



# SUSTAINABILITY REPORT 2022



# SUSTAINABILITY REPORT 2022

## Content

# BILLA

3	SUSTAINABILITY REPORT STRUCTURE	<b>31</b>	<b>ENERGY, CLIMATE &amp; ENVIRONMENT</b>	<b>60</b>	<b>SOCIAL COMMITMENT</b>
4	INTRODUCTION	32	Addressing climate change	61	Biodiversity protection
<b>5</b>	<b>KEY FIGURES FOR 2022</b>	33	Understanding our impact on the climate	62	Empowering biodiversity
6	REWE Group overview	35	Reduction of energy consumption	63	Protection of amphibians and restoration of wetlands
7	BILLA overview	37	On the path to renewable energy		
8	BILLA in figures	38	Modletice central warehouse	65	Securing risky crossings for amphibians
9	Our operations	39	Seeking solutions	66	Food waste prevention
10	Our assortment	40	Investing in the future	67	Food collection in 2022
11	Towards innovation and digitisation	41	Managing waste & going circular	68	Supporting people in need
12	Our targets by 2028	42	Towards circular economy of shopping tools and packaging	69	Celebrating our employees' social engagement
<b>13</b>	<b>SUSTAINABILITY AT BILLA</b>			70	Being there for children
14	How we approach sustainability	43	Packaging management	<b>71</b>	<b>GOVERNANCE</b>
15	Sustainability strategy pillars	44	Waste in stores	72	Business ethics
16	Engaging stakeholders	45	Waste in logistics	73	Business conduct
17	Sustainability in our structure	46	Water management	74	Our focus on transparency and compliance
18	Highest governance body	47	Our targets: Energy, climate & environment	<b>75</b>	<b>GRI CONTENT INDEX</b>
19	Global commitment	<b>48</b>	<b>OUR EMPLOYEES</b>	<b>78</b>	<b>ABOUT THIS REPORT</b>
20	Our targets: Sustainability at BILLA	49	Overview of our activities		
<b>21</b>	<b>GREEN PRODUCTS</b>	50	Safe workplace		
22	Quality and health	51	Diversity and equal opportunities		
23	Sustainable doesn't have to mean confusing	53	Fair working conditions		
25	BILLA Zdravě - Good for us and the planet	54	Benefits		
26	Collaboration with regional partners	55	Internal communication is the key		
27	BILLA Regionálně - Local and delicious	56	Accommodating life's changes		
28	Animal welfare commitment	57	Career growth		
29	BILLA leads in ending firework sales	58	Career acceleration through training		
30	Our targets: Green Products	59	Our targets: Employees		

# SUSTAINABILITY REPORT STRUCTURE

This sustainability report provides an overview of BILLA Czech Republic sustainability efforts throughout the year 2022 (January 1<sup>st</sup> – December 31<sup>st</sup>). It is the first BILLA's Czech Republic sustainability report prepared with reference to the Global Reporting Initiative (GRI) standards. Since this is BILLA's first report, no restatements have been made. 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.

GRI are world's most widely used sustainability reporting standards, which cover topics ranging from biodiversity to tax, waste to emissions, diversity and equality to health and safety. GRI Standards are regularly reviewed to ensure they reflect global best practices for sustainability reporting, helping organizations respond to emerging information demands from stakeholders and regulators.

At BILLA, we are committed to reducing our environmental impact and fostering social responsibility. Therefore, the report was composed following the identified sustainability material topics and disclosing related strategies as well as initiatives to achieve our sustainability goals.

In this first publication, we engaged with mainly internal stakeholders. However, our intention is to expand stakeholder engagement in future reports, ensuring a more comprehensive representation of diverse perspectives.

For more information, please contact:  
[info@billa.cz](mailto:info@billa.cz)



# INTRODUCTION

Dear readers,

Thank you for opening BILLA Czech Republic's first sustainability report, marking a new chapter in our commitment to sustainable practices. As the CEO, I proudly present our achievements and commitments we have made in the past year. With ongoing changes in the BILLA chain, we embrace the opportunity to innovate and rejuvenate our business, recognizing sustainability as a fundamental responsibility for success in today's dynamic landscape.

We believe that innovation is the key to attracting customers and building their loyalty – both through a new shopping experience in modern stores or our e-shop, as well as through a relevant and attractive assortment of goods.

Sustainability is at the core of our future endeavours, impacting all aspects of our operations. We prioritize a responsible approach to promote BILLA as a good neighbour, acknowledging our significant influence on customers and also our employees. As a major employer in the country, we strive to create a valuable and dignified work environment where our employees feel satisfied. Further details on this topic will be elaborated on in the Employees section.

Our commitment extends to supporting communities through food waste prevention initiatives and actively preserving Czech nature, notably the return of traditional fruit tree varieties that have disappeared from the local landscape in recent decades. We view sustainability not as a trend but as the only true path forward, reshaping our business practices holistically across all teams.

We believe that by uniting our efforts, we can create a more sustainable future for current and future generations. I invite everyone to join us on this journey, supporting our mission to strengthen environmental consciousness for the greater benefit of society. This report provides a comprehensive overview of our activities and endeavours in meeting this challenging task.

I wish you a pleasant reading,  
Liam



**Liam Casey**

CEO BILLA Czech Republic



## KEY FIGURES FOR 2022



**252**

stores



**6 717**

employees



**33.7**

bn. CZK net sales

# REWE GROUP OVERVIEW

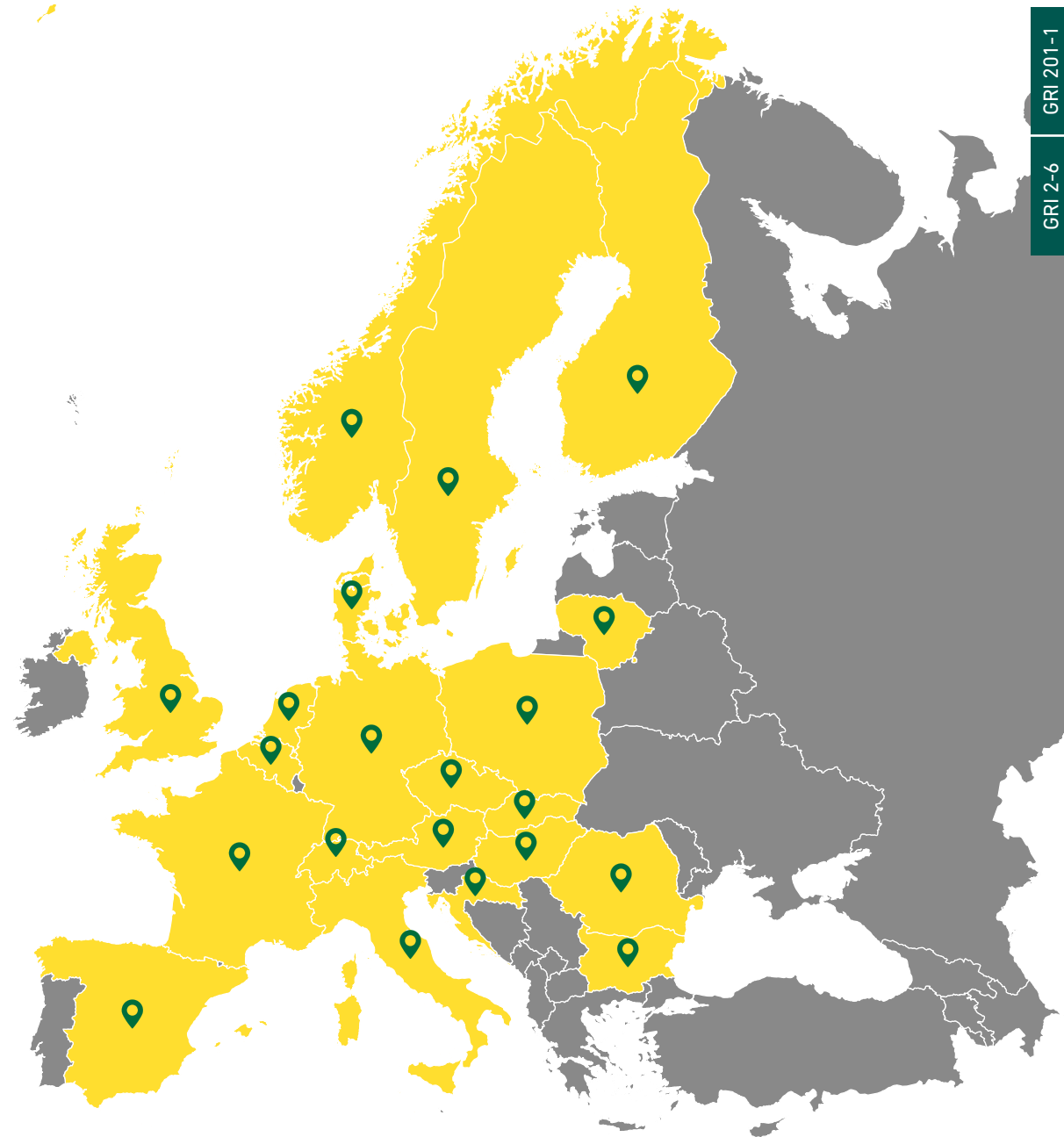
**BILLA Czech Republic is a part of the REWE Group** – an international group of trade and tourism companies. REWE (Revisionsverband der Westkaufgenossenschaften) was established in 1927 by 17 purchasing cooperatives with headquarters in Cologne (Germany).

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

- Retail Germany** – 10 retail chains, 6 000 stores, 37,4 billion EUR revenues
- Retail International** – 5 retail chains, 3 500 stores, 17,3 billion EUR revenues
- Convenience** – 3 chains, 164 000 sales points, 14,2 billion EUR revenues
- DIY** – 2 chains, 320 stores, 2,6 billion EUR revenues
- Travel and tourism** – 19 companies, 5,7 billion EUR revenues
- Other** – 2 companies (internal subsidiaries, energy services and procurement services)

## 21 COUNTRIES

Net Sales – 84,8 billion EUR  
Net Profit – 503,5 million EUR  
Investments – 2,8 billion EUR  
384 000 employees







BILLA in 2022

**26**  
renovated  
stores

**8**  
distribution centres incl.  
cross dock, e-commerce

**6 717**  
employees

**72%**  
turnover realized with  
Czech suppliers

**136.2 mil.**  
customer transactions  
incl. e-commerce

**8**  
newly opened  
stores

**776**  
suppliers

**223 618**  
**sq. m.**  
of sales area

## BILLA OVERVIEW

BILLA, a well-established player in the Czech retail market, achieved a turnover of CZK 33,7 billion with 252 stores and 6 717 employees. It has been operating on the Czech market since 1991. In 2022, BILLA continued its expansion by opening 8 new stores and investing in the renovation of 26 stores.

BILLA's major advantage consists of a broad range of Czech products, store accessibility, and reasonable prices, leading to over 136.2 million customer transactions in 2022.

## **BILLA IN FIGURES**

in thousands CZK

**33 702 277**

net sales

**458 866**

net profit

**1 532 132**

total investments

**918 773**

investment in store openings  
(expansion 8, total reconstruction 14,  
soft reconstruction 12)

**9 467**

investment in sustainability  
(heating/cooling/air systems, lighting,  
photovoltaic, intelligent building control/  
monitoring/reporting)

**93 694**

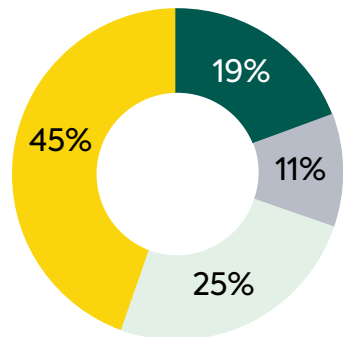
investment in efficiency  
(electronic shelf labels,  
self-checkout kiosks)



# OUR OPERATIONS

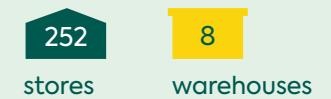
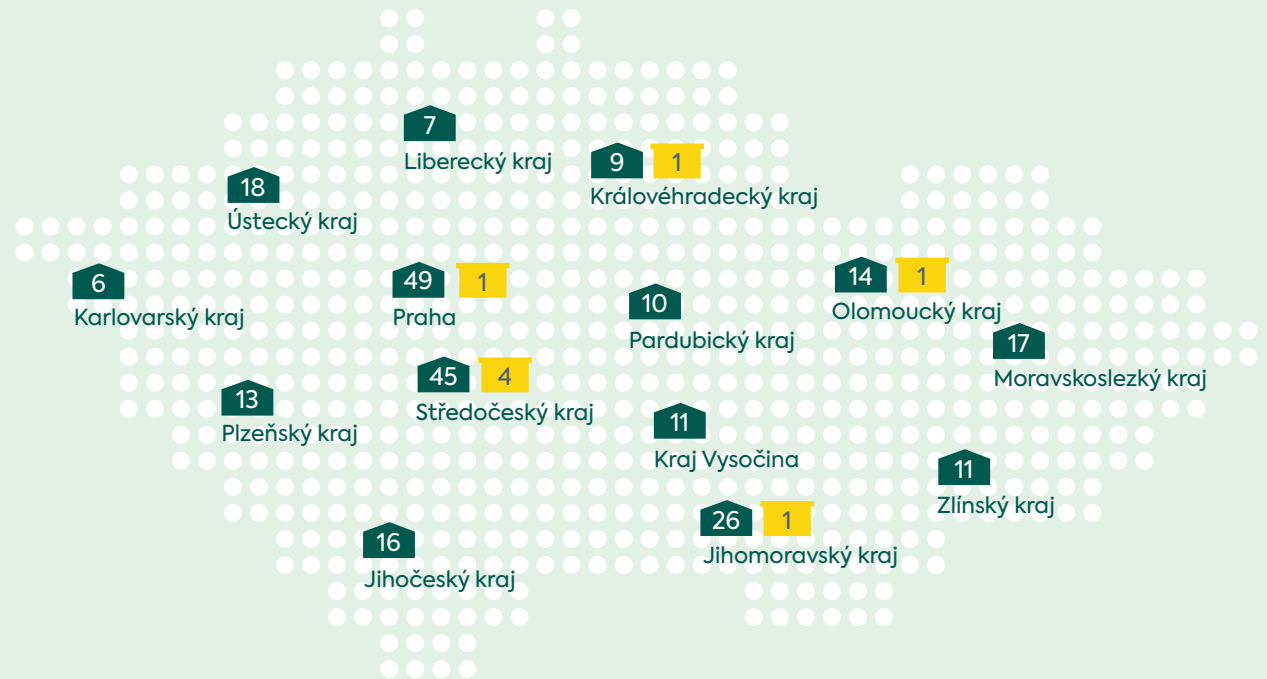
BILLA stores are strategically located in every region of the Czech Republic. Our expansion strategy revolves around being accessible within a 15-kilometer radius for all customers. To achieve this, 45% of our stores operate in cities with fewer than 30 000 inhabitants. In 2022, we invested 1,53 billion CZK to further enhance our accessibility to our customers, and we continuously invested in sustainable solutions.

Distribution of stores in cities based on the number of inhabitants in 2022:



- Prague, the capital city
- Large cities (101 000 - 500 000 inhabitants)
- Medium cities (30 001 - 100 000 inhabitants)
- Small cities (5 001 - 30 000 inhabitants)

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





**7 650**

number of products  
in average-sized BILLA store

**203**

regional suppliers in BILLA  
regional shelf

**2 242**

BILLA own private label  
products

**1 111**

private-label products  
produced by Czech suppliers

GRI 2-6

## OUR ASSORTMENT

Operating in retail premises with an average area of 900 m<sup>2</sup>, we offer a wide selection of brands and products, including private-label brands. A great emphasis is placed on fresh products such as delicatessen, bakery, fruit and vegetables, dairy products, meat, and chilled products. In response to customer demand, in 2022, our assortment saw a significant expansion in vegan, vegetarian, and organic product offerings.

Our long-term goal is to support the Czech Republic's food sufficiency; therefore, products supplied by Czech suppliers already accounts for 72% of our total turnover.





**94**

stores with  
electronic shelf  
labels (ESL)

**81**

stores with  
self-checkout  
kiosks (SCO)

## TOWARDS INNOVATION AND DIGITISATION

In our pursuit of modernization, we aimed to enhance conditions for both employees and customers in 2022. Renovations were conducted in 26 stores. Of these, 14 experienced extended closures (for a month or more), while the remaining 12 underwent “soft” reconstructions, minimizing downtime to just a few days through efficient planning and coordination.

Simultaneously, we invested in digitalization, implementing electronic shelf labels and self-checkout kiosks. By the end of 2022, self-checkout kiosks were available in 81 stores. These digital solutions, and others that we are deploying, enhance our customer service while also reducing our environmental footprint.

## OUR TARGETS BY 2028



30% revenue generated from private label brands



40% sales of fruits and vegetables coming from Czech produce



330 stores serving our customers



1 500 increase in the employee headcount





# SUSTAINABILITY AT BILLA

In 2022, we focused on accepting and creating real values that are fundamentally linked to sustainability. We took a significant step by publishing our very first sustainability report, which reflects our dedication to understanding and advancing sustainability in our business.



# HOW WE APPROACH SUSTAINABILITY

In response to pressing environmental challenges, we are committed to being a positive force for change. Beyond environmental concerns, we also prioritize the social aspect of sustainability, concerning our customers, employees, stakeholders, and society at large. Our dedication further extends to fair and transparent business practices with a system of checks and balances.

## It's time for Plan B

With the escalating impacts of climate change and biodiversity loss, we refuse to be passive bystanders. Therefore, we proactively launched our local sustainability action plan two years ago. This initiative, called Plan B, helps us address challenges in our value chain and focuses on reducing greenhouse gas emissions, promoting circular economy practices, biodiversity protection, fair employment, and more. Plan B guides our efforts to build a modern, stable, and sustainable retail business for the 21<sup>st</sup> century.



## Je čas na Plán B

More information about our Plan B can be found on our website: [www.planbilla.cz](http://www.planbilla.cz)

### Stronger together

Recognizing the importance of shared expertise, we actively participate in sustainability-focused associations and working groups. Engagements include the Trade and Tourism Association of the Czech Republic (SOCR) and the Czech-Slovak Efficient Consumer Response initiative (ECR). We believe that collective efforts are crucial for success.

# SUSTAINABILITY STRATEGY PILLARS

The sustainability strategy was set on the REWE Group level back in 2019 with respective short- and long-term goals, followed by other group companies, including BILLA Czech Republic.

As of today, BILLA has developed the sustainability strategy for 2023-2028 focusing on 4 strategic pillars: Green Products, Energy, Climate & Environment, Employees and Social Commitment. The key issues of each of the company's sustainability commitment pillars define further actions required to achieve strategic sustainability goals.

## Green products



Promoting animal welfare & improving supply chain

---

Innovating in packaging

---

Making sustainable products succeed

## Energy, Climate & Environment



Protecting the climate

---

Conserving resources in our operations

---

Developing a green store concept

## Employees



Being a diverse and engaged employer

---

Enabling employees and providing appropriate working conditions

## Social Commitment



Being a good neighbour

---

Supporting people in need

---

Acting on food waste

---

Engaging stakeholders

# ENGAGING STAKEHOLDERS

Our sustainability strategy undergoes regular review, considering customer surveys, consultations with internal stakeholders and third-party experts, as well as competitor benchmarking, political debates, and market trends.

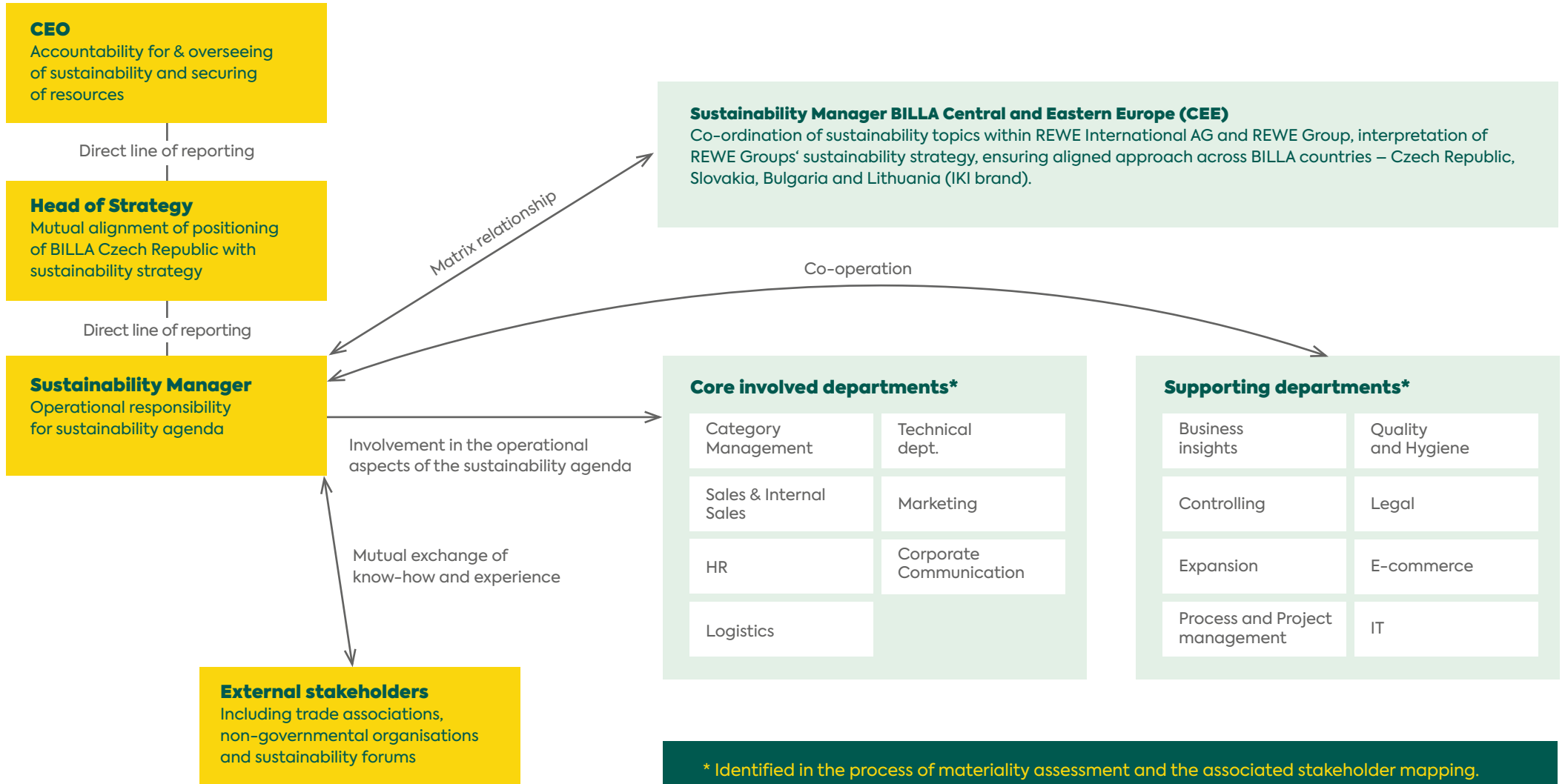
Engaging with stakeholders is essential to achieve long-term sustainability. For BILLA, the stakeholders are individuals or groups who have an interest in or

a stake in BILLA's operations or are influenced by it. Engaging with these stakeholders means actively seeking their input and listening to their feedback, which helps BILLA make more informed decisions and improve the performance of business activities, including the material topics. Therefore, BILLA has defined ways of engaging with specific groups of stakeholders, which helps ensure meaningful interactions, including this report being one of the forms.

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



# SUSTAINABILITY IN OUR STRUCTURE



# HIGHEST GOVERNANCE BODY



## LIAM CASEY

LIAM CASEY has been the CEO of BILLA Czech Republic since July 2022. 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.

# GLOBAL COMMITMENT

BILLA, as a part of the REWE Group, is committed to the Sustainable Development Goals (SDGs) defined by the United Nations in 2015. By proceeding in line with the SDGs, we aim to contribute to tackling major global challenges such as poverty, inequality, climate change, nature preservation, and others by 2030.

The REWE Group integrates these 17 SDGs into its long-term impact assessment, prioritizing the most relevant ones for its sustainability strategy. This report highlights how our activities at BILLA contribute to specific SDGs throughout the value chain, covering relationships with suppliers, store and warehouse operations, connections with employees and customers, and support for those in need. We have identified 11 priority SDGs where we have direct impact. Further details can be found in the following chapters.



At BILLA, we focus on our activities and operations on the following SDGs:



Source: <https://www.un.org/sustainabledevelopment/news/communications-material/>



# OUR TARGETS: SUSTAINABILITY AT BILLA



Reducing absolute greenhouse gas emission by 30% by 2030 and becoming carbon neutral by 2040.



All own label products will be in 100% recyclable, reusable or compostable packaging by 2030.



Ensuring only cage-free eggs would be on shelves by 2023 and by 2025 all products from our private label range will use cage-free eggs as an ingredient.





# GREEN PRODUCTS

As a key player in the Czech retail market, we acknowledge our responsibility to advocate for sustainable eating and a healthy lifestyle. We actively promote the shift to sustainable agriculture, primarily by supporting regional suppliers.



# QUALITY AND HEALTH

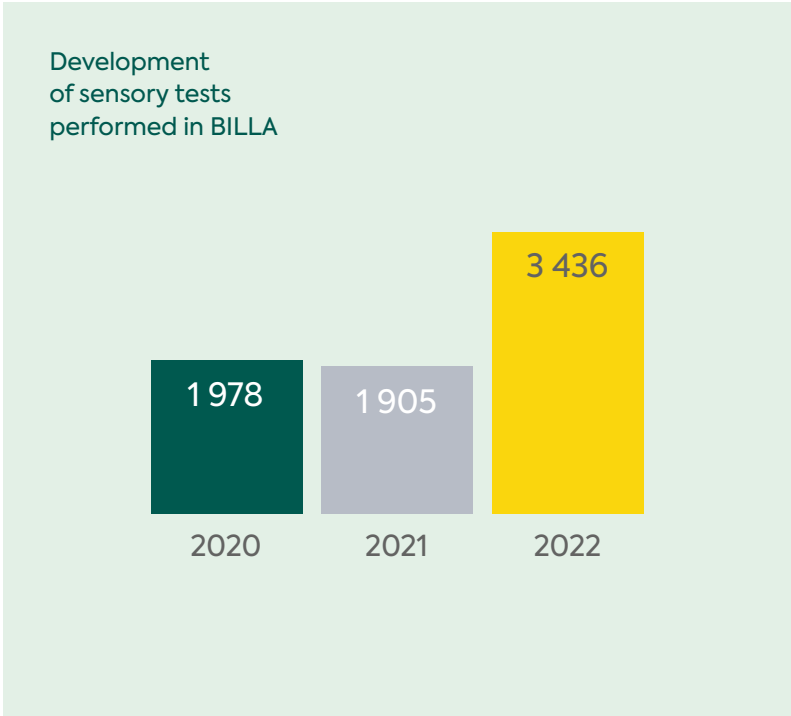
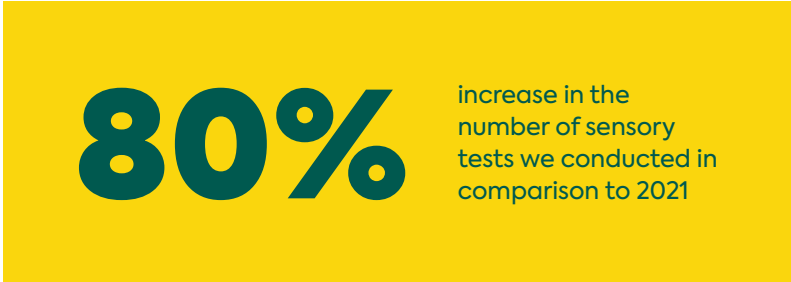
We believe that products made with respect for nature are the best we can offer to our customers. Inspired by our customers' demands, we are flexible in making changes to our assortment.



To ensure product quality, we conduct regular quality testing, where we test products from randomly selected stores. This allows us to benchmark against competitors and evaluate our market position. Blind tests follow the rules of sensory analysis, which ensures impartial evaluations. These tests are facilitated by our store employees in our headquarters' quality testing centre in Modletice, which has undergone modernization. In 2022, 500 evaluators participated in blind tests for approximately 3 500 products, an 80% increase from 2021.

### Customer complaints and responsible approach.

Prioritizing quality, every customer complaint undergoes responsible assessment and consultation with the supplier, and, if needed, we send it to an accredited independent laboratory.





# SUSTAINABLE DOESN'T HAVE TO MEAN CONFUSING

Recognizing sustainable products can be challenging for customers, but we strive to make it easier for them.<sup>1)</sup> Many items in our range carry internationally recognized certifications. In our private label brands, we collaborate with regional suppliers to support local production.

Under 19 of our private labels, we offer a wide assortment of products, which include 15 food / near-food brands, one pet food brand, and 3 exclusively non-food brands (drug-store products, baby goods, and other domestic products). These brands constituted 22.7% of our total turnover in 2022, and the proportion of our private-label brands in our revenue is continuously increasing.

<sup>1)</sup>An independent study commissioned by the Trade and Tourism Association of the Czech Republic showed that more than one third of customers consciously search for sustainable products in stores. However, another outcome of the study was that Czech customers find it difficult to recognise sustainable products. [www.socr.cz/zpravodajstvi/cesi-maji-o-udrzitelne-potravinu-zajem-ale-malo-o-nich-vi](http://www.socr.cz/zpravodajstvi/cesi-maji-o-udrzitelne-potravinu-zajem-ale-malo-o-nich-vi)





**Private-label brands, in which we put special emphasis on sustainability and dietary needs:**

**BILLA Bio**

showcases our commitment to quality and sustainability. The BIO label ensures GMO-free crops grown in adherence to strict pesticide and chemically synthesized fertilizer restrictions, thus this brand upholds the highest organic farming and welfare standards.

**BILLA Free**

offers a convenient solution for customers seeking products compatible with special diets without compromising on taste. Since 2019, it has introduced a diverse range of gluten- and lactose-free products.

**Our awards**

In 2022, our selected products received awards in the Consumer Seal of Quality competition, where BILLA BIO Swiss Fine Dark Chocolate 85% cocoa and BILLA BIO Swiss Almond Brittle Chocolate won first prize. Furthermore, our BILLA Mini Mozzarella and BILLA Toilet Paper won the Consumer's Choice award. The Czech magazine D-test confirmed the quality of our BILLA cream yogurt and BILLA butter. Blesk magazine, in its consumer test, also awarded the beefburger from our own GRILL Party brand.



By promoting healthy lifestyles at BILLA, we contribute to prevention and motivate our customers to care about what they eat

# BILLA ZDRAVĚ - GOOD FOR US AND THE PLANET

In 2022, we launched „BILLA Zdravě,“ an in-store presentation promoting healthy lifestyles and alternative eating. The focus was on supporting customers to adopt healthier and more sustainable eating habits.

nearly  
**500**  
products

with  
**285**  
being organic  
(BILLA BIO)

**84**  
sugar-free

**89**  
gluten-free

**33**  
lactose-free





# COLLABORATION WITH REGIONAL PARTNERS

Our commitment to sustainable agriculture and reduced environmental impact includes strong collaboration with regional partners. Supporting local producers minimizes carbon emissions from long-distance transport and also ensures fresher products for our customers.

## We prioritize meat from Czech farms

By offering meat from Czech farms in our stores, we support local beef, pork and poultry production and maintain the highest quality standards for our meat. One of our private brands, Vocílka, became the Most Trusted Brand of 2020 and won the Czech Superbrand Award in 2021. In 2022, we sold 20 000 tons of meat from Czech farms. Vocílka also obtained the Global Gap Certification, which guarantees minimal agrochemical inputs, livestock welfare, improved traceability, and open communication.

## Česká farma

Since 2012, Česká farma has been supplying our customers with fresh fruit and vegetables. This brand stands as a flagship of our commitment to local sustainability. It offers a range of 90 locally sourced products, which is why specific products are available only when they are ripe in the Czech Republic. In 2022, we highlighted the delicious offerings from Česká farma at trade fairs and gastronomic festivals. We also collaborated with the winner of Masterchef Česko 2020, creating a series of recipes that embrace the essence of locality.







# BILLA REGIONÁLNĚ - LOCAL AND DELICIOUS

Since 2015, our „BILLA regionálně“ shelves have featured a curated selection of local goods, allowing customers to taste and support food grown nearby. These products travel only a few dozen kilometres from the manufacturer to our stores. In 2022, BILLA Czech Republic collaborated with 203 local and regional suppliers to offer their products on BILLA Regionálně shelf.



We focus on increasing agricultural productivity while improving the food production system, which we accomplish by supporting czech farmers



# ANIMAL WELFARE COMMITMENT

In 2022, we intensified our collaboration with suppliers to enhance animal welfare, particularly focusing on certifications and discontinuing caged egg production. As a commitment to animal welfare, both farm and domestic, we also ceased the sale of fireworks.

## Cage-free initiative

Eggs labelled with the number three signify caged egg production, associated with hen suffering. As the first Czech retail chain, we pledge to cease cage-produced egg sales by the end of 2023. At the end of 2022, over 60% of our sold eggs were cage-free, and we aim to replace them entirely as an ingredient in our private labels by 2025.

## Better living conditions for animals

We're proud to announce that 100% of Vocilka's products meet standards for healthy living conditions for animals. This includes feed sourced exclusively from Czech fields, ample space, and quality food. To maintain freshness, Vocilka meat is delivered directly to stores, bypassing a warehouse. Vocilka holds the globally recognized GLOBALG.A.P (Good Agriculture Practice) certification for better agricultural practices.<sup>1)</sup>

BILLA Venkovské kuře and BILLA Zlaté kuře offer poultry from superior farms at prices comparable to conventional farms. Our broilers enjoy a natural environment, moving freely and fattening for 38 to 40 days. Their slaughter employs Peer System Technology, which replaces manual catching, reducing stress for poultry and ensuring dignified conditions during transport and processing.



<sup>1)</sup> 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.



## BILLA LEADS IN ENDING FIREWORK SALES

In a pioneering move, BILLA ceased selling fireworks, setting an example in the market. This decision, implemented before Christmas 2022, aligns with our commitment to environmental well-being. Fireworks contribute to air and water pollution, soil contamination, and litter generation. By removing them from our assortment, we encourage customers to celebrate in ways that are considerate of animals, wildlife, and the environment.

**PO PETARDÁCH U NÁS  
ANI VIDU, ANI SLECHU.**

**OSLAVTE S NÁMI  
MEZINÁRODNÍ DEN  
ZVÍŘAT A UŽIJTE SI  
SILVESTR BEZ  
PYROTECHNIKY**

**BILLA 1. ŘETĚZEC V ČR  
BEZ PYROTECHNIKY**

**ABY SI NÁS PŘÍRODA  
ZASE OBLÍ BILLA**

## OUR TARGETS: GREEN PRODUCTS



Increase of turnover of BILLA's own private labels to 30% by 2028



Sell only cage-free eggs by the end of 2023. Will continue to offer barn-laid, free-range and organic certified chicken eggs only



Products from own labels made only from cage free eggs by 2025



Continue with projects leading to enhanced animal welfare





# ENERGY, CLIMATE & ENVIRONMENT

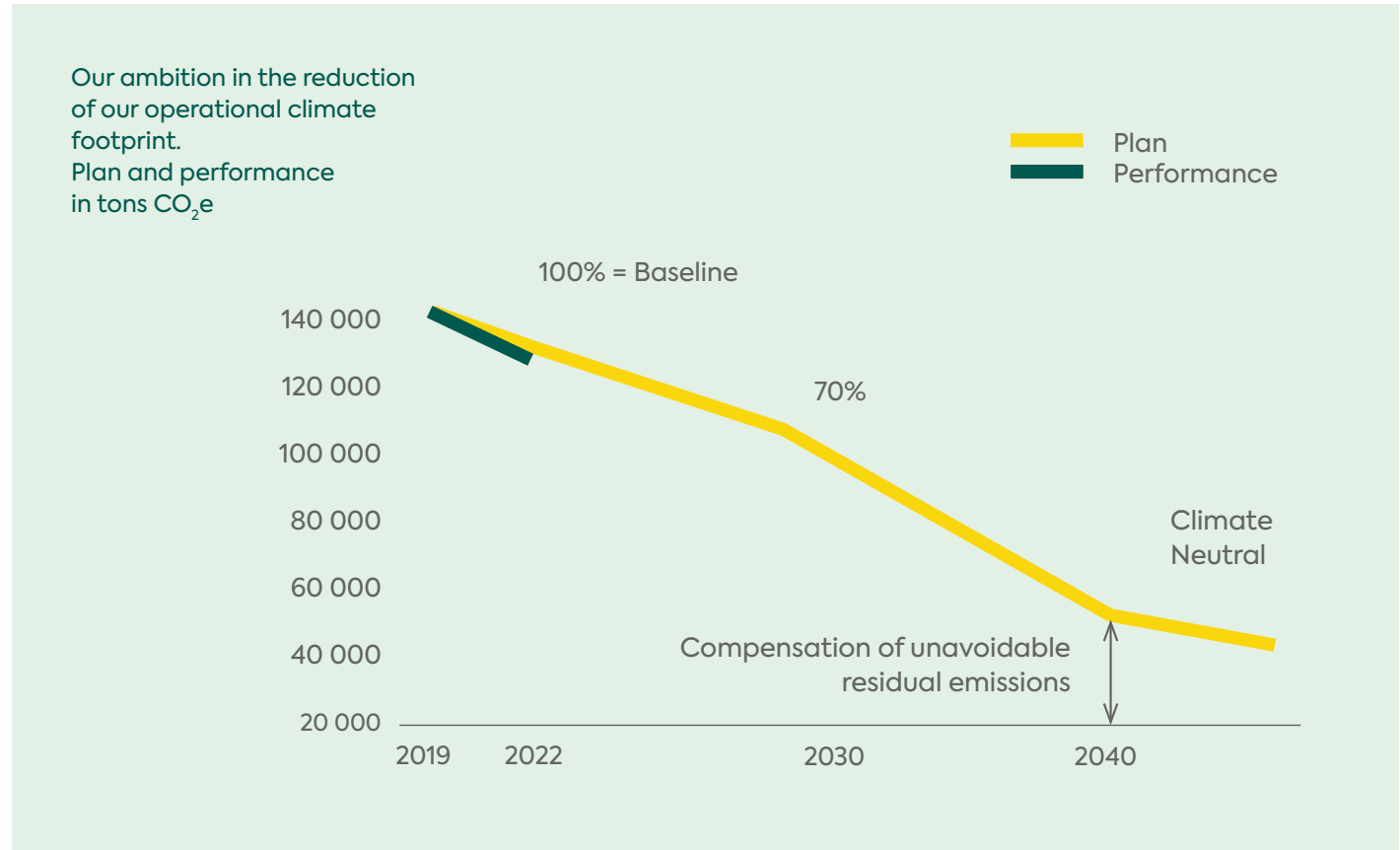
Our operations are an important pillar of our sustainability-driven transformation. Since 2012, our sustainability efforts have targeted efficient energy use. Our ongoing commitment is to further reduce energy consumption, prevent leakages of harmful refrigerants, and protect resources to contribute to climate change mitigation.



# ADDRESSING CLIMATE CHANGE

In light of the České klima 2021<sup>1)</sup> study, which indicates that almost three-quarters of the population acknowledge the imperative to reduce our climate impact, we recognize climate change as a universal concern. Thus, we pledge to cut greenhouse gas emissions and embrace circular business models to reduce material intensity. This commitment aligns with the Paris Climate Agreement's target of limiting global warming to 1.5 degrees Celsius by 2100, underscoring the collective effort needed for a sustainable future.

We have a long-term focus on reducing our overall energy demand, which goes hand in hand with reducing our carbon footprint. We are committed to achieving carbon neutrality in all our operations by 2040. Our own renewable energy sources will take us significantly closer to this goal.



<sup>1)</sup> Mapping of public opinion of Czechs on climate change issues conducted by the research team of the Department of Environmental Studies FSS MUNI in cooperation with Green Dock, z.s.: <https://enviro.fss.muni.cz/vyzkum/ceskeklima2021>

# UNDERSTANDING OUR IMPACT ON THE CLIMATE

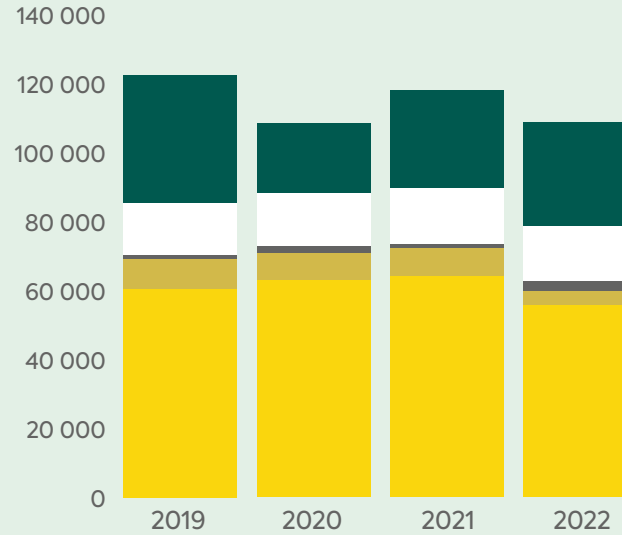
As part of the REWE Group, we regularly partake in the calculation of the company's carbon footprint, measured in CO<sub>2</sub>e equivalent (standardized units). This analysis provides us with data about our impact on the climate from 2019 to 2022 and guides our efforts to implement effective solutions, emphasizing the significance of monitoring emissions for ongoing improvement.

Over the past four years, we've successfully cut operational greenhouse gas emissions by 15%, primarily by addressing electricity consumption, our major source of emissions. Notable reductions include a 47% drop in heating emissions and a 17% decrease in refrigerant leakages compared to 2019.

Our calculations focus only on BILLA's operational climate footprint and currently exclude emissions from product production, import, and transport to warehouses. These emissions categories associated with suppliers, which fall under scope 3, exceed our operational footprint.

GHG emissions from year to year

tCO<sub>2</sub>e



Refrigerants  
 Heat  
 Logistic 3rd party  
 Electricity (market based)  
 Fleet cars

**Our overall operational GHG emissions totaled 109 874 tons of CO<sub>2</sub>e, categorized as follows:**

**32% Scope 1 emissions: 35 250 t**  
direct emissions from our electricity production, heating, fleet, logistics, and refrigerants

**44% Scope 2 emissions: 48 521 t**  
indirect emissions from purchased electricity, heating, and cooling

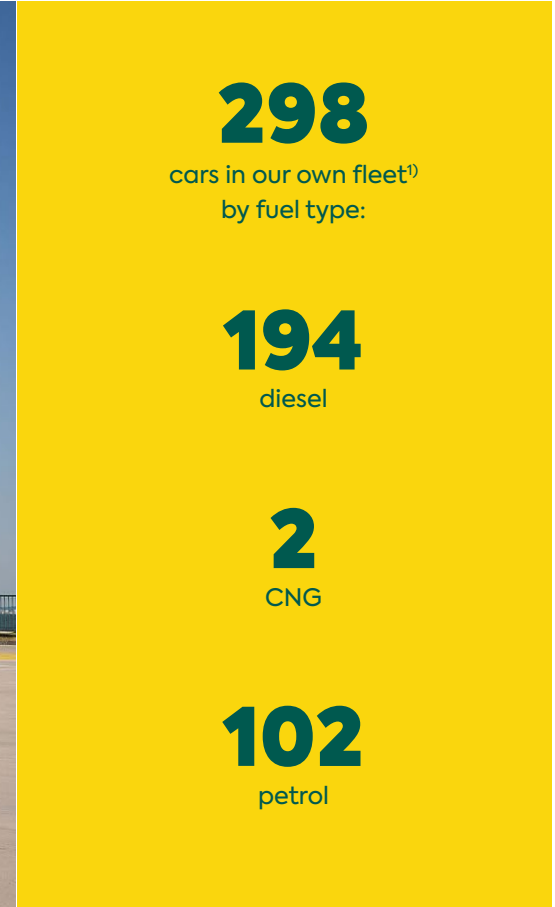
**24% Scope 3 emissions: 26 102 t**  
indirect emissions from fuel and energy, including partial coverage of transport and distribution of goods<sup>1)</sup>

<sup>1)</sup> Our Scope 3 emissions do not currently include any other categories. The production, import, and long-distance transport of products to warehouses are among the most significant. Business travel emissions are excluded due to data unavailability.

By acting on the goals that have been set for us, we are contributing to the widespread adoption of renewable energy technologies needed for the mitigation of climate change.







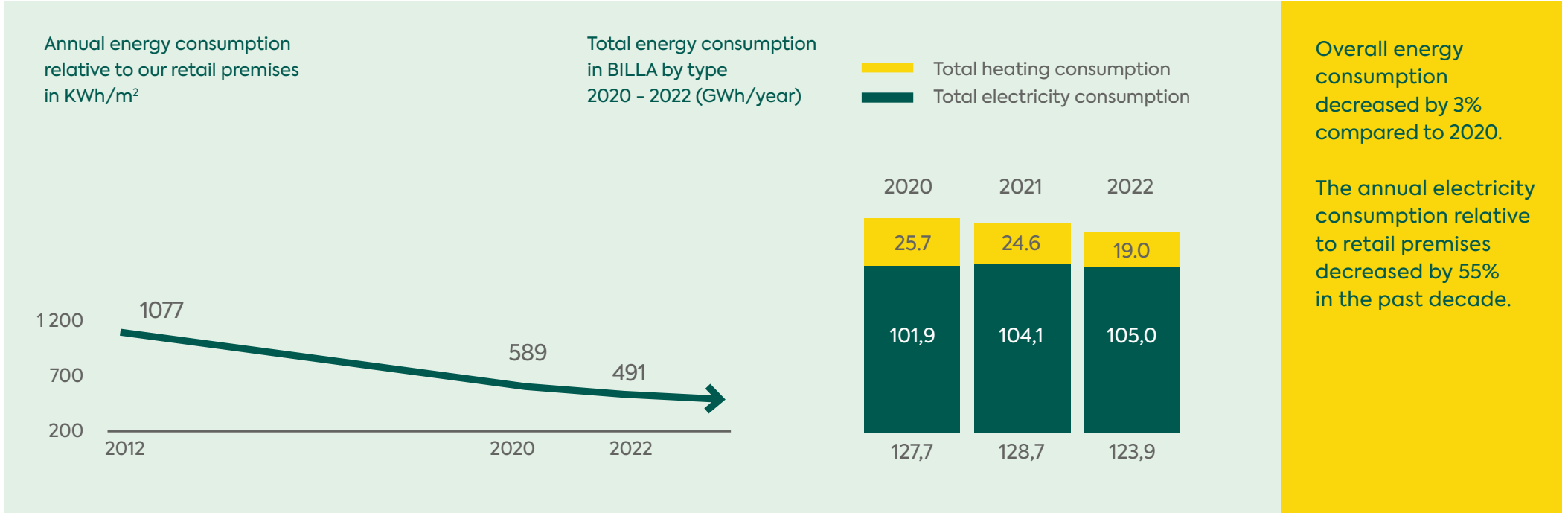
**Vehicle Fleet**

We have recorded a rise in GHG emissions relating to the fuel consumption of our vehicle fleet. In 2022, our vehicles used over 900 000 liters of fuel, generating 2761 tons of CO<sub>2</sub>e. However, our vehicle fleet represents only 2.5% of our operational emissions.

**Logistics**

Emissions from logistics operations of our partners and suppliers accounted for 14% of our emissions, totalling 15 445 tons of CO<sub>2</sub>e.

<sup>1)</sup> Our vehicle fleet covers cars used for passenger transport, mostly Škoda cars.



## REDUCTION OF ENERGY CONSUMPTION

In our operation, we seek to capitalize on the numerous advantages provided by modern and energy-efficient appliances. We are implementing advanced technology such as heat pumps, highly efficient gas condensing boilers, LED lighting, and intelligent ventilation systems in our stores to optimize energy consumption while enhancing the overall sustainability and performance of our stores and warehouses.

### Being economical in our energy use

Each year, we set ourselves goals in a standardized action plan—a process introduced by our parent company, REWE

Group, in 2016 as a part of the ISO 50001 introduction. ISO 50001 is an international Energy Management System that helps systematically reduce energy consumption. Our implemented measures include temperature adjustments, optimized cooling, and selective air conditioning. Employee education and motivation are also integral to our commitment to energy savings.

To evaluate our efforts, we regularly undergo external and internal energy audits. In 2022, an internal audit revealed that despite our expansion of the store network, our overall energy consumption decreased by 3% compared to 2020.

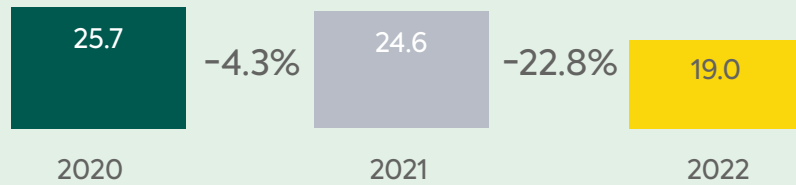
In 2012, our annual store energy consumption exceeded 1000 kWh/m². Our ongoing efforts to reduce energy consumption have led to a substantial achievement. In 2022, our energy consumption reached 491 kWh/m² per year, indicating a remarkable 55% reduction over the past decade.

Initially ISO 50001:2011, later updated to ISO 50001:2018.





Development of heating consumption GWh/year



GRI 302-1  
GRI 302-4

**Optimising heating energy**

Our commitment to energy efficiency is evident in a 26% reduction in heating energy consumption from 2020 to 2022. We leverage modern technologies, particularly in constructing new stores, to capitalize on enhanced insulation properties. Over the past decade, district heating needs have decreased by 79%. Our vision includes transitioning to electricity-based heating solutions. In 2022, we piloted the use of heat pumps in 7 stores for water heating. Implementing closable cooling cabinets is another step toward preventing heat loss. That is why, in 2022, 220 of our 252 stores were equipped with this type of cooling cabinet.

**Refrigerant leakages**

A significant share of our GHG emissions comes from leakages of ozone-depleting substances that are used as cooling agents in cooling technology for products and HVAC systems. In 2022, these emissions represented 28% of our total emissions. In BILLA, we still rely to some extent on the refrigerant R404A, a gas with high global warming potential. Overall, 6 809 kilograms were released into the atmosphere due to regular unpreventable losses and technological failures. Our commitment is to reduce refrigerant emissions by 60% compared to 2019 by 2030, focusing on leakage prevention and transitioning to less harmful refrigerants in new and reconstructed stores.

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

**7 AFFORDABLE AND CLEAN ENERGY**



The investment of 16.1 million CZK included 4 724 946 CZK obtained through the operational program Entrepreneurship and Innovation for Competitiveness provided by the EU (OP PIK).

Towards the end of 2022, we also started preparations for the installation of solar panels on the rooftops of our stores in Beroun, Říčany, and Slaný. Additionally, we support the green mobility of our customers by providing 7 charging stations for electric cars near our stores for free. These are AC wall boxes with a capacity of 11 or 22 kW and Mennekes connectors.

## ON THE PATH TO RENEWABLE ENERGY

In the Czech Republic, coal and nuclear power are the main sources of grid-supplied electricity. At the beginning of 2022, renewable energy sources represented just 5.5% of the energy mix.

To align with our climate goals and reduce costs, we've implemented one of the largest rooftop photovoltaic systems in the Czech Republic at our central warehouse. Collaborating with CEZ ESCO, we installed 1 847 large-format photovoltaic panels spanning a roof area of 5 300 square meters. This impressive installation now generates an annual production capacity of 999 MWh.

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







**5 300**  
square meters  
warehouse roof  
area covered

**1847**  
large-format  
photovoltaic  
panels used

**16.1**  
mil. CZK  
investment

**527**  
of CO<sub>2</sub>e saved  
each year<sup>1)</sup>

**22%**  
of the central  
warehouse's electricity  
consumption covered

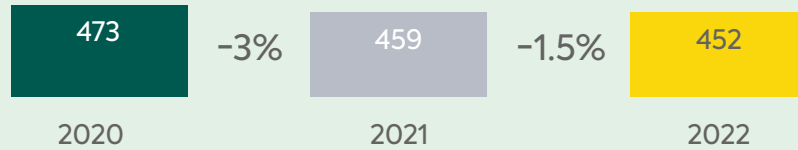
## MODLETICE CENTRAL WAREHOUSE

### Powerplant in numbers

The photovoltaic power plant has the installed capacity of 1 MWp. It is designed to generate 999 MWp/year. This makes it one of the biggest photovoltaic rooftop power plants in the Czech republic.

<sup>1)</sup> Compared to the energy grid consumption before the installation of the panels

Electricity consumption relative to retail premises decrease kWh/m<sup>2</sup>/year



GRI 302-3

## SEEKING SOLUTIONS

A significant portion of our electricity usage is allocated to refrigeration, heating, air-conditioning, ventilation, and commercial lighting. Hence, our primary focus is on seeking improvements in these energy-intensive areas. 96% of our electricity consumption can be attributed to our operation of stores.

### Data-driven energy efficiency

In 2022, we prioritized data-driven measures to enhance efficiency. Remote monitoring covered 90% of our electricity network and reached 97% for refrigeration systems. Our Building Management System (BMS) efficiently regulates lighting, with energy-

saving LED lighting now standard in our stores. To keep our consumption under control and maintain ISO certification, we develop annual energy action plans after consulting on energy scenario analyses with internal and external experts.



## INVESTING IN THE FUTURE

Initiated in May 2020, the ongoing reconstruction of our Modletice warehouse and headquarters saw completion in 2022, enhancing heating, lighting, forklift charging, electrical systems, and insulation.

The total reconstruction cost is estimated at 88 million CZK, with 72 million CZK attributed to 2022. A part of the project worth 43 million CZK is eligible for a 12.5 million CZK subsidy. This investment led to a yearly consumption reduction of 958 MWh, equivalent to the electricity use of approximately 330 households. Simultaneously, the warehouse capacity increased to accommodate 23 000 pallets, handling up to 1 600 trucks per week.



# MANAGING WASTE & GOING CIRCULAR

We actively seek ways to prevent unnecessary waste and enhance waste management, aligning with the principles of the circular economy.

In 2022, we prioritized waste prevention and recycling efforts, collecting 22 types of waste totalling 18 125 tons, of which 95% originated from stores and 5% from warehouses. Over the period 2020–2022, our overall waste decreased by 5%. Notably, we reduced paper, cardboard, food, and glass waste. To further decrease paper waste, we are in the process of optimizing receipt length and replacing paper price tags with electronic shelf labels in nearly 40% of our stores. The replacement of paper price tags by electronic shelf labels in 94 stores

– which was the 2022 year-end status – saves as much paper a year that 244 trees would need to be felled to produce.

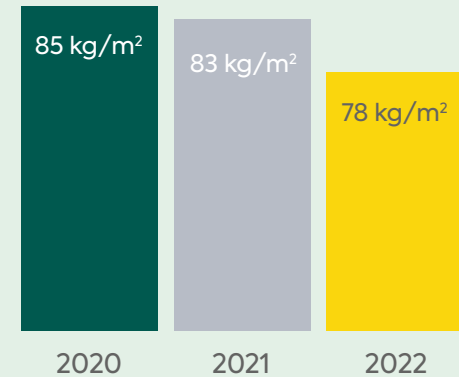
### Unsold food should not be wasted

In our operations, we utilize systems and processes to optimize food ordering by the stores. Discarding edible food is vehemently opposed and considered a last resort. Therefore, our focus is on redistributing unsold food to food banks and rescue stations or diverting it to biogas stations and composting facilities when necessary. Another one of our initiatives is providing special discounts to our customers and informing them whenever the expiry date of a goods is approaching.

Range of shopping bags we offer



Waste production relative to the retail premises for stores is decreasing while the number of our stores expands.



More on the topic of food waste can be found in the Social Commitment chapter.







# TOWARDS CIRCULAR ECONOMY OF SHOPPING TOOLS AND PACKAGING

In our bakery section, we use single-use, all-paper pastry bags. The transparent part of the bag is made of cellulose; therefore, the bag is recyclable as paper. These bags contain at least 50% recycled raw material and are manufactured in the Šumperk region. The sustainable origin of the paper pastry bags is proven by FSC certification, or Forest Stewardship Seal.



Weight of a single-use plastic or paper bag might seem negligible, but the cumulative impact is significant. Here's the weight breakdown of our single-use service packaging for goods given to customers in 2022:

Type of packaging	Material	Tons
Plastic sacks (fruit & vegetables, bakery)	 	332
Plastic containers (deli counter)		25
Paper sacks (bakery)		55

Another initiative began in July 2021, when we started to replace plastic baskets made from primary raw materials with new baskets that contain between 75 and 95% recycled plastic.

In our renovated and newly constructed stores, we also started using shelf dividers made from recycled plastic.

## PACKAGING MANAGEMENT

In 2022, we continued in our endeavours to find a balance between practicality and sustainability in our packaging. We took several steps to increase the use of recycled and recyclable materials, reduce packaging weight, and advocate for reusable options where it is safe to do so.

Following a study by the University of Chemical Technology <sup>1)</sup>, in 2019, we became the first Czech retailer to eliminate paper bags. Our focus remained on promoting eco-friendly choices for our customers, using reusable polyester bags and LDPE plastic bags that contain over 80% recycled plastic. In 2020, we also added reusable sacks for fruits and vegetables and introduced a reusable polyester fabric shopping bag made from 70–90% recycled ocean plastic.

### Targets for our private-label brands

While displaying local products under the Česká farma brand, we avoid using unnecessary packaging.

CLEVER beverages now feature bottles made of at least 25% recycled plastic.

Our goal is to eliminate or use fully recyclable, reusable or compostable packaging in all private-label brands by 2030.



<sup>1)</sup> A study produced by the University of Chemistry and Technology in Prague, commissioned by the Czech Ministry of Environment, identified the most eco-friendly shopping bag as a reusable polyester fabric bag.  
[https://www.mzp.cz/cz/news\\_181228\\_tasky](https://www.mzp.cz/cz/news_181228_tasky)

We are actively seeking solutions to achieve efficient use of natural resources and promote recycling.





# WASTE IN STORES

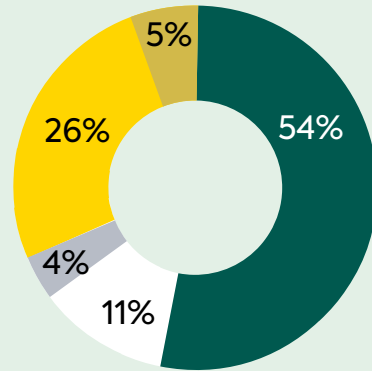
Paper waste, including paper packaging, is the largest source of waste in our stores, accounting for 54% of the total amount. However, in 2022, we managed to reduce paper waste by 12% compared to 2020.

Mixed waste is the second largest source of waste, accounting for 26% of the total. This type of waste poses a challenge for the future, as it has increased by 5% in the last two years. Plastic waste, on the other hand, has remained stable over the years, and in 2022 it was slightly less than 4% of all the waste generated in our stores.

in 2022 we produced 5% less waste in our stores than in 2020

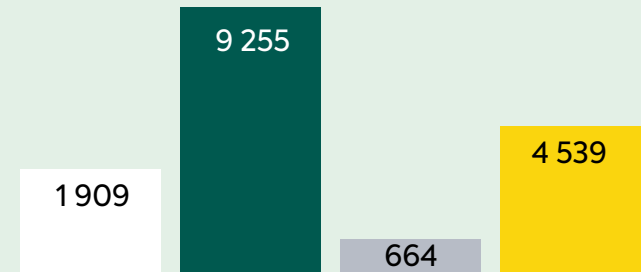
**5%** ↓

Distribution of waste by type generated In retail stores 2022



- Paper and cardboard incl. packaging
- Food waste\*
- Plastic incl. packaging
- Mixed waste and packaging
- Other type of waste (cumulated)

Main types of waste produced in stores in tons in 2022



- Food waste\*
- Packaging and cardboard
- Plastic packaging and waste
- Mixed packaging and waste

\*excludes animal by-product (VŽP III. cat.)

# WASTE IN LOGISTICS

In logistics operations, waste volumes are much lower than in stores but still noteworthy because they differ in the distribution of waste by type.

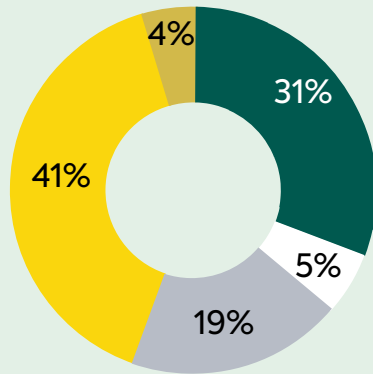
In 2022, we separated 59% of logistics waste, while 41% remained as non-sortable mixed waste and packaging. Since 2020, we have managed to reduce the volume of all main types of waste

produced, including 8% less mixed waste and nearly 4% less plastic packaging waste compared to 2020. The largest achievements were made in food waste, which decreased by more than 50% compared to 2020.

More than 50% decrease in the amount of food waste in our warehouse compared to 2020

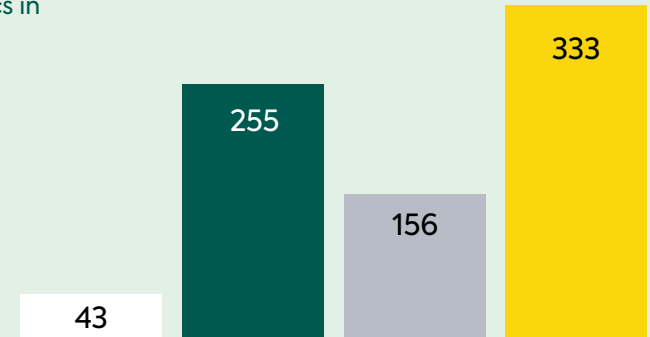
# 50% ↓

Distribution of waste by type generated by logistics 2022



- Paper and cardboard incl. packaging
- Food waste\*
- Plastic incl. packaging
- Mixed waste and packaging
- Other type of waste (cumulated)

Main types of waste produced in logistics in tons in 2022



- Food waste\*
- Packaging and cardboard
- Plastic packaging and waste
- Mixed packaging and waste

\*excludes animal by-product (VŽP III. cat.)



# WATER MANAGEMENT

In recent years, our water consumption has increased as a result of stricter hygiene measures associated with the Covid-19 pandemic.

In order to reduce our water consumption, we are implementing a smart metering system that allows us to monitor our water consumption in detail. Thanks to this, we can react quickly in the event of an increase in its consumption and detect any leakages in time. In our store in Žďár nad Sázavou, we also piloted a new rainwater utilization system.

By improving our water efficiency, we are promoting sustainable management of water resources.



# OUR TARGETS: ENERGY, CLIMATE & ENVIRONMENT



By 2030:

30% GHG reduction from own operations compared to 2019



By 2030:

60% GHG reduction from refrigerant leakages compared to 2019



By 2040:

Climate neutrality in operations, unavoidable residual emissions will be compensated by offsets



By 2030:

All own label products in fully recyclable, reusable or compostable packaging





# OUR EMPLOYEES

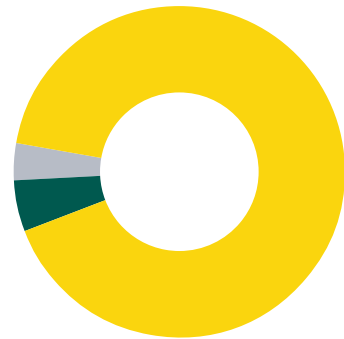
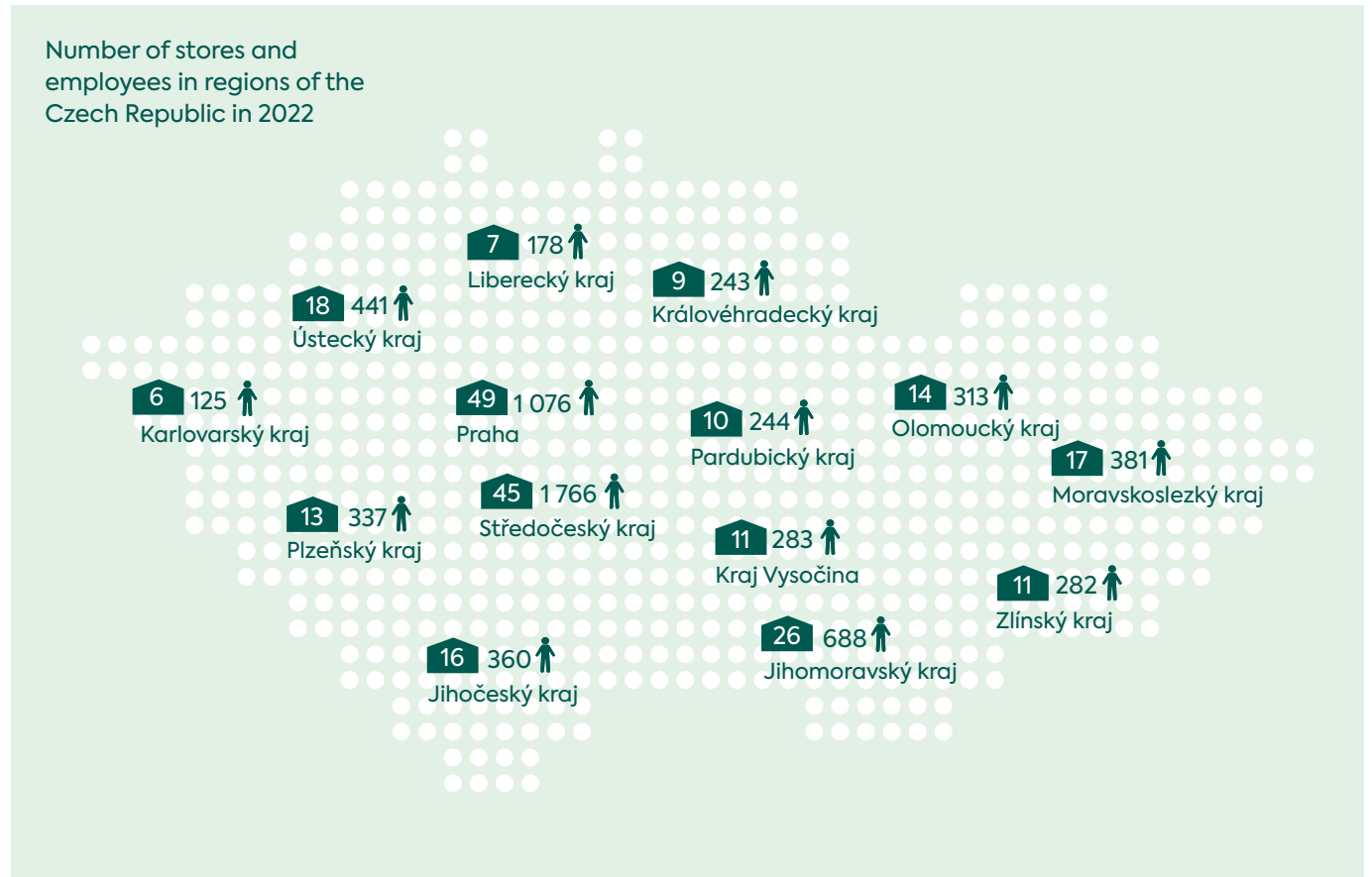
In 2022, BILLA, with over 6 700 employees, ranked among the top five largest FMCG employers in the Czech Republic. Our commitment extends beyond providing suitable working conditions to fostering employee satisfaction and supporting their career growth.

# OVERVIEW OF OUR ACTIVITIES

In 2022, BILLA operated 252 stores in the Czech Republic, with an average of 24.3 employees per store. Our workforce spans seven departments, covering fruit and vegetables, dairy, frozen, delicatessen, food, and non-food sections, as well as the warehouse. The most employment opportunities are offered by BILLA in the Central Bohemian Region, where our logistics centers and headquarters are situated.

## Employing is caring

We prioritize our employees, fostering a respectful and trusting environment. Our commitment includes ensuring safety, equal treatment, and constant efforts to enhance job satisfaction.



	Number of employees	Percentage of all employees
Stores	6 136	91.5%
Logistic	231	3.4%
Headquarters	350	5.2%



# SAFE WORKPLACE

Providing our employees with decent working conditions has always been a given at BILLA. That is why we are continuously increasing our investments in the health and safety of our employees. We focus on avoiding occupational accidents and providing preventive health measures—an approach that has further gained relevance since the outbreak of the COVID-19 pandemic.

In 2022, we have also selected a new provider of medical services for our employees, which offers a significantly higher standard compared to previous arrangements.

## Building safety through preventive measures

Ensuring a safe working environment is paramount for us. To maximize employee safety, we provide regular health and safety training sessions, with 2 628 employees participating in 2022. These sessions are specially tailored for new employees, providing them with essential knowledge in occupational safety and first aid. We collaborate with external partners for legislative support, ensuring our employees work under secure conditions. Routine fire protection controls and comprehensive occupational health and safety checks are conducted biannually and annually, respectively, complemented by regular inspections from our trade unions. In 2022, we had 147 recorded work-related injuries.

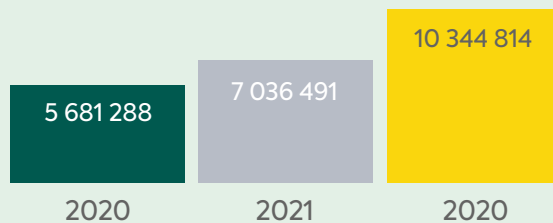
Number of total hours worked for BILLA in 2022

**9 911 813**  
stores

**411 301**  
logistics

**572 442**  
headquarters

Spending on health and safety in CZK

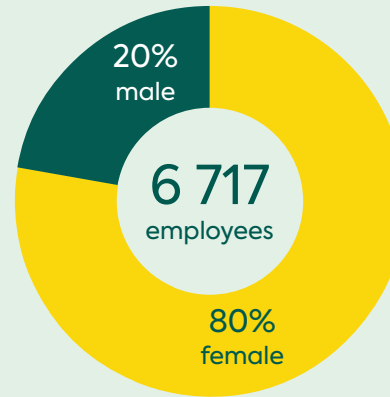


## How we ensure a safe workspace:

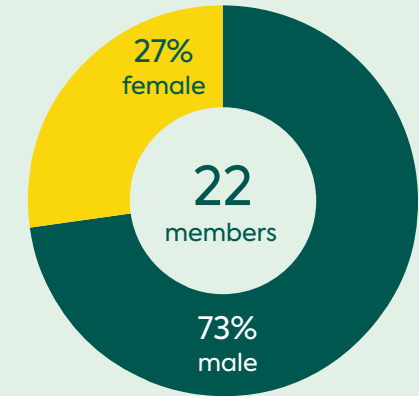
1. Routine safety inspections
2. Comprehensive training for all employees
3. Focus on preventive measures



Overall gender ratio 2022



Gender ratio in top management positions



## DIVERSITY AND EQUAL OPPORTUNITIES

We foster a diverse workplace, welcoming individuals of all ages, genders, nationalities, and sexual orientations. As a part of the REWE Group, respect for minorities is deeply rooted in our company.

### Equality

Equal opportunities for all employees are one of the basic principles to which we at BILLA adhere. Women make up 80% of our workforce, and in certain regions, such as Moravian-Silesian, Karlovy

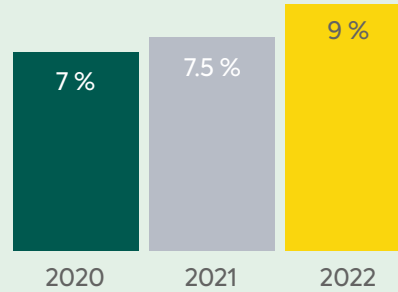
Vary, and Ústí nad Labem, this figure exceeds 90%. While the gender distribution in-store management reflects the overall ratio, top management positions show a different trend, with 16 out of 22 managers being men in 2022. Despite significant female representation, we actively work to prevent discrimination in any direction, ensuring men and women feel equally welcome and are equally compensated for equivalent positions.



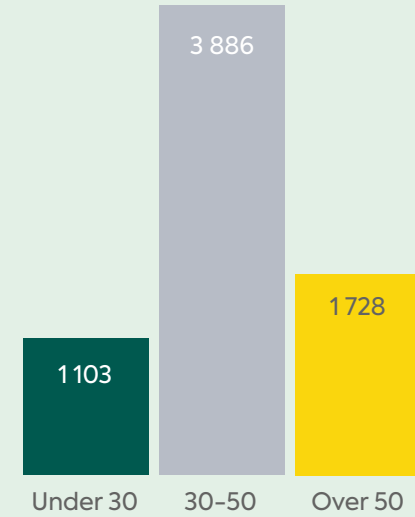
The majority of our employees are women, and we do not make differences based on gender



Percentage of foreigners employed in BILLA



Age groups of employees in 2022



**Age diversity**

BILLA embraces age diversity, providing equal opportunities for people of all ages. Our workforce includes students and pensioners, with the majority falling between the ages of 30 and 50, comprising 58% of our employees. Over the years, the age diversity of our employees has remained stable.

**Embracing diversity**

Since 2022, we have actively supported refugees from Ukraine, offering material and financial aid while promoting their inclusion within our workforce. In 2022, foreigners, including Ukrainian refugees, constituted 9% of our employees. Our commitment extends to employing individuals with disabilities, and we aim to further develop in this area in the coming years.





**9.5%**

average increase in salaries in 2022

**16 p.p.**

increase in employee satisfaction between 2020 and 2022

**5.6 p.p.**

decrease in turnover rate since 2020

**65%**

job satisfaction rate

**19**

different types of benefits

## FAIR WORKING CONDITIONS

We prioritize our employees' well-being by going beyond legal requirements. We focus on career development, leadership, teamwork, mental and physical health, and continuous salary increases, as well as offering a wide range of benefits.

### Employee satisfaction survey

We regularly conduct anonymous employee satisfaction surveys. Our 2022 survey had an 88% participation rate, where results indicated that 65% of respondents felt satisfied with their job. Compared to 2020 results, this number increased by 16 percentage points. Most employees enjoy their work and the team environment at BILLA. The primary challenge identified is general satisfaction with salaries, leading us to proactively enhance our salary policy.

### Favourable turnover rate

We reduced our turnover rate by 5.6 percentage points compared to 2020, reaching an average of 36.7% in 2022. Notably, the Zlín and Karlovy Vary regions experienced significant decreases, with a drop of over 20 percentage points compared to 2020.

# BENEFITS

We offer a variety of benefits for our employees, totalling 19 different types. Our employees can enjoy up to 5 weeks of vacation, partner discounts, and deals from partner travel agencies. For all headquarters employees, we also offer 2 days of home office per week.

Our most popular benefit, the Benefit Cafeteria, allows employees with over 1 year of service to use benefit points to purchase services. They can be used to pay in areas like health, sport, culture, recreation, and education. In 2022, we increased the value of benefit points

to 12 000 CZK a year, and 77% of all employees took advantage of this benefit—nearly all of those who are entitled to them.

Additionally, our benefits include pension contributions, retirement payment, and enhanced severance pay for employees with over 5 years of service, equivalent to 0.5 times the average salary, as per the collective agreement with trade unions.

**8** DECENT WORK AND ECONOMIC GROWTH



We actively seek solutions that would enhance the quality of life of our employees. The benefits we provide are related to both – physical as well as mental health.

## 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 and BILLA Cup

We reward hard work and loyalty:



Benefit cafeteria



Flat-rate meal vouchers



Reward for recommendation or work anniversary



Wage supplements beyond the law

We help make wishes come true:



5 weeks paid holiday



Christmas vouchers



Discounts with our partners



## INTERNAL COMMUNICATION IS THE KEY

To enhance communication, we introduced „BILLA Jsi Ty,“ a new internal Facebook group. Employees also receive quarterly overviews of the company’s recent developments through the magazine „Společně“. Another form of our internal communication is “BILLA info”, a daily email send-out to all stores, and our BILLA radio, where we broadcast

live morning shows for employees, and for overview of all information, employees can access our company Intranet. We foster teamwork through competitions like the internal „BILLA Cup“ and local events, including last year’s Sports Day for logistics and headquarters staff.

**BILLA CITY**  
**BILLA JSITY**

29. 11. 2022 OD 16:00  
FORUM KARLÍN, PERNEROVA 51, PRAHA 8  
DRESS CODE: SMART CASUAL





# ACCOMMODATING LIFE'S CHANGES

We promote both professional and personal development among our employees. Whether they need assistance with relocation, childcare, or are considering a position change.

## Flexible and stable employment

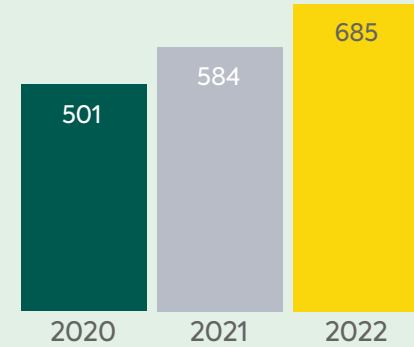
At BILLA, we prioritize flexibility, offering part-time schedules starting at 30 hours per month. In 2022, part-time workers made up 10.2% of all contracts. Our commitment to job security is evident, with 89.4% of employees on permanent contracts, leaving only 10.6% of employees working on a fixed-term contract. This represents a significant shift, since in 2020, more than 34% of employees worked on a fixed-term contract.

## Parental leave support

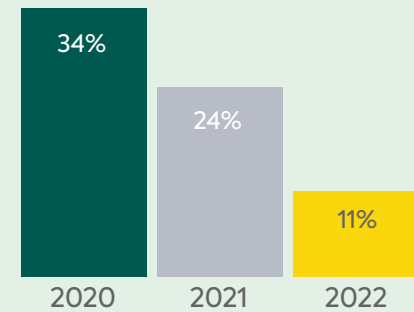
In 2022, 9.2% of female employees took parental leave (499 employees), and we offered them part-time contracts to accommodate their needs. As a result, 40% of them continued working at least 8 hours per week for the company. While no men took parental leave in 2022, we are dedicated to providing adequate support as well.



Number of employees on part-time contracts



Decrease in fixed-term contracts



# CAREER GROWTH

We offer diverse opportunities for career development, including training sessions and international sabbaticals. Regular career development reviews provide a platform for constructive dialogue, identifying areas for improvement both for the employees and the company.

## Internal growth opportunities

We encourage our employees to rise further within the hierarchy of BILLA, which is why we are actively trying to fill vacancies from our internal pool of candidates and fostering a culture of internal promotion.

## Opportunities for managers

For future managers, we offer our International Management Trainee Program, and another resource of support for improving management skills is the Aspirant position, in which employees prepare to become store managers or regional managers.



**BOOST YOUR CAREER!**  
JOIN OUR INTERNATIONAL MANAGEMENT TRAINEE PROGRAM



We believe in productive employment without the need to compromise on decent working conditions. We enable our employees to develop to their fullest potential.

**2 238**

employees completed training in our training centres in 2022

we offer special training sessions in our training centers since

**2015**



# CAREER ACCELERATION THROUGH TRAINING

In our SucCEED catalogue, employees can choose from a variety of training sessions that are held at our main Training Centres in Prague and Brno. These centres were established in 2015, and in 2022, 2 238 employees completed training there. To enhance accessibility, we've introduced smaller training centres called Training Centres Mini, with the first one in Olomouc. Our goal is to have 6 such centres in total. The main focus of store employees' training in 2022 was BILLA's positioning and handling of fresh goods.

Employees at the headquarters also have access to a training catalogue, covering mandatory trainings for risk mitigation and nurturing our corporate culture. You may read more about this topic in the Governance chapter. We extend training opportunities to our headquarters staff, offering insights into the store structure. This means that when customers are shopping at our stores, a regional manager or other headquarters employees might be the one who will assist them with their purchase.





## OUR TARGETS: EMPLOYEES



By 2025:

15% contracts to be part-time in order to accommodate various needs

By 2026:

50% of management positions to be recruited internally by 2026





# SOCIAL COMMITMENT

Social engagement is a crucial aspect of our sustainability strategy, involving partnerships with NGOs and municipalities. Our commitment to the society and the environment are interconnected. We focus on both social and environmental aspects, supporting biodiversity in the Czech nature and aiding those in need. Aligned with our sustainability mission, diverse projects like planting fruit trees and collaborating with children's homes reflect our long-term commitment to sustainability. For more details, visit [www.planbilla.cz](http://www.planbilla.cz).



# BIODIVERSITY PROTECTION

We understand the vital role biodiversity plays in ensuring a sustainable future for the planet. Our commitment to biodiversity involves collaborating with local farmers, which is a fundamental element of our business strategy. To support biodiversity and local communities, we actively engage in creating and restoring orchards nationwide.

Since 2017, we've invested in restoring neglected orchards and avenues in various locations. The journey began in Srnčí near Říčany and expanded to various locations, including Borky, Holešov, Zábřeh, Most, and Příbram. We also returned to Říčany two more times to further enhance the existing orchard.

## A tribute to the views around lake Most

The once-neglected Wilson's orchard near Most has been revitalized into a scenic destination. Our mission in Most was to convert this area into a vibrant tourist spot. The official ceremony was attended by the Mayor of Ústecký region, Jan Paparega, and the accompanying programme was provided by renowned chef Roman Staša.



## Life returns to Svatohorské sady

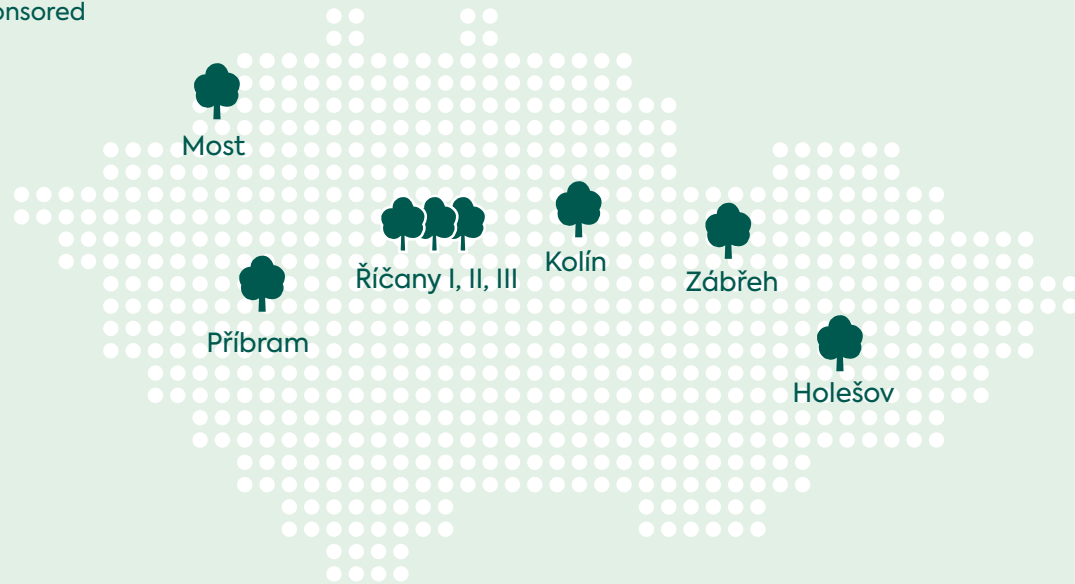
In 2022, we partnered with the local association Svatohorské sady z.s. to restore 2.3 hectares of the historic Svatohorské sady in Příbram. This neglected area from the 19<sup>th</sup> century is now transformed into a vibrant space for leisure and cultural events.



Supporting biodiversity as well as endangered species in the Czech landscape helps preserve important ecosystems



The locations of BILLA sponsored orchards



**We have been restoring orchards since 2017**

**3 new orchards** in 2022 thanks to contributions with a total value of 4 mil. CZK

**820 trees** have been planted since the start of the nationwide orchards' restoration programme

**Nearly 12 mil. CZK** was invested in activities that benefited society and nature since 2017



**EMPOWERING BIODIVERSITY**

Our orchard projects have planted over 820 trees and featured more than 50 diverse species. Orchards combine aesthetic value with the cultivation of useful crops, promote biodiversity, and enhance the landscape's water retention. In each project, we invested around 1.5 million CZK, which

includes furniture, pathways, educational boards, and, in projects like Svatohorské sady in Přebram, an outdoor gallery. We also commit to sustaining these orchards by providing financial support for local maintenance for three years after the plantation.



## PROTECTION OF AMPHIBIANS AND RESTORATION OF WETLANDS

An important pillar of our effort to ensure the growth of Czech biodiversity in nature is our cooperation with the Czech Union of Nature Conservationists (ČSOP). We actively support its activities in the protection of endangered amphibians and the restoration of vital wetland habitats. Our commitment stems from recognizing the critical role wetlands play in fostering diverse ecosystems and providing a habitat for endangered amphibians. This commitment is now even more important since wetland habitats have been relentlessly destroyed in our agricultural landscape in recent years.

In 2020, we began our collaboration with ČSOP during World Wildlife Day, marking March as Wildlife Month. Since then, each spring, we have taken action to protect wildlife, mainly amphibians.

### The Czech Union of Nature Conservationists

ČSOP was established in 1979. They are dedicated to safeguarding and restoring natural heritage, fostering environmental education, and advocating for sustainable living. ČSOP is a member of the World Conservation Union and a founding member of the Czech National Committee of the United Nations Environment Programme.

Total expenditures incurred in cooperation with ČSOP	2020	250 000 CZK
	2021	300 000 CZK
	2022	575 000 CZK



**Regenerating habitats - restoring old wetlands and founding new ones**

In collaboration with ČSOP, our 2022 project aims to revive 11 water bodies, supporting valuable wetlands-related fauna and flora. With a financial contribution exceeding 500 000 CZK, we supported ČSOP in cleaning ponds in the Toužim region, a habitat for highly endangered frog species. With our support, ČSOP has revived existing ponds and established new water bodies.



**11**  
water bodies  
revitalised in 2022

**10**  
endangered species  
observed in restored ponds



Notable projects include the creation of ponds near Stráž in the Plzeň region and the construction of a shallow pond near Kutná Hora. In the Šluknov region, former ponds were restored, and 2 000 m<sup>2</sup> of new wetland areas were developed. In total, we've contributed to the restoration and creation of 0.5 hectares of biodiversity-rich wetlands.



**List of endangered species of fauna and flora present in restored wetlands:**

- Pelobates fuscus
- Rana arvalis
- Bufo bufo
- Triturus cristatus
- Ichthyosaura alpestris
- Lissotriton vulgaris
- Leucorhina pectoralis
- Coenagrion hastulatum
- Ceratophyllum submersum
- Potamogeton obtusifolius



## SECURING RISKY CROSSINGS FOR AMPHIBIANS

We contribute to safeguarding high-risk road sections prone to amphibian-vehicle collisions. Our strategy involves deploying barriers in critical zones to temporarily prevent amphibians from accessing these areas. With the assistance of ČSOP volunteers, amphibians are safely transported in specialized containers to more secure habitats. In 2022, our support facilitated the construction of almost 9 kilometres of barriers, safeguarding amphibians across 0.9 hectares of land.

**9 km**

of security barriers built by roads in 2022





**200**

tons of unsold food was donated by BILLA to food banks and animal rescue stations in 2022

## FOOD WASTE PREVENTION

We leverage modern technologies to minimize food waste, estimating our customers' needs accurately. To prevent waste, we employ discount labels in the first phase, and subsequently, we send the food as a donation to food banks and animal rescue stations. In 2022, we donated 200 tons of food. However, we aim for continual improvement in our donation processes and strengthen partnerships to further reduce food waste.

### Collaboration with rescue stations

Partnering with wildlife rescue stations since 2021, we support various projects, including donating unsold food unfit for human consumption to serve as animal fodder. In 2022, 13 of our stores actively contributed unsold food to this initiative.



We help combat hunger within vulnerable economic groups by offering special discounts and actively participating in food donations over the course of whole year.





**108**

tons donated to food banks through the Food Collection campaign in 2022

Weight of the food donated in the Food Collection campaign in tons

Spring 2022	50 t
Autumn 2022	58 t

## FOOD COLLECTION IN 2022

Twice a year, we participate in the nationwide Food Collection campaign organized by the Czech Federation of Food Banks. Customers purchase items in our stores, which are then handed over to food banks for redistribution to charities and citizens in need.

We achieved the most impressive results in the autumn of 2022, when our customers contributed with 58 tons of food and drugstore products.



## SUPPORTING PEOPLE IN NEED

In the face of unprecedented challenges, such as the COVID-19 pandemic and the war in Ukraine, we have endeavoured to alleviate uncertainty and support those facing difficult situations, mostly related to health.

In response to the war in Ukraine, we collaborated with PENNY ČR (also a member of the REWE Group), delivering 30 tons of products valued at 500 000 CZK to Kyiv. Additionally, in partnership with the Czech Red Cross, we donated drugstore items and child nutrition worth 150 000 CZK to refugees.

In addition, BILLA supplied fresh fruit to the Assistance Centre in Prague, and we initiated a financial collection, enabling our employees to send donations directly to refugees.

During the pandemic from 2020 to 2021, we donated nearly 30 tons of essential vitamins and minerals, in the form of fresh fruit and mineral water, to healthcare workers in COVID-19 departments. Additionally, we aided firefighters battling the largest forest fire in Czech history in Bohemian Switzerland National Park by supplying them with refreshments for 20 days.



**JSME TU PRO VÁS**  
**SPOLEČNĚ A JEDEN PRO DRUHÉHO**



We support social inclusion in order to help create a society where even people in difficult life situations can enjoy equal opportunities.

# CELEBRATING OUR EMPLOYEES' SOCIAL ENGAGEMENT

We encourage our employees to make a positive impact on society through donations or volunteer work. The internal BILLA Cup competition, whose main focus is improving the quality of customer service, also includes a bonus category for social responsibility. Employees carry out projects of their choice, and then the headquarters jury selects the most impactful ones, awarding them bonus points.

In 2022, the winning project, „Ray of Joy,“ from our Brno-Líšeň store, combined ecological and social aspects. It supported disabled children from a local school, engaging over two dozen employees and their families in weekend volunteering events to clean the area and organize an all-day program for 20 children and their supervisors.

**104**

stores participated in  
the bonus CSR category  
of BILLA Cup competition





# BEING THERE FOR CHILDREN

Our commitment to social responsibility includes a long-term focus on supporting disadvantaged children. Together with our employees, we provide financial support and help them participate in leisure activities. For us, promoting physical activity for children is a topic that goes beyond social disadvantage; it concerns all children.

## Everyone deserves a chance

Our main partner in helping children in need is the non-profit organization Give Children a Chance, from whom BILLA has received the title of Responsible Company in 2021 as a thank you. Together, we supported over 250 children from various orphanages. For this purpose, we have donated 1 million CZK in 2022—the largest amount donated in our collaboration so far—which will help disadvantaged children finance their studies.

In 2022, we participated in the Dobroden project, donating 1 CZK for every social media follower to charity, which in our case meant contributing around 25 000 CZK to orphanages. Beyond financial support, it helped raise awareness about the challenges faced by orphaned children.

## Six assistance dogs

Another ongoing long-term project is our collaboration with the MARS company, where we financed the training of six assistance dogs for children with various disabilities. The last dog we sponsored was for 14-year-old Michael, who has type 1 diabetes, in November 2022. The training duration ranges between 17 and 24 months and costs 330 000 CZK. Our customers also played a role in contributing by purchasing animal feed from MARS in our stores.



5

years of partnership with Give Children a Chance

250

children in orphanages whom we continuously support



By supporting children in need we want to help achieve the goal of no discrimination and the right to education for everyone.



# GOVERNANCE

Excellence in governance is a cornerstone that holds the course of all our activities in the right direction. Supported by REWE Group, BILLA implemented all tools, processes, and best practices to minimise risks and maximise our potential and positive impact across all our stakeholder groups on our market.



# BUSINESS ETHICS

## Core values of our code of conduct



What makes a successful business successful in the long run is fair practices. Trust is the foundation of our business. Values such as transparency and responsibility play an irreplaceable role at BILLA. To ensure the legal and ethical aspects of our business, we adhere to the REWE Group Code of Conduct. This demonstrates that we are serious about upholding the correct behaviour of our company and its people.

### Self-regulation builds our internal culture

All employees of REWE Group are required to comply with the REWE Group Code of Conduct, the latest version of which was published in 2021. Compliance with the rules of such a code is ensured by the central division of Governance and Compliance of REWE Group. This entire department implements the so-called compliance management system, which includes preventive measures such as risk assessment, training, and consulting.

Compliance is not only the concern of our parent company; the role of a Compliance Officer for BILLA Czech Republic was held by our CFO, Ilse Holzer, in 2022. 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 analyse possible risks and propose preventive measures.

### Routines and guidelines help us stay organised and compliant

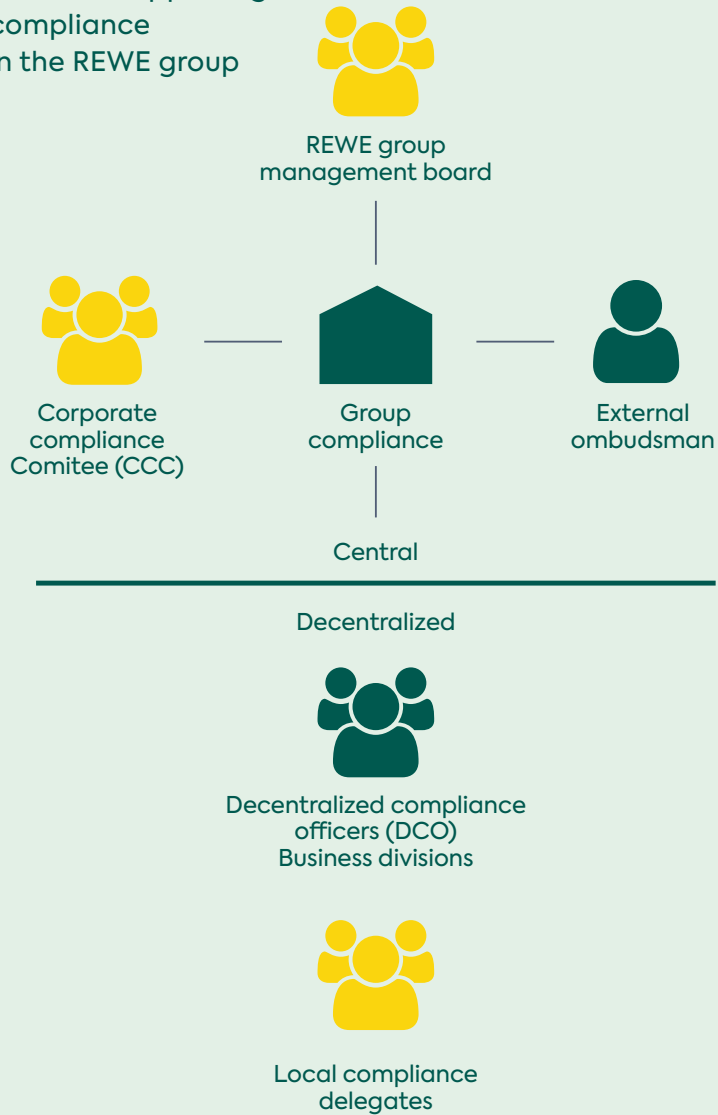
We codify our approaches into routines. These help us to follow the best practices and avoid pitfalls, as well as to reflect all the relevant legislation.

BILLA adheres to a list of group routines. We also create a list of local routines that govern the conduct of various departments in the central organisation of BILLA. Finally, there are also routines that are mandatory for store staff.

### Some of the most important group guidelines relating to governance are:

- Group Policy on the Protection of Personal Data
- Group Policy on Information Security
- Group Policy for the Internal Control System (ICS)
- Compliance with Competition Law Requirements

Organizational structure supporting compliance in the REWE group



## BUSINESS CONDUCT

We keep our employees informed about business conduct via our intranet and the internal quarterly magazine “Společně”. Furthermore, training sessions on business conduct are assigned to employees and periodically updated. All new employees have to pass training courses in each of the main areas to familiarise themselves with our internal culture. In addition, colleagues from the Purchasing Department regularly participate in round tables on competition law, which also involve employees from HR, Controlling, and others.

Apart from the mandatory training sessions on business conduct, BILLA also offers a range of topical training sessions, e-learning, and courses to expand our employees’ competences and expertise in their respective specialisations and business requirements. The offer consists of internally managed courses as well as external courses provided by platforms such as INSTRUCTOR and Seduo.cz.

**In 2022, our employees completed training in the following areas:**

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



# OUR FOCUS ON TRANSPARENCY AND COMPLIANCE

We are in the midst of our digital transformation and are making every effort to ensure that our future form is transparent and safe—for our employees as well as third parties. There is no space for unfair practices such as corruption in our company.

## No space for corruption

Our supplier contracts contain clauses that restrict the ability of companies that are subject to international sanctions to do business with us. The contracts also refer to the REWE Supplier Code of Conduct and contain an anti-corruption clause. In 2022, all of our suppliers consented to apply it in their business endeavours. We are pleased to state that last year we had to address only one suspected case of corruption, which eventually proved to be groundless.

## Every supplier entering a contract with BILLA pledges to:

- |                                                               |                                                                  |                                                                    |
|---------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------|
| <p>1. Respect applicable legal acts of the European Union</p> | <p>2. State that they are not included in any sanctions list</p> | <p>3. Reflect the REWE group code of conduct in their business</p> |
|---------------------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------|

## Self-regulation is our key to preventing corruption, which is why we:

- Do not use finances, invitations, or gifts as way to influence business decisions.
- Do not ask for benefits from our business partners or other external third parties.
- Ensure the transparency of all our sponsorship and donating activities.

## We value our employees' observations

We place emphasis on fostering a culture where our employees are actively encouraged to bring to light any instances of misconduct or unethical behaviour. 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

In today's world, data is becoming a sensitive property for all of us. We observe the legal requirements for data processing in the Czech Republic. We follow the principle of data economy, meaning that 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 2022, we did not receive any substantiated complaints concerning breaches of customer privacy.

### REWE Group Hintbox

Hintbox is a tool that enables anyone to point out to a human rights breach or a practice detrimental to the environment. Digitally, anonymously and simply. [www.billa.cz/kontakty](http://www.billa.cz/kontakty)

Both our customers and our employees can report any breaches of GDPR to a DP officer. We investigate every reported instance promptly.

Dr. Karsten Kinast Hohenzollernring  
54 D-50672 Köln  
Tel.: +49 (0)221 – 222 183 – 0  
email: [gdpr@billa.cz](mailto:gdpr@billa.cz)

# GRI CONTENT INDEX

## Statement of use

BILLA, spol. s.r.o has reported the information cited in this GRI content index for the period [01.01.2022 – 31.12.2022] with reference to the GRI Standards. GRI 1 used GRI 1: Foundation 2021

GRI standard	Disclosure	Chapter/section	Page
GRI 2: General Disclosures 2021	2-1 Organisational details	BILLA overview REWE Group overview About this report	6, 7, 78
	2-2 Entities included in the organisation’s sustainability reporting	About this report	78
	2-3 Reporting period, frequency and contact point	Sustainability report structure	3
	2-4 Restatements of information	About this report	
	2-5 External assurance		78
	2-6 Activities, value chain and other business relationships	REWE Group overview BILLA overview Our operations Our assortment	6, 7, 9, 10
	2-7 Employees	Key figures BILLA overview Overview of our activities Diversity and equal Opportunity Fair working conditions Accommodating life’s changes	5, 7, 49, 51, 53, 56
	2-9 Governance structure and composition	Sustainability in our structure Highest governance body	17, 18
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability in our structure	
	2-13 Delegation of responsibility for managing impacts		17
	2-22 Statement on sustainable development strategy	Introduction	4



GRI standard	Disclosure	Chapter/section	Page
GRI 2: General Disclosures 2021	2-23 Policy commitments	Global commitment	19
	2-24 Embedding policy commitments	Highest governance body Business ethics Business conduct Our focus on transparency and compliance	18, 72-74
	2-26 Mechanisms for seeking advice and raising concerns	Our focus on transparency and compliance	74
	2-28 Membership associations	How we approach sustainability	14
	2-29 Approach to stakeholder engagement	Engaging stakeholders	16
GRI 3: material Topics 2021	3-2 List of material topics	Sustainability strategy pillars	15
GRI 201: economic performance 2016	201-1 Direct economic value generated and distributed	Key figures REWE Group overview BILLA overview	5-7
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Our focus on transparency and compliance	74
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Reduction of energy consumption	35, 36
	302-3 Energy intensity	Reduction of energy consumption Seeking solutions	35, 39
	302-4 Reduction of energy consumption	Reduction of energy consumption	35, 36
GRI 303: water and effluents 2018	303-1 Interactions with water as a shared resource	Water management	46
GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	Biodiversity protection Empowering biodiversity Protection of amphibians and restoration of wetlands Securing risky crossings for amphibians	61-65
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Protection of amphibians and restoration of wetlands	64

GRI standard	Disclosure	Chapter/section	Page
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Understanding our impact on the climate	33
	305-2 Energy indirect (Scope 2) GHG emissions		
	305-3 Other indirect (Scope 3) GHG emissions		
	305-5 Reduction of GHG emissions		
GRI 306: Waste 2020	306-3 Waste generated	Managing waste & going circular Waste in stores Waste in logistics	41, 44, 45
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Fair working conditions Benefits	53, 54
	401-3 Parental leave	Accommodating of life's change	56
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	Safe workspace	50
	403-5 Worker training on occupational health and safety	Safe workspace	50
	403-6 Promotion of worker health	Benefits	54
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safe workspace	50
	403-9 Work-related injuries	Safe workspace	50
GRI 404: Training and Education 2016	404-2 Programmes for upgrading employee skills and transition assistance programs	Career growth	57
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity and equal opportunities	51, 52
	405-2 Ratio of basic salary and remuneration of women to men		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Our focus on transparency and compliance	74



# ABOUT THIS REPORT

Published in December 2023 by BILLA, spol. s r.o.

Headquarters:  
Modletice 67, 251 01, Říčany u Prahy

This report pertains to the company BILLA, spol. s r.o. only  
(referred to as BILLA Czech republic or BILLA throughout the report).  
The affiliated company Billa Reality, spol. s r.o. is not subject to this disclosure.

E-mail: [info@billa.cz](mailto:info@billa.cz)

www: [planbilla.cz](http://planbilla.cz), [billa.cz](http://billa.cz)