

BILLA

**SUSTAINABILITY
REPORT 2023**

Czech Republic

SUSTAINABILITY REPORT 2023

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BILLA

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INTRODUCTION

Dear Reader,

It is with great pride and responsibility that I introduce BILLA Czech Republic's second Sustainability Report, reflecting our **continued commitment to sustainable development** across all aspects of our operations. As we publish the data for 2023, I am reminded of the vital role we play, not only as a leading retailer but as a corporation dedicated to supporting the **well-being of our environment, communities, and future generations**.

In our inaugural Sustainability Report, we laid the foundation for our approach to sustainability, outlining key initiatives across critical areas: reducing our environmental footprint, promoting social responsibility, and driving innovation. Over the past year, we have continued to build on this foundation, deepening our efforts and demonstrating measurable progress in multiple areas.

The year 2023 has been a year of both challenges and opportunity. We have seen global supply chains continue to evolve and climate concerns have become more urgent than ever before. Our team has responded with agility, focusing on **efficiency, innovation, and responsibility** in every step we take. Whether through reducing our carbon emissions, improving waste management, or sourcing more local, sustainable products, BILLA Czech Republic remains steadfast in its **goal of creating positive, lasting change**.

A particular highlight of this report is our achievements in the area of **energy efficiency**. By investing in renewable energy sources and optimizing our stores for energy use, we have made substantial strides in reducing our carbon footprint.

Additionally, we have expanded our range of **locally sourced products**, strengthening partnerships with Czech farmers and producers to offer our customers more sustainable options. These actions underscore our commitment to transparency and accountability, demonstrating how we are aligning our business practices with the needs of the planet and our communities.

However, sustainability is not a destination, but a journey. As we move forward, we will continue to adapt and evolve our strategies, **always striving to improve**. This report represents not only the steps we have taken, but also a reaffirmation of our commitment to continuous improvement. We are inspired by the potential we see to make a real, positive difference in the years ahead.

I would like to extend my sincere **gratitude to all our employees, partners, and customers** who have supported us in this mission. Sustainability is not something we can achieve alone – it requires **collective effort, shared responsibility, and a long-term vision**.

Together, we are building a future that is not only sustainable, but also brighter for all. Thank you for joining us on this journey.

Sincerely,
Andreas



Andreas Jüterbock
Chief Operating Officer,
BILLA Czech Republic

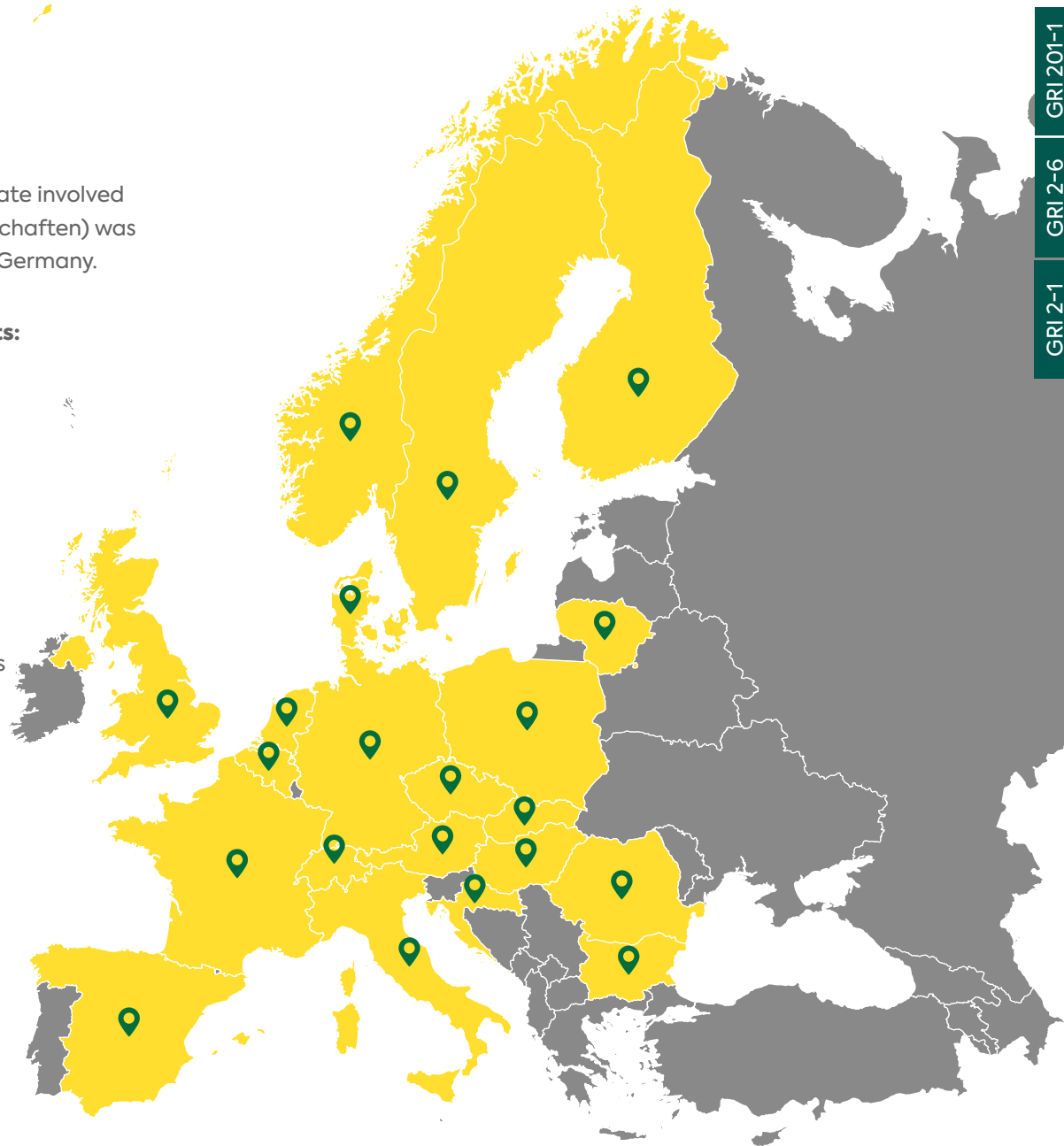
REWE GROUP OVERVIEW

As BILLA Czech Republic, we are part of the REWE Group, a global conglomerate involved in trade and tourism. The REWE Group (Revisionsverband der Westkaufgenossenschaften) was founded in 1927 by 17 purchasing cooperatives and is headquartered in Cologne, Germany.

The combined business activities are broken down into six business segments:

- 1. Retail Germany** - 10 retail chains with 6,000 stores, generating EUR 40.4 billion in revenue
- 2. Retail International** - 5 retail chains with 3,500 stores, contributing EUR 19.2 billion in revenue
- 3. Convenience** - 3 chains and 164,000 points of sale, generating EUR 15.1 billion in revenue
- 4. DIY** - 2 chains and 320 stores, generating points of sale points of sale EUR 2.5 billion in revenue
- 5. Travel and tourism** - Made up of 18 companies, this segment generated points of sale EUR 17.2 billion in revenue
- 6. Other** - Two subsidiaries providing energy and procurement services to other group companies

More information about the REWE Group can be found [here](#).



KEY FIGURES IN 2023

Operating in 21 countries
Net sales: EUR 92.3 billion
Net profit: EUR 736.2 million
Investments: EUR 3 billion
Employees: 389,270

BILLA OVERVIEW 2023

BILLA, a key player in the Czech retail industry, recorded turnover of CZK 34.5 billion, through 262 stores with the support of 6,667 employees. Since its establishment on the Czech market in 1991, BILLA has shown consistent growth. In 2023 BILLA launched its e-commerce business, which was tested throughout the year and made commercially available in September.

In 2023, BILLA invested CZK 800 million in the store network and further expanded the network by adding ten more stores and renovating 15 existing ones.

On top of these investments, nearly CZK 220 million was additionally spent on sustainability and efficiency initiatives building towards the modern retail network that BILLA is striving for.

BILLA's main advantage is an attractive, wide range of Czech products with a focus on quality and freshness, accessibility of stores with a welcoming atmosphere and reasonable prices, leading to more than 136.5 million customer transactions in 2023. We welcome almost 1,500 customers per store every single day.



34.5
billion CZK total net sales



136.5
million customer transactions
per year



262
stores



6,667
employees



> 382,000
customer transactions per day



> 230,000
m² sales area



1.6
billion CZK total investments

Sustainability Initiatives
(especially energy-efficiency
projects in addition to renovations)

> 30
million CZK

Customer excellence
(electronic shelf labels,
self-checkout, etc.)

> 189
million CZK

Amount invested in
our stores through new
openings and renovations

> 800
million CZK

Other investment
in future business
operations

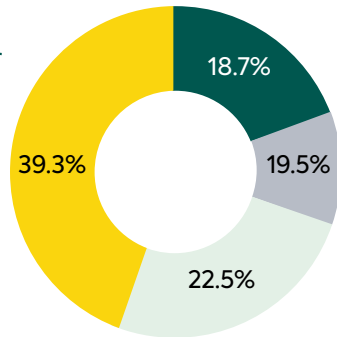
> 600
million CZK

OUR OPERATIONS

Our stores are strategically positioned across all regions of the Czech Republic. The expansion strategy focuses on accessibility, which is why we continue to expand and integrate into local communities. To support this, almost 40% of our stores are situated in towns with populations under 30,000 inhabitants.

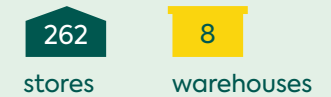
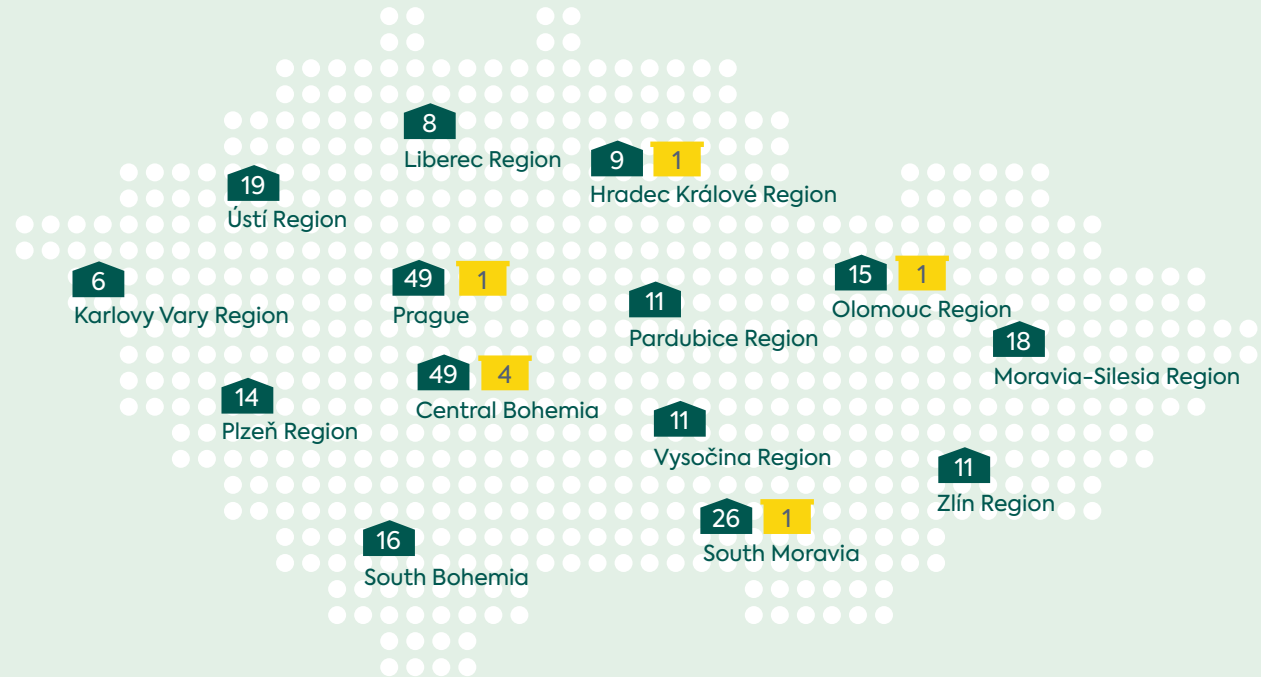
To further emphasize convenience and accessibility, we operate our new e-shop from two warehouses located in Prague and Brno, delivering to these cities as well as surrounding locations in the Central Bohemia and South Moravia regions.

Distribution of stores in cities based on the number of inhabitants in 2023:



- Prague
- Large cities (101,000 – 500,000 inhabitants)
- Medium-sized cities (30,001 – 100,000 inhabitants)
- Small cities (5,001 – 30,000 inhabitants)

Map of the Czech Republic divided into regions with their respective number of stores and warehouses

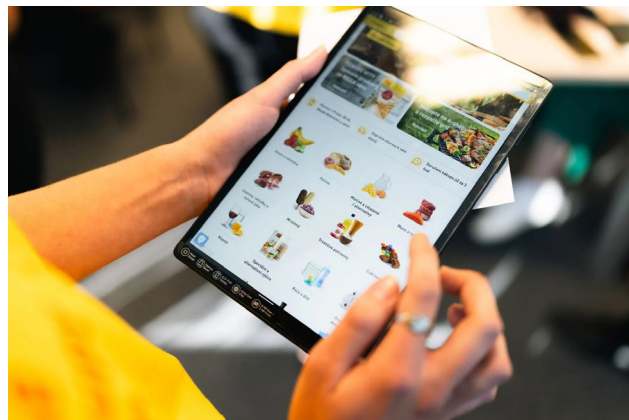


BILLA E-SHOP LAUNCH AND ITS IMPACT

In November 2022, we started the testing phase of the BILLA e-shop. After ten months of testing, in September 2023 we successfully launched the new e-shop, **increasing customer convenience** by means of an **omnichannel offering** of quality food and expanding our market reach. The e-shop offers a wide range of products, including fresh food, groceries and household items, with delivery services available in major cities.

This initiative has **created new jobs** in logistics and **improved customer access** to quality food. Bringing our services closer to customers is especially important to those with limited mobility and improves overall customer service through convenient online shopping options.

Customers can select from over 9,000 products and enjoy free delivery within three hours for purchases over CZK 500. The regional section offers more than 150 regional items, including meat from Czech farms, wines from the South Moravia region, baked goods from local bakeries and much more.



During the test phase, the e-shop served **over 7,000** customers.

In the testing phase:

over
28,600
orders delivered

over
80%
of returning customers

79 points
Net Promoter Score*
in December 2023



In December 2023, 79% of our customers rated us a 9 or higher out of 10, showcasing their high level of satisfaction and loyalty.

The e-shop has contributed to our market expansion by providing a new sales channel that complements the physical stores. It also supports sustainability by **optimizing logistics to reduce carbon emissions** through efficient delivery routes and promoting environmentally friendly and **locally sourced products**.

* The Net Promoter Score (NPS) is a metric used to measure the loyalty and satisfaction of customers by asking them how likely they are to recommend our product or service to others.

BILLA E-SHOP OPERATION AND FUTURE PLANS

The BILLA e-shop operates from dedicated warehouses, which ensures better **quality control, fast delivery times** and **shorter delivery routes**. These Fulfilment and Distribution Centers (FFCs) cover a total area of 13,200 square meters, enabling efficient order processing and maintaining the quality of delivered goods.



We plan to **extend the reach into more regions** and to introduce new features for a more **personalized shopping experience** and a new mobile app. In the second half of 2024, a new mobile app is planned to be launched to make online shopping even more convenient. Next year, we will partially automate our warehouses in Prague and Brno to process orders more efficiently.

The launch of our BILLA e-shop in 2023 is an important milestone in our company's **digital transformation** and sustainability strategy, which brings economic and social benefits.

OPERATIONAL EFFICIENCY INITIATIVES

We continue to innovate and enhance efficiency by implementing **electronic shelf labels (ESLs)** and **self-checkout kiosks (SCOs)** across our store network.

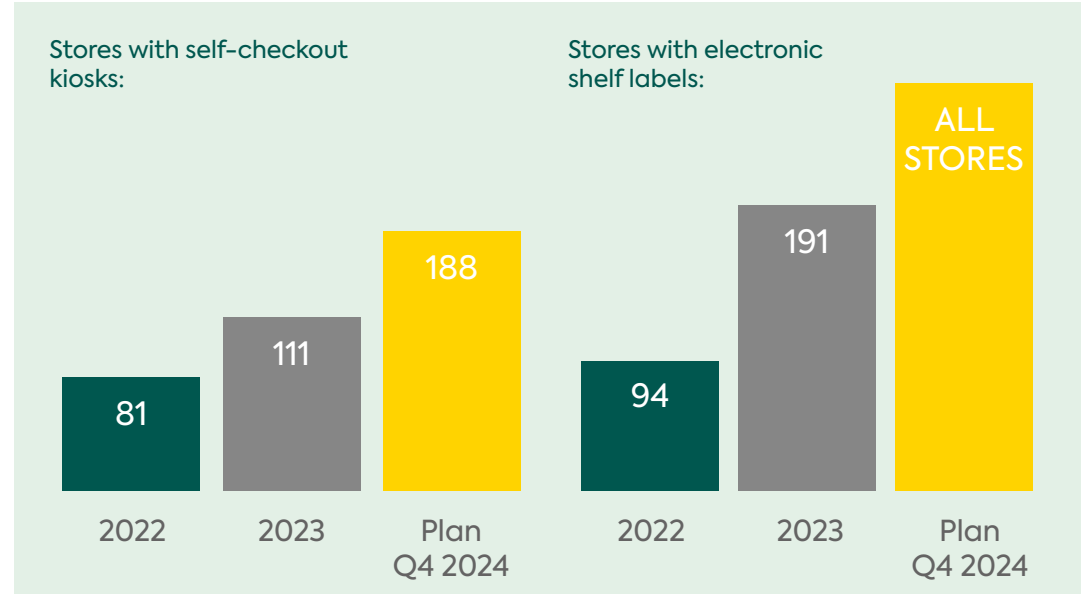
By the end of 2023, the implementation of ESLs in 191 stores (73% of all the stores) had enabled us to save approximately 41.2 million sheets of A4-sized paper during the year. Considering that one tree can produce about 80,000 sheets of paper, this means we will save around **515 trees** from being cut down each year. We also reduced ink usage by not printing labels.

At the same time, the initiative has significantly improved operational excellence and the customer experience by reducing human error and **ensuring accurate pricing** on shelves. With immediate price updates during promotions, we have created a more agile system that quickly adapts to market changes.

We aimed to enhance conditions for both employees and customers. **Renovations** were carried out in 15 stores. Simultaneously in these stores, we also invested in the implementation of **self-checkout kiosks (SCOs)**. By the end of 2023, self-checkout kiosks were available in 111 stores, up from 81 in 2022. These digital solutions, and others that we are deploying, enhance our customer service while also reducing our environmental footprint.

111
stores with
self-checkout kiosks
(SCOs)

191
stores with
electronic shelf
labels (ESLs)





SUSTAINABILITY AT BILLA

**“SUSTAINABILITY
MEANS CARING FOR
OUR COMMUNITIES BY
PROMOTING LOCAL
FOOD, REDUCING WASTE
AND USING ENERGY WISELY,
WHILE MAKING OUR
WORKPLACE WELCOMING
FOR EVERYONE.”**

Definition of sustainability for BILLA CEE



HOW WE APPROACH SUSTAINABILITY

At BILLA Czech Republic, sustainability is a key priority that shapes our commitment to making a positive impact on both the environment and society. We recognize the importance of today’s environmental challenges and take a comprehensive approach to sustainability that goes beyond ecological concerns. Our focus extends to the **well-being of our customers, employees, stakeholders, and the broader society.** Additionally, we uphold **fair and transparent business practices,** ensuring accountability and responsibility in all areas of our operations.

Our sustainability strategy is built on five key pillars: Green Products, Energy, Climate & Environment, Employees, Social Commitment and Governance. These pillars guide our actions and decisions, shaping our long-term sustainability goals. Each area defines the critical issues we aim to address and provides a framework for further steps toward achieving meaningful and measurable outcomes.



GREEN PRODUCTS:

- Promoting local products and animal welfare
- Improving the supply chain
- Innovating packaging
- Making sustainable products succeed

ENERGY, CLIMATE & ENVIRONMENT:

- Protecting the climate
- Efficient use of energy
- Conserving resources in our operations
- Waste management

EMPLOYEES:

- Being a diverse and engaged employer
- Fair and unified benefits system
- Enabling employees and providing appropriate working conditions

SOCIAL COMMITMENT:

- Being a good neighbour
- Supporting people in need
- Prevention of food waste
- Partnerships and collaborations

GOVERNANCE:

- We ensure sustainability governance through the integration of sustainability principles into BILLA’s corporate governance

In the following sections, we will explore these pillars in greater detail, examining both the potential positive impacts and the measures we have in place to mitigate any negative effects. This approach ensures that our sustainability efforts are effective, holistic, and aligned with the evolving needs of the communities and environments we serve.

OUR CONTRIBUTION TO GLOBAL GOALS

At BILLA, we continuously strive to contribute to the achievement of many of the **17 Sustainable Development Goals (SDGs)** of the United Nations – such as Zero hunger, Affordable and Clean Energy, Life on Land, Gender Equality and Partnerships for achieving the goals.

Based on the nature of our business, we have identified **four priority SDGs** on which we have the highest direct impact.

Four priority sustainable development goals for BILLA

By supporting healthy lifestyles and responsible business at BILLA, we are helping to improve the well-being of affected communities.

We actively improve the quality of life of our employees. The benefits we provide relate to both physical and mental health.

Ensure healthy lives and promote well-being for all at all ages

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Ensure sustainable consumption and production patterns.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Take urgent action to combat climate change and its impacts.

Achieve conservation and efficient use of natural resources, reduce food and other waste through circular economy principles.

We contribute to the widespread adoption of renewable energy technologies and the responsible use of energy and materials to reduce our carbon footprint.



ENGAGING STAKEHOLDERS

At BILLA, we **regularly review** our sustainability strategy to ensure it remains relevant and effective. This includes insights from customer surveys, internal consultations, external experts, and competitor benchmarking, along with political debates and market trends.

Engaging stakeholders – those affected by our business – is crucial for achieving our long-term sustainability goals. We actively seek their input and **value feedback**, helping us make **informed decisions** and improve practices, especially on key sustainability issues. BILLA has established clear methods for engaging various stakeholder groups. This report is one of many ways we maintain transparency and encourage constructive dialogue with our stakeholders.

	Employees	Customers	Business partners	Associations & NGOs	Public authorities	Media
Engagement Channels	<ul style="list-style-type: none"> • Regular 1-on-1 meetings • Regular team meetings • Regular meetings with management • Intranet • Employee surveys • Newsletters and other internal communication • Corporate events • Store manager committee 	<ul style="list-style-type: none"> • Customer surveys • Customer support • Focus groups • Company website • Social media profiles • Mobile app • Commercials / Outdoor / Radio ads / Leaflets 	<ul style="list-style-type: none"> • Regular audits and consultations • Joint initiatives 	<ul style="list-style-type: none"> • Memberships • Donations • Events and campaigns 	<ul style="list-style-type: none"> • Discussions on regulations • Discussions on joint projects 	<ul style="list-style-type: none"> • Website • Meetings • Communication • Events and campaigns • Press conferences • Press releases
Engagement Topics	<ul style="list-style-type: none"> • Compensation and benefits • Employee well-being • Trainings • Career development • Health and safety • Equal opportunities • Corporate information • Sustainability 	<ul style="list-style-type: none"> • Product-related topics • Pricing • Shopping experience • Operational excellence • Sustainability • Customer support • Data privacy 	<ul style="list-style-type: none"> • Contractual agreements • Delivery and payment terms • REWE and BILLA guidelines 	<ul style="list-style-type: none"> • Social initiatives • Donations • Sustainability 	<ul style="list-style-type: none"> • Legislation • Taxation • Compliance 	<ul style="list-style-type: none"> • Financial and operational achievements • Social initiatives • Changes in top management • New products in our portfolio • New developments in our company



ČESKÁ FARMA

VOŇAVÁ
A SLADKÁ
OD Ověřených Pěstitelů

AKCE
Hrozy révy vlněná bílá Vicoška
-50%
3990 Kč

AKCE
Česká Farma Jablko Golden
Delicious
-75%
2990 Kč

AKCE
Česká Farma Dýň Morská
-35%
2690 Kč

AKCE
Kakao
-50%
1190 Kč

BIO

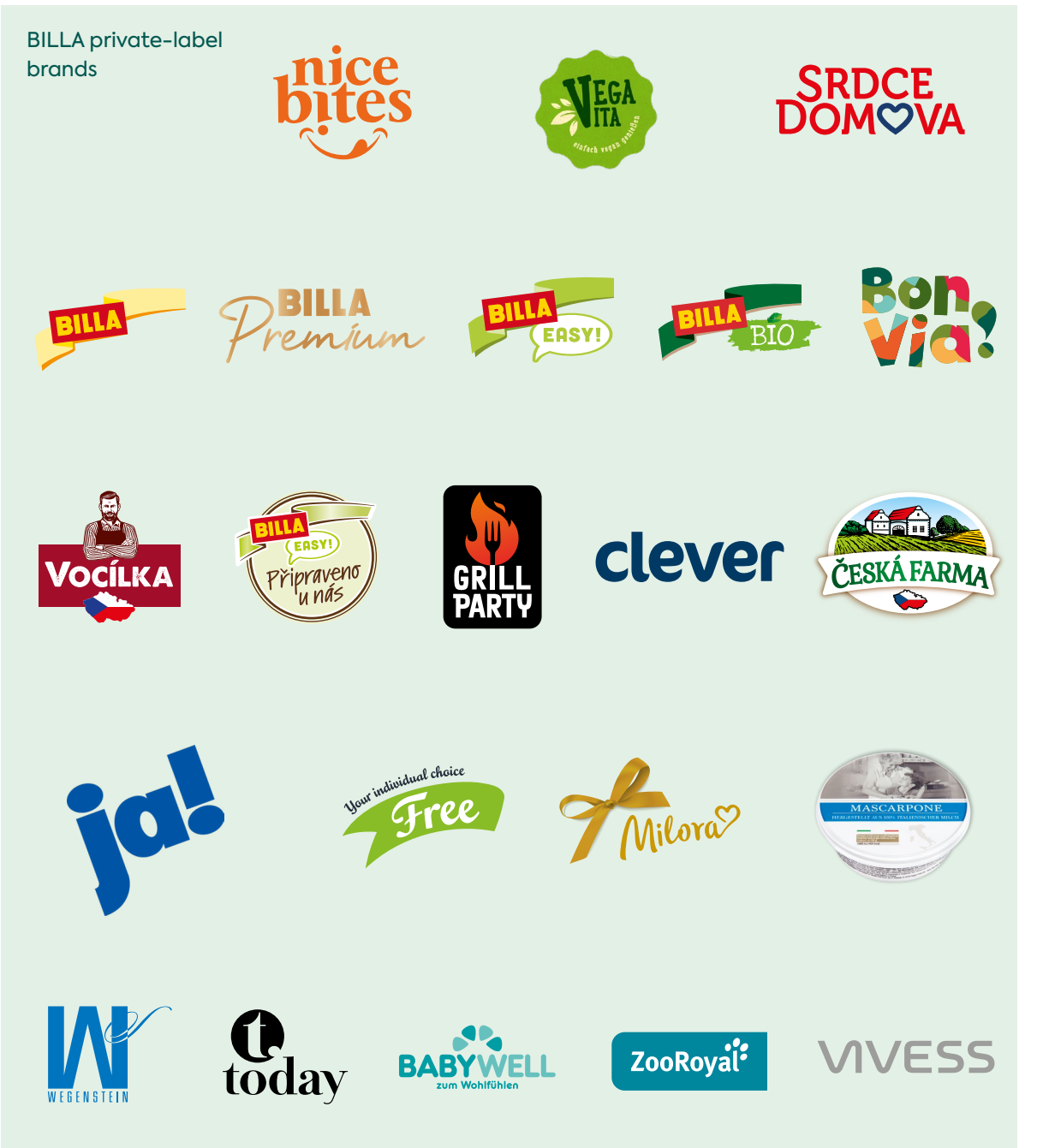
GREEN
PRODUCTS

KEY ROLE OF OUR PRIVATE LABELS

Expansion of our private-label portfolio is a key driver of our sustainability strategy, particularly within the Green Products pillar. We are committed to expanding our product offerings with a focus on sustainability by incorporating eco-friendly materials, sustainable packaging, and energy-efficient production methods.

As part of this commitment, we have set a target to ensure that all **packaging for our private-label products will be 100% recyclable, reusable, or compostable** by 2030. Additionally, our private labels are designed to offer quality products at great value, helping to make shopping more affordable for our customers.

Many of our products carry internationally recognized certifications, and we work with regional suppliers to support local production. With 22 private labels, including food, pet food, and non-food brands, private labels made up 22.9% of our total turnover in 2023, and we continue to see this share grow.



GOOD FOR US AND THE PLANET

BILLA ZDRAVĚ AND VEGAN FRIDGES

In 2023, we continued our commitment to promoting **healthier and more sustainable food choices**. Building on the success of our **BILLA Zdravě** initiative, which encourages customers to adopt healthier lifestyles, we introduced the new concept of dedicated **vegan fridges**. These prominently placed refrigerators, located at the entrance of our stores, make it easier for our customers to find a wide range of plant-based and alternative products all in one convenient place. In addition to supporting a more animal friendly lifestyle, alternative products, such as vegan products, have a lower carbon footprint than meat products.

We are gradually rolling out this concept at **all new and renovated stores**. As part of our sustainability strategy, we aim to continue to increase the availability of alternative and functional products in our range, including organic products and those without added sugar, salt or other additives, as well as **special dietary products** (lactose-free, gluten-free). In 2024, we plan to evaluate the project of vegan fridges and assess whether this initiative is appreciated by our customers.



Number of products in the BILLA Zdravě selection:

over **750** products

with **384** of them being organic

225 sugar-free

103 gluten-free

41 lactose-free

Number of products in vegan fridges:

40 vegan products in total

16 alternatives to meat products including tofu, tempeh, and others

8 alternatives to dairy products

15 vegan spreads and hummuses



3 GOOD HEALTH AND WELL-BEING



EXCEPTIONAL QUALITY UNDER OUR PRIVATE LABEL



GRI 2-6

PRIVATE-LABEL BRANDS, IN WHICH WE PUT SPECIAL EMPHASIS ON SUSTAINABILITY AND DIETARY NEEDS

BILLA BIO

Our commitment to quality and sustainability is reflected in our BILLA Bio brand. This line adheres to strict requirements for organic farming, ensuring that crops are not genetically modified and are grown without synthetic pesticides or chemical fertilizers.



BILLA Free

BILLA Free provides convenient options for customers with specific dietary needs. Since its launch in 2019, this range has offered a variety of gluten- and lactose-free products without compromising on taste, thus supporting those seeking healthier, specialized options.



Our awards

In 2023, several of our private-label products were recognized for their outstanding quality and taste. **Our Grill Party Hamburger** received the prestigious “Consumers’ Choice” award, underscoring our commitment to delivering high-quality products that meet consumer expectations. We were also proud to receive multiple awards from dTest, where **Clever Tradiční Pomazánkové Neochucené** and **Clever Vegetable Mix with Corn** were honored. The **dTest** seal of quality is highly respected in the Czech market, as it represents thorough independent testing focused on product safety, quality, and compliance with regulatory standards, providing consumers with trusted recommendations.

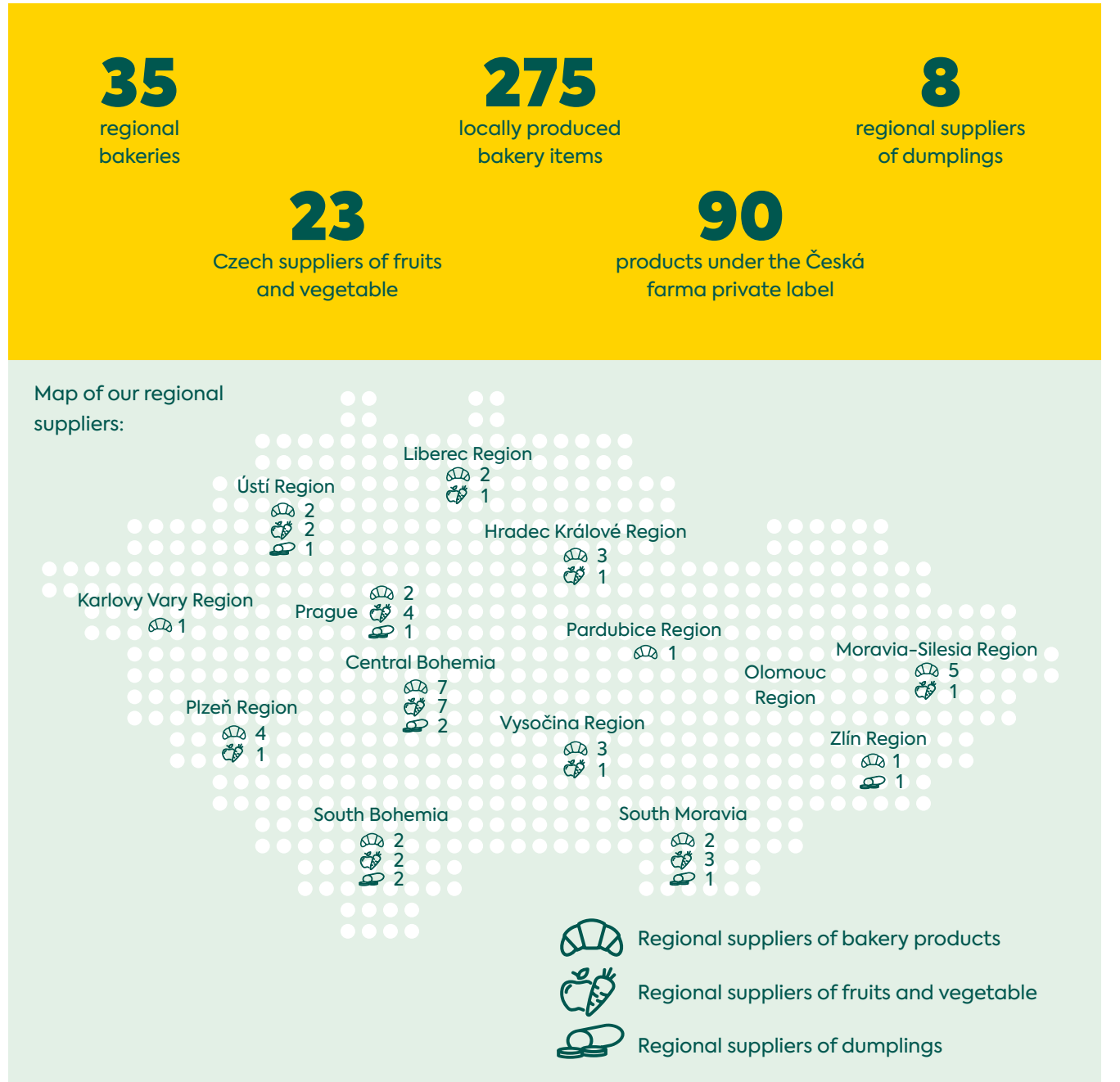
In addition, our **Vocilka Pork/Beef Minced Meat** was recognized as the best in taste and overall winner in the BLESK Consumer Test, and our **BILLA Lasagne Bolognese** was awarded for its excellent taste and verified quality. These awards reflect our continued dedication to offering high-quality, sustainable products that our customers can trust.



COLLABORATION WITH CZECH SUPPLIERS

In 2023, we strengthened our commitment to sustainability through deeper partnerships with Czech suppliers and regional producers, focusing on reducing imports of fruits and vegetables and increasing our reliance on locally sourced products. This shift supports local agriculture, reduces delivery distances, and lowers our carbon footprint. Through our **Česká farma** label, launched in 2012, we now offer nearly 90 fresh, locally grown products, including tomatoes, berries, apples, garlic and others – all sourced from Czech farms. Our partnerships ensure that produce often reaches our stores within 24 hours, providing maximum freshness while meeting the Czech Republic’s high standards of quality.

We also expanded our local sourcing of baked goods, collaborating with **35 regional bakeries to offer 275 fresh**, traditional items and partnering with eight regional suppliers to provide Czech dumplings. Together, these **efforts will save around 1,600 truckloads by reducing imports from Spain, Poland, and Morocco**, cutting our truck-related emissions by 20%. While Czech produce can be up to 10% more costly, both we and our customers believe in supporting local farmers by fair pricing and we remain committed to expanding this approach. By 2025, we aim to raise the share of Czech-grown fruits and vegetables in our stores from 28% in 2022 to 40%, further advancing the sustainability of our supply chain.



COMMITMENT TO ANIMAL WELFARE

In 2023, we took further strides in ensuring higher welfare standards for farm animals. Our main initiative is visible in our private labels.

Transparent and sustainable meat production

Our Vocílka brand, a staple of high-quality Czech meat, underwent a complete packaging redesign in 2023. The new transparent, fully recyclable packaging allows customers to easily inspect the meat and make informed choices. Additionally, simple and clear labelling provides key product information, and QR codes on the packaging link to details about the origin of the meat and recipe inspiration. Each piece of Vocílka chicken, pork, and beef is **traceable**, with **certificates documenting its origin**, breeding, feeding, and processing, ensuring that all meat truly comes from local Czech farms.

Vocílka continues to adhere to the highest standards of animal welfare. Our products have GLOBALG.A.P.¹ certification for responsible agricultural practices, with livestock raised on Czech fields, enjoying ample space and high-quality feed.

For poultry, our Venkovské kuře and Zlaté kuře brands offer poultry raised in natural environments, with a fattening period of 38 to 40 days. The use of Peer System Technology in poultry processing minimizes stress, ensuring a more humane and respectful handling process.

Transparency of packaging in focus

¹⁾ GLOBALG.A.P. (Good Agriculture Practice) certification aids farmers in enhancing their agricultural practices. The certification process involves an independent audit assessing criteria such as site history, crop protection, water and soil management, waste management, worker welfare, and food safety practices.



COMMITMENT TO ANIMAL WELFARE

TARGETS:



Shelf



fulfilled

Sell only cage-free eggs by the end of 2023.



Ending the sale of caged eggs

As part of our long-term commitment to animal welfare, we achieved a major milestone at the end of 2023 **by completely discontinuing the sale of caged eggs**. By the end of 2022, free-range eggs already accounted for 60% of all egg sales. Furthermore, during 2023, caged eggs were not part of our standard assortment and were only sold during special promotions in leaflets.

Eggs labelled with the number three, which indicate caged production, are associated with poor living conditions for hens. Therefore, we are proud to be the **first Czech retailer** to ban the sale of these eggs in our stores.

Pioneering initiatives in animal welfare

In 2023, we further strengthened our commitment to animal welfare by **ending the sale of live carp** at our own parking lots in front of the stores during the Christmas season, a long-standing tradition in the Czech Republic. This move is in line with our broader sustainability goals and encourages more humane practices. However, it is important to note that this ban applies only to parking lots owned by us. Some of our stores are located on rented properties, over which we do not have the authority to enforce this ban.

We also **banned the sale of fireworks**, which was first implemented at the end of 2022. This initiative aligns with our commitment to reducing pollution and encouraging more considerate celebrations, benefiting both wildlife and the environment.

TONDA KNOWS

how to celebrate the end of the year. Without loud booms, blasts and bangs.



3 GOOD HEALTH AND WELL-BEING





ENERGY, CLIMATE & ENVIRONMENT

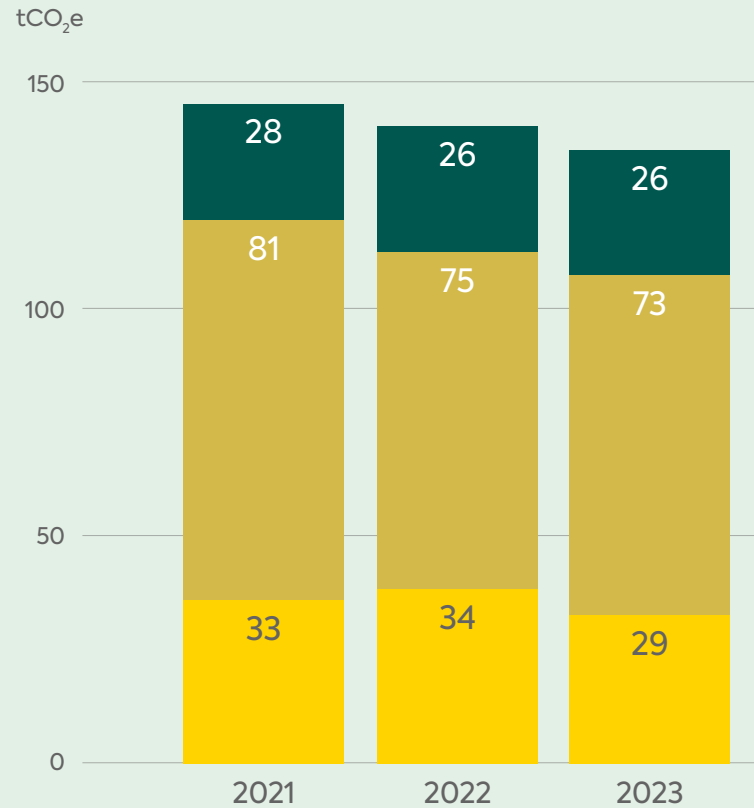
UNDERSTANDING OUR IMPACT ON THE CLIMATE

As part of the REWE Group, we continue to actively drive the decrease of our carbon footprint, measured in CO₂ equivalent (standardized units). This analysis, which now spans from 2021 to 2023, provides us with **insights into our climate impact** and directs our sustainability strategy. Monitoring emissions remains central to our efforts as we continuously seek to improve and implement more **effective climate solutions**.

In 2023, we successfully achieved a **9.5% reduction in operational greenhouse gas emissions** compared to 2021, driven largely by significant improvements in **electricity consumption and heating efficiency**. Over the past three years, heating emissions dropped by **23.7%**, and emissions from **refrigerant leakages** saw a reduction of **13%**. These reductions stem from investments in modern technologies such as heat pumps, enhanced insulation, and ongoing efforts to transition to more sustainable refrigerants.

Our carbon footprint calculations focus on our **operational activities** (Scope 1&2), not covering fully the Scope 3 emissions – for example production of sold goods, import, and transport to our warehouses are not calculated. We recognize that these upstream emissions, particularly those associated with suppliers, represent a substantial part of our overall environmental impact and will continue to be an area of focus as we progress toward more comprehensive climate solutions.

GHG emissions by scopes
(in thousand tons of CO₂e)



In 2023 we created **128,565 tons** of CO₂ emissions which consists of:

22% Scope 1 emissions: 28,832 t
direct emissions from our electricity production, heating, fleet, logistics and refrigerants

57% Scope 2 emissions: 73,288 t
indirect emissions from purchased electricity, heating, and cooling

21% Scope 3* emissions: 26,445 t
indirect emission from fuel and energy, including partial coverage of transport and distribution of goods

* Currently, our Scope 3 emissions are limited to specific categories. The most significant contributors are the production, import, and long-distance transportation of products to our warehouses. Due to the unavailability of data, emissions from business travel are not included.



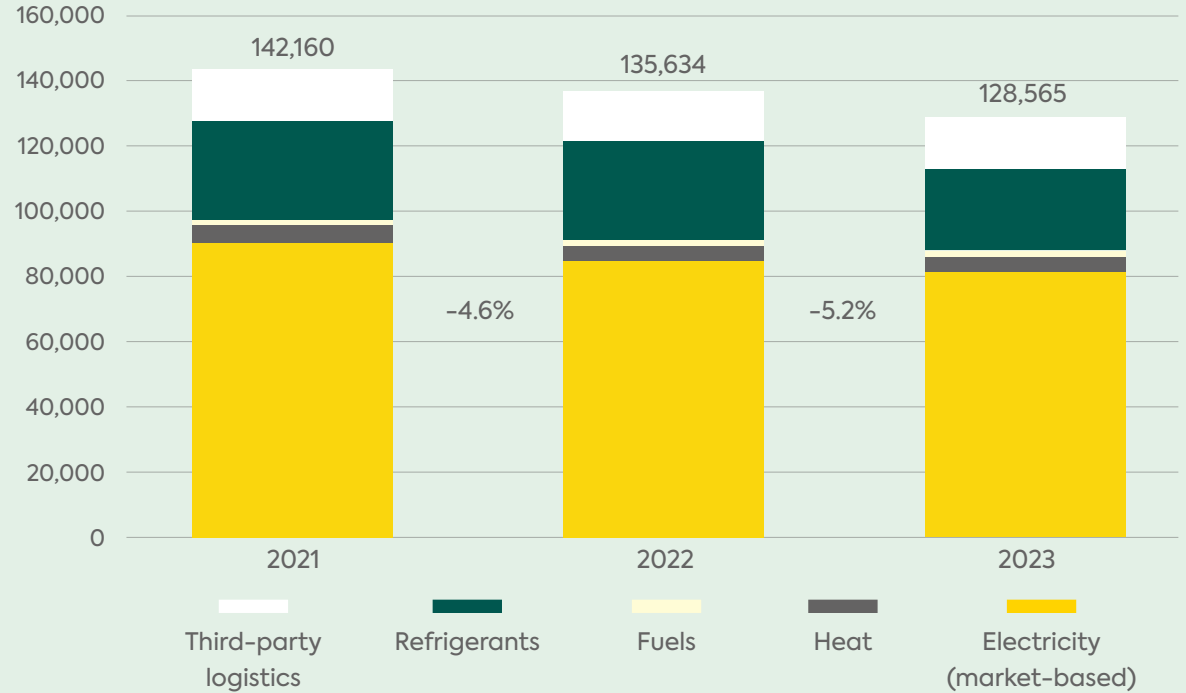
UNDERSTANDING OUR IMPACT ON THE CLIMATE

Over the past three years, we have made significant strides in reducing our greenhouse gas (GHG) emissions and energy consumption, a testament to our ongoing commitment to sustainability and energy efficiency.

- **Electricity market-based emissions** have seen a steady decline, from **89,844 tCO₂e** in 2021 to **81,371 tCO₂e** in 2023. This is the result of continuous improvements in energy management and the adoption of energy-efficient technologies such as LED lighting and heat pumps.
- **Heating energy consumption** has also been reduced, falling from **6,465 tCO₂e** in 2021 to **4,932 tCO₂e** in 2023, reflecting not only mild winters, but especially the success of our efforts to implement enhanced insulation and modern HVAC systems across new and renovated stores.
- One of the most impactful changes has been in **refrigerant emissions**, where a focused strategy to reduce refrigerants with high potential for global warming and the switch to natural refrigerants led to a 17.5% decrease in emissions from **30,886 tCO₂e** in 2022 to **25,486 tCO₂e** in 2023.

Overall, our total emissions dropped from **142,160 tCO₂e** in 2021 to **128,565 tCO₂e** in 2023 – a clear indication of our efforts to mitigate our environmental footprint while enhancing operational efficiency.

GHG emissions by scopes (in thousands of tons of CO₂e)



	2021	2022	2023
Electricity (market-based)	89,844	82,998	81,371
Heat	6,465	5,459	4,932
Fuels	1,437	1,337	1,494
Refrigerants	29,291	30,886	25,486
Third-party logistics	15,123	14,955	15,283
Sum (market-based)	142,160	135,634	128,565

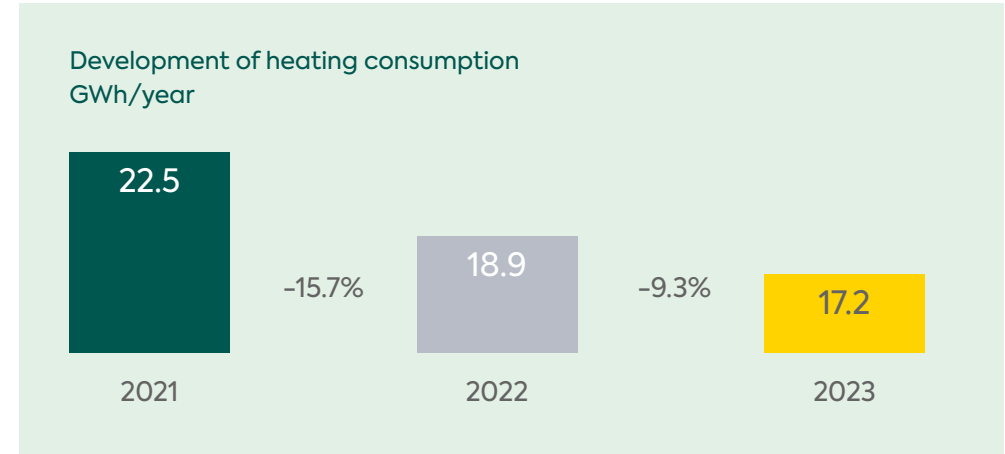
in tCO₂e

REDUCTION OF ENERGY CONSUMPTION

At BILLA, our commitment to energy efficiency continues to yield significant results. From 2021 to 2023, we reduced heating energy consumption by **25%** through the implementation of modern technologies and energy optimization measures. In line with our sustainability goals, **all newly constructed and renovated stores** are equipped with modern technologies that are more environmentally friendly. In the future, these buildings will, where feasible, also feature **photovoltaic panels** to further reduce reliance on external energy sources.


We have already **reduced district heating needs by 25% compared to 2021** and our vision for the future includes transitioning to **electricity-based heating solutions**, thus enhancing energy sustainability across our operations.

In 2023, we continued our efforts to minimize the environmental impact of refrigerant leakages, which have historically contributed a significant share of our greenhouse gas emissions. Our ongoing initiative to **reduce refrigerant emissions by 60%** by 2030 compared to 2019 remains a central focus, with particular emphasis on **transitioning to natural refrigerants** and **preventing leakages**. This year, emissions from cooling agents accounted for **20% of our total emissions** compared to last year's 23%. This year yielded a 17.5% reduction in refrigerant emissions compared to last year, reflecting good progress toward our long-term goals.




Our stores are increasingly equipped with **modern technology**, including exterior and interior **LED lighting, heating and air-conditioning control systems and refrigeration systems** and **heat pumps**, ensuring energy consumption is optimized across all areas. As part of our **ISO 50001 Energy Management System**, we regularly set and review energy-saving goals, backed by **internal and external audits**. Employee training also continues to be a vital part of our strategy, ensuring that everyone plays a role in reducing energy consumption.

Despite expanding our network of stores, we have successfully decreased overall energy use, achieving a **3% reduction** in total energy consumption compared to 2022 and a **11% reduction** in total energy consumption compared to 2021. Our continued investment in modern, energy-efficient solutions will pave the way for even greater reductions in the years to come.



We strive for efficient use of energy, water and materials in order to make our operations more sustainable.



PHOTOVOLTAIC SYSTEMS ON FIRST BILLA STORES

In 2023, we completed the **installation of photovoltaic panels at three of our stores**, namely BILLA Říčany u Prahy, BILLA Beroun, and BILLA Slaný. The total installed capacity of these systems amounts to 270 kWp. They have enabled us **to reduce the amount of electricity purchased by nearly 20%** at these stores, replacing it with our own solar energy.

In the coming years, we plan to expand these systems across more stores, with the long-term goal of equipping, where feasible, all of our locations with renewable energy technologies.

Throughout the planning and implementation of these projects, we focused on maximizing **fire safety** and ensuring the **operational reliability** of all technological components that make up the photovoltaic systems. The quality standards set during these initial installations will serve as the foundation for the large-scale expansion of solar power plants across our stores in the future.



BILLA Slaný

BILLA Říčany u Prahy



BILLA Beroun



Through these photovoltaic panels, we cover

nearly **20%**

of the electricity needs of these stores.

Renewable energy sources enable us to reduce our carbon footprint and meet our ambitious goals.

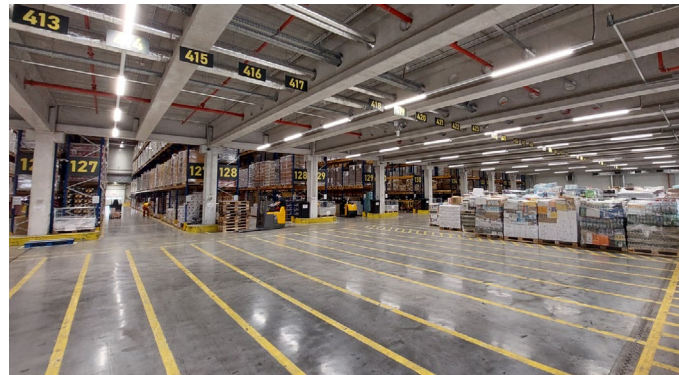
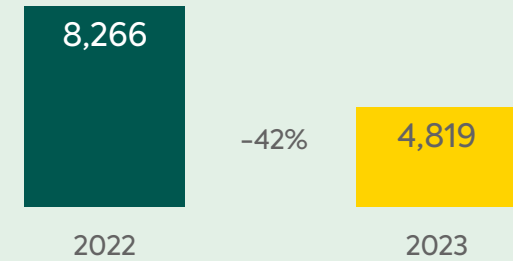


COMPLETION OF THE TECHNOLOGY RENOVATION OF OUR WAREHOUSE AND HEADQUARTERS IN MODLETICE

As part of an extensive renovation project, we replaced significant parts of the **heating, lighting, measurement and control systems**, as well as portions of the **high-voltage electrical wiring**. We are proud to have accomplished this without disrupting operations. In addition, parts of the building, particularly areas prone to thermal bridges such as **logistics ramps**, were insulated to improve energy efficiency.

The primary goal of this complex renovation was to reduce the energy consumption of the building's key systems, thereby lessening its environmental impact. The total investment amounted to **approximately CZK 60 million**. These comprehensive measures will decrease energy demand by nearly **3,500 GJ per year**, representing a **42% reduction** compared to previous levels.

Development of energy demand in GJ/year for the headquarters in Modletice



We strive for efficient use of energy, water and materials in order to make our operations more sustainable.



RENEWAL OF CHARGING TECHNOLOGY IN LOGISTICS

In connection with the refurbishment of our central warehouse, we have also taken a significant step to increase the efficiency of charging our logistics equipment, such as **pallet trucks** and **forklifts** used for inventory management.

New smart technology provides an integrated overview of all charging stations, ensuring **more efficient charging** and battery maintenance and reducing energy consumption

as a result. In addition to saving us CZK 220,000 per year, it also brings us an **extension of battery life** and **increased operational safety**.

In the future, we want to apply this newly introduced standard in all our warehouse facilities, as charging technology represents one of the most significant energy consumers in our logistics centers.



We strive for efficient use of energy, water and materials in order to make our operations more sustainable.

Warehouse in Modletice



WASTE MANAGEMENT

We are continuing in our commitment to make progress in waste management. Over the course of the year, we generated **21,014 tons** of waste across various categories like packaging materials, organic waste, and recyclables. Most of this waste came from **paper and cardboard packaging (46%)** and **mixed municipal waste (40%)**.

To reduce our environmental impact, we are focused on **improving waste separation and therefore increasing our recycling rates**. We sort our waste carefully, ensuring that more materials are diverted from landfills and reused effectively. A professional waste-management company handles the process in line with legislative obligations. That company sorts plastics into five categories based on purity and sells them to other companies for repurposing and recycling.

In 2023, we piloted a project to reduce fruit and vegetable waste. By offering bags of discounted items, we ensure that products nearing the end of their shelf life are sold and not wasted. More information about our food waste prevention initiatives can be found on the next page.

In 2024, we aim to make sorting more accessible at stores by installing sorting bins for both employees in staff areas and for customers.

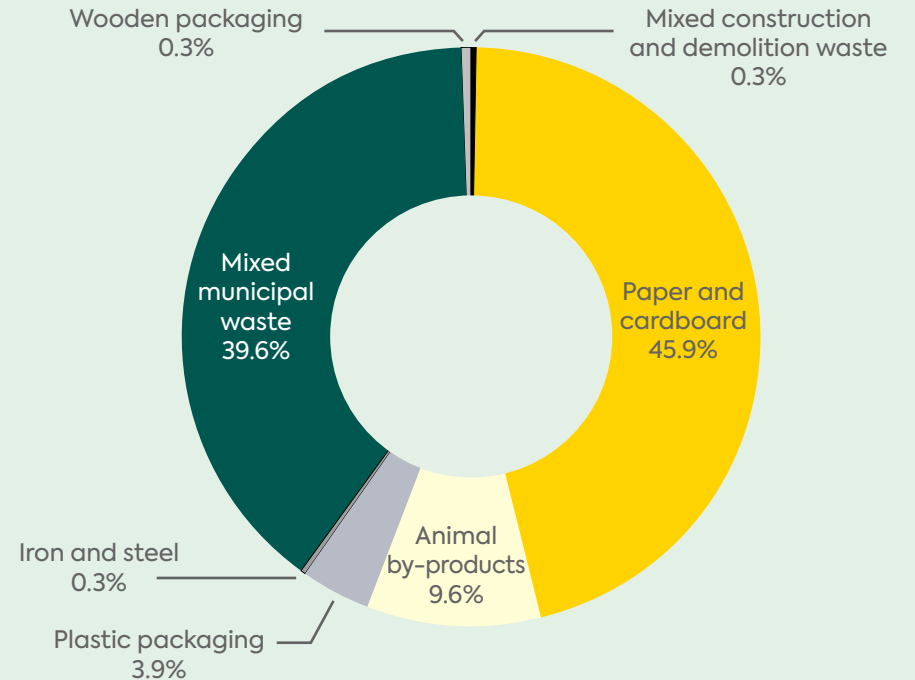
12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Efficient materials management, careful sorting and sourcing of recycled materials is our way of eliminating waste and the need for primary materials

Distribution of waste by type in tons generated in 2023:

Paper and cardboard packaging	9,642
Mixed municipal waste	8,319
Animal by-products	2,009
Plastic packaging	820
Iron and steel	69
Wooden packaging	64
Mixed construction and demolition waste	57
Glass	19
Electronic waste	8
Organic waste containing hazardous substances	5
Biodegradable waste	2
Total waste produced	21,014



PREVENTING FOOD WASTE

At the end of 2023, we launched a **pilot project aimed at reducing food waste** by offering **bags with discounted fruit and vegetables** for immediate consumption to our customers and thus involving them in our food waste prevention program.

This initiative was piloted in four stores during November and December 2023. Selling discounted bags of fruits and vegetables helped not only in reducing food waste but also provided customers with affordable and healthy food options. Each bag weights between 3 to 3.5 kg, and during the pilot, 1,753 bags were sold. This means that in 2023 approximately **5.3 tons of fruits and vegetables were saved** from being thrown away. Additionally, the initiative led to significant savings in waste management costs.

In 2024, we plan to roll-out this activity to all stores as the pilot results look promising. The positive customer perception of this initiative was evident, as the sales of these discounted bags were higher than anticipated. This project helped to reduce food waste and demonstrated BILLA's sustainability commitment while rising customer satisfaction.



Bags with discounted F&V mix



Unsold food should not be wasted

In our operations, food ordering processes are optimized to ensure minimal waste. To avoid wastage, we offer our customers special discounts when the expiration date of goods is approaching.

Discarding edible food is strongly opposed and considered a last resort. The primary focus is on redistributing **unsold food to food banks** to be donated to **people in need** and to **rescue stations for animals**. This helps reduce landfill waste and supports **community welfare**. When redistribution is not feasible, the food is diverted to **biogas stations or composting facilities**, contributing to renewable energy production and soil health.

For more details on food bank donations, please refer to the Social Commitment chapter.

The pilot of the discounted fruit and vegetable bags:

4 stores	1,753 bags sold	5.3 tons of food waste saved
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OUR PORTFOLIO OF RECYCLED AND REUSABLE BAGS

At BILLA Czech Republic, we are proud to offer a diverse portfolio of recycled and reusable bags at our stores, each designed with sustainability in mind.

Our cooler bags (1) and loop handle bag (2), our most popular bag, are all made from a minimum of **80% post-consumer recycled waste**, are fully recyclable and have earned the **Blue Angel certification**. The same is true of our durable bag (5), which is even made from 90% post-consumer recycled material. We strongly recommend reusing them, as they are designed to be used repeatedly.

Our polyester net-bag (3) is highly reusable, emphasizing our commitment to reducing single-use plastics. We are also committed to making it from recycled materials in the future. Additionally, our reusable and recyclable polyester bag (4) has Global Recycled Standard certification.

In our bakery section, we use single-use, all-paper pastry bags with a transparent cellulose part, making them fully recyclable as paper. These bags contain at least 60% recycled material and are manufactured in the Šumperk region, with their sustainable origin proven by FSC certification.



1) Cooler bag 2) Loop-handle bag 3) Polyester net-bag 4) Polyester bag 5) Durable bag

Weight (in tons) of single-use plastic and paper bags for goods provided to customers in 2023:

Weight (in tons) of single-use plastic and paper bags for goods provided to customers in 2023:	Type of packaging	Material	2022	2023
	Plastic bags (fruits and vegetables, bakery)	PP, HDPE	326	319.5
	Plastic containers (deli counter)	PP	24.8	28.6
	Paper bags (bakery)	PAP	50.5	51.4
	Composite packaging (deli counter)	PP, HDPE	156.3	155.8
			557.6 t	555.3 t



100% paper bags certified by FSC for all our bakery products

12 RESPONSIBLE CONSUMPTION AND PRODUCTION





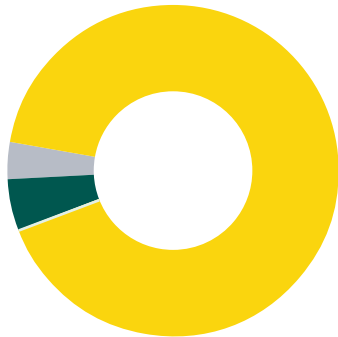
**OUR
EMPLOYEES**

EMPLOYMENT OVERVIEW

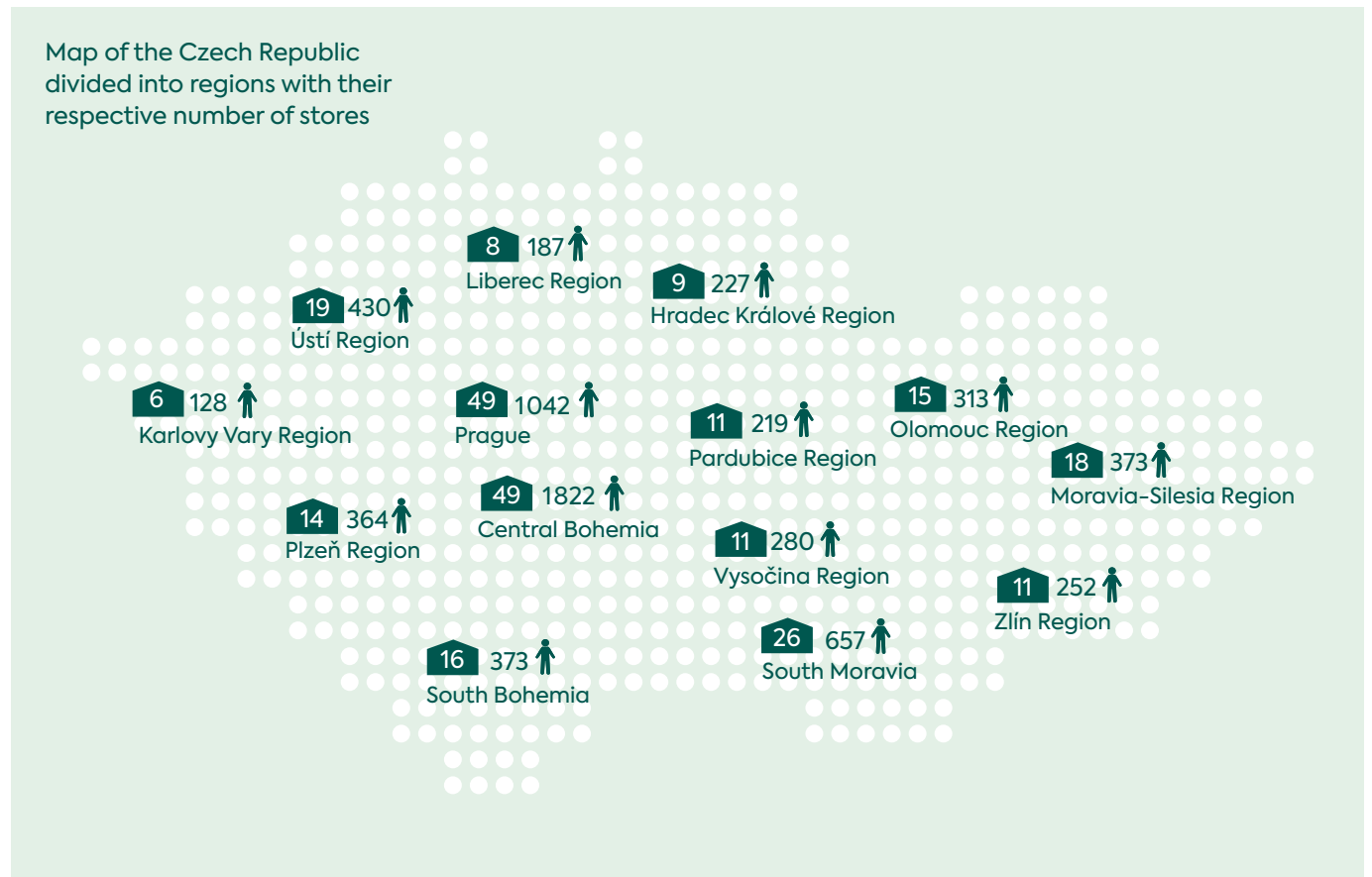
In 2023, BILLA Czech Republic expanded its operations to a **total of 262 stores and 8 warehouses** (including e-commerce) **employing a total of 6,667 individuals, with an average of 23 employees per store.**

The workforce distribution can be found in the graph below. The Central Bohemia Region remained a significant employment hub, with 1,822 employees mostly because the headquarters and central warehouse are located there, while Prague accounted for 1,042 employees.

As an employer, BILLA continued to prioritize its employees by fostering an **environment of respect and trust**, ensuring safety and equal treatment, and promoting job satisfaction. The company's commitment extended beyond providing appropriate working conditions to supporting career growth and overall employee satisfaction.



Category	Number of employees	Percentage of all employees
Stores	6,035	90.5%
Logistics	219	3.3%
Headquarters	380	5.7%
E-commerce warehouse	33	0.5%



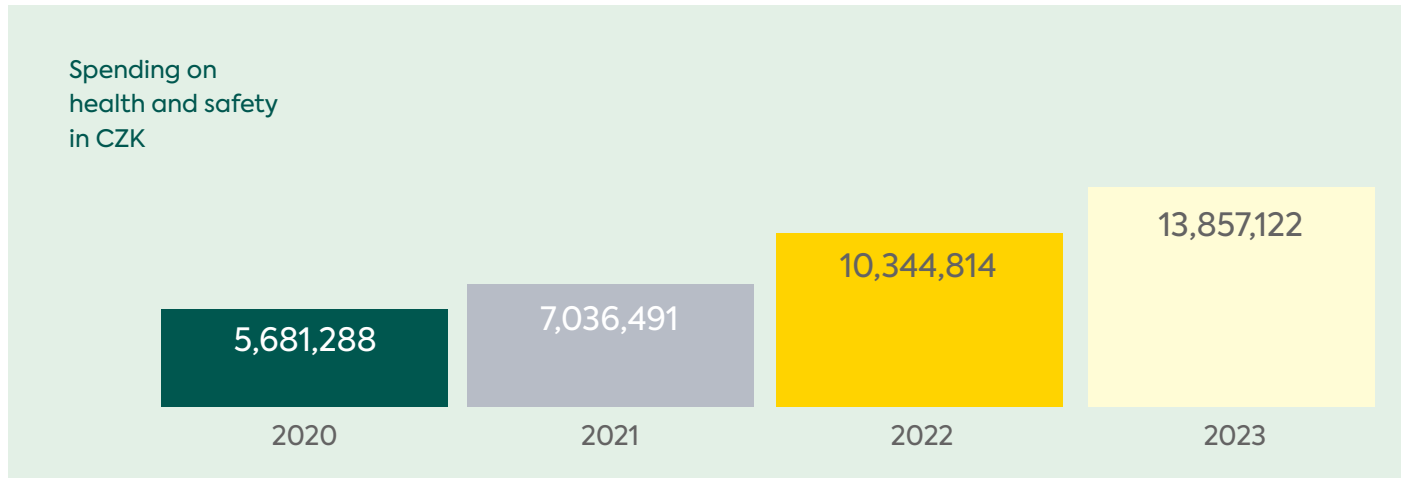
SAFE WORKPLACE

In 2023, we further increased our investment in health and safety by 34% compared to the previous year. Additionally, by the end of 2023, we had introduced a module for electronic recording of work-related injuries.

Ensuring **decent working conditions** for our employees has always been a priority for us. We continuously increase our investments in their health and safety, focusing on preventing occupational accidents and implementing preventive health measures.

To maximize employee safety, we conduct **regular health and safety training** sessions. In 2023, 2,228 new employees participated in these sessions, which are specifically designed to equip them with essential knowledge in occupational safety and first aid. All employees are required to undergo this training every two years.

We collaborate with external partners for legislative support, ensuring that our employees work in safe conditions. **Twice a year the fire-protection inspections** are conducted in each of our buildings, and we conduct a comprehensive check of occupational health and safety once a year. Regular checks in this area are also carried out by representatives of our trade unions. In 2023, we recorded 146 work-related injuries.



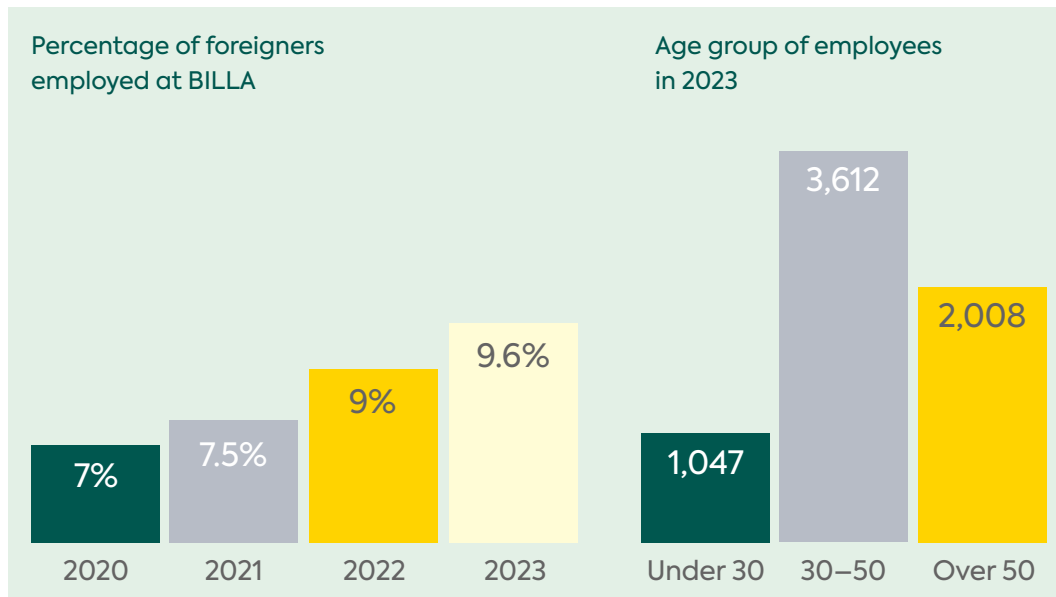
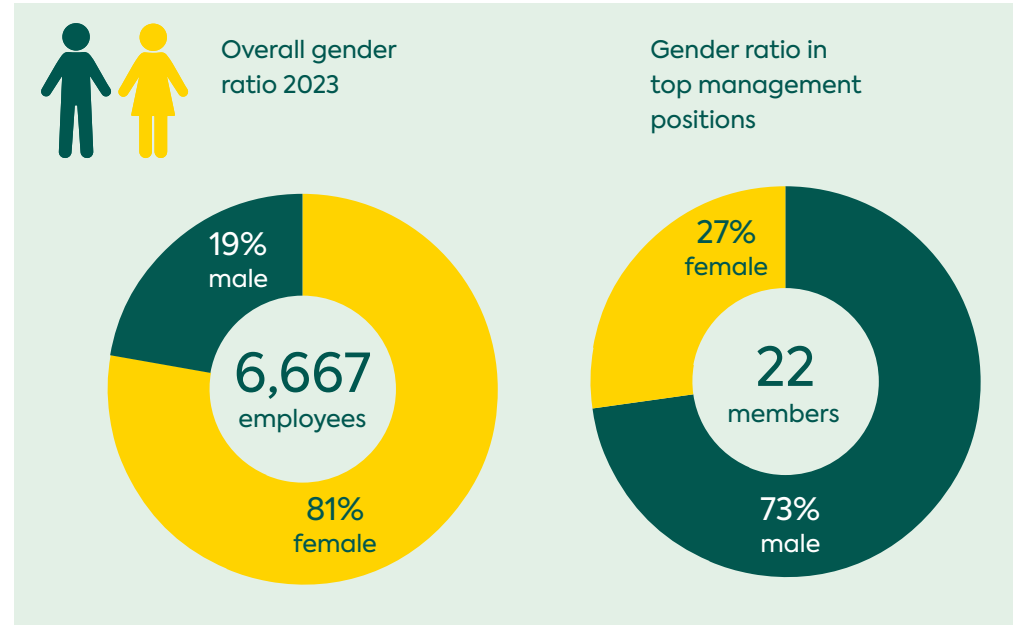
- How we ensure a safe workplace:**
1. Routine safety inspections
 2. Comprehensive training for all employees
 3. Focus on preventive measures

DIVERSITY AND EQUAL OPPORTUNITIES

At BILLA, we are committed to fostering a diverse and inclusive workplace where every-one feels welcome. As part of the REWE Group, respect for minorities and diversity is a cornerstone of our values, as reflected in the **REWE Group Code of Conduct**. Our goal is to create an environment that supports all employees, customers, and business partners.

Gender ratio

Ensuring equal opportunities for all employees remains one of our core principles. In 2023, women constituted 81% of our workforce. Some regions even show higher numbers, with over 90% of employees being women in the Moravia-Silesia region (92%), Pardubice (91%), and Ústí nad Labem (91%). The gender distribution within store management mirrors this ratio. The gender ratio in the top management remains consistent with that of the previous year, with 16 out of 22 managers being men in 2023. At BILLA, we are proud to emphasize **fair treatment and equal pay** for all employees, regardless of gender.



Age diversity

Age diversity saw significant changes in 2023, highlighting our workforce's dynamic nature. While in prior years, the age distribution remained stable with minimal deviations, this year brought noticeable shifts. Employees aged 30-50, who have historically formed the majority, saw a 3.7% decrease. Meanwhile, the number of those **over the age of 50 increased by 4.4%**, indicating a growing representation of older employees. BILLA remains committed to providing **equal opportunities for everyone across all age groups**, from students to pensioners.

Embracing cultural diversity

The diversity of our workforce continues to evolve, particularly in terms of nationality. In 2023, foreign employees accounted for 9.6% of our workforce, an increase of 2.6 p.p. compared to 2020. Of our 639 foreign employees, the majority work in our stores. This growing multicultural team reflects BILLA's dedication to inclusivity and our support for employees from all backgrounds.



FAIR WORKING CONDITIONS

We go **beyond the legal requirements** to support the **well-being of our employees**, focusing on career growth, leadership and teamwork, while emphasizing health and work-life balance. We offer a wide range of benefits and continually improve salaries to enhance overall job satisfaction.

Employee benefits

We provide a comprehensive range of benefits. Our staff enjoy up to five weeks of vacation, flexible work-from-home options for headquarters staff, pension contributions, retirement gratuity and access to partner discounts (e.g. travel agencies).

For employees with more than five years of service, we offer an enhanced severance package equal to half of an employee's average annual salary.

Our most popular benefit, the Benefit Cafeteria, allows employees with more than one year of service to use a **credit of CZK 12,000 per year**. This credit can be used to purchase services in areas such as health, sports, culture, recreation and education via the online cafeteria platform. In 2023, almost 5,400 employees (81%) actively used it.

Reduced fluctuation rate

Since 2020, we've reduced our fluctuation rate by 7.6 percentage points (p.p.), bringing the rate to an average of 35% in 2023.

Certain regions showed remarkable improvements, with the Karlovy Vary region achieving a further 13 p.p. decrease from 2022 and a total 31 p.p. drop from 2020 and the Zlín region with the fluctuation rate dropping by over 21.5 p.p. compared to 2020. A key factor contributing to this improvement has been the focus on enhancing training programs, not only for new hires but also for long-term employees. More details are provided in the Career Growth section.

Employee satisfaction survey

Every two years, we conduct an employee satisfaction survey to gather feedback. In 2023, however, we introduced a special survey to gain timelier insight into employee satisfaction. This survey had an 89% participation rate, and the satisfaction levels remained the same as in 2022 at 65%. A 16 p.p. increase from 2020. After receiving feedback, we changed our compensation structure at HQ, leading to a notable increase in satisfaction levels.

BILLA employee benefits:

We accompany employees on their journey through life:



Pension contribution/ supplementary pension insurance



Paid time off for unexpected life events



Retirement gratuity

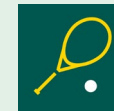


Increased severance pay

We encourage interests and self-development:



A wide range of development and training opportunities



MultiSport card with employer contribution



Branch competition for cashiers



Branch competition BILLA Cup

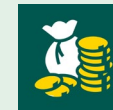
We reward hard work and loyalty:



Benefit Cafeteria



Flat-rate meal vouchers



Reward for recommendation or work anniversary



Wage supplements beyond those required by law

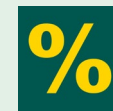
We help make wishes come true:



Five weeks paid holiday



Christmas vouchers



Discounts with our partners

ADAPTING TO LIFE'S CHANGES

We are committed to supporting the professional and personal development of our employees, ensuring they have the flexibility to adapt to life's changes. Whether it's supporting career transitions or offering part-time roles wherever possible, we strive to meet the evolving needs of our workforce.

Flexible and secure employment

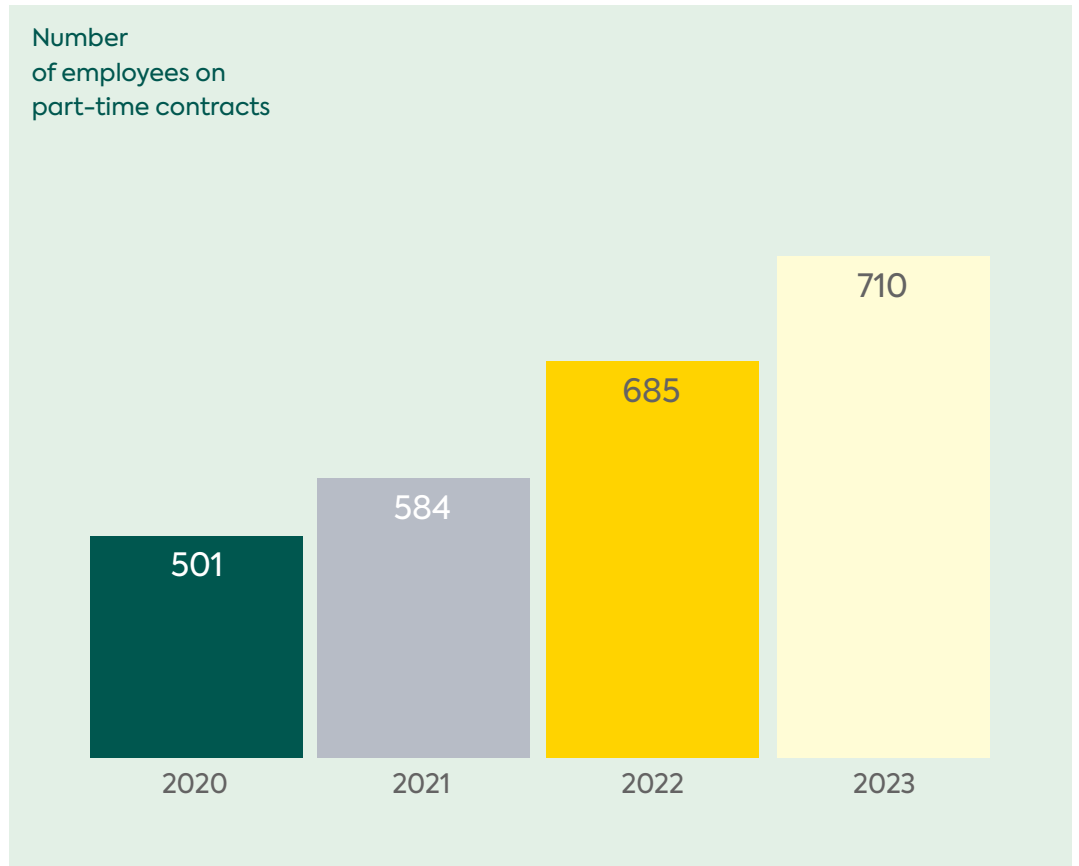
Flexibility is a priority at BILLA, with part-time positions starting from 30 hours per month. We provide part-time roles wherever possible. In 2023, more than **10% of our workforce worked part-time** (a slight increase in comparison with 2022), reflecting a growing demand for flexible employment options. Additionally, almost 81% of our employees were on permanent contracts, while 19% worked on fixed-term contracts. We also employed 127 retirees and 17 young workers (aged 16-18) for part-time roles, particularly during the summer.

We actively collaborate with high schools across the Czech Republic, providing opportunities for apprenticeships. While apprentices and agency workers are not included in our direct employee count, they do play a valuable role in our operations. In 2023, we had 678 agency workers and apprentices in our stores, equal to 11.2% of the total number of our store employees (6,035). In logistics, 143 agency workers and apprentices contributed significantly, equalling 47.8% of our logistics employee base (217 employees).



Parental leave and family support

As of December 2023, **8.8% of female employees (472 colleagues) had taken parental leave**, a figure that has been gradually declining, likely due to demographic shifts in our workforce. Twenty-five of our male colleagues had taken paternal postnatal care leave for an average of 9.5 days and none of them opted for parental leave during 2023. We remain committed to supporting all employees in balancing their work and family responsibilities.

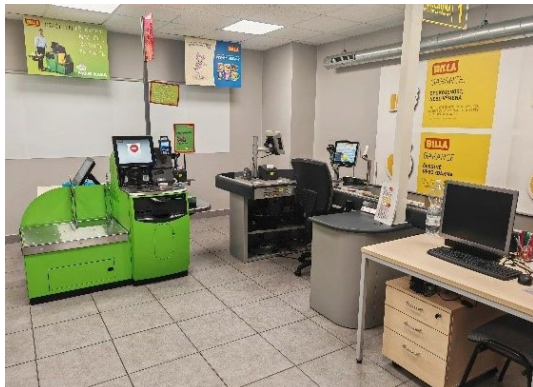


FOSTERING CAREER GROWTH

At BILLA, we offer many opportunities for career development through regular training and performance reviews. Every employee who has been with us for at least six months is required to participate in a **performance and career development review**. In 2023, **85% of our workforce** (5,665 employees) completed their reviews. The highest participation rate was at our headquarters, where 90% of employees participated. These reviews play a key role in facilitating productive discussions that enable employees to grow and develop their talents.

Expanding training access

In September 2023, we expanded our training capacity by **opening two new training centers** in Olomouc and Plzeň, in addition to our existing centers in Prague and Brno. These centers increase access to learning resources for all employees. Twice a month, we hold training sessions for new hires at these centers as well as at our headquarters. In addition, when we open new stores, we send our internal trainers to provide on-site, role-specific training.



2

new training centers opened in September 2023

701

training sessions conducted at our training centers in 2023

Our colleagues can also request tailored training sessions, and in 2023, we conducted 701 sessions—600 standardly planned training sessions and 101 by special request—reaching over 3,215 employees in the training centers alone.

Our SucCEEd catalog offers a wide range of training options that are held at training centers and headquarters or in the form of e-learning. Store employees can choose from more than 45 different sessions, focusing on leadership, labor law, financial skills, role-specific training and more. For 2023, significant emphasis was placed on BILLA’s approach to managing fresh goods and the positioning of the company. We also launched a new e-learning for our colleagues at the stores, providing information on donating food to food banks and animal rescues.

Headquarters employees have access to 30 training sessions, including mandatory training for risk mitigation, nurturing our corporate culture, project management, IT, category management, compliance and other areas. We also extend training opportunities to our headquarters staff, offering insights into the store structure.



FOSTERING CAREER GROWTH

Supporting internal advancement

We are dedicated to promoting internal growth, always looking to fill vacancies from within our team. This commitment extends to roles such as internal trainers, which are exclusively filled by existing employees. We have also set a target that by 2026 we want 50% of management positions to be filled from within our company.

Management development programs

For those with leadership aspirations, we offer the **International Management Trainee Program**. This 16-month program is based on the principle of learning retail “from the ground up” and provides a comprehensive view of the company. Trainees start the program in the stores in their home country and have the opportunity to participate in exciting projects and rotate through many departments. The program and the subsequent career path are planned individually for each trainee - a tailor-made boost for their career. Originating from our parent company REWE, this program spans nine countries and 12 companies. This excellent trainee program was recognized as one of the **best trainee programs in Austria** and once again won the Trainee-Net Award. We are also one of the most successful participants within the REWE Group, with the second highest number of trainees in the program.

Additionally, we offer the **“Aspirant” roles**, which prepare employees to step into store or regional management positions.



**OUR TARGETS:
EMPLOYEES**

By 2026:
50% of management
positions to be filled from
within our company



SUPPORTING NATURE CONSERVATION

At BILLA, we have been involved in social responsibility for a long time, intensively and in various ways. Since 2017, we have been planting new orchards and deciduous avenues that retain water in the root system and promote biodiversity in their surroundings.

In cooperation with the Czech Union of Nature Conservationists, we have cleaned small ponds in the Toužim region, which are inhabited by highly endangered frog species such as the spotted frog, as well as by the critically endangered alpine newt. In Stráž in the Plzeň region, new small aquatic areas have been created in the vicinity of Bernartice. The area of Dolní Žižkov in Kutná Hora saw the construction of a shallow pool in the middle of a reedbed, which allowed the return of amphibians and other animals, especially aquatic insects. Last but not least, to the southeast of Šluknov, an area formerly comprising small ponds was restored and 2,000 m² of wetlands were created.

We also aim to preserve species diversity and care for nature by partnering with the National Network of Rescue Stations, of which we have been a general partner since 2020. The rescue stations take in wildlife that has been injured as a result of human activity, for example by hitting power poles or glass surfaces, by being knocked down on the road or by contact with litter in the open.



3 GOOD HEALTH AND WELL-BEING



By creating orchards and wetlands, BILLA enhances ecosystems, contributing to environmental well-being and promoting healthier living environments for communities.

LONG-TERM PARTNERSHIP WITH FOOD BANKS

We have been taking part in the National Food Collection for several consecutive years. Since 2019, we have participated in the National Food Collection twice every year, during spring and autumn.

Through this initiative, our customers have the opportunity to purchase food and non-food items and donate them directly to food banks, which then distribute these essentials to people in need, including single mothers, senior citizens, homeless people and other disadvantaged groups.

The autumn round in 2023 was especially impactful, **achieving the highest donation volume in our history, with over 68 tons of food donated** by our customers. Our colleagues contributed to this success by volunteering in stores during the event, helping increase the overall volume of food and non-food donations by 15% compared to the previous year.

Food donations to food banks across the country

Mandatory food-donation regulations have been in place for all Czech retailers since 2018. Over the past six years, we have continuously refined our food-donation guidelines to ensure quality and consistency in donations.

In 2023, we took a significant step to enhance food-donation efforts by launching a specialized e-learning program that provided guidance to affiliates on best practices for store donations and effective communication with food banks. This initiative proved instrumental, helping increase the volume of donated food to 754.2 tons, **3.7 times more than in 2022**.

124.5

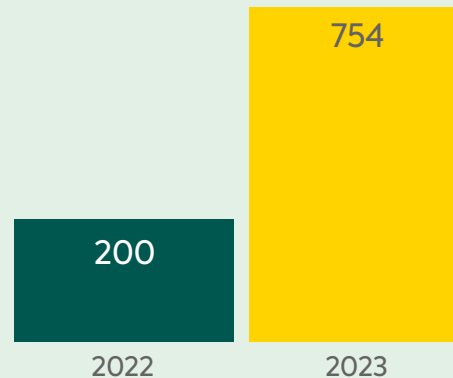
tons of food and non-food products were donated to food banks through the Food Collection campaigns in 2023

Weight of the food donated in the Food Collection campaigns in tons:

Spring	56.1 t
Autumn	68.4 t



Tons of food donated by BILLA to food banks:



Through the Food Collection campaigns and food donations by stores, we support well-being by providing essential food aid to those in need.



SUPPORTING CHILDREN TOGETHER

At the heart of our social responsibility efforts is a long-term commitment to uplifting disadvantaged children. Alongside our employees, we provide financial support and ensure these children have access to enriching leisure activities. Encouraging physical activity for children isn't just about addressing social disadvantage; it's about fostering well-being and opportunity for all children.

A right to opportunity for every child

Our primary partner in this mission is the non-profit organization Give Children a Chance, which honored us with several titles such as Responsible Company, Responsible Employees and Donor Certificate in 2023. Together, we have positively impacted the lives of over 250 children in various orphanages. In 2023, **we contributed CZK 500,000 to fund a range of summer camps**, allowing these children to enjoy memorable experiences and develop in new ways.



Additionally, we fulfilled the Christmas wishes of nearly **90 children** from orphanages in Boršov, Plumlov, and Racek in Benešov. Through the Give Children a Chance organization, we collected the children's wishes, and our headquarters' employees provided the gifts, reinforcing our commitment to supporting youths in need.

Pedigree **BILLA** **whiskas**

PŘÍSPĚJTE
nákupem produktů vybraných značek
na výcvik asistenčního psa

PARTÁK PRO NIKOLKU

Společnost Mars Czech s.r.o. přispěje částkou 300 000 Kč.
Více informací o jejích příběhu na www.partakpronikolku.marspromo.cz
nebo www.planbilla.cz/spolecenska-odpovednost/.

whiskas **Siba** **Dreamies** **PERFECT FIT** **Pedigree**

Seventh assistance dog

Another cornerstone of our commitment to long-term social support is our collaboration with MARS, through which we have funded the training of seven assistance dogs for children with various disabilities. Our most recent recipient, Nikolka—an eight-year-old who was diagnosed with type-1 diabetes at the age of two—has received a specially trained assistance dog to support her in her daily life. The training process for these dogs, which spans 17 to 24 months, represents a significant investment of CZK 300,000 per dog.

This project has been made possible with the generous support of our customers, who contribute by purchasing MARS animal feed at our stores.

3 GOOD HEALTH AND WELL-BEING



By supporting disadvantaged children's access to recreational activities, we help promote a healthier lifestyle and well-being for all.

BILLA CUP 2023

The BILLA Cup is an **internal competition** designed to increase employee motivation, customer satisfaction and overall business performance. The competition runs every year, in 2023 for eight months (April - November).

Social responsibility challenge

One of the challenges encouraged stores to focus on social responsibility. These activities benefit our colleagues, customers, the environment and the wider community. Employees carry out projects of their choice, and then a jury selects the most impactful ones and awards them.

The scope of the projects is impressive, with a **total of 61 projects** covering a range of topics and areas. These projects highlight the many ways our stores are making a positive impact in their communities. Read more about the winning projects on the next page.



Sustainability challenge

Fifty-two of our stores participated in the BILLA Cup challenge to **save electricity and water**. Optimization efforts included straightforward topics such as switching off unused appliances and lights, as well as regular maintenance tasks such as defrosting appliances and cleaning ventilation systems.

Employee training played a crucial role in these efforts, and store **colleagues made their own suggestions for improvements**, such as repairing energy-inefficient appliances and reducing the number of unused, energy-intensive appliances. As a result of these measures, some stores were able to come in below their planned operating costs of energy.



Winners of the Social Commitment category of BILLA Cup 2023

Brno - Medlánky	Special events organized at a home for the elderly
Roudnice nad Labem	Raising of funds for sick children through selling baked goods at a Christmas market.
Prague - Malešice	Elimination of landfill waste and organization of a school-supplies drive
Prague - Šestajovice	Organization of a sports day for children with mental and psychological disabilities

BILLA CUP 2023 Awards Ceremony held in 2024

Sports day for children with mental and psychological disabilities



The project of our store in Prague-Šestajovice was aimed at showing children with mental and psychological disabilities that they need not be afraid of sports. The event, which was organized in cooperation with Černí koně, allowed children to try out special bicycles and participate in various sports activities, for which they were awarded medals and gifts.

Elimination of a large illegal garbage dump and Collection of school supplies for the Diakonie

The team from the store in Prague-Malešice carried out two remarkable projects. The first involved employees working with the local community to clean up an illegal garbage dump.

The second project involved employees and customers collecting ten boxes of school supplies for underprivileged children. Both projects demonstrated the store's commitment to environmental sustainability and social responsibility.



Good Angel helps

The team from Roudnice nad Labem implemented a project in which employees supported the DOBRÝ ANDĚL foundation by baking goods for a Christmas market. The proceeds from the market, which amounted to CZK 78,578, were donated to the foundation to help families with children suffering from cancer or other serious illnesses. The project fostered a sense of community and charity among the store's employees and customers.

The smile of seniors is important to us

Colleagues from our store in Brno-Medlánky organized a project that involved various activities at a home for the elderly. The project included garden clean-ups, birthday celebrations, ice cream days and jubilee celebrations, and a Christmas party. The initiative aimed to improve relationships between the store and the local community, and it was well received by the residents and their families.





BILLA

VÍTEJTE V
MODLETĚ

PRÁVĚ
**CENY
KUPÍTE**

GOVERNANCE

APPROACH TO CORPORATE GOVERNANCE

At BILLA, corporate governance plays a vital role in overseeing the company’s impact on the economy, environment, and society. The Board of Directors and senior executives are responsible for ensuring that sustainability principles are embedded across our operations. Regular meetings provide a platform for managing and assessing the impacts of the company’s sustainability initiatives. These meetings are attended by department heads, including the Head of Strategy, who is responsible for overseeing sustainability matters.

The Board together with the Sustainability Manager and Head of Strategy, the Board also takes responsibility for reviewing and approving the information presented in our sustainability reports. This includes careful consideration of material topics, impacts, and key performance metrics to ensure transparency and accountability in our reporting.

HIGHEST GOVERNANCE BODY



MAREK DOLEŽAL

Marek Doležal has been the CEO of BILLA Czech Republic since April 2024. He oversees business strategy, strategic marketing, purchasing, expansion, human resources, and other corporate areas. He reports to a member of the Management Board of REWE International AG.



ANDREAS JÜTERBOCK

Andreas Jüterbock has been the COO of BILLA Czech Republic since January 2023. He oversees logistics, technical and sales department. He reports to the Board of Directors of REWE International AG.



VINCENT VAN SCHAGEN

Vincent van Schagen has been the CFO since March 2023. He oversees accounting, treasury and controlling departments as well as IT, legal, reality and security departments. He reports to the Board of Directors of REWE International AG.

GOVERNANCE PRINCIPLES

We continue to prioritize sustainability by fully integrating it into our governance framework, with the Board providing oversight and guidance on all sustainability initiatives.

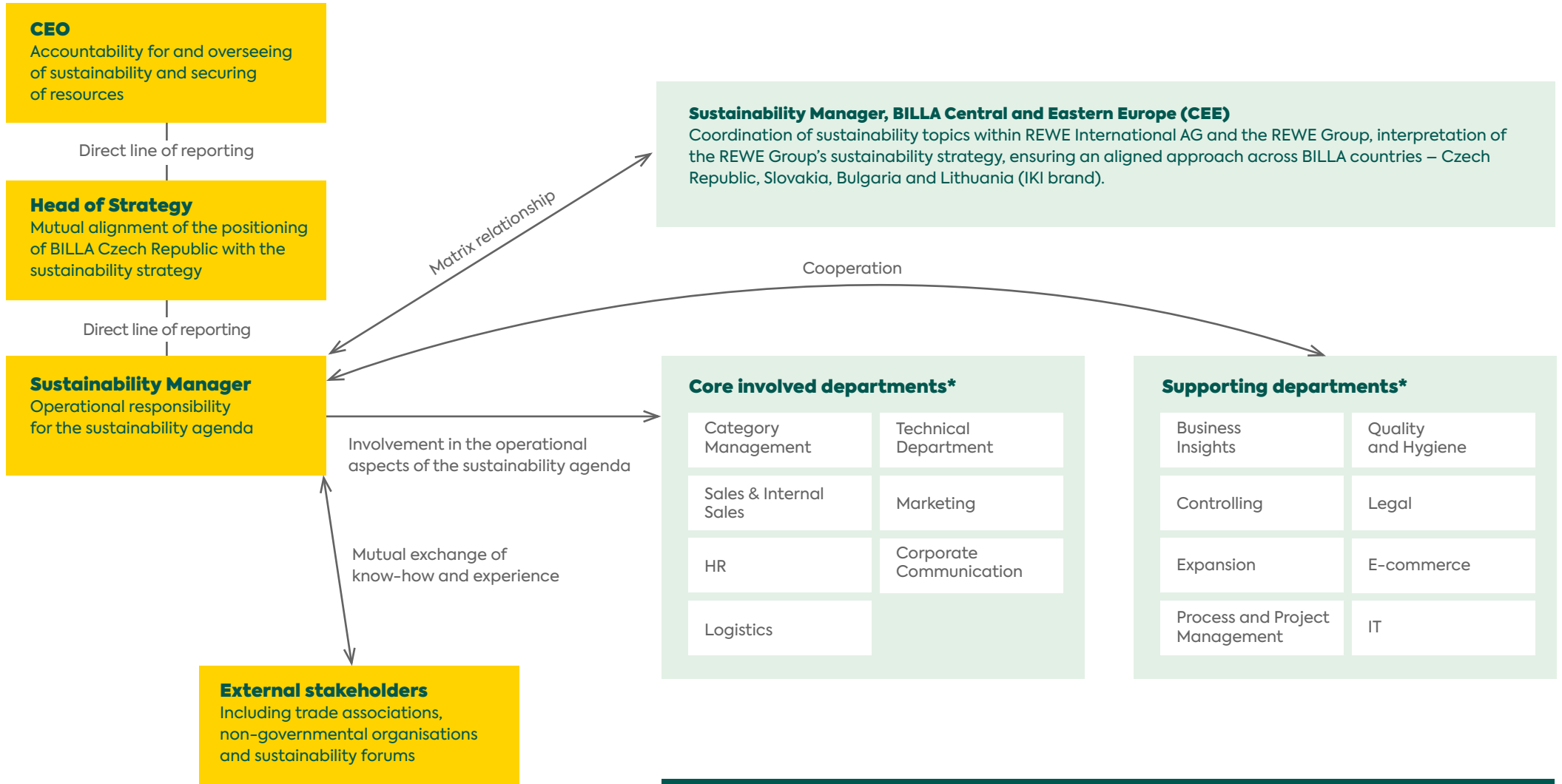
We adhere to a zero-tolerance policy for corruption and are committed to transparent and responsible tax practices.

High ethical standards are an integral part of our corporate culture, and all employees are expected to uphold these values in their day-to-day activities.

In line with our dedication to a sustainable future, BILLA strives to create a positive impact across environmental, social, and economic dimensions, continuously improving our corporate governance practices to support long-term sustainability goals.

Respective Board Members in 2024

SUSTAINABILITY IN OUR STRUCTURE



* Identified in the process of materiality assessment and the associated stakeholder mapping.

SUSTAINABILITY GOVERNANCE

Alongside BILLA Slovakia, Bulgaria and IKI in Lithuania, BILLA Czech Republic is a part of the **REWE Group's network** of stores in Central and Eastern Europe (CEE). All sustainability initiatives are closely aligned with the overarching strategy of the REWE Group. The **shared commitment** to sustainability within our company is guided by the strategic pillars of our sustainability strategy, functioning as a **collective roadmap**.

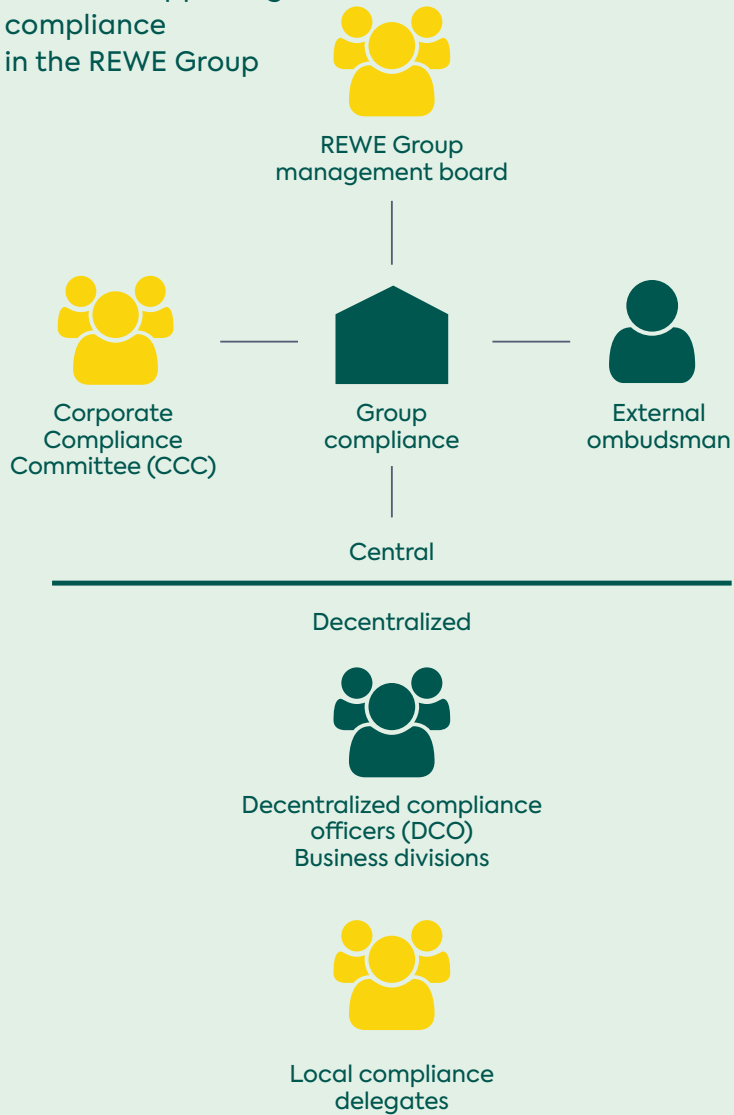
The **execution** of this strategic framework is integrated into our **governance structure**, with distinct responsibilities, including management of impacts, assigned to **internal stakeholders**. The **Sustainability Manager** is entrusted with overseeing the implementation of the sustainability strategy, and each business function concentrates on the specific topics relevant to its operations and business model.

Additionally, the **Board** and senior executives are responsible for overseeing the organization's impact on the economy, environment, and people.

Our sustainability strategy undergoes regular review and considers all available information, including customer surveys, competitor benchmarking, analysis of political debates, regulatory developments and market trends. In terms of **sustainability reporting**, the Board and Sustainability Manager are responsible for reviewing and approving the reported information.



Organizational structure supporting compliance in the REWE Group



BUSINESS ETHICS AND COMPLIANCE

Code of conduct for our responsible business

All employees of the REWE Group are required to comply with the REWE Group Code of Conduct. We keep our employees informed through periodically updated and repeated training on business conduct.

Compliance with the rules laid out in the code is ensured by the **REWE Group Central Division of Governance and Compliance**. This entire division implements the compliance management system, which includes preventive

measures such as risk assessment, training, and consulting.

Locally, the role of **Compliance Officer for BILLA Czech Republic** is held by our CFO, Vincent van Schagen. The Compliance Officer works closely with the Legal Department to monitor and react to any changes in legislation relating to our operations in a timely manner. It is also his or her responsibility to analyze possible risks and propose preventive measures.

The REWE Code of Conduct

serves as [BILLA's foundational policy](#), establishing the standard for all our specific domain policies and procedures. Every employee is familiarized with our policies. They then safeguard the company's reputation, treat competitors fairly, and resolve conflicts of interest.

REWE Supplier Code of Conduct

We do business responsibly with responsible suppliers. This document integrates the human rights strategy into procurement processes and requires suppliers to provide necessary information for risk analysis upon request in accordance with the German Supply Chain Due Diligence Act

OUR FOCUS ON TRANSPARENCY

No space for corruption

Our supplier contracts include clauses restricting business with companies subject to international sanctions. They also refer to the [REWE Supplier Code of Conduct](#) and include an anti-corruption clause, accepted by all suppliers in 2022. During 2023, there were no suspected cases of corruption. The [REWE Group Hintbox](#) enables anonymous reporting of human rights violations and practices that are harmful to the environment.

We value your observations

We encourage both customers and employees to report GDPR breaches, as well as any instances of misconduct or unethical behavior. To facilitate this process, we have implemented a digital whistleblowing system known as [Hintbox](#), which ensures that any matters shared there are promptly directed to our dedicated Compliance Department.

Protection of personal data is not just a phrase

Data is becoming sensitive property for all of us. We process only the data needed for a specific activity. Furthermore, our independent Data Protection Officer for the entire REWE Group resides in Germany and can be contacted directly. In 2023, we did not receive any substantiated complaints concerning breaches.

Building compliance internally

Apart from training focused on the Code of Conduct, we support our colleagues through regular training sessions, including roundtables on competition law for departments such as Purchasing, HR, and Controlling, and thus reinforce compliance. Additionally, BILLA offers various skill-building courses—both internal and through platforms like INSTRUCTOR and Seduo.cz—to enhance expertise across specializations.

Our self-regulation to prevent corruption

- Do not use money, invitations, or gifts to influence business decisions.
- Do not request benefits from our business partners.
- Ensure transparency in all our sponsorship and charitable activities.

In 2023, our employees completed trainings in the following areas:

- Anti-corruption
- Ethics
- GDPR
- Cyber security
- Antitrust law



ANNEXES

RESTATEMENT OF INFORMATION

This section contains corrections of information that was presented in our Sustainability Report 2022, as we have discovered that such previously presented information was erroneous and thus needs to be revised.

RESTATED MATTER	EFFECT OF THE RESTATEMENT
<p>The company Denkstatt has calculated the carbon footprint up to 2022. Since 2023, the carbon footprint (also recalculated retrospectively) has been calculated by EHA Germany. The difference is due to the different CO₂ emission factors used for the market-based electricity mix (page 25).</p>	<p>The 2022 report stated a smaller carbon footprint for electricity consumption. In this report, data for 2023 and previous years are recalculated with a new (higher) emission factor in order to be consistent.</p>
<p>In the 2022 report, composite packaging for the deli counter was not included in our reported figures. This year, we have added this category to the report, ensuring that composite packaging used at the deli counter is accurately represented. Additionally, we have updated last year's figures to reflect this inclusion.</p>	<p>This adjustment provides a more comprehensive view of our packaging footprint, enhancing transparency and enabling a more accurate year-to-year comparison.</p>
<p>The 2022 report previously displayed incorrect numbers in the graph representing the distribution of stores by city size. We have corrected these figures and restated last year's numbers below. This year's report presents the accurate figures on page 6:</p> <ul style="list-style-type: none"> Percentage of stores in small cities: 37.70% (2022) Percentage of stores in medium-sized cities: 23.41% (2022) Percentage of stores in big cities: 19.44% (2022) Percentage of stores in the capital city: 19.44% (2022) 	<p>By correcting these numbers, we provide an accurate depiction of our store distribution across various city sizes, enhancing the reliability of our data.</p>
<p>Last year, the report included a total count of private-label (PL) products that inadvertently incorporated discontinued items. In this year's report, we have revised the total to exclude discontinued products, presenting a more precise count of active PL items.</p>	<p>This update offers a clearer understanding of our current PL portfolio, allowing stakeholders to better evaluate the scope and relevance of our product offerings.</p>



SUSTAINABILITY REPORT STRUCTURE

This 2023 report is BILLA Czech Republic's second annual Sustainability Report, strengthening our commitment to sustainable practices and building on the foundation set in our inaugural 2022 report. Covering activities from January 1st to December 31st, 2023, this report has been prepared in accordance with the Global Reporting Initiative (GRI) standards. The report has not been assured externally. The inclusion of GRI references in the report does not indicate that the specific GRIs are reported in the full required scope.

The globally recognized and widely adopted GRI standards address a wide range of sustainability topics—from biodiversity and emissions to diversity and health and safety—and are regularly updated to reflect emerging best practices.

Throughout this report, we focus on our ongoing initiatives and achievements in reducing environmental impact and contributing to the socio-economic development of our communities. Guided by feedback from internal stakeholders and insights gained from our previous report, we aim to provide a transparent view of BILLA's sustainability journey, our strategies, and our goals.

To reflect our dedication to evolving sustainability practices, we have focused this report on our material sustainability topics, outlining our efforts across key environmental and social areas. Looking ahead, we are committed to expanding our stakeholder engagement to bring a broader range of perspectives into future reports.



For more information,
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GRI CONTENT INDEX

Statement of use

BILLA, spol. s.r.o has reported the information cited in this GRI content index for the period [1 January 2022 – 31 December 2023] with reference to the GRI Standards. GRI 1 used GRI 1: Foundation 2021

GRI standard	Disclosure	LOCATION: Chapter	Page
GRI 2: General Disclosures 2021	2-1 Organizational details	REWE Group overview	4
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	2-2 Entities included in the organization's sustainability reporting	About this report	58
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		About this report	58
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	2-6 Activities, value chain and other business relationships	REWE Group overview	4
		BILLA overview	5
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		BILLA e-shop launch and its impact	7
		BILLA e-shop operation and future plans	8
		Operational efficiency initiatives	9
		Key role of our private labels	16
		Good for us and planet	17
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	Commitment to animal welfare	20-21	
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GRI standard	Disclosure	LOCATION: Chapter	Page
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability in our structure	48
	2-13 Delegation of responsibility for managing impacts	Sustainability in our structure	48
	2-14 Role of the highest governance body in sustainability reporting	Sustainability governance	49
	2-22 Statement on the sustainable development strategy	Introduction	3
	2-23 Policy commitments	Business ethics and compliance	50
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	2-26 Mechanisms for seeking advice and raising concerns	Our focus on transparency and compliance	51
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GRI 3: Material Topics 2021	3-2 List of material topics	How we approach sustainability	12
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GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	Supporting nature conservation	41
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GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Our focus on transparency and compliance	51
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	302-4 Reduction of energy consumption	Reduction of energy consumption Completion of the technology renovation of our warehouse and headquarters in Modletice Renewal of charging technology in logistics	25 27 28
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Understanding our impact on the climate Reduction of energy consumption	23-25
	305-2 Energy indirect (Scope 2) GHG emissions	Understanding our impact on the climate Reduction of energy consumption	23-25
	305-3 Other indirect (Scope 3) GHG emissions	Understanding our impact on the climate	23, 24
	305-5 Reduction of GHG emissions	Understanding our impact on the climate Reduction of energy consumption	23-25

GRI standard	Disclosure	LOCATION: Chapter	Page
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		Preventing food waste	30
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	306-3 Waste generated	Waste management	29
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Fair working conditions	36
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Fair working conditions	36
	401-3 Parental leave	Adapting to life's changes	37
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	Safe workplace	34
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ABOUT THIS REPORT

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This report pertains only to the company BILLA, spol. s r.o.
(referred to as BILLA Czech Republic or BILLA throughout the report).
This disclosure does not pertain to the affiliated company Billa Reality, spol. s r.o.

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