca**



**The Mallorcan beer, born in 1927, returns with a new variety: a Hoppy Lager.**

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**Estrella del Sur**



**Estrella del Sur Especial**



**Skol**



**Tagus**



**Radeberger**



**Pabst Blue Ribbon**



**Schöfferhofer Grapefruit**

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## Waters



**Veri**



**Fuente Liviana**



**Pirinea**



**Font Major**



**Font de Sa Senyora**



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## Dairy



**Agama**

**In 2018, Agama has developed new dairy products such as fresh milk packaged in TGA, which has increased the shelf life of the product in refrigeration. The image of the brand and Laccao has also been revamped.**



**Laccao**



**Cacaolat**



**Cacaolat 0 %**



**Cacaolat Veggie**



**Cacaolat Noir**



**Cacaolat Mocca**

**Cacaolat produces a vegetable drink for the first time, a unique innovation on the market that responds to the trend of consumption of natural and vegetable-based products.**



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## Other products



**Sureo**



**Rekorderlig**



**Fever-Tree**



**Arizona**

## Damm distributes Fever-Tree premium mixers in Spain, Andorra and Gibraltar

Since 2018 Damm is the exclusive distributor and seller of all the products from the range of Fever-Tree premium mixers in Spain, Andorra and Gibraltar. The Fever-Tree range includes a wide range of products, including the different variations of tonic water, soda water, and lemon, ginger and cola mixers.



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Coffees



Cafés Garriga

Restaurants

RODILLA  
DESDE 1939



Grupo Rodilla

HAMBURGUESA  
NOSTRA



Hamburguesa  
Nostra

JAMAICA  
COFFEE-EXPERIENCE



Jamaica Coffee  
Experience



Café de Indias



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## Grupo Rodilla acquires Hamburguesa Nostra

The Rodilla restaurant group has undertaken the new challenge of bolstering the Hamburguesa Nostra project, a premium brand recognized for its top-quality ingredients and a pioneer in the gourmet hamburger sector.

With 21 establishments, Hamburguesa Nostra combines tradition and innovation, and provides burgers from its own workshop made with meat from indigenous Spanish breeds.

The high quality of its offer, constant innovation, the control and origin of the raw materials and an exclusive manufacturing process are values that it shares with the strategy of Grupo Rodilla.



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## Rodilla promotes a healthier diet

(102-11) Grupo Rodilla collaborates with the Plan for the Promotion of a Healthy Lifestyle in the Spanish Population to improve the composition of food and beverages. This collaboration involves the adoption of different measures:

A 50% reduction by 2020 of sugar and salt content in single-use sachets

The use of high oleic sunflower in frying

An increase in the offer of meals to share

An increase in the offer of whole grain products

The use of low-fat or skimmed milk

The use of spices to reduce added salt

A greater offer of vegetable garnishes

A greater offer of fruit as a dessert option

A greater offer of whole meal bread

In 2018, Rodilla has expanded its range of salads, adding the new Gourmet Niçoise Salad, and has completed the approval process for its new No Palm Oil products.

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## Food safety and maximum quality

Damm's production and operational processes follow the most important international quality and food safety standards.

(416-1) Regarding food safety, we have the following certifications:

International Food Standard, version 6, the highest level in all the Font Salem plants.

Hazard Analysis and Critical Control Points (HACCP) in all Damm food and drink production centres.

El Prat factory has the food safety certification IFS Global Market – Food.

(417-1) in accordance with the regulations on the labelling of marketed products, Damm has the following certifications:

European License System certification, which authorizes the use of the crossed grain symbol in gluten-free Damm products.

Halal certification, granted by the Islamic Institute, for some of our alcohol-free beers.

Kosher Certificate, which certifies the products as apt for selling in the Jewish market.

Fairtrade certificate, which certifies that the varieties of Cafés Garriga meet the criteria of fair trade.

Certification (in process) of vegan beer for Daura Damm and Daura Märzen.

In 2018, the quality management system was updated with the ISO 9001:2015 standard, which has allowed us to obtain various improvements. The certified companies are:

SA Damm  
Compañía Cervecería Damm, S.L.  
Estrella de Levante Fábrica de Cerveza, S.A  
Aguas de San Martín de Veri, S.A  
Fuente Liviana, S.L.  
Font Salem, S.L.  
Alfil Logistics, S.A.  
Artesanía de Alimentación, S.L. (part of Grupo Rodilla)



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## Innovation makes us different

At Damm we have a Beer Innovation Committee whose objective is to generate ideas through the detection, analysis and selection of new beers of interest. This culture of innovation enables us to adapt to the ever-changing market and add value to customers whose tastes are constantly evolving.

In 2018 we signed an agreement to be a Global Partner of Barcelona Tech City, confirming our commitment to innovation in the digital and technological sector.

Also in 2018, Damm launched an exclusive beer for its e-commerce business, putting on sale 1,000 units of a numbered limited edition beer matured with wood.

**In 2018 we invested 6.7 million euros in research and development and technological innovation.**

**A new coffee drink based on cold extraction of Garriga coffee – NitroCoffee and its vending machines at the point of sale.**

## R&D&I, the culture of added value

The research and development and technological innovation activities carried out in 2018 have enabled us to develop new products, containers and packaging, improve industrial processes and be more efficient in the consumption of raw materials, other materials and energy. For these activities we collaborate with public entities, such as universities, and private ones, such as technology centres.

These are some of the developments that have come out of our R&D&I process in 2018:

Development of the new Free Damm as a result of the recovery of the aromas that were lost in the process of dealcoholisation.

---

Pilot tests to identify the best technology to sensorize the barrel facilities.

---

A new cocoa shake with 0% added sugar, Laccas 0%.

---

Fresh milk with a shelf life of up to 3 weeks.



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## Innovation in Alfil Logistics: mixed reality to ensure service quality

Alfil Logistics has incorporated digitalization into its services through a new technology application providing artificial vision: mixed reality headsets. This technology, which includes Skype communication, allows the customer to see the status of the service and see how it is being executed in real time. This reduces the need for visits and reports, and provides greater agility and security in management, more transparency in the service and the possibility of collaboration in jointly resolving (customer-supplier) any possible incidents in the operation.



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# Awards and recognitions



## For of our commitment to people

**2018 Laurel Award** to Estrella de Levante, awarded by the association *Plena Inclusión*, for its involvement in the workplace integration of people with intellectual disabilities.

## For our commitment to the creation of shared value

'**Crecimiento**' award for Font Salem to the company with the highest growth in the last three years (from 50 to 100 million euros), at the hands of the Portuguese newspaper Expresso.

Best **European Partner** Award for Pall-Ex Iberia.

Recognition from the Cajamar Cooperative of Grupo Rodilla for its commitment to **innovation**.



## For of our commitment to society

**Stamp of Responsible Communication** for Estrella de Levante, awarded by the Official Association of Journalists of the Region of Murcia, for its firm commitment to Corporate Social Responsibility and communication with society.

**Silver for Best Integrated and Bronze for Best Digital Social** at the Best Awards for the short film "La vida nuestra" (Our Life).

**Gold in the Brand category** for Estrella Damm at the 10th National Marketing Awards

**2018 Málaga Architecture Award** for the Victoria Factory, awarded by the Architects Association of Málaga.



## For our commitment to the environment

**Agro Sustainability Award** for Estrella de Levante.

## Eco-management (Sustainable environmental management)

Award for Estrella de Levante, in the 9th edition of the Sustainable Development Awards of the Region of Murcia.

**Best sustainable initiative** for Estrella Damm's biodegradable cup at the Open Banc Sabadell 66 Trofeo Conde de Godó.

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# We act ethically and responsibly

## #Live, our new values

(102-16) *Loyalty, Innovation, Customer value y Energy* make up #LIVE, the new values that govern the activity and dedication of the entire Damm workforce.

L

### LOYALTY

because the people who work at Damm are dedicated to the culture, objectives and strategy of the company, respecting ethical and professional values.

I

### INNOVATION

because at Damm we contribute and implement ideas, actions and processes that allow us to obtain effective solutions with the available resources. Because innovation is part of our *raison d'être*.

V

### CUSTOMER VALUE

because we make every effort to be close to our customers, and understand and respond to their needs. Because their satisfaction and loyalty is one of our priorities.

E

### ENERGY

because we work actively under changing and challenging circumstances, we act with passion and confidence to meet challenges with perseverance. Because a positive attitude is what drives us to improve every day.

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## Communication with our stakeholders

(102-40)

**At Damm, we work to create shared value for our stakeholders, with whom we maintain relationships based on trust and seek solutions to common challenges.**



**In 2018, Estrella Damm premiered in its social networks "El Día a Día de #CadaEstrellaQueHacemos" ("the Day to Day of #EachEstrellaWeMake"), a series of video clips in which explains the brewing process, together with the real protagonists and the locations that make it possible.**

Workforce

Customer – consumers

Customers - businesses

Distributors

Shareholders

Media and influencers

Suppliers and outsourcers

Partners and external advisors

Public and private institutions

Company

Franchisees



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**Estrella Damm breaks a new record with the musical short “Álex y Julia”, with more than 10 million views on YouTube.**

**In order to establish a permanent communication channel with our international customers, we have created the *Estrella Damm Newsletter*, a monthly digital newsletter that details the company's international activities.**

	f	t	o	y	in	Followers
Damm						65,784
<b>Beer</b>						<b>1,932,124</b>
Estrella Damm						1,397,404
Voll-Damm						203,698
Free Damm						2,935
Inedit						38,575
Daura						8,834
Damm Lemon						9,419
Malquerida						3,047
Complot						956
Estrella de Levante						106,234
Keler						19,799
Oro						902
Calatrava						9,561
Victoria						51,405
Turia						77,968
Rosa Blanca						1,387
<b>Shakes</b>						<b>6,248</b>
Laccao						6,248
<b>WATER</b>						<b>2,772</b>
Veri						2,772
<b>LOGISTICS</b>						<b>6,201</b>
Pall-Ex Iberia						1986
Alfil Logistics						4,215
<b>RESTAURANTS</b>						<b>232,152</b>
Grupo Rodilla						136,543
Hamburguesa Nostra						92,785
Jamaica Coffee Experience						2,824
<b>Total</b>						<b>2,245,371</b>

Figures from each of the social networks at 31 December 2018

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# Good governance

Damm's business culture and corporate governance model facilitate the correct management of the company, maximizing its value and sustainability and safeguarding the interests of shareholders.

(102-18) The company is governed by the General Shareholders' Meeting, the Board of Directors and the Steering Committee.



## SA DAMM BOARD OF DIRECTORS

Executive Chairman

**Mr Demetrio Carceller Arce**

Board Member and Secretary

**Mr Ramón Agenjo Bosch**

Board Members

**Mr Ramon Armadàs Bosch,**

*representing Hardman-Ceres, S.L.*

**Mr Raimundo Baroja,**

*representing Disa Corporación Petrolífera, S.A.*

**Mr José Carceller Arce,**

*representing Disa Financiación S.A.U.*

**Ms María Carceller Arce,**

*representing Seegrund, B.V.*

**Dr August Oetker**

**Dr Ernst F. Schroeder**

## DAMM STEERING COMMITTEE

Executive Chairman

**Mr Demetrio Carceller Arce**

General Manager

**Mr Jorge Villavecchia Barnach-Calbó**

Director of Operations

**Mr Pedro Marín Giménez**

Director of Marketing,  
Communication and Exports

**Mr Jaume Alemany Gas**

Director of Corporate Finance

**Mr Àngel Guarch López**

Director of Sales

**Mr Xavier Vila Vila**

CEO of Rodilla

**Ms Maria Carceller Arce**

Director of Human Resources

**Mr Ricardo Lechuga Cisneros**

Managing Director of Font Salem

**Mr Antoni Folguera Ventura**

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(102-16) Damm has the following control tools for good corporate governance:

### CODE OF CONDUCT

### GOVERNING REGULATIONS OF THE COMPLAINTS CHANNEL

### COMPLIANCE COMMITTEE AND REGULATIONS

Damm's Internal Audit Department was created to better manage risks, including criminal risks. Both the Compliance Committee and the Internal Audit Department report to the Audit and Compliance Committee, which is made up of members of the Board of Directors.

(GRI 205) The Compliance Committee and the Internal Audit Department prepare the global risk map and the specific map for criminal risks.

The protocol for dealing with risks related to political corruption is included in the Code of Conduct and in the whistleblower channel regulations. At Damm we have also drafted a manual for the prevention of money laundering, with special emphasis on payments.

(GRI 205) The protocol for dealing with risks linked to conflicts of interest has been included in the Code of Conduct.



**SA Damm's employees have received training on presumption of criminal risks and have subscribed to the Code of Conduct.**

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# We are members of organizations in our sector and our environment



**Alfil Logistics is part of the governing board of Logistop, representative in Spain of the European logistics initiative ALICE (Alliance for Logistics Innovation through Collaboration in Europe).**



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## We grow with our people



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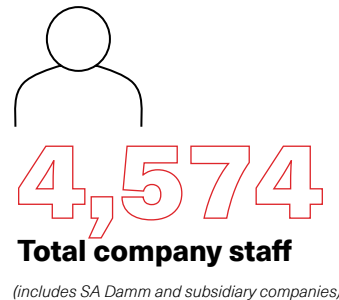
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# Management focused on people

At the end of 2018, Damm's workforce totals 4,574 people. It is thanks to the daily commitment and effort of these people that we are able to overcome challenges and take advantage of current and future opportunities. Therefore, **our management is focused on developing initiatives to enhance their well-being and professional growth.**



**In 2018, staff numbers at Grupo Rodilla also experienced significant growth. We have implemented the digital interview in the employee recruitment process, which facilitates its management and ensures every candidate has the same opportunity.**

## STAFF IN THE SCOPE OF THE REPORT

(102-7, 401-1)



<b>2,359</b>	Beverages and food
<b>215</b>	Logistics and distribution
<b>944</b>	Restaurants
<b>21</b>	Content management <i>(SetPoint Events)</i>



<b>787</b>	Beverages and food
<b>29</b>	Logistics and distribution
<b>896</b>	Restaurants
<b>3</b>	Content management <i>(SetPoint Events)</i>



**of staff covered by  
a collective bargaining  
agreements** (102-41)

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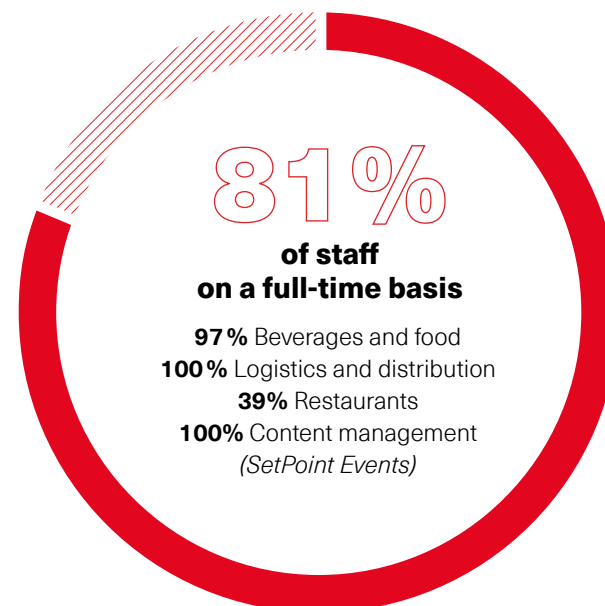
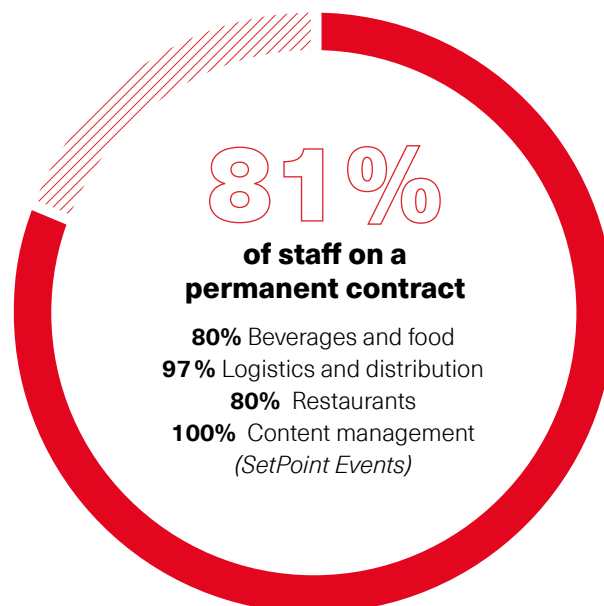
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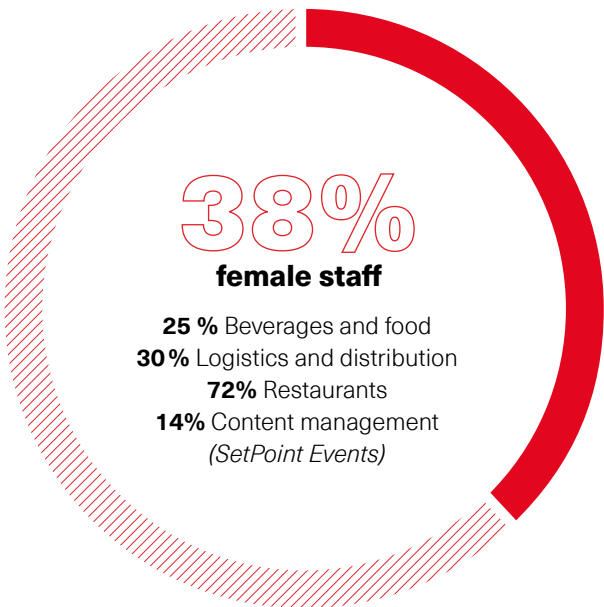
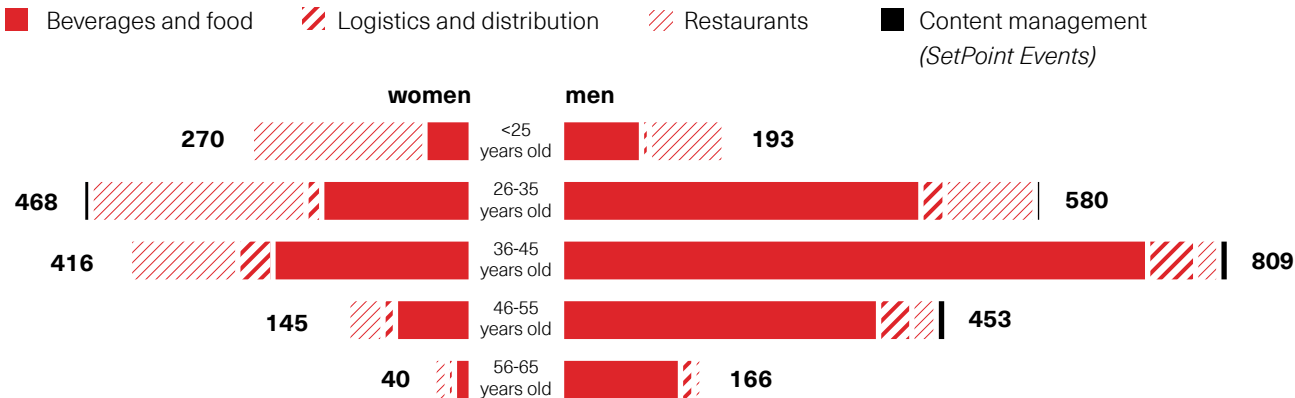
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STAFF ACCORDING TO GENDER AND AGE GROUP





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## Let's Damm Together: involving people in digital transformation

The Let's Damm Together events, held monthly at the Antigua Fábrica Estrella Damm, aim to involve the company's workforce in the digital transformation process. Let's Damm Together seeks to generate interest and discussion through presentations from speakers that demonstrate the opportunities of the digital era.

In 2018, the executive chairman of Damm, Demetrio Carceller, hosted one of the event's sessions for the first time, in which he talked with company's workforce about the relevance of the Digital Transformation project in a relaxed atmosphere that simulated a live radio programme.

Carceller Arce divulged that the company would soon be implementing remote working.

The people who participated in the other sessions were experts, such as Genís Roca, who spoke about the digitalization of the relationship with the consumer; Deepak Daswani, who explained to the attendees the dangers of the internet and the importance of cybersecurity; Enrique Dans, who discussed digital transformation from the perspective of personal leadership; Andreu Veà, who described the beginnings and history of the internet; Marta Peirano, who talked about privacy and security on the internet and Rodrigo Miranda, who demonstrated how to create a digital identity.

Any member of the Damm team can attend Let's Damm Together in person or via streaming through iDamm, the corporate intranet.



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## We promote inclusion

(405-1) We demonstrate our commitment to integrating people with different abilities by **fully complying with the General Law on the rights of people with disabilities and their social integration**, working to achieve 2% in those companies subject to this target and exceeding it wherever possible.

During 2018 Damm published **job offers which positively discriminated** in favour of people with different abilities, allowing us to increase the number of direct hires of this type. We work with the Once Foundation and DisJob job portals which specialize in people with different abilities.

Moreover, Damm has been hiring staff from special employment centres that work with people with different abilities. For example, SA Damm has been outsourcing part of its services to CET FEMAREC since 1991, a company which carries out the selective collection and waste management service. Likewise, we have been working with the CARES Foundation – of which Alfil Logistics is a patron – for product handling in the Logistics Activities Area of the Port of Barcelona. Damm also outsources services to companies that employ groups at risk of social exclusion and special employment centres.

**In 2018 SA Damm renewed its certificate of exemption and has approved alternative measures for the period 2019-2021.**

**Grupo Rodilla and the A LA PAR Foundation, which works for the rights and social participation of people with intellectual disabilities, have joined forces and inaugurated the first Rodilla establishment whose team is made up of people with intellectual disabilities.**



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**Cervezas Victoria and SA Damm have signed an agreement with the Down's Syndrome Foundation so that the students of the training programme can gain work experience in the Cervezas Victoria and Antigua Fábrica Estrella Damm events organized for the company's employees.**



## We adapt to people with functional diversity

At Damm we incorporate universal accessibility measures in the specifications of our construction works. This criterion has already been adopted in the refurbishment of the head office, as well as in the factories of Compañía Cervecería Damm, Cervezas Victoria and Estrella de Levante. For the factory in Murcia we have had the guidance of the ASPAYM National Federation (Association of people with spinal cord injury and other physical disabilities).

In addition, we adapt the workplace to ensure that people with functional diversity can adequately carry out their work. These criteria are also taken into account for the sports activities organized by SetPoint.

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## Youth employment and integration of groups at risk of social exclusion

(413-1) Several group companies carry out activities to promote youth employment and the workplace integration of people at risk of social exclusion.

For the past three years, Damm has been collaborating with the Lestonnac School in Barcelona by holding an annual training session with the aim of showing the students the opportunities of a professional future. The day includes training on corporate aspects of the company, a visit to one of the most automated industrial plants of the group and career advice so that students can explore their career possibilities and identify future professional opportunities.

Estrella de Levante continues to offer "La caña emprendedora" scholarship aimed at young graduates of hospitality management schools who want to expand their training with practical experience. It also offers, as Alfíl Logistics does, dual vocational training programmes, an opportunity for students and recent graduates.

In addition, Rodilla collaborates with several workplace integration initiatives: with the ISOS Foundation for the employment of young people in care, with the Spanish Red Cross, with the San Martín de Porres Foundation, with the "la Caixa" Foundation (Barcelona Activa) for the hiring of young people and with the Madrid City Council through the Employment Agency for the recruitment and hiring of young people with no qualifications.

Since 2017 Font Salem also has a programme of hiring young graduates with no experience whom they train in all areas, both operational and structural, in order to have young talent who knows the company and can accept the challenges that are posed to the organisation.



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# For gender equality

(GRI 405) At Damm, we are aware of the need to adopt specific measures to advance equality. That is why we have an **Equality Committee** whose mandate consists, among other things, of promoting new work-life balance measures.

**72% of the people surveyed in the diagnosis of the Equality Plan viewed the work, family and personal life balance at Damm positively.**

**The anti-harrassment protocol has been renewed in all Damm companies..**

**Estrella de Levante has signed up to the “Companies for a society free of gender violence” initiative.**

## Main actions in 2018

### 2nd SA Damm Equality Plan.

**Damm’s code of conduct, which promotes respect for people,** compliance with human and labour rights.

**Various information and awareness actions:** training on gender violence on International Women’s Day and in inclusive language, as well as other awareness campaigns.

**Rodilla** continues with its social work, with special focus on its support for women. To this end, it implements equal opportunities policies and work-life balance measures, also collaborating with associations that promote the workplace integration of women at risk of social exclusion.

**Estrella de Levante** has an Equality Committee that works to promote measures and avoid discrimination based on gender.





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## Damm, a family-friendly company



As part of the commitment to work-life balance, Damm has organized the management of this matter following the Family-Responsible Company (EFR) model of the Masfamilia Foundation, audited by AENOR.

The efr certificate, which SA Damm obtained in 2018, is the tool that ensures work-life balance in companies and institutions and responds to a new social and occupational and business culture based on mutual flexibility, respect and commitment. One of the most important measures of the efr model is the provision of social benefits, which improve the quality of people's personal lives.

A total of 144 people from the Damm team participated in a Focus Group related to the level of use and satisfaction of the 41 existing efr measures in Damm. Results showed high levels of satisfaction with company's flexible working hours, the short intensive working day on Fridays and the distribution of free water and fruit.

In order to ensure the achievement of the goals set out in Damm EFR project, the company created a work team with people from different areas of SA Damm.



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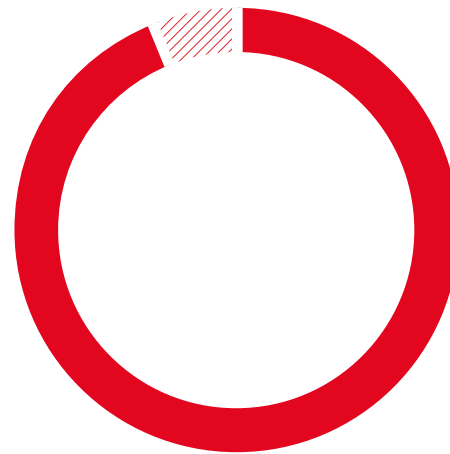
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(401-3)

94%

### Retention rate after maternity or paternity leave

97% men

90% women

96% Beverages and food

100% Logistics and distribution

86% Restaurants

100% Content management (SetPoint Events)

## WOMEN ACCORDING TO JOB CATEGORY

11%

### Senior management

10% Beverages and food

0% Logistics and distribution

17% Restaurants

0% Content management (SetPoint Events)

44%

### Technical personnel and middle management

39% Beverages and food

31% Logistics and distribution

67% Restaurants

16% Content management (SetPoint Events)

35%

### Administrative personnel

32% Beverages and food

67% Logistics and distribution

83% Restaurants

100% Content management (SetPoint Events)

35%

### Labourers

11% Beverages and food

5% Logistics and distribution

74% Restaurants

0% Content management (SetPoint Events)

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# We promote well-being in the company

The people who make up Damm's workforce enjoy several advantages and benefits that contribute to their well-being in the company.

**Work-life balance measures:** flexible entry and leaving hours in offices, and intensive shift schedules in the factory. At CC Damm, Font Salem and Estrella de Levante, people can swap shifts for work-life balance reasons.

The fourth shift at Estrella de Levante reduces the number of people who work on weekends and allows a fixed work schedule.

**Paid leave** of 4 hours per year to accompany first-degree relatives to the doctor.

**Social benefits:** scholarships or discounts for training, access to contract products (extension of the Bènefit Programme for all Damm employees), discounts on the purchase and acquisition of services and products through the "Offers and promotions" section on iDamm.

**Leisure activities:** participation in internal draws by all the Damm workforce to go to museums, theatres and concerts related to the events we sponsor.

**Charitable initiatives:** we facilitate participation in charitable activities such as the Amiga Foundation clothes collection (218 kg of clothes collected), the "Ven a donar sangre" (blood donation) campaign by the Banc de Sang i Teixits blood bank, the "Gran Colecta de Alimentos" (great food collection) campaign of the Banco de Alimentos food bank, the collection of books during Sant Jordi of the Servei Solidari Foundation and the Magic Line of the Sant Joan de Déu Hospital for people in situations of vulnerability. In 2018, at the Christmas dinner at the Antigua Fàbrica Estrella Damm, the company's employees were able to donate a euro to the "Recuperant la il·lusió per Nadal" project promoted by the "Amics de la gent Gran" foundation and a total of €1,000 was collected.

**Damm and Grupo Rodilla offers a flexible remuneration plan, through which people can take out medical insurance, nursery vouchers, meal vouchers and use the canteen with special prices.**

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## Sant Jordi music and solidarity

The Antigua Fábrica Estrella Damm (Old Factory) hosted the Sant Jordi Musical for the sixth consecutive year, attended by more than 16,000 people. The music, with more than 25 concerts, and solidarity, were the protagonists. The latter was thanks to the sale of solidarity books and roses from the Fundació Privada Gaspar de Portolà and Fundació Servei Solidari, whose collection has been used for literacy and language courses for people who cannot read or write.





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## First Family Day at Damm and Estrella de Levante

For the first time, the Antigua Fábrica Estrella Damm and Estrella de Levante opened their doors to families to host our first Family Day.

More than 600 people attended the day at the Antigua Fábrica. The Damm employees showed their families and friends around their place of work. Several facilitators led a guided tour of the Antigua Fábrica areas dedicated to events, explaining the history of Damm.

For its part, the Espinardo factory also hosted its 1st Estrella de Levante Family Day, which was attended by more than 400 people, including employees and family members. Attendees were able to enjoy various activities, such as painting workshops, acrobatic performances, live music, dance classes and a pool with inflatable slide, among other things.

**The Estrella de Levante collective agreement improves the Workers' Statute with measures such as the extension of maternity leave and benefits for marriages, births and children with disabilities.**

**More than 90 people participated in the second edition of Damm's charity padel tournament, whose proceeds have been allocated to the adaptive sports association "Pàdel amb tu".**





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**In 2018, a pilot test of the *Damm from home* project was launched, in order to enable employees to work remotely.**

## Damm Health Plan

The new Damm Health Plan was set up in order to promote healthy habits in the company. During the year, the organization set up different initiatives linked to promote health and physical, mental and emotional well-being, through healthy eating or physical exercise, among other things.

One of the actions carried out is the weekly distribution of seasonal and varied fruit among the company's workforce – as a fundamental part of people's diet and health. Receiving fruit in the office is a sign of our continuous improvement in becoming a healthy company.

After-work mindfulness activities have also been carried out. This practice is internationally recognized for improving the well-being of people and for contributing to reduce levels of work stress, creating much more pleasant and healthy work environments.

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# Internal communication and involvement

We have multiple channels for dialogue and fostering a sense of belonging that ensure fluid communication with the people who work at Damm.

---

**Damm Info.** Used to inform employees about the company's news as well as provide any information that may have an impact on their job.

---

**+Damm.** The group's internal magazine, published twice a year, is sent digitally and in print to the company's workforce.

---

**Asegúrate Damm.** Monthly, digital and printed newsletter from the El Prat factory, which promotes a culture of occupational risk prevention.

---

**Digital newsletter.** Newsletter with information and tips related to new technologies to inform employees about Damm's digitalization process.

---



---

**iDamm.** Corporate intranet for internal communication and management of procedures, whose homepage is the digital newspaper through which employees are informed of all the content generated by the different companies and departments of the group.

---

**DeGusta Damm.** Information about the work carried out by our panel of internal tasters. The diligence and the results obtained in the validation rounds allow us to improve the organoleptic characteristics of our beers.

---

**Estrella Agenda.** Monthly agenda addressed to collaborators of Estrella de Levante, which summarises all the events of interest in which the brand is present.

---

**Grupo Rodilla's internal communication.** In 2018 the Intranet was launched, a communication channel was created through WhatsApp and the weekly operational newsletter *Rodilla en Acción* was established.



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# Committed to professional development and training

Damm's innovation and transformation process is possible thanks to the development and progress of our people. We are aware that professional development is key to the management and retention of talent and brand reputation.

In this regard, we are committed to training in line with the company's needs. Ensuring people are properly trained in digital transformation and that they believe in it is fundamental to face this process of change. The new online and face-to-face training space, Damm Academy, makes the journey easier.

## Management and retention of talent

(404-2) We are committed to the professional development of people and foster the incorporation and management of internal talent.

**People Damm.** New meeting point between Damm and the people that make up the company to manage their individual development. It includes all the human resources processes linked to professional careers: management by objectives, individual development plan and Damm Academy. The objective of these processes is to empower the people who make up Damm to help them develop professionally.

**Industrial Talent.** In 2018 we continued with the process of incorporating talent at an industrial level in the El Prat factory.

---

**Mobility.** A professional development programme that offers employees the opportunity to apply to recruitment processes for internal vacancies.

People  
Damm

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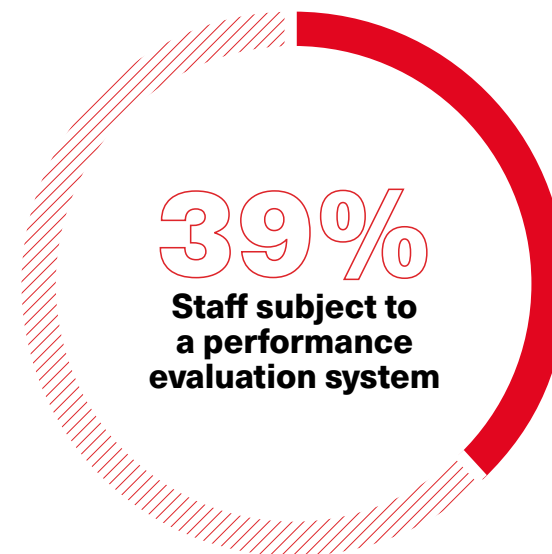
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## Damm, the company that has climbed the most up the Merco Talento reputational ranking

Merco Talento, the ranking that recognizes the 100 best companies for attracting and retaining talent in Spain, has highlighted Damm as the company that has climbed the most positions among all those included in the ranking. Damm is in position 27 this year, which represents a rise of 40 positions compared to the previous edition.



**29 %** Beverages and food  
**52 %** Logistics and distribution  
**62%** Restaurants  
**100%** Content management  
(SetPoint Events)

**Grupo Rodilla has carried out performance evaluations for all its store personnel for the first time.** The annual performance evaluation has also been launched for people who have been with the company for at least 6 months. 100% of the staff of Grupo Rodilla are now managed through the completion of objectives and through the evaluations carried out by Damm.

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## Acquisition of talent through employer branding

Digital tools and channels are more and more important in the process of attracting talent at Damm, talent which is skilled and adapted to our business culture and to our digitalization process.

### Main actions in 2018

Participation in university forums.

Presence in JoBarcelona and JobMadrid.

Digital "Welcome pack" at Grupo Rodilla.

**More than  
70,000 people  
already follow  
Damm's profile  
on LinkedIn.**



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# An aligned training model

(404-2) In 2018 we implemented the Damm training model with a strategy aligned with the company and based on four axes: corporate, digital, competence and business. The model offers various training channels: face-to-face, e-learning and blended.



## CORPORATE AXIS.

Training activities that enable employee to delve further into Damm's culture, processes and scope of action:

*Loyalty, Innovation, Customer Value and Energy*, the company's new values.

---

English Programme.

---

Prevention of gender violence.

---

European Union General Data Protection Regulation.

**At Agama, several specific courses have been carried out on the dairy industry, aimed at all personnel.**

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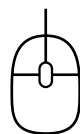
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### DIGITAL AXIS.

Training activities with the aim of accompanying and facilitating the Group's digital transformation process:

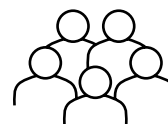
Digital Journey Online. Training pills on the day-to-day digital tools.

Damm's Digital Workplace. Training on new tools.

Digital Skills Programme. Digital skills training.

Atvity game about beer culture. Launched for the hospitality sales network, it is a pilot of the gamification app about good practices, brand awareness, beer culture, among other things.

**At Grupo Rodilla, a Job Shadowing programme was undertaken and a personal coaching process was carried out for the managers with the greatest number of people in their charge.**



### COMPETENCE AXIS.

Training activities that allow people to develop the necessary skills for the optimal performance of their functions:

Lidera CCDAMM. Implemented in the El Prat factory, this programme is aimed at middle management.

Competence development for middle management. Programme aimed at the middle management of Damm's water division (Veri and Fuente Liviana), with three training modules: leadership and communication, teamwork and confidence building.

Advancing Negotiation Skills. Course providing knowledge and skills to manage complex negotiations in a professional, ethical and competent manner.



### BUSINESS AXIS.

Training activities aimed at the pursuit of excellence in all business processes, providing value and improving results:

Product training: Beer Sensory Expert, Beer Culture Training, higher education and master's degrees in brewery and lactology.

Project management.

Sales team training.

**In Font Salem, basic courses on beer and soft drink preparation are regularly held, as well as weekly tasting courses (75 people in 2018).**

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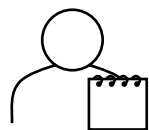
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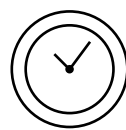
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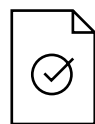
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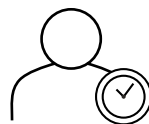
**4,294**  
**employees who have received training**



**35,975**  
**training hours**

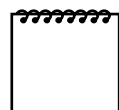


**9.4**  
**Average score of the received training**



**8.38**  
**Average number of training hours per employee**

(404-1)



**660**  
**Training actions**



**€761,298**  
**Investment in training**

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## Damm Academy, the new training space

Damm Academy is the new online platform where people have at their disposal all the training offered by Damm with individualized proposals for their professional career development in the company. Damm Academy offers online and face-to-face training based on a structure of learning repositories according to the four axes: corporate, digital, competence and business.

Damm Academy gives more company personnel access to training and promotes flexibility, since courses can be accessed at any time, from any place and through any device.

The main objective of Damm Academy is primarily to increase the engagement of the entire team and promote cultural change towards digital transformation.

*Academy*  
Damm



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# Comprehensive workplace safety

(GRI 403) **Our commitment to employee safety is reflected in the Damm Occupational health and safety policy**, whose main purposes is to reduce accidents in the workplace. The company has a **prevention plan** that details the integrating organizational model on which the management and performance of Damm's occupational health and safety policy is based.

## Main actions in 2018

Awards for the best initiatives in **matters of health and safety** and for the company with the lowest **accident rate**.

### Psychosocial risk surveys.

The occupational health and safety management system is structured around the premises of the recently published ISO 45001 international standard. **Estrella de Levante**, a certified company, has adapted its current system to the new standard. The management systems of **Alfil Logistics and Compañía Cervecería Damm** will be submitted for certification in the coming years.

**Grupo Rodilla** has established a comprehensive methodology for analyzing causes and monitoring corrective actions, with a greater focus on individual awareness.

**Alfil Logistics** deployed the programme and the accident committee in each warehouse.

For the water business companies, a **specific training plan** has been carried out on occupational risk prevention.

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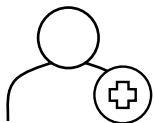
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# 77%

### Staff represented by health and safety committees in their respective work centres

**82.6 %** Beverages and food

**14.9 %** Logistics and distribution

**79.1%** Restaurants

**0%** Content management  
(SetPoint Events)

**A significant number of Damm companies fall below the accident rate indicators, which allowed the company in 2018 to reduce its contributions for occupational contingencies.**

**We have incorporated a new tool, "Apren-D", for analysing accidents and incidents in the factory and extracting the necessary information to avoid their repetition.**

**Font Salem's 0 Accidents Project**, in which monthly meetings are held at the Operations Management level and those responsible for the factory and logistics, Occupational Risk Prevention/HR, as well as different actions to analyse the possible accidents that have occurred, to seek synergies at the prevention level among the different factories of Font Salem, improve the safety conditions in the workplace and, evidently, achieve 0 work accidents in our factories.

### ACCIDENT STATISTICS

	Men	Women	Total
<b>Frequency rate</b>			
Beverages and food	21.8	7.0	17.5
Logistics and distribution	21.24	9.72	17.76
Restaurants	NA	NA	48.86
Content management (SetPoint Events)	0	0	0
<b>Severity rate</b>			
Beverages and food	0.51	0.20	0.42
Logistics and distribution	0.21	0.06	0.17
Restaurants	NA	NA	0.35
Content management (SetPoint Events)	0	0	0
<b>Work accidents</b>			
Beverages and food	66	7	73
Logistics and distribution	5	1	6
Restaurants	28	65	93
Content management (SetPoint Events)	0	0	0

*Note: The companies included in each of the above business activities are: beverages and food (CC Damm, Estrella de Levante, Font Salem (El Puig, Salem and Santarém), Veri, Fuente Liviana, Embotelladora mallorquina de Begudes, Agama, Cervezas Victoria, Cafés Garriga, La Moravia, Fábrica de El Prat, SA Damm, Damm Atlántica, Damm Canarias, Sadiga y Fundación Damm), logistics and distribution (Alfil Logistics, Pall-Ex Iberica, Minerva, DDI y Pumba), restaurants (Rodilla) and content management (SetPoint Events)*

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## We are committed to society





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# Living «mediterráneamente»

**Living “Mediterráneamente” is a 100% natural way of life, like the ingredients with which our beers are made: barley, rice and hops.** The Mediterranean way of life associated with our brand transcends gastronomy, culture, music and sport. Estrella Damm is the leading beer in the Mediterranean, our global calling card. At Damm we stay true to our origins and values and we want to promote this natural and fresh way of life among our consumers.



MICHELLE JENNER BILLIE THE VISION & THE DANCERS ORIOL PLA

**Estrella Damm**  
PRESENTA

A photograph of three musicians performing on a beach. A woman in a red dress is on the left, a man in a black sequined vest is in the center holding a microphone, and a man in a blue shirt is on the right playing a guitar. They are all smiling and looking towards the camera.

**Alex y Julia**  
de DANÍ DE LA TORRE

ES TU VIDA, QUE NADIE TE ESCRIBA LA LETRA.

**EN MEDITERRANEAMENTE.ES**  
ESTRELLA DAMM RECOMIENDA EL CONSUMO RESPONSABLE. ALC. 5.4°



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## Ads with the Damm hallmark



### Estrella Damm advert *Cyrano*

With this advert, Estrella Damm reinforces the message of its values: a beer made with natural ingredients and in accordance with the original recipe of 1876. The chef Alberto Chicote and the winner of the Goya Award for Best New Actress in 2017, Anna Castillo, star in "Cyrano". On this occasion, they are under the orders of the director Claudia Llosa, with Oriol Villar as creative director.



### Estrella Damm short film *Álex y Julia*

With the musical short film "Alex y Julia", Estrella Damm celebrates 10 years of "Mediterráneamente". Under the direction of Dani de la Torre and with Michelle Jenner and Oriol Pla as the stars, we live a real emotional roller coaster in which we remember past summers through the songs popularized by Estrella Damm. The journey culminates with Billie The Vision & The Dancers to the rhythm of Summercat, the song that made the Swedish band famous in the first advert, in 2009.



### Voll-Damm advert *Zeus & Apolo*

Luis Tosar again stars in a Voll-Damm advert to continue to show that not all beers are the same. The campaign, directed by Dani de la Torre, also includes the actors Luis Zahera and Chani Martín and coincided with the launch of Voll-Damm's new image, which emphasizes its production process.

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**In 2018, we also launched the first Malquerida campaign under the motto "Malquerida is not a new beer, it's a new style of beer".**



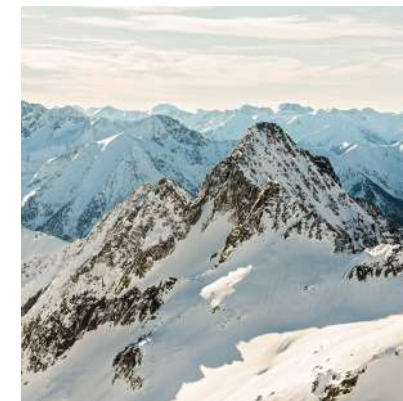
**Free Damm advert**  
***Recupera lo que te hace sentir (Get the feeling back)***

The advert was broadcast to coincide with the launch of the alcohol-free beer's new image and renewed formula. Directed by the filmmaker Kike Maillo, the ad invites the spectator to recover old habits to continue enjoying lunchtimes.



**Damm Lemon advert**  
***No es una clara cualquiera (Not just any shandy)***

Coinciding with the beginning of summer, the advert defends the unique character of this natural and refreshing shandy made with Estrella Damm and Mediterranean lemons.



**Veri Advert**  
***Puro Pirineo (Pure Pyrenees)***

The brand uses Slow TV to show the environment where Veri's water is born. Four places of the High Pyrenees, a fixed camera and more than four hours without cuts or effects. This is "Puro Pirineo" (Pure Pyrenees), Veri's new campaign, a pioneering experiment in Spain that managed to capture the hypnotizing beauty of the environment where this mineral water flows.

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Damm's international presence is accompanied by the launch of advertising campaigns that carry the "Mediterráneamente" concept with them wherever they go. The **"Our Life"** campaign, starring Peter Dinklage and Álvaro Cervantes, was launched in the United Kingdom at a ceremony held in London, with influencers, the media, customers and followers of the brand. The campaign has obtained more than 27 million views on YouTube.

Estrella Damm has also promoted a major advertising campaign in Portugal, **"A Nossa Vida"**, with adverts shown on television, the cinema, social networks and outdoor advertising in Lisbon and Porto.

**Keler pays tribute to pintxos in its new campaign: the ad tells the story of chef Yoshitsugu Yamamoto, recognised with a Michelin Star and founder of the first pintxo bar in Osaka.**



## Promoting responsible alcohol consumption

(102-12) Damm is part of the **Committee of Spanish Brewers**, which has developed the "Beer Advertising Self-Regulation Code" by which all commercial communications about beer will:

Be legal, honest, true and in accordance with the principles of fair competition and good commercial practices.

Be developed with a sense of social responsibility, based on principles of good faith and fairness among the parties involved.

In no case exceed the limits of ethics, dignity or human integrity.

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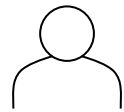
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# Antigua Fábrica Estrella

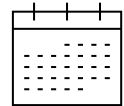
## Damm, a reference space for events

The Antigua Fábrica Estrella Damm has for years been a reference space for the city of Barcelona and a very special meeting place that hosts a multitude of cultural, gastronomic, sports and charity events.



129,935

attendees



270

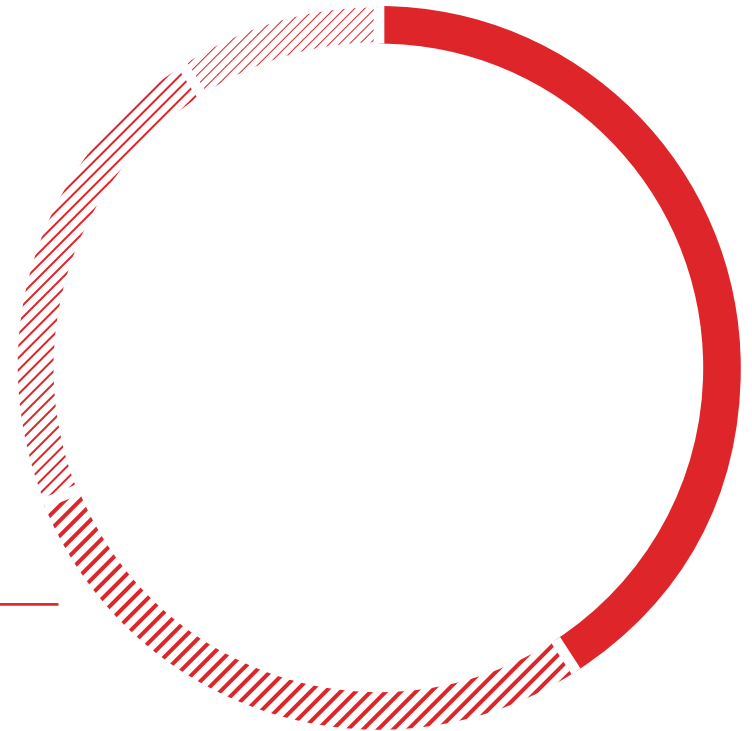
events

41% presentations

28% concerts

22% press conferences

9% large-scale events



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## Sporting events

**2017-2018 Golden Boot** for FC Barcelona's Leo Messi, an award granted by the European Sports Magazine.

**7th "Gala de les Estrelles del Futbol Català"**, organized by the Catalan Football Federation.

**Sport Cultura Awards** to the sportspeople Andrés Iniesta and Garbiñe Muguruza in the category "Sports", to Jaume Plensa in the category "Culture" and a special mention to the Sant Joan de Déu Hospital on its 150th anniversary.

**4th Panenka Magazine Awards**, which honour people and groups that contribute to the enrichment of football culture in Spain.

**5th "Perico de l'any" Gala**, which each year recognizes Espanyol's fans.





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## Cultural events

**Sant Jordi Musical**, , with more than 25 concerts, record signings, vinyl record market, sale of roses and books for charity and food trucks.

**I Diada Castellera**, , an event to commemorate the 25 years of three "colles" castelleras: the Castellers de Sants, the Tirallongues of Manresa and the Jove de Sitges.

**#GirlsJustWanna (Have Fun)**, , a concert organized by RAC 105 exclusively for women, with performances by Judit Neddermann and Joana Serrat.



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**La Mercè 2018 festivities**, with a programme of musical performances, gastronomy, "silent disco" and children's activities.

**Mutek, International festival of digital creativity**, with the Experience programme.

**Sudbeat & The Soundgarden**, a gastronomic electronic music festival that returned to the Antigua Fàbrica Estrella Damm for the second year.

**48H Open House Barcelona**, Barcelona's annual architectural event which opens the doors of more than 200 iconic buildings in the city.



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## Charity events

The Antigua Fábrica Estrella Damm was lit up in blue as a show of support for **World Autism Awareness Day**, in red to support **World AIDS Day**, and in pink to commemorate **World Breast Cancer Awareness Day**, an action which the El Prat factory also took part in.

**Solidarity Fest for Parkinson's**, a fundraising festival organized by the Catalan Parkinson's Association

**La Marató de TV3: lucha contra el cáncer, (TV3 Marathon: fight against cancer)** with a charity concert attended by 300 people.



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## Gastronomic events

**1st Edition of Cook & Travel**, international gastronomy festival.

**1st Edition of the BCN Restauració awards.**

**Closing party of the third edition of Plat Favorit dels Catalans (Catalonia's favourite dish)** The winning dish in 2018 was the Coradella de Molins de Rei.

## Other events

**Netcom 2018**, annual meeting of communicators organized by Dircom Catalunya which celebrated its tenth anniversary and **Welcome Summer Dircom Catalunya**, a networking event to see in the summer and present the latest trends in communication.

**In 2018, the Victoria factory in Malaga hosted numerous gastronomic, cultural and business events.**

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## The Antigua Fábrica Estrella Damm now has its own beer cellar

The Antigua Fábrica has set aside a space for a beer cellar, for its better conservation and to guarantee its quality and service. The new cellar has a storage capacity for 1,200 litres of beer, which can be distributed simultaneously in the best conditions to all the rooms of the Antigua Fábrica Estrella Damm. The new system is being tested for its possible implementation in hospitality industry customers with large volumes.





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## Aprendizaje en las fábricas de Damm

(413-1) Con la visita a las fábricas de Estrella de Levante, Cerveza Victoria y Estrella Damm, los consumidores y consumidoras pueden conocer el proceso de elaboración de las cervezas. La fábrica de Estrella Damm en El Prat de Llobregat cuenta también con una nueva sala de degustación para las visitas.



# 40.000

**visitantes recibidos en nuestras fábricas durante el ejercicio 2018**

**FÁBRICA DE EL PRAT**



**12.000 visitantes**

**FÁBRICA DE CERVEZAS VICTORIA**



**13.087 visitantes**

**FÁBRICA ESTRELLA DE LEVANTE**



**15.053 visitantes**

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# Commitment to society, our identity

(GRI 413) Commitment to society has been part of the identity of Damm since its origins and is reaffirmed year after year thanks to our participation and active support in different areas of culture, gastronomy and sports. Our sponsorships and collaborations strengthen our bond with society and with consumers.

## Commitment to culture

In 2018 we supported and sponsored many initiatives, including the following:

**Estrella Damm Concerts** on Bogatell beach as part of **Barcelona's Festival of La Mercè**

**5th Canet Rock 2018**

**Cap Roig Festival**

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56th edition of the Portaferrada Festival

4th Clownia Festival

Enderrock Awards

1st Paraíso Festival

18th REC Festival

**To mark its 90th anniversary, Victoria hosted a series of acoustic concerts at its factory in Malaga.**

3rd edition of the Mallorca Live Festival

Estrella Damm Music Sessions

50th edition of the Voll-Damm Barcelona International Jazz Festival

Castells competition in the TAP in Tarragona

10th edition of the Gaudí Awards

9th edition of the Cruïlla Festival and 2nd edition of the "Spring Cruïlla"

10th Esperanzah! Festival

1st Secret Vida

Vida Festival in Vilanova i la Geltrú,

30th Mercat de Música Viva de Vic

Get Mad! Festival 2018

International Museum Day

Welcome Festival

Trueno Rayo Fest

Maker Faire International Festival of Creative Technologies

Horror and Fantasy Film Festival





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## 25th anniversary of Sónar, International Festival of Advanced Music and Multimedia Art

One again, Estrella Damm was the main sponsor of the most emblematic festival in the city of Barcelona. More than 126,000 people attended the 25th anniversary of Sónar, which was held in June.

Estrella Damm's visibility was focused in the Village area, on the main stage during Sónar by Day and in the venue's main bars, designed by Marc Jesús, the renowned Menorcan painter. Estrella Damm prepared a video to announce the arrival of the festival that impacted more than 3.9 million people and achieved 960,000 views.

Estrella de Levante WARM-UP  
Festival

La Mar de Músicas

Olatu Talka cultural festival

2nd edition of the Iruña Rock  
Festival

Singin' in the Cave

"Sons al Botànic"

9th Valencia Design Week

6th edition of the Valencia Open

"Diumenges Turia"

Palau Electrònic

Ponencias Behind the scenes

2018 Málaga Fair

Ojeando Festival

**Estrella Damm was  
also present at the Four  
Years From Now (4YFN),  
promoted by the Mobile  
World Capital Barcelona.**



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# Commitment to gastronomy

We remain committed to local, national and international gastronomic proposals, featuring the best chefs in the world, to strengthen the ties between our brands and the gastronomic sector.

**First edition of Comersaciones, a milestone in the country's gastronomic communication, with more than 300 people attending this seminar sponsored by Estrella de Levante and La Compass del Gourmet.**

## National events

6th Ruta del Bacalao

1st Paseo de Gourmets

5th Tast a la Rambla

Van Van Market

Malquerida & Food

Fòrum Gastronòmic de Girona

6th edition of 'Tastets Surrealistes'

12th edition of "Andorra a taula"

'Ganxet Pintxo'

La Noche Estrella Damm en los Mercados

II Festival of l'Horta Turia

6th edition of "De tapas con Turia"

#MurciaSeMueve

Murcia Gastronómica

"Estrellas de frente y perfil",





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**Cervezas Victoria presented a 33cl bottle with a “Taste of Málaga” seal, a guarantee that emphasizes the quality and particularity of Málaga's gastronomy.**

## Gastronomic Marketing Masterclass at the Cervezas Victoria Factory

La Victoria Factory hosted a Masterclass on trends in gastronomic marketing aimed at the hospitality sector. Organized by Victoria and Gastromarketing, the event brought together a large group of people interested in knowing more about communication and marketing for restaurants.

Gastromarketing is a knowledge forum and a meeting point where gastronomy professionals mix with marketing and communication experts.



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## International events

In 2018 we collaborated in gastronomic events around the world, at the hands of internationally renowned chefs. Since 2015 Estrella Damm has been a global partner of The World's 50 Best Restaurants, the list of the best restaurants in the world. In 2017 we started collaborating with the Latin American edition and in 2018 began a partnership with the Asian edition.

### United Kingdom

**Top 50 Gastropubs Awards 2018**, (York).

**National Restaurant Awards** (London).

**The Restaurant Congress** (London)

**Luna Cinema.**

**Padel pop-up at Canary Wharf** (London).

**Young's PubCo**, with José Pizarro, an exclusive dinner for consumers and *influencers*, at the hands of Estrella Damm.

**Tunes in the Dunes** (Cornwall).

**The R200 Study Tour**, recognition for the 200 best restaurants in the UK.

**HT White Trade show**, in Eastbourne, **HT White Trade show** in Brighton, **Butcombe Trade Show** in Bristol and **Adnams Trade Show** in Norwich.

**Free From Festival London and Free From Festival Bristol**, gluten-free events, with Daura.

**Readers of Restaurant Magazine, from the United Kingdom, chose Estrella Damm as their beer of choice at the Reader's Choice Awards.**



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## Portugal

**11th Tapas routes**, in various parts of the country: Lisbon, Porto, Braga, Faro, Aveiro, Viseu and Évora.

## Dubai

**Taste of Dubai**, showcase of the best restaurants in Dubai, the best chefs and live music.

## Ireland

**Food on the Edge**, Ireland's most anticipated culinary event, with 50 chefs selected for their innovation, passion and influence.

## China

**Sabor Shanghai Fusion.**

## Cyprus

**Tapas Journey Cyprus.** First Estrella Damm Tapas Journey in Cyprus, with more than 2,500 tapas menus served.

## United States

**4th edition of Miami Chef's Choice**

**Iron Fork** Iron Fork, competition between chefs in Miami.

## New Zealand

**Metro Top 50 Restaurants Awards** in Auckland.

**Cuisine Good Food Awards**, for the best restaurants and chefs in the country.

## Canada

**"Winterlicious"**, an event in which 200 Toronto restaurants participate.

**Toronto Tapas Journey** and **Ottawa Tapas Journey**, tapas routes through Canadian cities.



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**For the first time, Estrella Damm was the official beer of Asia's 50 Best Restaurants held in Macau, China.**

## Estrella Damm Gastronomy Congress, global events with a local perspective

Estrella Damm's connection with gastronomy is reflected in its constant commitment to the best proposals with the aim of boosting the hospitality industry through quality gastronomic activities, often involving renowned chefs. This is how the Estrella Damm Gastronomy Congress was born, training seminars aimed at a professional audience held in various cities around the world.

In **Miami**, Joan Roca (El Celler de Can Roca) held a cooking demonstration for more than 350 chefs, journalists, bloggers and restaurant owners, among others, as part of the third Estrella Damm Gastronomy Congress. The event was also held for the first time in cities such as **Manchester** (United Kingdom), **Athens** (Greece) or **Santiago de Chile** (Chile).





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## Commitment to sport

The link between Damm and sport dates back to the origins of the company and was consolidated in the 1950s with the founding of Club de Fútbol Damm and the first sponsorship deals in the world of cycling and basketball.

**Mutua Madrid Open**, sponsored by Estrella Damm since 2008. The presence of Estrella Damm at the Mutua Madrid Open reinforces the brand's commitment to international tennis, also evidenced by its sponsorship for several years now of the **Barcelona Open Banc Sabadell - Trofeo Conde de Godó**.

The 2018 season of the **World Padel Tour** came to an end with the celebration of the Estrella Damm Master Final 2018, an historic tournament that has broken all previous records of previous editions.

We are also present at regattas such as the **Barcelona World Race**, the **Cartagena - Ibiza regatta**, the **Mar Menor Cruise Circuit** or the **Estrella de Levante Regatta**, which celebrated its 19th edition in 2018.

**The Estrella Damm Sailing Team 2018, with Nacho Montes as owner and Luis Martínez Doreste as skipper, won the 37th Copa del Rey Mapfre in the BMW ORC 1 class and also won the special prize as the best team in corrected time.**

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In 2018 we continued to **collaborate with several sports entities** including:

Fútbol Club Barcelona

Girona Fútbol Club

Valencia Club de Fútbol

Real Club Deportivo Espanyol

Real Club Deportivo Mallorca

World Padel Tour

Mutua Madrid Open

Madrid Horse Week

Barcelona Open Banc

Sabadell Trofeo Conde de Godó

**The emblematic Mallorcan brands Laccas and Font Major become sponsors of the RCD Mallorca.**

**Estrella Damm and FC Barcelona have renewed the sponsorship agreement between the brand and the club for the next four seasons, continuing their relationship that has been ongoing for more than 25 years. Estrella Damm becomes a global partner of FC Barcelona.**

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## The Estrella Damm Padel Tour promotes the largest padel tournament ever held.

Showing that Padel is a space of coexistence capable of uniting people from the most diverse backgrounds was the objective set by the Estrella Damm Padel Circuit in its October test. The #PintaElMundoDePádel (Paint the World of Padel) test brought together 700 players from the most diverse corners. The proposed challenge was to have representatives of all the districts and municipalities of the Community of Madrid, of all the provinces, of all the European countries and of all the continents. It is not the first challenge proposed by the Circuit to its followers. Organising the largest tournament by entering the Guinness Book of Records or joining the United Nations campaign #weplaytogether have been proposed actions in previous editions.





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# The Damm Foundation, our social action

(413-1) The Damm Foundation supports and disseminates Damm's patronage and philanthropy activities in the country's sports, social and cultural spheres.

Our main line of action is through **sport**. Through our clubs, people play sports and are imbued with the values of sportsmanship. At the Damm Foundation we also collaborate with other institutions and sports entities.

At Damm we firmly believe in promoting and supporting those actions that enable the development and growth of our **society** through the transmission of knowledge, training, altruism and solidarity. Our collaboration with different entities in Catalonia and Spain corresponds to our desire to be part of the associative fabric of our country.

The Foundation, always in support of **culture**, collaborates with different museums, auditoriums, theatres, children's events, photographic exhibitions and films, among others. In addition, the Damm Foundation has an **Historical Archive**. It covers the 143 years of the company's history and consists of 100,000 registered files, 22,000 objects and 70,000 images.

**The Damm Foundation collaborated with 98 entities in 2018.**

## CF Damm and CP Damm, the sports sections of the Damm Foundation

The Damm Foundation contributes to the training of young people through sports. The most significant examples are our projects: the Damm Football Club (Barcelona, 1954) and the Damm Padel Club (Madrid, 2012).

The clubs have 280 players and more than 80 professionals. Both have awarded 64 study grants.





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## The Damm Foundation invites Damm collaborators to cultural events

The Damm collaborators benefit from the cultural collaborations of the Damm Foundation. More than 50 people enjoyed the "Gala Salvador Dalí" exhibition at the National Art Museum of Catalonia. Additionally, more than 250 people attended "La Rebotiga de l'Òpera", the latest proposal of the Simfonova label, a large format opera show at the Gran Teatre del Liceu in Barcelona.

**In 2018, the Damm Foundation launched its new website which includes all the information about its activity and its annual report.**

[www.fundacioudamm.cat/es](http://www.fundacioudamm.cat/es)



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## More collaboration and social initiatives

Damm joined the fight against childhood cancer by sponsoring the charity dinner at the restaurant Nubel to raise funds for the **CRIS Unit for Research and Advanced Therapies in Childhood Cancer**.

Estrella Damm collaborated with the **Atlético de Madrid Foundation's** padel tournament to raise funds for CRIS Against Cancer and Duchenne.

For the **Tengo Hogar Foundation** project and the **"Celebrate Birthdays"** campaign, Rodilla sent the Foundation's children a pack of sandwiches and drinks for their birthdays.

**At Rodilla we collaborated with soup kitchens by managing our end-of-day stock in a way that allowed us to deliver 27% of said stock to different soup kitchens throughout Madrid.**

Rodilla, for the second year in a row, collaborated with the **"También Solidario Madrid Fun Run"** in Valdebebas. The También Foundation is a non-profit organization that since 2001 promotes the social integration of people with disabilities.

Estrella de Levante served its limited edition of 'Cerveza de Navidad' (Christmas beer) at the **Christmas market in Murcia** for charity. The proceeds went to a social integration project by the Columbares Association.

Fuente Liviana supplied water to different entities and activities such as the **fun runs of the Provincial Council of Cuenca, the Red Cross charity race of the Red Cross and the brotherhood of blood donors**.

Afil Logistics participated once again in the **European Union's 2018 Food Distribution programme for the Most Deprived Persons** by providing transport for children's cereal from the awarded company, Laboratorios Ordesa.



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# We protect the environment



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# Towards a circular economy model

(102-11, GRI 300) **We implement initiatives so that the by-products generated in the production of our beers can become valuable resources** for others who, in turn, can incorporate them into their production cycle in any of its phases.

Our environmental strategy is focused on minimizing the impact

**Damm, one of the Top 5 of companies that most drive the circular economy in Spain, according to the Circular Economy report prepared by the Instituto Coordinadas de Gobernanza y Economía Aplicada.**

of our activity. In this regards our environmental policy is based on several lines of action:

---

Promote sustainability in all activities.

---

Favour the use of local resources.

---

Prevent pollution throughout the entire life cycle of products and services.

---

Promote actions aimed at reducing, reusing and recycling.

---

Promote the acquisition of energy efficient goods and products.

---

The identification and evaluation of environmental aspects is carried out as part of our **environmental management system**, in order to act and reduce their effects. A review of these environmental aspects is performed periodically, including any potential or emergency situations. In addition, we have an **Energy Optimization and Environment Department** which has enabled us to ensure we are continuously improving our energy performance.



€4M

**invested in maintenance activities and environmental improvement actions in 2018.**

*Note: The environmental data presented in this chapter corresponds to the following companies: Compañía Cervecería Damm, SL; Estrella de Levante Fábrica de Cerveza, SA; Aguas de San Martín de Veri, SA; Fuente Liviana, SL, y Font Salem, SL and Font Salem Portugal, Maltería La Moravia.*



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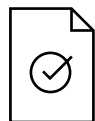
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# ISO 14001

**Our beer, water and soft drink production plants are certified: Compañía Cervecería Damm, SL; Estrella de Levante Fábrica de Cerveza, SA; Aguas de San Martín de Veri, SA; Fuente Liviana, SL, and Font Salem, SL.**

## #Mediterráneamente sustainable

At Damm we are involved in projects whose common denominator is sustainability and the Mediterranean. For example, we accompanied the Biology Diving Club and the volunteer team during a clean-up of the seabed at Tamariu Beach, Girona. The video we made of that day impacted more than 1.5 million people.

In 2018 we also started working with Seabin, a floating wastebin capable of preventing 750 kg of waste from reaching the open sea. We went to Port Adriano, in Mallorca, one of the first ports to sign up to this project at the beginning and made a video which impacted more than 1.8 million people.



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# We take measures

Improving our efficiency ensures that each product we put on the market generates the least possible impact on the environment, especially regarding the use of resources

## Energy: do more with less

(GRI 302) One of Damm's objectives is to generate renewable energy, through cogeneration, biogas from the wastewater treatment process or photovoltaic solar energy.

Currently, we generate 7,700,000 kWh of electricity from these renewable sources in the factories of El Prat de Llobregat (Barcelona), El Puig (Valencia) and Murcia, as well as in the logistics platform that the company has in the Logistics Activities Area of the Port of Barcelona (ZAL). We also have implemented various actions to reduce consumption and increase energy efficiency.

**In 2017 and 2018, the electricity consumed in our main production plants was "green", which means that it comes from renewable sources.**



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(302-4)

## Main improvement measures

### EL PRAT

#### Trigeneration:

2,678 MWh of electricity

#### Solar panels

(more than 12,000 m²):

2,000,000 kWh of electrical energy from renewable sources

Luminaires using **LED technology** and power adjustment control system

### EL PUIG

**Cogeneration:** generation of electrical and thermal energy from biogas

### THE MALT HOUSE IN MURCIA

New **cold generation plant**. Subsidized by the Spanish Institute for Energy Diversification and Saving

### ESTRELLA DE LEVANTE

**Solar facility** for self-consumption

Installed power: 245.8 kWh

Approximate production:

374,900 kWh

**Replacement of returnable packaging machinery** with more energy efficient equipment

### GRUPO RODILLA

**LED lighting** in all establishments

### FUENTE LIVIANA

**Installation of eliturbos** in the blower zone to reduce gas consumption in heating

**More efficient lighting** in warehouses, glass room and auxiliary rooms





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## The El Prat factory reduces its energy consumption by 20%

(302-4) Energy efficiency actions have been carried out at the Estrella Damm factory in El Prat which have led to energy savings at the plant. This project has been funded by the line of energy saving and efficiency grants for SMEs and large companies in the industrial sector, co-financed by FEDER funds and managed by the IDAE under the National Energy Efficiency Fund.

The actions carried out, which have focused on packaging lines, have enabled a saving of 20% in energy consumption. Therefore, thanks to the financial aid provided by the European Union (€137,939, 9% of the total investment of €1,533,783) we have been able to replace some of the pasteurizers with more efficient ones, improve the cooling system and the reduce the consumption of the furnaces of two of the packaging lines.





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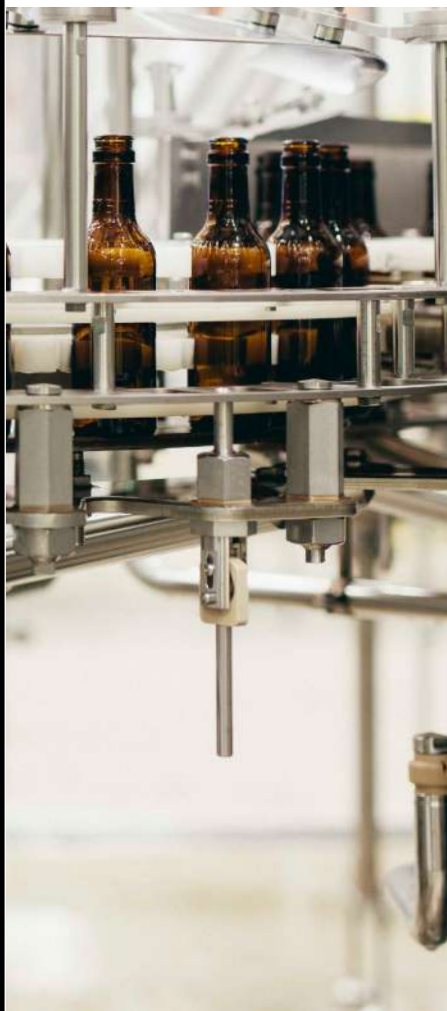
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## Energy consumption 2018

- Electrical energy
- Thermal energy

### BEER

**9.87** kWh/hl packaged

**18.75** kWh/hl packaged

### WATER AND SOFT DRINKS

**4.92** kWh/hl packaged

**4.18** kWh/hl packaged

### MALT

**158.83** kWh/t produced

**845.58** kWh/t produced

### ALFIL LOGISTICS

**0.10** kWh/pallets moved

**0.47** kWh/pallets moved

### GRUPO RODILLA

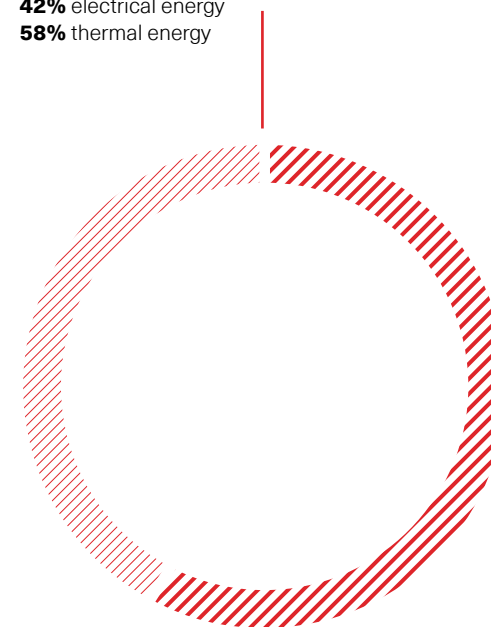
**0.34** kWh/kg produced

**0.10** kWh/kg produced

**202** GWh

## Energy generated by Compañía de Explotaciones Energéticas (CEE)

**42%** electrical energy  
**58%** thermal energy



(102-3)

**Damm is part of the Grup de Gestors Energètics, an initiative to promote the exchange of experiences and information in relation to sustainable energy management.**

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## Water: efficiency in consumption

Water, basically from wells and springs, is one of the most important raw materials in the manufacture of Damm products. We have the best technology available for the efficient use of water and we work constantly to optimize its consumption, especially in the brewing process.

(102-12) Damm, as a member of the Comunitat d'Usuaris del Delta del Llobregat, promotes new mechanisms for saving and rationalizing the use of water. We comply with the authorized limits of groundwater extraction.

**In 2018 the factories of El Prat and Estrella de Levante recycled a total of 176,115 m<sup>3</sup> of water, which represents an increase of 2% over the previous year. Damm reuses about 10% of the water consumed in the factory.**

**We have more than 300 water meters in our plants and the software for calculating the water footprint.**

(302-4)

### **Main improvement measures 2018**

#### **ESTRELLA DE LEVANTE AND LA MORAVIA**

##### **Calculation of water footprint.**

Reduction of 36% in the rate of consumption.

---

**New pasteurizer using efficient technology:** 75% reduction in water consumption.

---

**Conductivity meters** to reduce water consumption in the cleaning of facilities.

#### **AGAMA**

**Plan for raising awareness** among plant personnel.

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## Water consumption 2018

### BEER

**4.42** hl/hl packaged



### WATER AND SOFT DRINKS

**1.91** hl/hl packaged



### MALT

**72.21** hl/t produced



### ALFIL LOGISTICS

**0.01** kWh/pallets moved



### GRUPO RODILLA

**0.0034** m³/kg produced



**Estrella de Levante has received the eco-management award (sustainable environmental management) the 10th Sustainable Development Awards granted by the Ministry of Tourism, Culture and Environment for being the first company in Europe to calculate and certify its water footprint.**

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## Materials and raw materials: committed to their reduction

One of the activities carried out by the Beer Innovation Committee is the improvement of industrial processes and efficiency in the consumption of raw materials and materials.

### Main improvement measures 2018

In Damm, the actions we take to reduce consumption of raw materials and materials are those that have been proposed at the sector level for the period 2018-2025 and whose objectives are:

- Increase the volume of beer sold in **reusable packaging**.
- Increase the current level of **recycling** following European objectives to prevent littering and incorporate packaging waste into a **new production cycle**.
- Promote the **ecodesign** of containers and packaging, reducing the use of materials, improving their recyclability and increasing the percentage of raw materials of recycled origin in their composition.

To minimize the use of product catalogues, we have produced **digital catalogues** for all our brands and for installing beer pumps.

To minimize the impact of PET in the sale of our mineral waters, at Damm we promote **returnable formats** for our brands: Veri, Fuente Liviana, Font Major and Pirinea.



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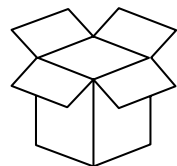
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## Material consumption 2018

### BEER

Raw materials (malt, rice, maize, barley in process and hops)

**16.40 kg/hl packaged**

### BEER AND SOFT DRINKS

Materials (glass, aluminium, steel, paper/cardboard and plastic)<sup>(1)</sup>

**9.71 kg/hl packaged**

### WATER

Plastics (PE and PET), paper and cardboard

**2.81 kg/hl packaged**

### GRUPO RODILLA

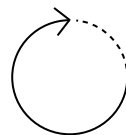
Raw materials

**1.47 Kg/kg produced**

Materials

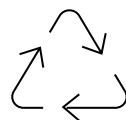
**0.0127 Kg/kg produced**

(1) No data for S.A.Damm and Grupo Font Salem plants



**51 %**

**of our beer containers are reusable, reaching 65% in Estrella Damm**



**100 %**

**of our beer containers are recyclable**

**77.1 %**

**recycling percentage of the containers managed by Ecoembes 2018**

Source: Ecoembes

**76.5 %**

**recycling percentage of glass containers managed by Ecovidrio 2018**

Source: Ecovidrio



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# Mobility: towards a sustainable transport

At Damm, we work to reduce the environmental impact of mobility through the use of sustainable, more efficient and cleaner transport.

In 2018 we created the sustainable mobility committee, made up of different departments and group companies. The objective of the committee is to develop an action plan to improve the mobility of the company, both internally and externally and to be able to grow in a sustainable and responsible manner.

## Main improvement measures 2018

Damm Distribución Integral has made a significant investment in the **refitting of 19 lorries** in its fleet, an update that has reduced overall emissions. Additionally, we have incorporated an LPG tank in some vehicles so they can operate as hybrids. This has enabled us to obtain the ECO environmental sticker, with which are able to access the centre of Madrid and align it with the group's sustainability policies.

Implementation of a new beer drive distribution method in Malaga: an **electric lorry** that distributes beer directly from the factory throughout the city's historic centre.



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## Alfil Logistics launches a plan to transform the fleet to use alternative energies.

Alfil Logistics has initiated a plan to transform the fleet of vehicles used in its logistics operations into natural gas powered vehicles. This change of fuel generates a smaller environmental impact and helps its customers to comply with European regulations.

This measure is part of a comprehensive environmental strategic plan that includes, among other measures, the use of rail over road transport and the optimization of transport routes.

In accordance with European directives, and with the aim of contributing to an improvement in the preservation of the environment, Alfil Logistics is working on managing the vehicle fleet both in terms of engine efficiency and particle emissions.





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## From waste to resources

We transform the secondary materials generated by our activity into new resources that can be used as raw materials in other production processes or co-products.

**Grupo Rodilla has adapted its premises to the new organic matter selective collection system and training is provided on the correct separation of waste to promote good environmental practices.**

### Main improvement measures 2018

In all the of Damm factories, the **bagasse** left over from the brewing process is supplied to several farms for **animal feed**, mainly cattle, thanks to its high protein content.

At Estrella de Levante the **waste generated in the brewing of beer is recycled** by developing models that generate renewable energies, such as biogas to replace other fossil fuels. We also continue to develop innovation projects with **by-products**, in collaboration with scientists and researchers, such as the preparation of organic amendments for soil and a dietary

supplement for farmed sea bream from leftover yeasts. Internally, Estrella de Levante collaborates with associations and non-governmental organizations in the recycling of plugs, bottlecaps clothing, books, etc.

Fuente Liviana, has **reduced waste** generated in both blowing and packaging increased efficiency in the manufacture of finished product packaging.

At Rodilla we are aiming to reduce food and drink wastage in stores, for which **changes in formats** have

been developed. Continuing along the path we went down in 2017, we continue to work with suppliers to improve the ratio of kg of raw materials per kg of container. In 2018, in addition to maintaining the achievements of 2017 in this area, we have reduced the amount of packaging material used in margarine (by 50%), coverage of white chocolate (by 66%) and Edam-type cheese (by 45%).



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**Estrella Damm has developed the bio-cup, which was first used during the Banc Sabadell 66 Trofeo Conde de Godó. It is made with raw materials of plant origin such as wheat and can be deposited in the organic waste container after use, thus becoming compost.**



## Rodilla participates in the "More food, less waste" initiative

"More food, less waste" is a programme aimed at the reduction of food waste and the recovery of discarded food promoted by the Spanish Ministry of Agriculture, Fisheries and Food, in order to limit losses and waste of food and its impact on the environment.

In 2018, Rodilla participated in the 1st Week Against Food Waste, promoted by AECOC, which has the dual objective of raising awareness among consumers of the value of food products and offering them information and recommendations on how to make good use of them, thus preventing waste. Activities were carried out to fight against food waste over a period of seven days.

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## Generation of waste in relative values

	Non-hazardous waste	Hazardous waste	Reusable waste	Total
Beer (Kg/hl packaged)	0.36	0.01	1.69	<b>2.05</b>
Soft drinks (Kg/hl packaged)	0.01	0.01	0.29	<b>0.31</b>
Water (Kg/hl packaged)	0.03	0.003	0.21	<b>0.24</b>
<b>Total</b>	<b>0.26</b>	<b>0.01</b>	<b>1.26</b>	<b>2.61</b>
Grupo Rodilla (Kg/kg produced)	0.0001	0.0009	0.0105	<b>0.0114</b>



83%

recovered waste

98%

recovered waste in the El Prat factory

## Wastewater: treat, control, monitor

(306-1) Our production centres have a pre-discharge wastewater treatment system. We work to improve wastewater recording systems, control parameters and treatment systems.

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# Carbon footprint: we reduce emissions

(305-5) Damm's constant commitment to improving the efficiency of its factories and the use of electricity under the "green" guarantee of origin certification has enabled the company to reduce its annual CO<sub>2</sub> emissions by more than 2,600 tonnes per year in its production and packaging plants.

## Main improvement measures 2018

### ESTRELLA DE LEVANTE

Participant in the "Corporate Social Responsibility Applied to Climate Change" initiative

**Registration of the carbon footprint**, CO<sub>2</sub> compensation and absorption projects with the Ministry of Agriculture and Fisheries, Food and Environment.

### GRUPO RODILLA

+ 20% of kg transported by pallets. **Reduction in the number of pallets** transported from the factory to the logistics service provider.

### THE PLANTS OF ESTRELLA DE LEVANTE, FONT SALEM EL PUIG, EMPRESA DE EXPLOTACIONES ENERGÉTICAS (CEE) AND FONT SALEM SANTAREM

**Reporting and verification** of CO<sub>2</sub> emissions:

- 2017: 60,867 tonnes of CO<sub>2</sub> eq. verified
- 2018: 57,078 tonnes of CO<sub>2</sub> eq. verified



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(305-1, 305-2, 305-3)

Greenhouse gas emissions

Greenhouse gas emissions (t CO <sub>2</sub> eq.)		2018
Scope 1	Malt <sup>1</sup>	12,473
	Beer	46,755
	Water and soft drinks	4,457
	Grupo Rodilla	46
	Alfil Logistics <sup>4</sup>	1,334
	CEE	66,724
Scope 2 <sup>2</sup>	Malt	551
	Beer	76,229
	Water and soft drinks	1,644
	Grupo Rodilla	232
	Alfil Logistics	253
Scope 3 <sup>3</sup>	Estrella de Levante	2,998
	Alfil Logistics	60,034



(1) Only includes Moravia; the Murcia malt house is included in Estrella de Levante.

(2) In all malt, beer and water plants electricity comes from renewable energy with no CO<sub>2</sub> emissions (guarantee of origin), except for the Font Salem facility in Santarém (Portugal).

(3) The data of the other companies is not available. Scope 3 includes the fuel consumption from logistics transport, the fuel consumption from personnel travel to and from the workplace and the consumption of paper.

(4) These Alfil Logistics emissions are part of the scope 3 emissions for beer, water and soft drinks.



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(305-4)

GHG emissions intensity in 2018  
(all scopes)

GHG emissions intensity in 2018 (all scopes)	2018
Malt (t CO <sub>2</sub> eq./t produced) <sup>1</sup>	0.1779
Beer (t CO <sub>2</sub> eq./hl packaged)	0.0102
Water and soft drinks (t CO <sub>2</sub> eq./hl packaged)	0.0012
Grupo Rodilla (t CO <sub>2</sub> eq./kg produced)	0.00018
Alfil Logistics (t CO <sub>2</sub> eq./moved pallets)	0.0059 <sup>2</sup>

(1) Only includes Moravia; the Murcia malt house is included in Estrella de Levante.

(2) Only includes scope 2 emissions.



**Alfil Logistics has certified its carbon footprint calculation following the ISO 14064 standard, a process in which it has also involved its customers and its transport service suppliers since it sends a quarterly report on the carbon footprint generated by the services carried out.**



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## Alfil Logistics receives the Lean&Green star from AECOC

In 2018, Alfil Logistics received the Lean&Green star from AECOC having reduced its CO<sub>2</sub> emissions in the supply chain by 20%, after an audit process carried out by EY. Alfil Logistics is part of the Lean&Green Commission and has implemented an action plan that includes different reduction measures to achieve a 20% reduction in CO<sub>2</sub> emissions compared to its base year, 2014. Damm is planning to adhere to the Lean&Green strategy in the short term.

Lean&Green is an international initiative led by AECOC that encourages organizations to achieve a high level of sustainability in the field of logistics, through the adoption of measures to reduce environmental impact and also costs. The objective is to generate a network of leading companies in the field of Sustainable Logistics, to increase ability to save and reduce their CO<sub>2</sub> by at least 20% in 5 years.



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## Biodiversity: we protect bird life

(304-1) The Fuente Liviana and Aguas de Veri plants are located inside the area of protection for birds against collisions and electrocution on high voltage power lines. The two Aguas de Veri plants are located inside of the deployment area of the bearded vulture (*gypaetus barbatus*). The El Prat factory is involved in the protection of biodiversity with the declaration of Audouin's gull as an endangered species.

**With the help of Seo Bird Life, Estrella de Levante has participated in the #libera project to remove rubbish from the natural environment in "El Rafal" of the Cope Marina of the Calnegre Regional Park, Águilas.**



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## We purchase from local and responsible sources





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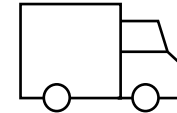
## Trustworthy suppliers

(102-9) To offer quality products, we use suppliers who offer high technical performance and are aligned with the Damm's sustainability requirements. We have a supplier **approval and monitoring system** that establishes the requirements or standards of behaviour according to the type of service or product required: quality, service, logistics, technical, environmental, financial, etc. In addition, we conduct **onsite audits** every year to ensure quality and compliance with labour and quality regulations and requirements.

Likewise, we have the **Supplier Portal** that facilitates the approval process and the maintenance of approved supplier data.

(102-9) The Damm value chain has a direct impact on sustainability. We share our best practices with suppliers and extend to them our values, standards and requirements. Many Damm suppliers have already adapted to comply with our standards. These suppliers are key to the efficient management of the supply chain.

The Purchasing department complies with the internal code of conduct in the management of all negotiations with suppliers and with internal interlocutors.



# 4,597

**Active suppliers**

**Concepts such as the reduction of emissions, reduction of electricity consumption or social responsibility policies are evaluated when approving and monitoring key suppliers.**

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## CHEP, sustainability as a strategic pillar

CHEP, a logistics solution supplier of pallets for the supply chain, shares with Damm values such as sustainability and the reduction of the environmental impact of its activities. Therefore, it collaborates with its customers in the adoption of corporate social responsibility measures.

Damm uses CHEP pallets in its food and export channel logistics operations. These pallets have the following characteristics: wood from sustainable forests, 100% FSC and PEFC certified, up to 10 times more durable than single-use pallets, that are constantly repaired, reused and shared and, at the end of their life cycle, they are 100% recycled.

In addition, CHEP and Damm work together to improve the efficiency of the supply chain. For this reason, and together with Alfil Logistics, they work on the Collaborative Transportation Project in which, by optimizing routes and minimizing the number of empty runs, the carbon footprint is reduced. The result of this has been a saving of 8,996 kilometers of empty runs and 11 tonnes of CO<sub>2</sub> emissions.

In 2018, thanks to the use of CHEP pooling services, Damm achieved a wood saving of 622,084 dm<sup>3</sup>, equivalent to more than 600 trees, and a reduction in CO<sub>2</sub> emissions of 368 tonnes.

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## 100% natural and local ingredients

The quality of Damm's raw materials is our priority, and that is why we work directly with local Mediterranean farmers. We contribute to a more sustainable agriculture and the development of the surrounding area and the local economy, guaranteeing the purchase of the produce.



### RICE

We buy rice from the Mediterranean or from the area of Seville (Guadalquivir), which has a positive impact on the economies of these areas and also gives value to a by-product, broken rice.



### MAIZE.

We get our maize from Huesca. Through our shareholding in Quality Corn, we ensure the local and non-transgenic supply of maize.





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### HOPS

We continue to buy the local hops of León but in order to meet a growth in demand we have started working on the production of hops in the municipality of Prades (Tarragona). One of the objectives of the project is to boost the economy of the area with more profitable crops for the farmer.



### BARLEY

We select the most fruitful and best quality barley varieties that best adapt to our beer types, mainly in Catalonia, Aragon and Albacete. We continue to promote the cultivation of barley in irrigation to minimise climate impact and we have implemented a traceability system for barley called "From the field to the table". Once selected, the barley arrives at our own malhouses, La Moravia in Bell-lloc d'Urgell (Lleida) and in Espinardo (Murcia), where it is first germinated and then dried and toasted.



### YEAST

Yeast is another ingredient that makes us unique, and we have used the same strain for generations. We have three reserves of this yeast stored under maximum security: in Barcelona, Valencia and London.



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## Damm completes its second harvest of Mediterranean hops in Prades

More than 1,250 kg of hops were collected in the second ever harvest that Damm carried out in the municipality of Prades (Tarragona), with the help of farmers from the Prades Cooperative of Prades, in collaboration with the Damm and City Council teams of this municipality.

The hop production project in Prades started in 2014 with the collaboration of Prades City Council and within the framework of the Prades 2020 strategic plan. After checking the viability of the land for hop cultivation, in 2017 Damm already carried out its first harvest. The harvested hops allowed the company to produce and launch Complot, the company's first IPA.

Now, the climate and the type of soil at Prades have once again proven to be suitable for the cultivation of local hops for brewing beer.

To improve the production of this raw material in the region, a cutting-edge dryer has been installed, to optimize the process of drying the hops, as well as two peeling machines; this is a key move to consolidate the cultivation of local hops and has been in full operation during this last harvest.

**Prades hosted the "1st Hops Festival", an event to celebrate the good yield of Damm's recent hop harvest campaign in this municipality.**

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## Purchase of local resources

(102-9) Our commitment to sustainability implies using local resources for our supply and contributing to the economic and social development of the region, as well as minimizing the environmental impact of transportation. This commitment has led us to promote different collaborative initiatives with local suppliers, mainly farmers.

We have also carried out a globally pioneering activity in the brewing world: the implementation of software that enables field management in a digital environment for all farmers, both barley and hops. This helps to ensure the traceability of the crops to their origin, promoting local products and transparency, as well as generating “big data” about the field that identifies best practices, both for the farmer and for Damm.



93%

**Of suppliers are national**  
(Iberian Peninsula)

+99%

**of Grupo Rodilla suppliers are national**



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## We create value



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# Main financial figures

Consolidated income for 2018 reached 1.264 billion euros, 8.7% higher than in 2017, in a context of national economic growth which is showing certain signs of slowing down. However, this deceleration is still mild and mostly the result of the moderation in growth of household spending, a slowdown in exports and lower growth in tourism. Additionally, it should be noted that the results have been strongly conditioned by unfavourable weather conditions at the beginning of the summer, which represents approximately 40% of the company's activity.

Despite this, in terms of sales and activity, taking 2018 as a whole the business performed very positively with sales increases in all the channels and markets in which Damm operates, having expanded its activities in its leading markets through the acquisition of various commercial distribution and restaurant businesses.

The results of the Damm's internationalization process also contributed decisively to this growth. Today, the company's brands and operations are already present in more than 100 countries, with significant growth in volume and popularity year after year, boosted by the establishment of its own sales force in the United Kingdom, the United States, Canada, China, Sweden and Chile and Australia, a salesforce which currently totals more than 250 employees dedicated exclusively to international activities.

With regard to production costs, these increased in line with the increase in income, accompanied by a higher cost of materials (raw material such as barley and packaging materials). With regard to the increase of energy prices, these have been partially offset by improvements in the energy efficiency ratios of the company's production plants. The increase in the cost of materials referred to above is based

on raw materials, with increases in the cost of barley and external malt, and on packaging materials, derived from a higher consumption of cans, bottles and packaging as a result of an increase in the mix of non-returnable formats. Likewise, logistics costs increased due to the greater distances and internationalization of the final destination, the increase in the price of fuel and the storage costs derived from increased production.

Moreover, general operating expenses were higher than the previous year, a large part of which was due to an increase in the number of product dispensers, an increase in sales expenses due to an increase in sales staff and due to an increase in marketing, trade marketing and sponsoring of important media events, which reinforce the company's firm commitment to the domestic and international development of its brands, as well as to the sponsorship of sports, cultural and social events organized by the company and the Damm Foundation.



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The company's workforce, comprising all businesses, stood at 4,574 people at the end of 2018 compared to 4,012 at the end of 2017.

Finally, it should be noted that the company increased its shareholding in Ebro Foods, S.A. to 11.69% (11.51% in 2017).



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In millions of Euros	2018	2017	Change	Constant annual growth rate (Last 5 years) 2018 over 2013
<b>Balance sheet figures</b>				
Fixed assets	1,217	1,087	+12.0%	<b>6.64%</b>
Current assets	532	578	-8.0%	<b>6.42%</b>
Total assets/liabilities	1,749	1,665	5.0%	<b>6.57%</b>
Net worth	888	838	6.0%	<b>4.23%</b>
Financial liabilities	482	459	5.0%	<b>12.32%</b>
Other liabilities	379	368	3.0%	<b>6.29%</b>
<b>Income statement figures</b>				
Operating income	1,264	1,163	8.7%	<b>6.81%</b>
EBITDA	202	219	-7.8%	<b>3.29%</b>
EBIT (Operating profit)	113	112	0.9%	<b>10.03%</b>
Profit (loss) attributable to the parent company	0.45	0.45	0.0%	<b>11.60%</b>
Earnings per share (€/share)	1,264	1,163	8.7%	<b>6.81%</b>
<b>Other data and indicators</b>				
Accumulated industrial investments (since 2008)	1,061	896	18.4%	-
Level of net debt	32.55%	20.05%	62.3%	-
Dividend	60.971	60.606	0.6%	<b>7.37%</b>
Dividend (€ per share)	0.24	0.24	0.0%	<b>8.74%</b>
Number of shares (thousands)	270,083	270,083	0.0%	<b>10.00%</b>
Number of shares in treasury stock (thousands)	16,047	17,625	-	-

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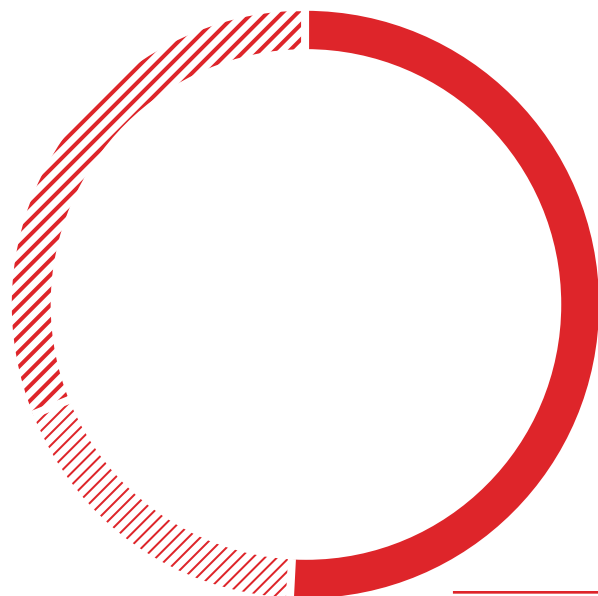
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### Liability structure

- 51 % Total net worth
- /// 18 % Current liabilities
- /// 31 % Non-current liabilities



### Asset structure

- 32 % Tangible fixed assets
- /// 21 % Investments accounted for using the Equity method
- /// 7 % Non-current Financial Assets
- /// 2 % Deferred tax assets
- 19 % Current
- /// 11 % Cash and other cash-equivalent liquid assets
- /// 6 % Goodwill
- /// 2 % Other Intangible Assets

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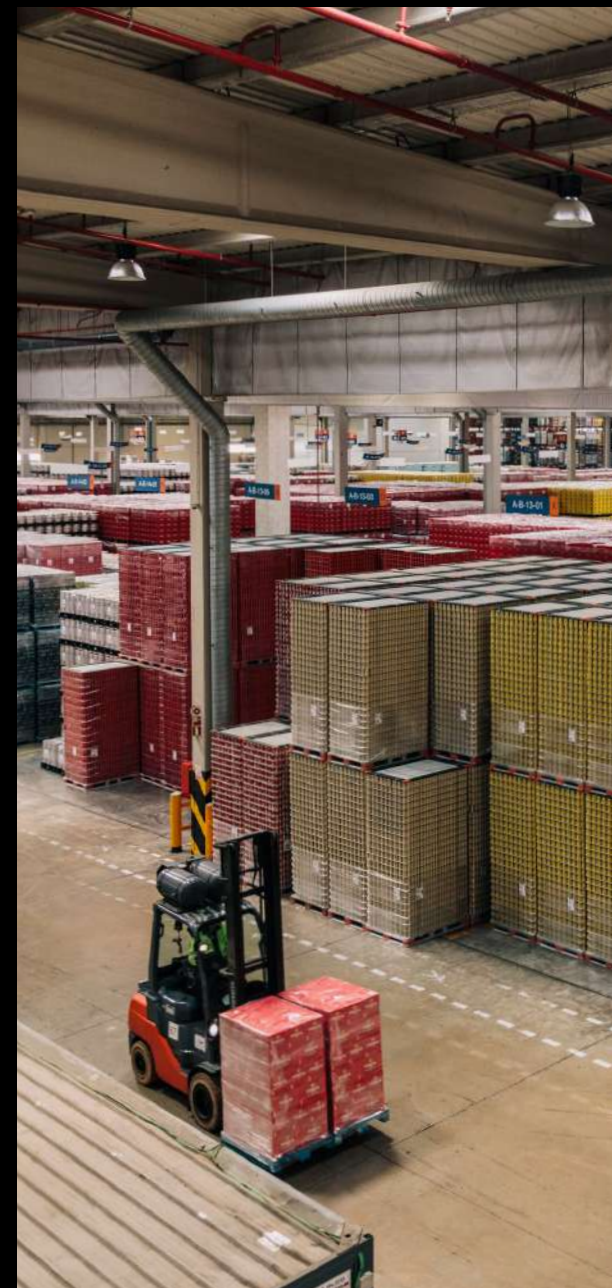
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## Damm Distribución Integral invoices 200 million euros, becoming one of the main drinks and food distributors of hotel and catering in the country.

In 2018, Damm Distribución Integral continued to develop its growth strategy, increasing its distribution figures and strengthening its position in the Spanish market. With a turnover of almost 200 million euros, it has become one of the main drinks distributors in the country.

The incorporation of Bizkaiko Edari Komertzialak into the organization has allowed the company to venture into the Basque market for the first time.

**In 2018, Damm Distribución Integral delivered 22.8 million boxes to its customers, offering the highest service in terms of maximum efficiency.**





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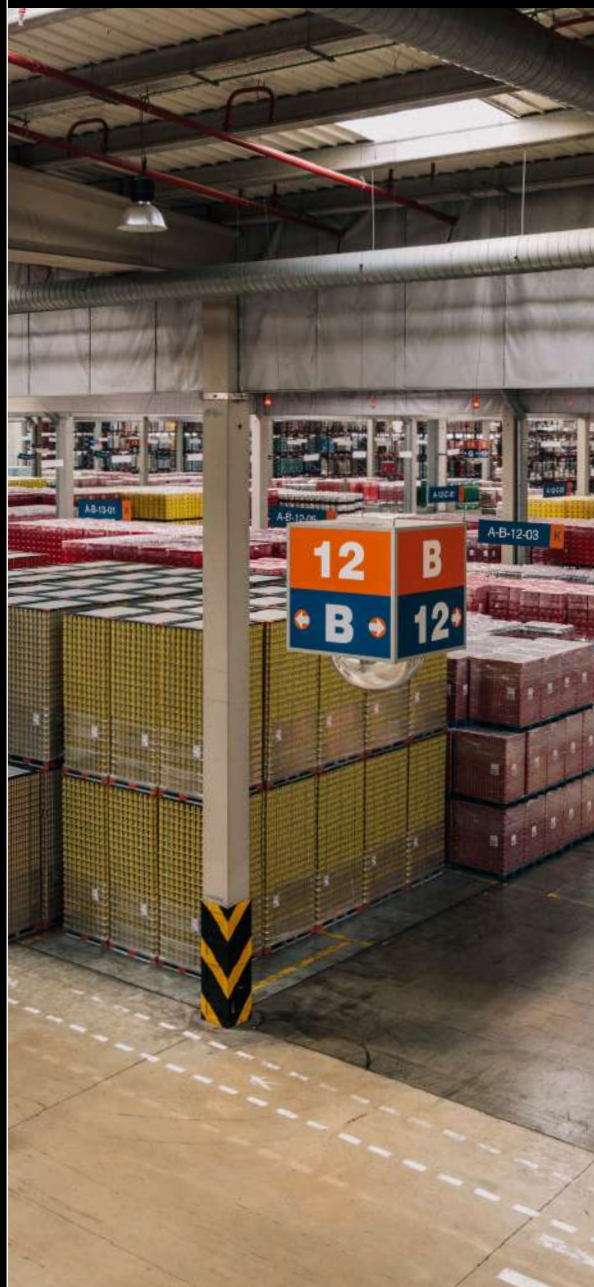
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## Alfil Logistics exceeds 100 million in turnover and becomes the largest logistics services company in Spain.

In 2018 Alfil Logistics has for the first time exceeded 100 million euros in turnover, an increase of 10% compared to 2017. This figure makes the company the largest logistics services company in Spain.

Its success is down to the implementation of the Strategic Plan over these last few years and the company's ability to adapt its services to the changing needs of customers. This is also due to the consolidation of the international land transport business unit in Europe and the growth of its overseas customers. For this reason, the company has doubled its surface area in the ZAL of Barcelona dedicated to this activity, to now occupy 18,000 m<sup>2</sup>.

The company's firm commitment to innovation has led it to join Loggistop, representative in Spain of the Alliance for Logistics Innovation through Collaboration in Europe initiative, which addresses issues such as collaborative logistics, open networks and the logistics of the future.

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2018 at a glance

The Damm world

We grow with our people

We are committed to society

We protect the environment

We purchase from local and responsible sources

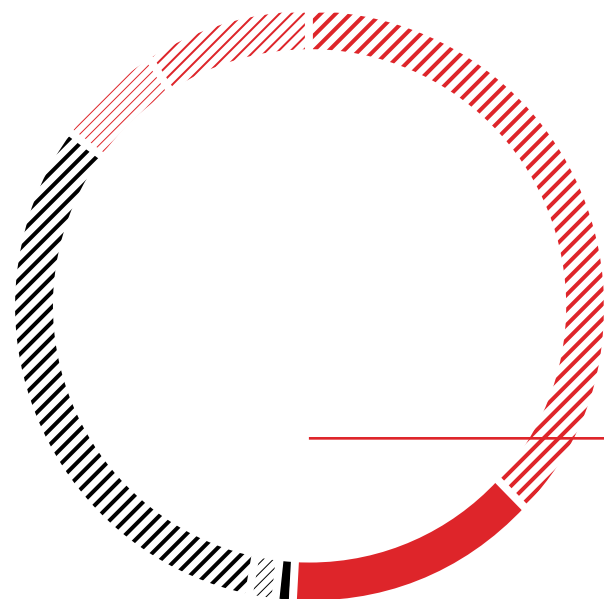
**We create value**

About the report

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## Our socio-economic impact

Our contribution to economic and social development is a consequence of the effects that our activity generates directly and indirectly in the locations where we operate. The growth of the business implies the creation of economic value that directly impacts on the system and on our stakeholders.



**€1,289,797<sup>M</sup>**

**Direct economic value generated** (201-1)

-  **37.18 %** Operating costs
-  **13.99 %** Payroll expenses
-  **0.71 %** Financial expenses
-  **1.74 %** Corporate tax
-  **31.63 %** Other expenses
-  **5.84 %** Amortization
-  **8.90 %** Reserves

*Chart created from the consolidated profit and loss account for the year ended 31 December 2018 of S.A. Damm and Subsidiary Companies (Damm Group)*

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In recent years, Damm has been carrying out an **important industrial strategic plan**, investing 500 million euros in the expansion of some of the company's production plants such as the factories of El Prat de Llobregat (Barcelona), El Puig (Valencia) and Murcia, and to build the recently inaugurated Victoria factory in Malaga.

Other significant investments in 2018 include:

**Veri's** new well in the Benasque Valley. The water packaging company will now have four water wells to meet the growing demand. The new well, Veri 4, has doubled the total packaging capacity to 400 million litres for the two plants combined.

**Estrella de Levante** increases the capacity of its factory to 2 million HL, incorporating new fermentation/storage tanks and updating assorted equipment and machinery to avoid breakdowns and promote economic efficiency. Likewise, the Verna and Rosa Blanca manufacturing facilities have been refurbished.

**At the El Puig plant**, a new can packaging line has been put into operation, which will make various formats at a speed of 90,000 cans/hour.

**In 2019, one of our main challenges will be the implementation of the Rodilla factory in Miami (United States).**

## Font Salem will invest 40 million euros in its factory in Portugal.

Font Salem will invest, between now and 2020, 40 million euros in its factory in Santarém, in Portugal. This investment will increase the productive capacity to 4 million HL/year and increase the workforce by 20% through the creation of new direct jobs.

Font Salem is the Iberian leader in distribution and co-packing brands specialized in beer, carbonated and still soft drinks and mineral water.



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## Period reviewed

(102-50) 2018 (1 January to 31 December)

## Scope

(102-45) This information covers all the companies controlled and managed by Damm: SA Damm (parent company); Compañía Cervecería Damm, SL; Estrella de Levante, fábrica de cerveza, SA; Cervezas Victoria, SL; Aguas de San Martín de Veri, SA; Gestión Fuente Liviana, SL; Font Salem, SL; Font Salem Portugal, SA; Envasadora Mallorquina de Begudes, SL; Derivats Lactis Mallorquins, SL; Cafés Garriga 1850, SL; Grupo Rodilla; Damm Distribución Integral, SL; Pall-Ex Iberia, SL; Alfil Logistics, SA; Setpoint Events, SA; Maltería La Moravia, SL; Damm Canarias SI; Minerva Global Services, SL; Agama Manacor 249, SL; Damm Restauración; Distribuidora de Begudes Movi, SL; Pumba Logística SL and Fundación Damm.

## Reference standards

(102-54) The Report has been prepared according to GRI Standards according to the option "In accordance - Core". The Sustainable Development Goals of the United Nations have also been taken into account.

## Contact point

(102-53) [rsc@damm.es](mailto:rsc@damm.es) / [comunicacion@damm.es](mailto:comunicacion@damm.es)

## Relevant issues for sustainability performance

(102-46) The objective of the Report is to offer a comprehensive vision of our economic, social, environmental and corporate governance performance, responding to those issues that interest the groups and people with whom we interact. To determine what these issues are and to focus the content on what is relevant for our company, for the 2014-2015 edition of the Report we carried out a materiality analysis. Since there have not been any significant operational changes in Damm during 2018, we consider the results of the materiality analysis carried out to be still valid and current.

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## Materiality analysis

(102-47)

		Material topics	
<b>Relevance for stakeholders</b> (workforce, customer – consumers and businesses – distributors, shareholders, media and influencers, suppliers and outsourcers, partners and external advisors, public and private institutions, company and franchisees)	High	<b>Non-discrimination</b> <b>Energy</b> <b>Water</b> <b>ANTI-CORRUPTION</b>	<b>Regulatory compliance on provision and use of the product</b> <b>Emissions</b> <b>Health and safety of customers and food safety</b> <b>Quality and customer service</b> <b>Healthy and affordable food</b> <b>Service quality and accessibility</b> Occupational health and safety <b>Regulatory compliance</b> <b>Biodiversity</b> <b>Regulatory compliance</b>
	Medium	<b>Employment</b> Diversity and equal opportunities and equal pay for women and men <b>Materials and packaging</b> Environmental expenditure and investment <b>Local communities</b> <b>Economic performance</b>	<b>Product and service labelling</b> <b>Training and education and road safety</b> <b>Transportation, intermodality and route planning and vehicular traffic</b> Substance abuse <b>Sustainable cultivation and raw material quality</b>
	Inactive	Complaints mechanisms on labour practices Noise pollution Promotion of healthy lifestyles and nutritional education Public policy Unfair competition practices Acquisition practices <b>SUPPLY</b> Assessment of environmental practices, labour practices and human rights of suppliers New markets (internationalization) and lines of business Investment	Marketing communications and responsible marketing Relationship between workers and management <b>Effluents and waste</b> <b>Products and services and management of the life cycle of containers</b> Market presence Investment in infrastructure and facilities <b>INNOVATION</b> <b>PROMOTING RESPONSIBLE ALCOHOL CONSUMPTION</b> Working standards <b>Good governance and business ethics</b>
	Inactive	Medium	High
<b>Relevance for Damm</b>			

Relationship with customers and product responsibility  
Relationship with employees and labour practices  
Protection of the environment

Relationship with society  
Relationship with suppliers  
Economic performance and business strategy

In bold, the material topics

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**GRI content index**



# 10

## **GRI content index**

The following table shows the general and individual disclosures index of the organisation Global Reporting Initiative (GRI) according to GRI Standards for option 'In accordance' - core.

FOUNDATION AND GENERAL DISCLOSURES			
GRI Standard disclosure	Page or direct answer	Omissions	External assurance
<b>GRI 101 FOUNDATION 2016</b>			
101 Principles			
<b>GRI 102 GENERAL DISCLOSURES 2016</b>			
<b>COMPANY PROFILE</b>			
102-1 Name of the organisation	14, 131		
102-2 Activities, brands, products and services	13-14, 17-28		
102-3 Location of headquarters	16		
102-4 Location of operations	15-16		
102-5 Ownership and legal form	131		



102-6 Markets served	Beverage and food companies	<p><b>Customer</b>  <i>By distribution channel</i></p> <ul style="list-style-type: none"> <li>• Large hospitality industry accounts (organised restaurant chains and industrial catering customers)</li> <li>• Traditional hospitality industry (distributors)</li> <li>• Large food accounts (national, cash and wholesale hypermarkets and supermarkets)</li> </ul> <p><i>By retail customers</i></p> <ul style="list-style-type: none"> <li>• Food for consumption outside of establishment</li> <li>• Hospitality industry for consumption inside the establishment itself: independent (the majority of establishments in Spain) and organised (customers from the large hospitality accounts channel)</li> </ul> <p><b>Consumers</b>  Product end consumers</p>		
	Grupo Rodilla	<p><b>Franchisees</b>  Natural or legal person that obtains the right to sell and use the brand</p> <p><b>Consumers</b>  End consumer of products inside establishments.</p>		
	Logistics and distribution companies	<p><b>Franchisees</b>  Companies from different sectors and other logistics operators. Currently, in the Pall-Ex Iberia customer base, food and beverage companies constitute 40%; the industrial sector constitutes 26% (automobile and electrical components); logistics and distribution constitute 10%; and the container and packaging sector constitutes 5%.</p>		
	Container management companies	<p><b>Setpoint Events Customers</b>  Companies or organisations that wish to organise competitions and sports or cultural events of any kind.</p>		

102-7 Scale of the organization	6-7											
102-8 Information on employees and other workers	42-44											
Staff by hire type and gender (as at 31 December)		2017					2018					
	Damm	Beverages and food	Logistics and distribution	Restaurants	Content management (SetPoint Events)	Damm	Beverages and food	Logistics and distribution	Restaurants	Content management (SetPoint Events)		
	% open-ended	82%	80%	99%	83%	100%	81%	80%	97%	80%	100%	
	Open-ended	2,711	1,756	205	728	22	2,867	1,885	208	753	21	
	Men	1,683	1,332	136	196	19	1,784	1,417	144	206	17	
	Women	1,028	424	69	532	3	1,083	468	64	547	4	
	Temporary	592	435	3	154	0	672	474	7	191	0	
	Men	386	333	2	51	0	418	354	6	58	0	
	Women	206	102	1	103	0	254	120	1	133	0	
	Staff by workday type and gender (as at 31 December)		2017					2018				
		Damm	Beverages and food	Logistics and distribution	Restaurants	Content management (SetPoint Events)	Damm	Beverages and food	Logistics and distribution	Restaurants	Content management (SetPoint Events)	
		% full-time	81%	96%	100%	39%	100%	81%	97%	100%	39%	100%
		Full-time	2,675	2,103	208	342	22	2,884	2,283	215	365	21
Men		1,865	1,599	138	109	19	1,994	1,704	150	123	17	
Women		810	504	70	233	3	890	579	65	242	4	
Part-time		628	88	0	540	0	655	76	0	579	0	
Men		204	66	0	138	0	208	67	0	141	0	
Women		424	22	0	402	0	447	9	0	438	0	

Staff by gender and age group (as at 31 December)	2017					2018				
	Damm	Beverages and food	Logistics and distribution	Restaurants	Content management (SetPoint Events)	Damm	Beverages and food	Logistics and distribution	Restaurants	Content management (SetPoint Events)
<b>Men</b>	<b>2,069</b>	<b>1,665</b>	<b>138</b>	<b>247</b>	<b>19</b>	<b>2,201</b>	<b>1,771</b>	<b>149</b>	<b>264</b>	<b>17</b>
< 25 years	170	86	3	81	0	193	97	4	92	0
26-35 years	596	452	37	103	4	580	435	30	113	2
36-45 years	745	647	55	35	8	809	712	59	31	7
46-55 years	412	351	34	21	6	453	383	41	22	7
56-65 years	146	129	9	7	1	166	144	15	6	1
<b>Women</b>	<b>1,234</b>	<b>526</b>	<b>70</b>	<b>635</b>	<b>3</b>	<b>1,338</b>	<b>588</b>	<b>66</b>	<b>680</b>	<b>4</b>
< 25 years	185	31	0	154	0	270	52	0	218	0
26-35 years	467	175	21	268	3	468	182	14	268	4
36-45 years	421	224	39	158	0	416	242	39	135	0
46-55 years	130	80	8	42	0	145	92	10	43	0
56-65 years	31	16	2	13	0	39	20	3	16	0
Staff as at 31 December							2017		2018	
Internal staff	Beverages and food						2,191		2,359	
	Logistics and distribution						208		215	
	Restaurants						882		944	
	Content management (SetPoint Events)						22		21	
	<b>Damm</b>						<b>3,303</b>		<b>3,539</b>	
							2017		2018	
External staff	Beverages and food						272		1,580	
	Logistics and distribution						351		952	
	Restaurants						0		0	
	Content management (SetPoint Events)						0		0	
	<b>Damm</b>						<b>623</b>		<b>2,532</b>	

	Women by job category (as at 31 December)	2017					2018					
		Damm	Beverages and food	Logistics and distribution	Restaurants	Content management (SetPoint Events)	Damm	Beverages and food	Logistics and distribution	Restaurants	Content management (SetPoint Events)	
		Senior management	3	1	1	1	0	2	1	0	1	0
		Technical staff and middle managers	510	264	53	191	2	504	295	45	161	3
		Administrative and commercial staff	172	133	14	24	1	209	171	18	19	1
		Labourer	549	128	2	419	0	622	121	2	499	0
102-9 Supply chain	115-120											
102-10 Significant changes to the organisation and its supply chain	8-11, 13, 15, 29 With respect to Grupo Rodilla, there have been 17 Rodilla openings and 4 closures; Café de Indias franchise have been closed in CC Airesur (Sevilla), and Jamaica Coffee Experience have opened Negro by Jamaica in San Miguel Market.											
102-11 Precautionary Principle or approach	In the framework of the environmental management system, the identification and evaluation of environmental aspects is carried out. The objective of this identification and evaluation is to know what the main impacts are and to be able to act to reduce their effects. A review of these environmental aspects is carried out periodically, including potential or emergency situations.											
102-12 External initiatives	70, 100											
102-13 Membership of associations	40											
STRATEGY												
102-14 Statement from senior decision-maker	3-4											
ETHICS AND INTEGRITY												
102-16 Values, principles, standards, and norms of behavior	35, 39											
GOVERNANCE												
102-18 Governance structure	38											
STAKEHOLDER ENGAGEMENT												
102-40 List of stakeholder groups	36											



102-41 Collective bargaining agreements	100% of workers in Spain and Portugal are covered by the collective bargaining.				
102-42 Identifying and selecting stakeholders	Damm has identified its stakeholders based on criteria such as: dependence (who depends on the activities, products or services or those on whom it depends to continue their activities), liability (whether commercial, legal, operational, social, etc.), proximity (those who are within the surrounding area) and influence (can have an impact on strategy or business).				
102-43 Approach to stakeholder engagement		Main communication channels and dialogue	Main topics identified		
102-44 Key topics and concerns raised	Collaborators	Internal magazine and publications, intranet, company committees and legal representation, corporate social network, corporate e-mail and website, periodic internal meeting, internal events, climate survey, iDamm, Todos Damm, Damm Info e-mails and Internal Damm Communiqué, internal communication newsletters (Asegúrate Damm, Noticias Estrella, technological channel).	General information (operational and corporate), work climate, organisational changes, internal employment offers, benefits, schedules, company spots and videos, presentations to the media, transport, health and safety, suggestions, complaints, enquiries, etc.		
	Customers-Consumers	Telephone service for enquiries and questions about products, radio communication, printed and internet press and social networks, mobile applications (apps), press releases, corporate website and customer service e-mail, digital and physical mailings, advertising campaigns.	Food safety, product variety, innovation, promotions and offers, events and sponsorship, price, quality.		
	Customers-Businesses	Magazines and commercial catalogues, involvement in business and sector institutions, presence in sector trade fairs, commercial team, digital and physical mailings, satisfaction survey system, complaint system, press releases.	Food and delivery safety (in the case of logistics companies), degree of service and product satisfaction, innovation, promotions and offers, events and sponsorship, price, quality.		
	Distributors (only beer and water)	Magazines and commercial catalogues, involvement in business and sector institutions, presence in sector trade fairs, commercial team, digital and physical mailings, incident and complaint system.	Food safety, degree of service and product satisfaction, innovation, promotions and offers, events and sponsorship.		
	Shareholders	General shareholders meeting (annual), personalised service phone lines, e-mail (accionistas@damm.es), shareholder information section on the website (www.damm.es), annual corporate governance report, annual board of directors remuneration report, annual accounts report and annual report.	Profitability and benefits, decision-making as regards objectives set, transparency and accountability, good corporate governance, competitiveness, competitive conditions, perception and reputation.		
	Suppliers, contracted companies and partners/external advisers (only logistics)	Corporate website and e-mail, field days, supplier approval system, supplier website, direct communication and in-person meetings.	Hiring processes (standardisation) and fulfilment of contractual obligations, scope of corporate responsibility commitment, food safety.		

Public and private institutions	Development of partnerships with government administrations (central, autonomous and local).	Compliance with applicable legislation, transparency and accountability, good management of factories and their impacts, involvement in the local community, collaboration for the development of joint projects.
Society	Membership in community associations and groups, factory visits, involvement in events, sponsorship collaboration with NGOs, Fundación Damm, corporate website, Fundación Damm report.	Partnerships with local institutions or others through sponsorship initiatives (cultural, sport, and social initiatives) and Fundación Damm sponsorship initiatives (social, sport and cultural initiatives), good neighbourliness, respect for the environment and natural surroundings, improvement of the local setting and community.
Franchisees (only restaurants)	Corporate website and e-mail, digital and physical mailings, direct communication and in-person meetings.	Food safety, degree of satisfaction, innovation, promotions and offers, events and sponsorship, price, quality.
Media and <i>influencers</i>	Corporate website and e-mail, press office, digital and physical mailings, direct communication and in-person meetings.	General corporate information, partnerships with local institutions or others through sponsorship initiatives (cultural, sport, and social initiatives) and Fundación Damm sponsorship initiatives (social, sport and cultural initiatives), events, respect for the environment and natural surroundings, improvement of the local setting and community.

#### REPORTING PRACTICES

102-45 Entities included in the consolidated financial statements

131

102-46 Defining report content and topic Boundaries

131

102-47 List of material topics	132		
102-48 Restatements of information	There were no restatements of the information provided in previous reports.		
102-49 Changes in reporting	The report includes topics identified as material, in addition to specific topics. The scope of information maintains the level of comprehensiveness of previous financial years.		
102-50 Reporting period	131		
102-51 Date of most recent report	2017 (1 January to 31 December)		
102-52 Reporting cycle	Annually		
102-53 Contact point for questions regarding the report	131		
102-54 Claims of reporting in accordance with the GRI Standards	131		
102-55 GRI content index	133-156		
102-56 External assurance	This report has not been submitted for external assurance.		

## MATERIAL TOPICS

### ECONOMIC TOPICS

#### GRI 103: MANAGEMENT APPROACH 2016

#### LINKED TO GRI 201: ECONOMIC PERFORMANCE, GRI 205: ANTI-CORRUPTION, SUPPLY AND INNOVATION

103-1 Explanation of the material topic and its Boundary	Material topic	Boundary <sup>1</sup>	Involvement <sup>2</sup>		
	GRI 201: Economic Performance	Within and outside of the organisation (beer, water, logistics and restaurant business)	Direct and indirect		
	GRI 205: Anti-corruption	Within and outside of the organisation (beer, water, logistics and restaurant business)	Direct and indirect		
	Supply	Within and outside of the organisation (beer, water, logistics and restaurant business)	Direct and indirect		
	Innovation	Within and outside of the organisation (beer, water, logistics and restaurant business)	Direct and indirect		
	<i>(1) Indicate where the impact is produced: within the organisation, outside of the organisation, within and outside of the organisation.</i>				
	<i>(2) Indicate the organisation's involvement with the impacts: direct (the organisation has directly caused the impact) or indirect (the organisation is linked to the impact through its business relationships).</i>				
103-2 The management approach and its components	32, 39, 117-120, 122-129				
103-3 Evaluation of the management approach	32, 39, 117-120, 122-129				
GRI 201: ECONOMIC PERFORMANCE					
201-1 Direct economic value generated and distributed	128				
GRI 205: ANTI-CORRUPTION					
205-3 Confirmed incidents of corruption and actions taken	In 2018, no confirmed cases of corruption were recorded in the companies that make up Damm.				
SUPPLY	117-120				
INNOVATION	32				



## ENVIRONMENTAL TOPICS

### GRI 103: MANAGEMENT APPROACH 2016

LINKED TO GRI 301: MATERIALS, GRI 302: ENERGY, GRI 303: WATER, GRI 304: BIODIVERSITY, GRI 305: EMISSIONS, GRI 306: EFFLUENTS AND WASTE, GRI 307: ENVIRONMENTAL COMPLIANCE, SUSTAINABLE CULTIVATION AND RAW MATERIAL QUALITY

103-1 Explanation of the material topic and its Boundary	Material topic	Boundary <sup>1</sup>	Involvement <sup>2</sup>		
	GRI 301: Materials	Within and outside of the organisation (beer, water and restaurant business)	Direct		
	GRI 302: Energy	Within (beer, water, logistics—except Ágora Europe—and restaurant business)	Direct		
	GRI 303: Water	Within and outside of the organisation (beer, water and restaurant business)	Direct and indirect		
	GRI 304: Biodiversity	Outside of the organisation (beer and water business)	Direct and indirect		
	GRI 305: Emissions	Within and outside of the organisation (beer, water, logistics—except Ágora Europe—)	Direct		
	GRI 306: Effluents and waste	Within and outside of the organisation (beer, water and restaurant business)	Direct and indirect		
	GRI 307: Environmental compliance	Within and outside of the organisation (beer, water, logistics and restaurant business)	Direct		
	Sustainable cultivation and raw material quality	Within and outside of the organisation (beer business)	Direct and indirect		
(1) Indicate where the impact is produced: within the organisation, outside of the organisation, within and outside of the organisation.					
(2) Indicate the organisation's involvement with the impacts: direct (the organisation has directly caused the impact) or indirect (the organisation is linked to the impact through its business relationships).					
103-2 The management approach and its components	94-113, 116				
103-3 Evaluation of the management approach	94-113, 116				

**GRI 301: MATERIALS**

301-1 Materials employed by weight or volume

103

**Materials and raw materials used (t)**

		2017	2018
Beer factories (Kg/hl packaged)	Raw materials (malt, rice, maize, barely in process and hops)	16.31	16.40
Beer and soft drinks factories (Kg/hl packaged)	Materials (glass, aluminium, steel, paper/cardboard and plastic) <sup>1</sup>	26.04	9.71
Water factories (Kg/hl packaged)	Plastics (PE and PET), paper and cardboard		2.81
Grupo Rodilla (Kg/kg produced)	Raw materials	1.53	1.47
	Materials	0.0127	0.0127

**GRI 302: ENERGY**

302-3 Energy intensity

99

**Energy consumption**

		2017	2018
Beer factories (kWh/hl packaged)	Electric power	10.23	9.87
	Thermal energy	19.49	18.75
Water and soft drinks factories (kWh/hl packaged)	Electric power	4.71	4.92
	Thermal energy	3.48	4.18
Malt houses (kWh/t produced)	Electric power	149.44	158.83
	Thermal energy	818.69	845.58
Alfil Logistics (kWh/moved pallets)	Electric power	0.09	0.10
	Thermal energy	0.39	0.47
Grupo Rodilla (kWh/kg produced)	Electric power	0.39	0.34
	Thermal energy	0.11	0.10

302-4 Reduction of energy consumption

96-98

**GRI 303: WATER**

303-1 Water withdrawal by source

101

**Water consumption (hl)**

	2017	2018
Beer factories	53,375,028	54,836,409
Water and soft drinks factories	10,954,760	9,940,978
Malt houses	5,433,948	6,130,872
Alfil Logistics	109,538	91,020
Grupo Rodilla	46,200	53,420
<b>Total</b>	<b>69,919,474</b>	<b>71,052,699</b>

**Water consumption in relative values**

	2017	2018
Beer factories (hl/hl packaged)	4.54	4.42
Water and soft drinks factories (hl/hl packaged)	2.19	1.91
Malt houses (hl/t produced)	65.16	72.21
Alfil Logistics (kWh/moved pallets)	0.01	0.01
Grupo Rodilla (m³/kg produced)	0.0034	0.0034

**GRI 304: BIODIVERSITY**

304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

113

**GRI 305: EMISSIONS**

305-4 Intensity of GHG emissions

111

305-5 Reduction of GHG emissions

109

Management of aspects that impact climate change is done via the environmental management systems implemented in the companies and has the objective of optimising resource consumption, both in terms of materials as well as water and energy, while extending this commitment to the suppliers.

In order to appropriately monitor the atmospheric emissions parameters, there is a computer system that enables the continuous monitoring thereof, in addition to the analysis and recording thereof pursuant to the relevant integrated environmental authorisation.

305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions

**Other emissions into the atmosphere (NO2)**

(g/hl of product packaged)	2017	2018
El Prat	6.16	5.73
Estrella de Levante	5.89	6.31
El Puig	4.35	4.41
Salem	1.37	1.41
Fuente Liviana	0.46	0.51
Veri	0.44	0.30

**GRI 306: EFFLUENTS AND WASTE**

108

**Generation of waste in relative values at beer, soft drinks and water factories**

(kg/hl product packaged)	2017	2018
<b>Beer factories</b>	<b>2.13</b>	<b>2.05</b>
Non-hazardous/reusable waste	0.41	0.36
Hazardous waste	0.01	0.01
Reusable waste	1.71	1.69
<b>Soft drinks factories</b>	<b>0.51</b>	<b>0.31</b>
Non-hazardous/reusable waste	0.04	0.01
Hazardous waste	0.01	0.01
Reusable waste	0.46	0.29
<b>Water factories</b>	<b>0.21</b>	<b>0.24</b>
Non-hazardous/reusable waste	0.02	0.03
Hazardous waste	0.002	0.003
Reusable waste	0.19	0.21
<b>Total (beer, soft drinks and water factories)</b>	<b>2.86</b>	<b>2.61</b>
Non-hazardous/reusable waste	0.30	0.26
Hazardous waste	0.01	0.01
Reusable waste	1.30	1.26

**Generation of waste in relative values at Grupo Rodilla**

(Kg/kg produced)	2017	2018
Hazardous waste	0.0006	0.0009
Reusable waste (cardboard)	0.0106	0.0105



306-1 Water discharge by quality and destination

All factories have a pre-discharge waste water treatment system. Over these two years, Damm has worked intensively on improving the monitoring of discharge parameters by enhancing the systems for recording the control parameters at the group level and improving the waste water treatment systems. The objective of this work has been to seek maximum possible automation, and to obtain the most agile and effective of environmental management ratios.

Effluent discharge load	2017	2018	Legal limit
<b>DQO</b>			
Prat	246	201	1,500
Elesa	443	487	1,100
Puig	30	32	125
Salem	12	12	125
Fuente Liviana	33	31	125
Veri-Bisaurri	94	80	125
Veri-Run	4	9	125
Santarem	24	25	150
<b>MES</b>			
Prat	79	102	750
Elesa	311	428	500
Puig	13	16	35
Salem	9	8	60
Fuente Liviana	13	18	60
Veri-Bisaurri	20	19	35
Veri-Run	1	1	35
Santarem	17	17	60

At Grupo Rodilla, the water used at points of sale is discharged to the public sewage system as it is domestic waste water. At Artesanía de la Alimentación, the waste water is discharged to the city sewage system, but prior to this it is treated by a screening system and fat separator. The analysis of water quality parameters does not apply as consumption is below 10,000 m<sup>3</sup>.

#### GRI 307: ENVIRONMENTAL COMPLIANCE

307-1 Non-compliance with environmental laws and regulations

Damm's operations are carried out within the current legal framework, including applicable environmental legislation. The existing systems are constantly reviewed with the goal of adapting quickly and effectively to the regulations and changes thereof. In 2018, none of the companies that make up Damm were fined as the result of non-compliance with environmental legislation and regulations.

#### SUSTAINABLE CULTIVATION AND RAW MATERIAL QUALITY

117-119

## SOCIAL TOPICS

### GRI 103: MANAGEMENT APPROACH 2016

**LINKED TO GRI 401: EMPLOYMENT, GRI 403: OCCUPATIONAL HEALTH AND SAFETY, GRI 404: TRAINING AND EDUCATION, GRI 406: NON-DISCRIMINATION, GRI 413: LOCAL COMMUNITIES, GRI 416: CUSTOMER HEALTH AND SAFETY, GRI 417: MARKETING AND LABELLING, GRI 419: SOCIOECONOMIC COMPLIANCE, QUALITY AND CUSTOMER SERVICE, HEALTHY AND AFFORDABLE FOOD, PROMOTION OF RESPONSIBLE ALCOHOL CONSUMPTION, NUTRITIONAL CONTENT AND QUALITY, SERVICE QUALITY AND ACCESSIBILITY, WORKING STANDARDS AND ROAD SAFETY**

103-1 Explanation of the material topic and its Boundary

Material topic	Boundary <sup>1</sup>	Involvement <sup>2</sup>
GRI 401: Employment	Within and outside of the organisation (beer, water, logistics and restaurant business)	Direct
GRI 403: Occupational Health and Safety	Within the organisation (beer, water, logistics and restaurant business)	Direct
GRI 404: Training and Education	Within and outside of the organisation (beer, logistics and restaurant business)	Direct and indirect
GRI 406: Non-discrimination	Within the organisation (beer, water, logistics and restaurant business)	Direct
GRI 413: Local Communities	Within and outside of the organisation (beer and water business)	Direct and indirect
GRI 416: Customer Health and safety	Within and outside of the organisation (beer, water, logistics and restaurant business)	Direct and indirect
GRI 417: Marketing and Labelling	Within and outside of the organisation (beer, logistics and restaurant business)	Direct and indirect
GRI 419: Socioeconomic Compliance	Within and outside of the organisation (beer, water, logistics and restaurant business)	Direct
Quality and customer service	Within and outside of the organisation (beer, water, logistics and restaurant business)	Direct and indirect
Healthy and affordable food	Within and outside of the organisation (beer, water, logistics and restaurant business)	Direct and indirect
Promoting responsible alcohol consumption	Within and outside of the organisation (beer, water, logistics and restaurant business)	Direct and indirect
Nutritional content and quality	Within and outside of the organisation (restaurant business)	Direct
Service quality and accessibility	Outside of the organisation (beer, water, logistics and restaurant business)	Direct
Working standards	Within (logistics business)	Direct and indirect

(1) Indicate where the impact occurs: within the organisation, outside of the organisation or within and outside of the organisation.

(2) Indicate the organisation's involvement with the impact: direct (the organisation has directly caused the impact) or indirect (the organisation is linked to the impact through its business relationships).

103-2 The management approach and its components

31-33, 42-65, 70-92

103-3 Evaluation of the management approach

31-33, 42-65, 70-92

**GRI 401: EMPLOYMENT**

401-1 New employee hires and employee turnover

42

New employee hires by gender and age group (as at 31 December)	2017					2018				
	Damm	Beverages and food	Logistics and distribution	Restaurants	Content management (SetPoint Events)	Damm	Beverages and food	Logistics and distribution	Restaurants	Content management (SetPoint Events)
<b>Man</b>	626	396	31	195	4	769	499	21	246	3
< 25 years	193	78	3	112	0	213	46	1	166	0
26-35 years	237	160	9	67	1	227	152	8	66	1
36-45 years	139	110	14	12	3	183	166	7	9	1
46-55 years	42	33	5	4	0	105	96	4	4	1
56-65 years	15	15	0	0	0	41	39	1	1	0
<b>Women</b>	654	171	15	466	2	946	288	8	650	0
< 25 years	249	40	1	208	0	411	30	0	381	0
26-35 years	293	70	6	216	1	313	93	3	217	0
36-45 years	78	38	7	32	1	168	125	3	40	0
46-55 years	34	23	1	10	0	46	33	1	12	0
56-65 years	0	0	0	0	0	8	7	1	0	0
<b>Total</b>	<b>1,280</b>	<b>567</b>	<b>46</b>	<b>661</b>	<b>6</b>	<b>1,715</b>	<b>787</b>	<b>29</b>	<b>896</b>	<b>3</b>
<b>New employee hires index</b>	<b>39%</b>	<b>26%</b>	<b>22%</b>	<b>75%</b>	<b>27%</b>	<b>48%</b>	<b>33%</b>	<b>13%</b>	<b>95%</b>	<b>14%</b>

Employee turnover by gender and age group (as at 31 December)	2017					2018				
	Damm	Beverages and food	Logistics and distribution	Restaurants	Content management (SetPoint Events)	Damm	Beverages and food	Logistics and distribution	Restaurants	Content management (SetPoint Events)
<b>Man</b>	<b>205</b>	<b>108</b>	<b>9</b>	<b>86</b>	<b>2</b>	<b>247</b>	<b>115</b>	<b>11</b>	<b>118</b>	<b>3</b>
< 25 years	59	16	2	41	0	100	25	0	75	0
26-35 years	92	51	3	38	0	82	43	0	37	2
36-45 years	41	31	2	6	2	49	35	10	3	1
46-55 years	12	9	2	1	0	11	9	1	1	0
56-65 years	1	1	0	0	0	5	3	0	2	0
<b>Women</b>	<b>247</b>	<b>39</b>	<b>1</b>	<b>206</b>	<b>1</b>	<b>332</b>	<b>27</b>	<b>5</b>	<b>300</b>	<b>0</b>
< 25 years	86	7	0	79	0	176	5	0	171	0
26-35 years	135	23	1	111	0	123	15	2	106	0
36-45 years	22	8	0	13	1	27	6	3	18	0
46-55 years	4	1	0	3	0	6	1	0	5	0
56-65 years	0	0	0	0	0	0	0	0		0
<b>Total</b>	<b>452</b>	<b>147</b>	<b>10</b>	<b>292</b>	<b>3</b>	<b>579</b>	<b>142</b>	<b>16</b>	<b>418</b>	<b>3</b>
<b>Employee turnover rate</b>	<b>13.7%</b>	<b>6.7%</b>	<b>4.8%</b>	<b>33.1%</b>	<b>13.6%</b>	<b>16.4%</b>	<b>6.0%</b>	<b>7.4%</b>	<b>44.3%</b>	<b>14.3%</b>



401-3 Parental leave	51										
		2017					2018				
		Damm	Beverages and food	Logistics and distribution	Restaurants	Content management (SetPoint Events)	Damm	Beverages and food	Logistics and distribution	Restaurants	Content management (SetPoint Events)
Retention rate											
Number of individuals that have taken parental leave		134	87	13	33	1	163	110	10	42	1
Men		73	63	5	4	1	92	76	6	9	1
Women		61	24	8	29	0	71	34	4	33	0
Of the above individuals, the number of people that returned to the same job post following leave		132	87	13	31	2	156	104	10	41	2
Men		72	63	5	3	1	86	70	6	9	1
Women		60	24	8	28	0	70	34	4	32	0
Of the above individuals, the number of people that, after returning to their job post, were still with the company after 12 months		121	85	13	22	1	153	106	10	36	1
Men		71	62	5	3	1	89	74	6	8	1
Women		50	23	8	19	0	64	32	4	28	0
Retention rate		90%	98%	100%	67%	100%	94%	96%	100%	86%	100%
Men		97%	98%	100%	75%	100%	97%	97%	100%	89%	100%
Women		82%	96%	100%	66%	-	90%	94%	100%	85%	-
GRI 403: OCCUPATIONAL HEALTH AND SAFETY											
403-1 Workers representation in formal joint management-worker health and safety committees	65	77.6% workforce represented by the Health & Safety Committees (82.6% Beverages and food, 14.9% Logistics and distribution, 79.1% Restaurants and 0% Content management (SetPoint Events)).									

403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities

65

Each company has a prevention plan that details the integrative organisational model on which the management and performance of Damm's occupational health and safety policy is based. The plans specify the procedures, instructions and practices to manage the prevention of occupational hazards, and they gradually progress toward complete standardisation in keeping with standards and best practices.

The external prevention services which all of the companies have is consolidated in one single firm that provides a comprehensive service, except for Compañía Cervecería Damm, which has an internal prevention service, and Estrella de Levante, which chose a combined prevention service for technical operations. In all cases, health monitoring is subcontracted to an accredited external prevention service.

In accordance with the established and implemented health and safety policy, Grupo Rodilla has defined action lines to continue to reduce its workplace accident rate through an exhaustive methodology of case analysis, follow-up and implementation of corrective actions derived from investigations into accidents and through awareness raising campaigns for all collaborators. Grupo Rodilla handles its responsibility in this area through an internal and combined prevention service for all of its companies. Pursuant to that laid down in the Occupational Risk Prevention Act, an audit was performed in 2016 in which no anomaly was noted.

Occupational accidents rate indicators		2017	2018
Number of occupational accidents	Beverages and food	31	73
	<i>Men</i>	-	66
	<i>Women</i>	-	7
	Logistics and distribution	2	6
	<i>Men</i>	-	5
	<i>Women</i>	-	1
	Restaurants	6	93
	<i>Men</i>	-	28
	<i>Women</i>	-	65
	Content management (SetPoint Events)	0	0
	<i>Men</i>	-	0
	<i>Women</i>	-	0
Frequency index	Beverages and food	7	17.5
	<i>Men</i>	-	21.8
	<i>Women</i>	-	7.0
	Logistics and distribution	4.6	17.76
	<i>Men</i>	-	21.24
	<i>Women</i>	-	9.72
	Restaurants	33.91	48.86
	<i>Men</i>	-	NA
	<i>Women</i>	-	NA
	Content management (SetPoint Events)	0	0
	<i>Men</i>	-	0
	<i>Women</i>	-	0

Severity rate	Beverages and food	0.01	0.42
	<i>Men</i>	-	0.51
	<i>Women</i>	-	0.20
	Logistics and distribution	0.08	0.17
	<i>Men</i>	-	0.21
	<i>Women</i>	-	0.06
	Restaurants	0.52	0.35
	<i>Men</i>	-	NA
	<i>Women</i>	-	NA
	Content management (SetPoint Events)	0	0
	<i>Men</i>	-	0
	<i>Women</i>	-	0

403-4 Health and safety topics covered in formal agreements with trade unions

Health and safety topics covered in formal agreements with trade unions are described below and expressed as a percentage: CC DAMM (10% personal protective equipment, 15% joint worker-company health and safety committees, 20% participation of worker representatives in inspections, audits and investigations into health and safety accidents, 10% health and safety training and education, 15% complaint mechanisms, 5% right to refuse unsafe work, and 25% regular inspections) and Font Salem (10% training programmes, 10% action protocols, 30% machinery and equipment, 20% roads, internal mobility and pedestrian corridors, 20% facilities safety and 10% individual protective equipment and protection elements). In Rodilla, there is daily contact with occupational risk prevention delegates (two of the delegates of one of the companies are part of the Human Resources Department). In addition, quarterly meetings of the Health & Safety Committee and extraordinary meetings are held to deal with specific issues such as psychosocial studies.

#### GRI 404: TRAINING AND EDUCATION

404-1 Average hours of training per year per employee

69		
<b>Average number of training hours per employee by gender and job category</b>		
(h/employee)		2018
Men	Senior management	22
	Technical staff and middle managers	14
	Administrative and commercial staff	21
	Labourer	5
Women	Senior management	18
	Technical staff and middle managers	12
	Administrative and commercial staff	12
	Labourer	4

404-2 Programs for upgrading employee skills and transition assistance programs	57, 60-61, 63							
404-3 Percentage of employees receiving regular performance and career development reviews	58							
	<b>Employees subject to a performance review system</b>	2018						
		Damm	Beverages and food	Logistics and distribution	Restaurants	Content management (SetPoint Events)		
Number of employees subject by gender and job category		1.390	675	111	583	21		
Men		679	438	75	149	17		
Senior management		21	13	1	6	1		
Technical staff and middle managers		504	359	70	59	16		
Administrative and commercial staff		73	65	3	5	0		
Labourer		81	1	1	79	0		
Women		711	237	36	434	4		
Senior management		4	1	0	3	0		
Technical staff and middle managers		377	208	32	135	2		
Administrative and commercial staff		52	27	4	19	2		
Labourer		278	1	0	277	0		
% of the staff subject		39%	29%	52%	62%	100%		
Men		31%	25%	50%	56%	100%		
Women	53%	40%	55%	64%	100%			



**GRI 406: NON-DISCRIMINATION**

406-1 Incidents of discrimination and corrective actions taken

In 2018 Damm has no registered incidents of discrimination.

**GRI 413: LOCAL COMMUNITIES**

413-1 Operations with local community engagement, impact assessments, and development programs

70-92

**GRI 416: CUSTOMER HEALTH AND SAFETY**

416-1 Assessment of the health and safety impacts of the product and service categories

31

Food quality and safety standards at Damm are very strict and applied at all phases of the production process, from product concept development to the purchase of raw materials, manufacture, and consumption. To this effect, resources are invested in the implementation of procedures, standards and certifications that ensure strict compliance with legal requirements for health and safety.

Grupo Rodilla has an internal laboratory for microbiological and physiochemical analysis in which specifications of raw materials are verified and the products manufactured and workplace hygiene are analysed. The quality management system is complemented by another based on Hazard Analysis and Critical Control Points (HACCP) which has been implemented both in the factory as well as in all its stores.

Furthermore, all the establishments under the Rodilla banner undergo a monthly audit by operations supervisors and a bi-monthly food quality and safety audit. The Artesanía de la Alimentación factory implemented an annual plan for internal audits as well as a monthly assessment of production processes.

In the beverage, food and restaurants companies, in order to promote improvements, the health and safety impact of all products throughout their life cycle is assessed by taking into account the following phases: product concept development, research and development, certification, manufacture, marketing and promotion initiatives, storage, distribution, product consumption, and elimination, reuse or recycling.

**GRI 417: MARKETING AND LABELLING**

417-1 Requirements for product and service information and labeling

From product packaging to the respective brand websites, customer service and through social networks, among others, Damm provides information about the characteristics of its products (nutritional components, whether they contain gluten, etc.) in strict compliance with legislation on the labelling of the various products sold. In addition to legal compliance, Damm is a member of the Brewers Committee of Spain.

Damm has procedures for the development of new references and for the review of legal texts in the approval of the image and labelling. All information about products and services can be consulted at [www.damm.es](http://www.damm.es) and on the respective websites of the companies/brands.

Grupo Rodilla products provide information about product safety instructions and product end-of-life management.

**GRI 419: OCIOECONOMIC COMPLIANCE**

419-1 Non-compliance with laws and regulations in the social and economic area

In 2018, any Damm company has received fines as a result of non-compliance with legislation and regulations in these areas.

**QUALITY AND CUSTOMER SERVICE**

31

**HEALTHY AND AFFORDABLE FOOD**

30

**PROMOTING RESPONSIBLE ALCOHOL CONSUMPTION**

70

**NUTRITIONAL CONTENT AND QUALITY**

30

**SERVICE QUALITY AND ACCESSIBILITY**

47

**WORKING STANDARDS**

64-65

**ROAD SAFETY**

64-65

Damm