



SUSTAINABILITY REPORT 2022



Pízeňský Prazdroj



We all have memories we recall when we think about our work, our youth or things important to us. These might be our successes, happy moments with our families, or just the pleasant smell of freshly washed laundry hanging on the line behind our house. To preserve memories, we must also sustain the environment where these things take place. So that the world does not lose its beauty.

We approached 12 people from Plzeňský Prazdroj breweries who live for their work and who invest a big part of their personality into it. We asked them why they do so. We juxtaposed their confessions with portraits that reveal just as much about them as their words. There are many colleagues with this approach at Plzeňský Prazdroj. Together we work to ensure sustainability is not an empty fashionable expression, but a living reality. To preserve the good things from the past and build a good future with their help.

Towards a common goal

It has been 180 years since the moment the first golden lager in the world was made. Then, more than 200 Pilsen burghers joined forces and together tried something which, at that time, was unseen - to brew a lager from local ingredients: Pilsen water, Czech malt and Saaz hops. Everyone already knows the ending of that story. Pilsen lager became the basis for a brand new beer category which currently has the biggest share of the global market.

Just like back then, we are today aware of the great power that lies in cooperation and partnership. Just as our beers help to create a bond between people, we see interconnecting as the best way to find solutions to problems we all face together.

Cooperation and partnerships are the cornerstone that we build upon in numerous areas. Often in ways nobody had tried before, as maintaining our tradition in the future despite changing conditions requires trying novel approaches.

We think about our business as something reaching far beyond the gates of our breweries. We also look at the overall impact of our business activities, from a barley grain to a freshly poured glass of beer. Last year, we managed to successfully walk several unbeaten paths.

We achieved an unbelievably low level of water consumption of 2.29 litres of water per litre of beer in our Radegast brewery in Nošovice. And, for the first time, we got under three litres of water per litre of beer across all our breweries. In addition, we reduced the carbon footprint of our brewery in Pilsen by three quarters after transitioning to getting heat from renewable resources. We are taking some small and big steps on our way to carbon neutrality at all our breweries.

In cooperation with hop growers and several technology partners, we are testing opportunities to use modern technology on hop farms. Already during the first year of the project, they helped us understand how the season was going, what

was happening inside the plants and what caused one of the worst harvests in history. I believe that technology will help farmers in the future, especially in terms of more efficient water management and better ability to adapt to the impact of climate change. So that there will be enough Saaz hops for the future decades.

We also intensively focus on regenerative agriculture and look for ways how a change in management could help return life to soil and thus stabilize the conditions for hop growing. In Slovakia, we focused on malting barley, where we test the potential of agroforestry to improve conditions for its growth.

At the end of the year, we achieved full packaging circularity in Slovakia. Thanks to the deposit scheme, the preparation of which we had actively participated in, seven out of ten cans used were collected and recycled into new cans in 2022. We have even gone further and closed the circle by buying collected cans and having them recycled into our own cans for

the Slovak market.

We also thoroughly monitor the end of the journey of our beer. Inflation and a significant increase in input costs, especially energy, have impacted the whole the gastronomy sector. Last year, we invested CZK 450 million in pubs in the Czech Republic, and EUR 4 million in Slovakia. We have intensified, for example, our development programmes which help pub owners improve their business.

We added a new area of focus - saving energy and water right in tap rooms. Monitoring the journey of beer from kegs to beer glasses in detail with the help of almost 2,000 sensors in 60 pubs across the Czech Republic and Slovakia will provide us with valuable data based on which we can develop tapping devices which will use less water and energy. In this way we will help pub owners to save up to a third of the energy necessary for the tapping device and, we will, at the same time, reduce the carbon footprint of draught beer.

Beyond our long-term strategy, we applied our approach also when the world was struck with a tragic event, the outbreak of the war in Ukraine. This touches all of us as human beings, and so we immediately engaged in humanitarian aid to the inhabitants of Ukraine. Together with our employees, we contributed to a collection initiated by the People in Need organisation, organised material collections at our breweries, and offered both accommodation and employment to Ukrainian families. In response to the conflict, we stopped exporting our products to Russia and Belarus.

All this thanks to our people who put a lot of effort into what they do and who work with passion and keep pushing Prazdroj forwards. I am proud of everyone who contributes to our success. I am fully aware that our employees are key to us and so am extremely pleased that we are one of the few companies in the world to have obtained a certificate for equal remuneration for men and women. This is yet more confirmation of our efforts to ensure

that all our employees can make full use of their potential and be fairly remunerated.







We have also been successful at widening our portfolio to give our consumers the choice to enjoy our products with or without alcohol. Last year, every eighth beer sold in the Czech Republic, and every seventh beer sold in Slovakia, was non-alcoholic.

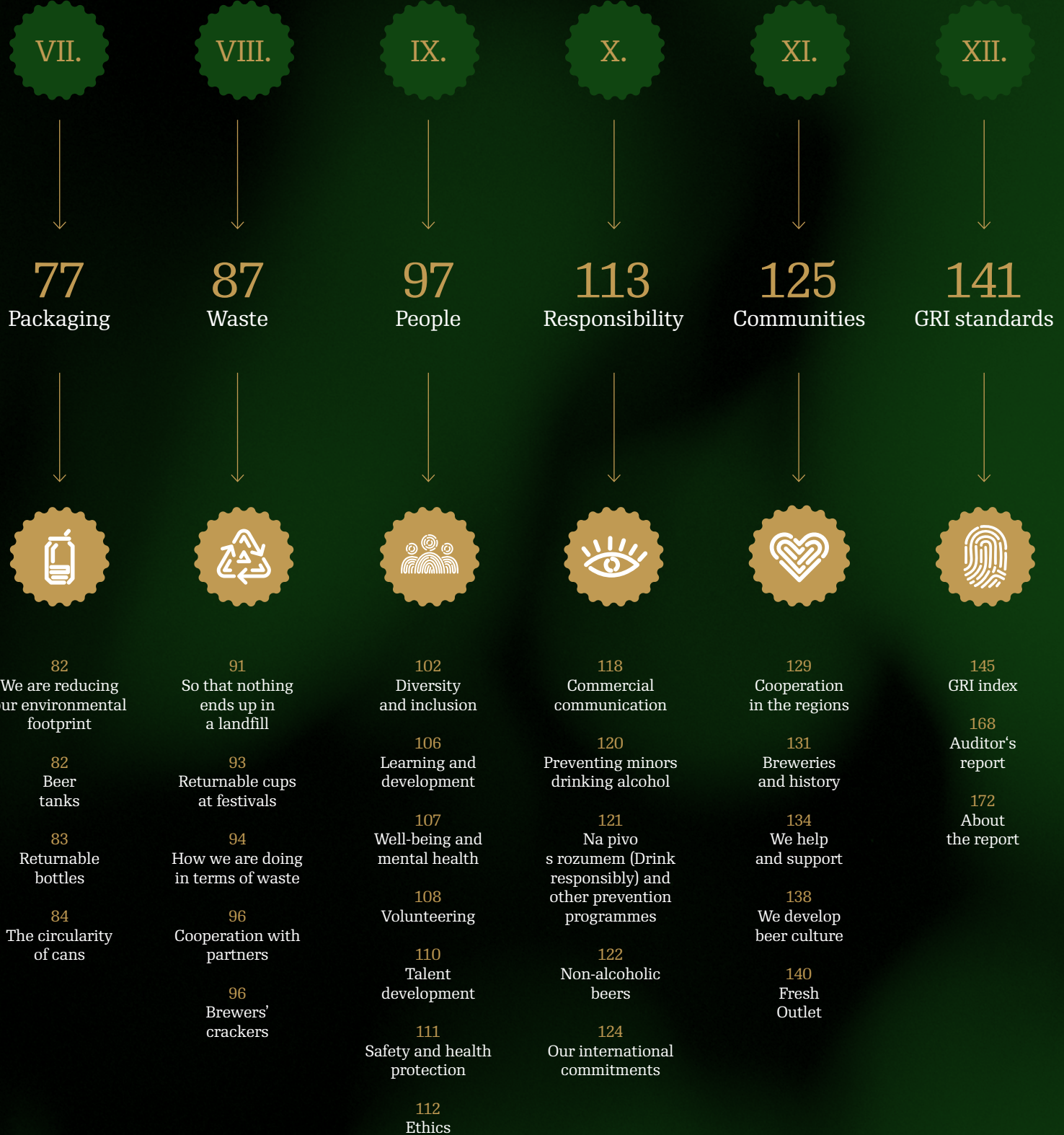
We would not have achieved any of this without our local partners. Each of them is important, no matter how small or big they are. The great thing is that we are all working towards a common goal.

Cheers today and for the future!

DRAGOS CONSTANTINESCU
Managing Director



I.	II.	III.	IV.	V.	VI.
9	23	35	45	55	65
About the company	Strategy	Carbon neutrality	From grain to glass	Water	Raw materials
					
14 What was 2022 like?	28 Strategic goals	39 Renewable energy resources	50 Emissions from grain to glass	60 Water resources	70 One of the biggest barley customers
15 One of the biggest tax payers	30 2022 in a nutshell	40 Investment and modernization	52 Absolute emissions	61 Reducing consumption	71 For barley
16 Our awards	32 Sustainability strategy management	43 Energy consumption and emissions	52 Explanatory notes	63 Behind the brewery gates	72 New barley varieties
18 Quality and risk management	33 Fulfilling the strategy	44 Transport and logistics	53 Categories of emissions	64 Smart taproom	74 For hops
20 Dialogue with stakeholders	34 Our mission				76 Flowers for hops





To the future!
2030

Creating meaningful connections

CHAPTER ONE



About the company

We are the largest brewing company in the Czech Republic and Slovakia. We export our products to more than 50 countries around the world and are one of the most respected beer producers, both in Europe and worldwide.



Two years ago when I took over the management of Plzeňský Prazdroj, I understood I was joining something much bigger than just a company which brews great beer. Of course, I fell in love with Mlíko, Šnyt, and Hladinka pours. Yet Prazdroj is more than beer. It is a cultural phenomenon thanks to its history and thanks to the people who built it over the centuries.

Here, beer is not just a beverage. It is a social bonding agent. Nowhere else is a pub so much a place where history was made and which remains the heart of the community. The strong connection between Prazdroj and communities goes hand in hand with a strong sense of responsibility. This does not end at the gates of our breweries. It reaches much further. From barley and hop growers to our employees, through pub owners whose mission it is to pour the highest quality beer, to our consumers. Therefore, we work together on numerous projects with a single aim. To preserve this cultural and natural heritage for generations to come. I am grateful that we, as a company and its people, have the trust of our partners and that, together, we look for solutions for a sustainable future. Because we sometimes walk paths which nobody has ever walked before.

As a saying from Romania, my home country, goes: You can never cross the ocean if you do not have enough courage to lose sight of the coast. I am personally proud that we have the courage to seek innovative solutions.

DRAGOS CONSTANTINESCU

Managing Director, with Prazdroj since 2021.





14
What was 2022 like?

15
One of the biggest tax payers

16
Our awards

18
Quality and risk management

20
Dialogue with stakeholders

Plzeňský Prazdroj and Plzeňský Prazdroj Slovensko (formerly Pivovary Topvar) have been managerially connected since June 1, 2014. By combining the best of both companies we created a modern and efficient brewing company which is one of the leaders of its industry in Central Europe. Since 2017, we have been part of the [Asahi Group](#). Our beer is brewed in Pilsen, and also in Nošovice, Velké Popovice and Velký Šariš in Slovakia. The most recent brewery that joined our family in 2020 is the Proud experimental brewery in Pilsen.

Malt houses are also part of our breweries. They guarantee that only the best quality ingredients are used for our products and that Plzeňský Prazdroj beers are the best example of the Czech brewing industry heritage. We are proud that four of our brands can use the **Protected Geographical Indication České pivo**. Pilsner Urquell is one of a handful of brands which can be proud of repeatedly acquiring the **“Most Trustworthy Brand”** award in both the Czech Republic and Slovakia.

Our company does not solely focus on success in business. Following the principles of sustainability, environmental protection, and efforts to positively contribute to the whole of society are of equal importance to us.

BREWERIES AND MALT HOUSES OF PLZEŇSKÝ PRAZDROJ



180

A tradition of 180 years

The year 2022 was 180 years since the brewmaster Josef Groll brewed the first batch of a then new and non-traditional beer. Its unique characteristics made breweries around Europe soon begin copying this lager. Its name bears reference to the town where it originated and where it has been brewed ever since – “Pilsner”.

2022 results

After two years of a pandemic which caused a drop in sales, Plzeňský Prazdroj saw an upturn.



In the Czech Republic, the volume of beer sold was 7.3 million hectolitres, which is almost 12% more than in 2021. All our main brands did well. Thanks to targeted and long-term support for the gastronomical sector, the brewery also managed to kick-start sales in the pubs and restaurants which purchase our beer.

Last year, the sales of all our lagers - Gambrinus, Kozel, Pilsner Urquell and Radegast, went up in both channels, specifically in pubs and retail. The sales of Frisco ciders increased by 20% year on year. Non-alcoholic Birell saw the biggest increase - by 21%.

↑
Plzeňský
Prazdroj
brewery



Plzeňský Prazdroj is a major tax contributor

CZ

Plzeňský Prazdroj paid CZK 5.3 billion in taxes in the Czech Republic, CZK 2.2 billion of which was excise tax.

SK

Plzeňský Prazdroj paid EUR 50.7 million in taxes, of which EUR 22.5 million was excise tax.

Taxation



Excise tax



Income tax



Value added tax



Real estate ownership tax



Energy tax



Other taxation (road tax, withholding tax)



Asahi tax code

The purpose of the Asahi tax code is to ensure legitimate administration of tax-related issues with regard to tax governance and transparency and to balance out the interests of various stakeholders.

ASAHI GROUP'S TAX CODE OF CONDUCT



ANNUAL REPORT OF THE PLZEŇSKÝ PRAZDROJ, A.S. COMPANY.



ANNUAL REPORT OF THE PLZEŇSKÝ PRAZDROJ SLOVENSKO, A.S. COMPANY.

Almost 1.7 hectolitres of beer were sold in Slovakia in 2022, which means a 1.8% increase year on year. Sales in the draught beer category have risen after two years of falls, while sales of non-alcoholic beverages have been growing now for two years.

Slovaks have yet again confirmed the popularity of premium brands from the Plzeňský Prazdroj portfolio. The trend of an increased interest in lagers was confirmed by a 10% increase their sales. Radegast was the brand which saw the biggest leap, increasing its sales volume by 65%. Pilsner Urquell also did really well. It was, for the second time,

awarded The 2022 Most Trustworthy Brand. The Šariš brand saw a 10% increase and has been enjoying growing popularity also outside its domestic region. A significant, 19% increase in the sales of Birell proves that non-alcoholic variants are becoming an equally appreciated part of the beer market.

Awards

Our brands achieve success at domestic and international beer competitions. We are also grateful for the recognition of our efforts to be a transparent, responsible and generally beneficial company.



We have been awarded two significant prizes in the **TOP Odpovědná firma** (TOP Responsible Company) rankings. For our Sustainability Report, we were first in the responsible reporting category and we were also awarded the main prize as Trendsetter among large companies.

At the 58th edition of the International Hop Growers' Association Congress, our Brewmaster Emeritus **Václav Berka** was awarded the **Class I Order of the Hop Growers' Association of the Czech Republic**. The Association recognised his life-long support for hops from Žatec (Saaz), especially the semi-early red-bine Saaz variety.

We finished third in a yearly students' poll for the **Most Attractive Employer** organized by the Club of Employers.

More than 3,000 respondents from secondary schools and universities took part in the poll.

Sodexo Employer of the Year is an award based on ranking using international PwC Saratoga methodology. It recognizes companies with a great approach to their employees. Plzeňský Prazdroj won the first prize in the Pilsen region and finished 8th nationwide in the category of consumer goods industry companies with 500 to 5,000 employees.

Our communication projects were recognised as well. The #jsemzπάtky campaign related to the reopening of pubs after the COVID lockdown was awarded the **2022 PR Golden Lemur**. Our Sustainability Report won the first prize and our communication about the FOR HOPS project finished third.

Our "Gambrinus Cup Vrátil Pivaře do Hospod" (Gambrinus Cup Pulled Beer Lovers Back to Pubs) campaign won the first and second at the **Effie Awards** for the most effective communication projects. It won the first prize in the categories activation marketing and beverages. Birell also stood out among beverages. Its campaign "I'll have Birell! Gladly!" finished second.

In the **Zlatý Středník** (Golden Semicolon) competition, our internal newsletter Šnyt won the first prize. In the FMCG, beauty and fashion category, our project Olympic Flashmob Pilsner Urquell won another gold. The FOR HOPS project which helps hop growers to deal with weather fluctuations was recognised in two categories; it finished second in both the creative idea and telecommunications and IT categories.

Company ethics

Gambrinus
brewery

We support the principles of responsible marketing of alcoholic products and we thereby follow our own principles of self-regulation based on our Code of Commercial Communication.

We believe that the deciding factor for the success of our company is its reputation. To maintain our good name, we introduced the Business Ethics Policy, which is binding not only for all our employees, but also for external colleagues, contractors, suppliers, and consultants.



Šariš brewery

Responsibility and suppliers

We pay a lot of attention when selecting responsible suppliers. To evaluate them we use accreditation based on risk assessment (Supplier Risk Assessment), part of which are ESG criteria. The accreditation is valid for a two-year period. During these two years, our suppliers are committed to complying with the **Asahi Suppliers Business Ethics** and the **Asahi Suppliers Anti Bribery Policy**.

All documents are publicly available on the company website.



PRAZDROJ.CZ



PRAZDROJ.SK



Focus on quality – risk management and risk assessment

The general intentions of the company are defined by the ***Integrated Company Policy (IMS Policy)***. This is directly connected to an integrated system of policies including the following: Quality Management System – ***ISO 9001***, Environment Protection Management System – ***ISO 14001***, Food Safety Management System – ***ISO 22000, GMP+***, Occupational Health and Safety – ***ISO 45001***, and Energy Management System – ***ISO 50001***.

The area of environmental and safety systems management complies with ISO standards and is part of system management by Plzeňský Prazdroj's Head Brewmaster.

The integrated company management system is verified by an independent international authority according to the requirements of international ISO standards. The company management system meets the strictest European Union norms for food safety (FSMS - HACCP) and for the prevention of pollution (IPPC).

We identify ***environmental and safety system requirements*** separately for each stakeholder. Procedures for the identification of product environmental aspects and also the aspects of processes and activities, are recorded in the ***Register of Risks and Opportunities***. This register provides an overview of what risks need to be solved with the

highest priority. An independent, ***simplified IMS policy*** was developed for the Proud brewery, based on its special nature.

The IMS policy is introduced to all employees who share it in an appropriate way with their partners, suppliers, customers and other stakeholders.

External context helps us to understand the expectations and requirements of stakeholders. Internal context is focused on achieving a long-term ability to provide products and services which meet customers' expectations and relevant legal requirements including other adopted requirements. It also ensures the effectiveness of activities and processes.

The company regularly processes its ***Investment Plan***. Most investments are focused on equipment modernisation, the improvement of product quality, occupational safety and a sensitive approach to the environment.

Before being launched on the market, each of our new products must pass a rigorous ***due diligence evaluation***, which also takes sustainability into consideration. Not only domestic and European legal aspects are evaluated, but also energy and water consumption, the amount of waste produced and

the impact of the product on the environment.

The projects we implement together with ***automation and digitalization*** help us to increase efficiency, control quality, simplify and ensure processes in our plants, and engage both employees and customers. Digitalization helps us outside our breweries as well. Through the FOR HOPS project, with modern technology, sensors and smart meteorological stations, we manage to help hop farmers achieve better water management and the use of fertilizers and to cope with climate change. Digitalization is also finding its way into pubs. The Querko application enables contactless payment and placing orders. Our on-line training sessions help pub owners with the promotion of their services and to attract new guests.



NEW OFFICES FOR THE SLOVAK HEADQUARTERS IN BRATISLAVA

Our Bratislava management team moved to new office spaces in Lakeside Park 2 in autumn 2022. Our new offices now comply with the energy standard A1 and we have applied for the LEED Gold certification for green buildings. This certificate proves that the building meets strict requirements in sustainability, efficient water and energy management and, at the same time, provides a quality interior environment.

↓ Proud brewery





Velké Popovice
brewery ↑

We hold a dialogue with all our stakeholders

We firmly believe that keeping our partners satisfied contributes to the success and sustainability of our company. Therefore, we hold a continuous dialogue with our stakeholders and seek to ensure our activities and approach to business lead to their satisfaction and to the improvement of their own results.

In the Czech Republic, we are a member of the *Brewing and Malting Association, Federation of the Food and Drink Industries, and Industry and Transport Association*. We are also engaged in the *Czech Advertising Standards Council (Rada pro reklamu)* and

in the association called Business for Society (Byznys pro společnost). In Slovakia, mutually prioritised topics are discussed at the *Slovak Agriculture and Food Chamber*. We are an active member of *the Slovak Malting and Brewing Association, Advertising Standards Council, Business Leaders Forum* and the *Circular Slovakia initiative*.

Holding a dialogue with stakeholders enables us to identify topics which have a direct impact on our company and those which, on the other hand, can be directly influenced by us. Our *Materiality Matrix* that we use to rank topics

helps us keep an overview of the key areas of our sustainability strategy since 2020. It was a key part of our approach when preparing our sustainability strategy.

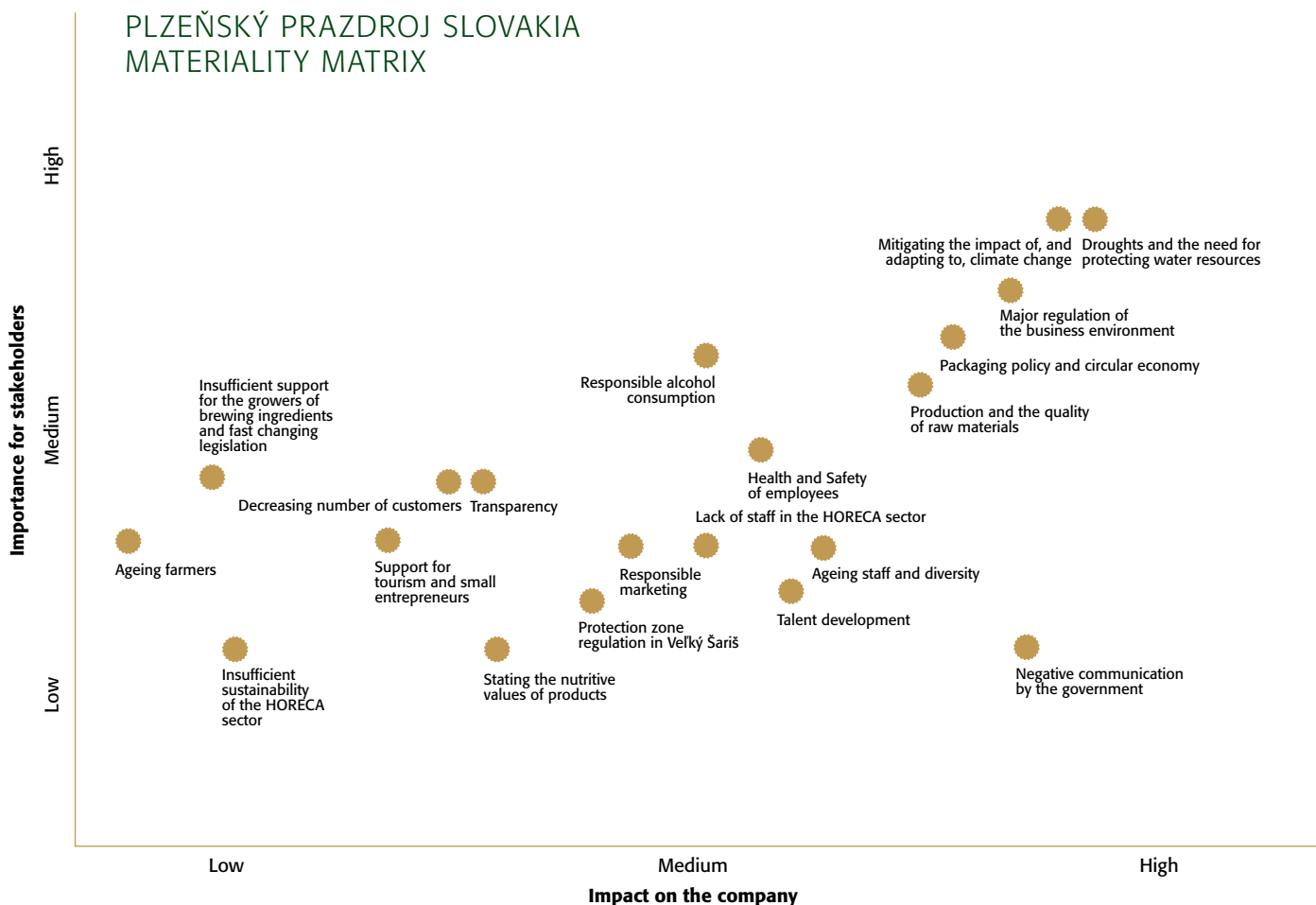
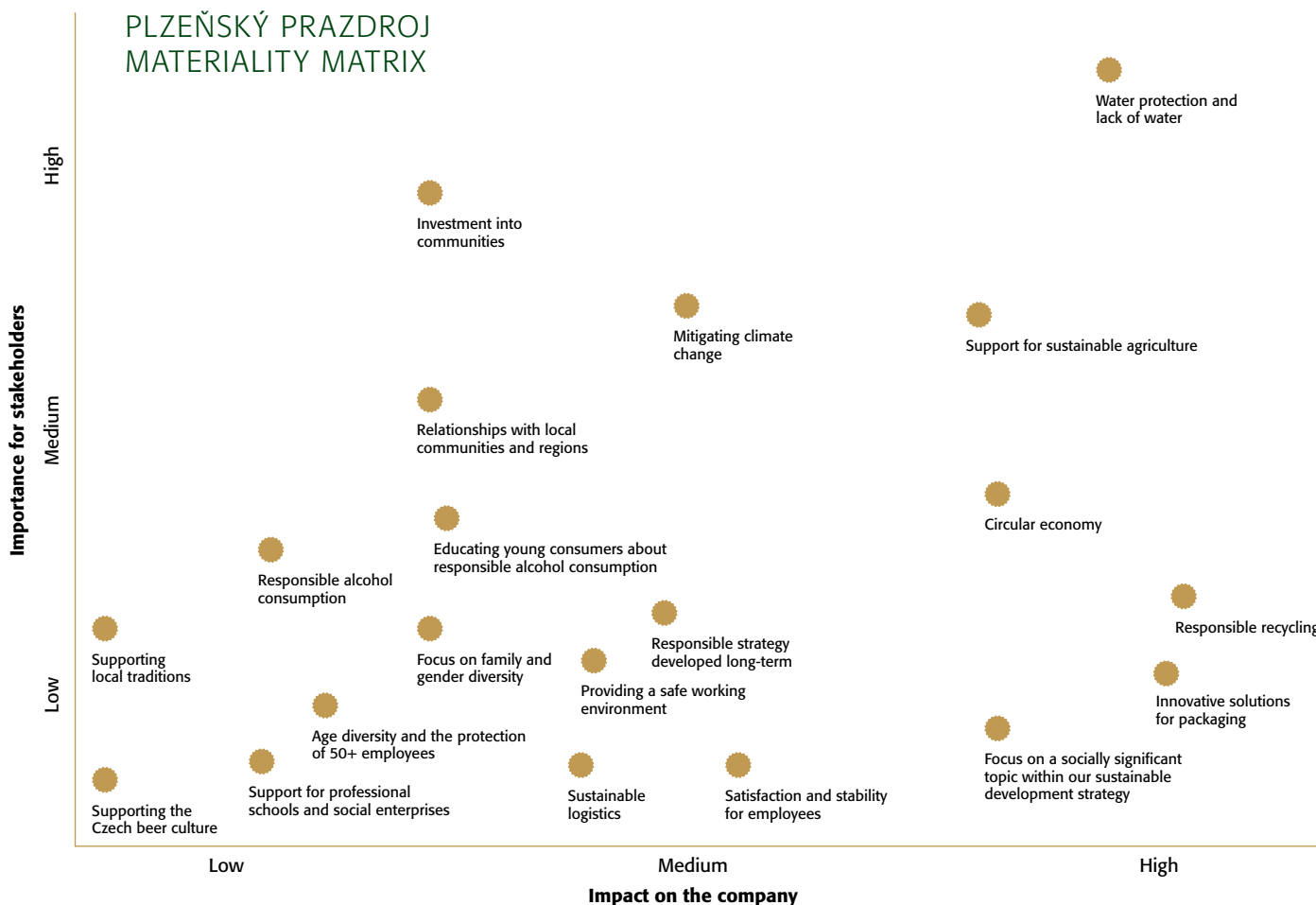
After 2020, we encouraged higher ambitions in the area of sustainability and we adopted the *Better Future 2030!* strategy which we will follow throughout this decade.

The next analysis of important topics will be carried out in line with the *ESRS* double materiality standards (European Sustainability Reporting Standards).

STAKEHOLDER	DIALOGUE	TOPICS AND CHAPTERS
Employees and trade unions	Feedback, regular assessment, education and training, satisfaction survey, internal communication	Strategy, People, Responsibility
Customers and consumers	surveys, learning and development, raising awareness of responsible alcohol consumption	People, Communities, Responsibility, Water, Raw materials, About the company
Suppliers	ethics, transparency and sustainability in our suppliers, cooperation on projects	Strategy, Carbon neutrality, Water, Raw materials, Packaging, About the company
Educational and research institutions	lectures, conferences, events at universities, consultations of theses, expert consultations, applied research and development	Carbon Neutrality, Water, Raw materials, Packaging, People, Responsibility
Non-profit organizations	expert consulting, cooperation on projects, support for activities	Raw materials, People, Responsibility; Communities
Associations and federations	round tables, conferences, professional interest groups	About the company, Raw materials, Packaging, Responsibility, People, Communities
Regional and local partners	discussions, cooperation focused on maintaining cultural heritage, supporting traditions, support for tourism	Communities, Responsibility
EU, government, legislature	auditing and reporting, round table sessions, dialogue via interest groups	About the company, Strategy, People, Responsibility, About the company, GRI Index
Media	press releases and media events	Insights into brewing-related topics, food industry, agriculture and gastronomy



↑ Radegast brewery



CHAPTER TWO



Strategy

When formulating the strategy of our company, we do not only think about our production and business, but especially about the impact our activities have on the environment and people in and outside the company. We perceive sustainability as an opportunity to be economically successful and to preserve the brewing tradition for future generations.



I come from Most and I grew up among surface mines, chemical plants and constant smog. One day I saw a TV documentary showing what the surroundings looked like in the past. Woods, meadows, birds, and animals. I still remember that dreadful feeling I had while watching it. I told myself back then that in my life I would do anything to prevent a repeat of such a situation. And that is what happened. For my whole career, I have been striving to encourage people and companies to act responsibly. To their surroundings, to the environment, to others and to the whole of society. It is my personal mission. When I was deciding what to do next, three years ago, Plzeňský Prazdroj was the number one choice for me. Great people with energy and passion for the industry, but also with respect towards tradition and nature, something on which the brewery was founded. We imprinted these values in the overall company strategy, which basically “lives on” sustainability and responsibility towards people and society. I am proud of this because if there are companies like Plzeňský Prazdroj in the world, there is hope that those awful things I experienced will not repeat. Quite the opposite: our and future generations will preserve what I saw in the documentary back then.

PAVLÍNA KALOUSOVÁ

Corporate Affairs & Communication Director, with Prazdroj since 2020.





28
Strategic goals

30
2022 in a nutshell

32
Sustainability strategy management

33
Fulfilling the strategy

34
Purpose



Pillars of the strategy



Our commitments in the area of sustainable management are in compliance with Asahi Europe & International Sustainability Strategy adopted in 2020 and include all three ESG (Environmental, Social, Governance) pillars. As part of **Asahi Group** we are also members of the global **RE100** initiative focused on using energy from renewable resources. The group also committed to seek to meet the **Science Based Targets** to limit global warming to 1.5°C above pre-industrial levels. The 2030 climate targets have also been validated by the Science Based Targets Initiative..

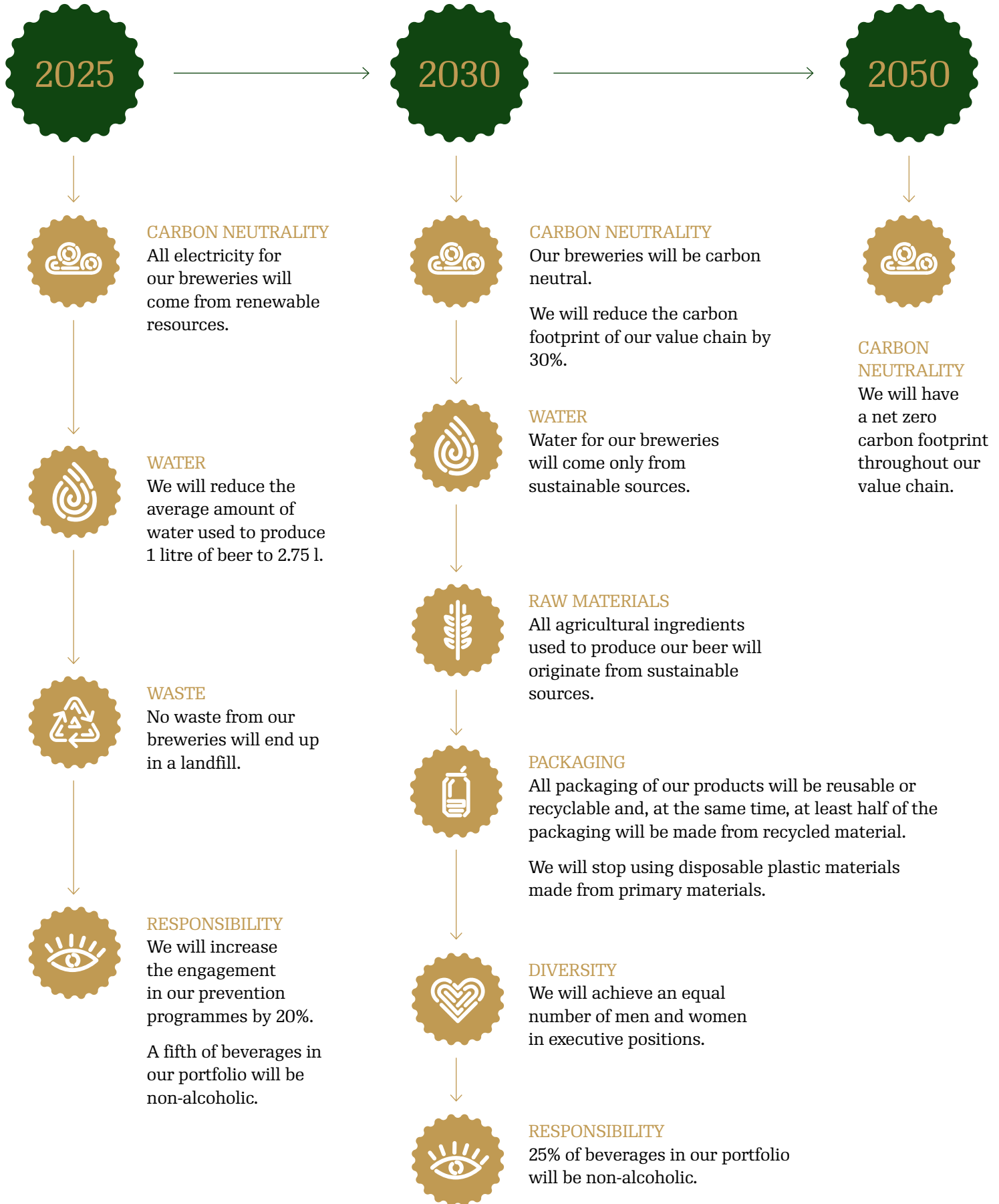
We support all 17 UN (SDGs) sustainable development goals determined at the UN summit in September 2015. We approach some of these goals with more attention to detail, specifically those which are directly related to our activities:



More about Asahi's approach to sustainability principles and environmental principles.



Our commitments





2022 in a nutshell



Green steam in Pilsen

The amount of our emissions was influenced most by the transition to heat from renewable resources at our Pilsen plant. This means a 47% reduction of CO2 emissions at all our breweries in the Czech Republic and Slovakia and a 76% reduction at the Pilsen brewery itself.



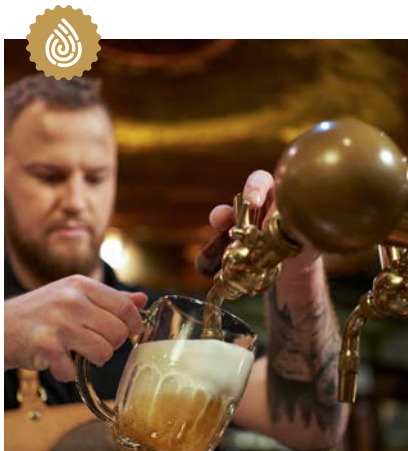
The most modern automated warehouse

A new, and our most modern, completely automated warehouse in Pilsen will speed up processes, help our people with demanding work and, in addition, thanks to the technology applied, help us reduce the overall carbon footprint.



2.29 litre water consumption per litre of beer at the Radegast brewery.

The Radegast brewery achieved record low values of water consumption, specifically 2.29 litres per litre of beer, which is 0.12l less than the previous year. This makes it one of the best European breweries when it comes to water management.



Smart Taproom

We launched a project to monitor the complete journey of draught beer in a pub from the water and energy consumption point of view. Based on data gained, changes to the tapping equipment will be proposed so that outlets can save up to a third of water and energy.



The first year of the FOR HOPS project

After a year of thoroughly measuring and gathering data we have the first tangible results. These will help us understand how hops reacted to the extreme weather conditions last year and what caused the extremely poor harvest. A better understanding of how hop plants react to external conditions will help hop farmers adapt to climate change in the future.



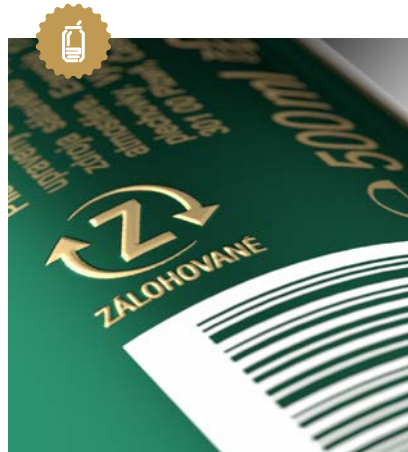
The FOR BARLEY initiative to save Slovak barley

This project, focused on sustainable barley farming in Slovakia, is based on the principles of agroforestry, in other words growing agricultural crops in combination with woody plants within the same area. We support the planting of woody plants in locations where this will have the greatest impact.



More returnable bottles in Slovakia

The proportion of our products in returnable packaging is increasing, especially of those in returnable bottles. In 2022, we sold 71% of our products in returnable packaging in the Czech Republic and 57% in Slovakia. Their use increased by 8% year on year in Slovakia, and Prazdroj is the Slovak leader in terms of their sales.



The deposit system and closing the cans cycle in Slovakia

The first year of the deposit scheme has already produced significant results. We used the opportunity to buy the material collected - aluminium cans - and used them to produce our new cans with a 75% share of recycled material.



Increase in the level of recycling waste from our breweries

Thanks to our long-term efforts, we are currently able to recycle 100% of all secondary raw materials originating from our production. We increased the level of recycling by 17% in the Czech Republic and by 9% in Slovakia year on year.



Every eighth beer in the Czech Republic and every seventh beer in Slovakia is non-alcoholic

Non-alcoholic beverages are currently the fastest growing part of the beer market. The sales of non-alcoholic Birell increased by 21% in the Czech Republic and by 19% in Slovakia.



Award for equal remuneration of women and men

We were the second Czech company to receive the prestigious international Equal Salary Certification award for equally remunerating men and women. The certification is granted by the Swiss organization EQUAL-SALARY Foundation based on a thorough audit carried out by the consultants PwC.



We are not indifferent to what is happening to our neighbours

Together, we contributed CZK 3.5 million to help Ukraine after the outbreak of the war. Our volunteers organized material collections to help people fleeing from war. Our beverages were sent as part of this help.

Sustainability strategy management

Sustainability is a priority for us and it is reflected both in our long-term company strategy and daily operation. We have identified important areas like achieving carbon neutrality, reducing water consumption, care for raw materials and for our suppliers, repeated use of our packaging material, widening the non-alcoholic portfolio, and supporting diversity. We have set specific goals in all these areas and we continuously monitor and assess their delivery. **The achievement of sustainable development KPIs is taken into consideration during the evaluation of top management and the company executives.** Functional directors are responsible for the delivery of strategic goals, and each department has a team member who represents the sustainability strategy. The consistency of the strategy is supervised by the Executive Committee consisting of the members of the company top management team.



S-EBITA

In this day and age, the assessment of a company's efficiency cannot mean a competition between finances and sustainability. Therefore, we decided to use a benchmark for financial efficiency which also includes the impact of our business on the environment, and which motivates management to make decisions and adopt measures which will mitigate this impact. A pilot phase of the calculation was carried out in 2022. CO₂ emissions Scope 1 and 2, CO₂ emissions Scope 3 of our packaging material, and the proportion of plastic in the primary material used in our production were used as measurable parameters. The costs of these externalities are deducted from our actual economic result. The S-EBITA indicator is used for evaluating the return of long-term investment projects.



We educate

In recent years, we have been raising the awareness of environmental issues with our employees. Last year, we focused on the social area. Topics such as diversity, inclusion, leadership, the development of teams, and sharing personal experience were also mentioned in our “Inspirano” programme. Our Corporate Affairs Director interviews interesting guests live three times a year, sharing stories and discussing current developments in the business world.

We actively communicated inspirational stories of women

working in the brewing industry and parents balancing their work and family lives. 207 leaders in our company participated in diversity and inclusion workshops. (*More in the People chapter*)

Departments of the Asahi group also underwent “sustainability training”, the aim of which was to not only improve awareness of the strategy, but also the specific role of each department when fulfilling this strategy. We also share our experience at expert seminars and conferences as part of our cooperation with universities and other institutions.

Fulfilling the strategy

The total energy consumption in the breweries was, just like in previous years, strongly influenced by the COVID-19 pandemic. The operation of restaurants was hugely limited which drove a decrease in the sales of keg beer. Pandemic-related restrictions were lifted for the second quarter of 2022, which meant an increase in the volume of sales. The war in Ukraine which broke out in February 2022 has had large impact on our business, especially in terms of increasing prices of energy.



We managed to meet the **planned goals in the area of water consumption and the overall direct energy consumption** for the whole group of breweries and malt houses in the Czech Republic and in Slovakia. *(More in chapters [Carbon Neutrality](#) and [Water](#).)*

We keep increasing the proportion of recycled material in our packaging. The only category where we did not manage to meet the goal was recycled paper. This was mainly caused by a lack of material on the market. We are planning to beat the challenges set by our commitments in the recycled aluminium category with the help of a deposit system. *(More in the [Packaging](#) chapter)*

In Slovakia, we are heading towards a situation where we will already achieve two strategic goals by 2023: **zero waste in landfills and full circularity of packaging.**

We look at our business in a comprehensive way and we try to **consider the whole journey of our product from a barley grain on the field to a correctly poured beer in a pub.** Our responsibility does not end at the gates of our breweries. Therefore, we engage our partners and our customers in our journey to sustainability. It starts with cooperation with raw materials suppliers. *(More in the [Raw Materials](#) chapter)*. It continues with looking for alternative solutions for production and transport. *(More in the [Carbon Neutrality](#) chapter)*. Nor do we neglect cooperation with our customers and their communities. *(More in the [Communities](#) chapter)*.

Our mission



The new mission helps us to define our strategic decisions and maintain the right direction in business, growth and in our wider role within society. Our mission of “Creating meaningful connections” is based on what is most natural to our area of business. Bringing people together and encouraging a sense of belonging. Together we can thus make a change for the better, and the planet and society can benefit.

Creating meaningful connections



We want to be a pioneer at PLANET POSITIVITY IN EVERYTHING WE DO



We will reach zero negative impact on the environment and we will actively contribute to the recovery of the planet through our brands, partnerships and initiatives.



We want to SERVE UP A POSITIVE AND INCLUSIVE EXPERIENCE TO PEOPLE AND SOCIETY



We are going to do what we do best: Bring people together and build togetherness. Encourage tolerance and open-minded and inclusive experiences. Recreate the image of beer and encourage the idea that drinking alcohol in moderation has become a trend.

CHAPTER THREE



Carbon neutrality

Reducing the carbon footprint of our company is an area we have been focusing on long-term and where we keep finding space for improvement. We continue investing in changes that will help us follow through with our commitments leading to carbon neutrality. We expect upcoming changes in energy management will be through consumption monitoring, and equipment and technological changes and optimization.

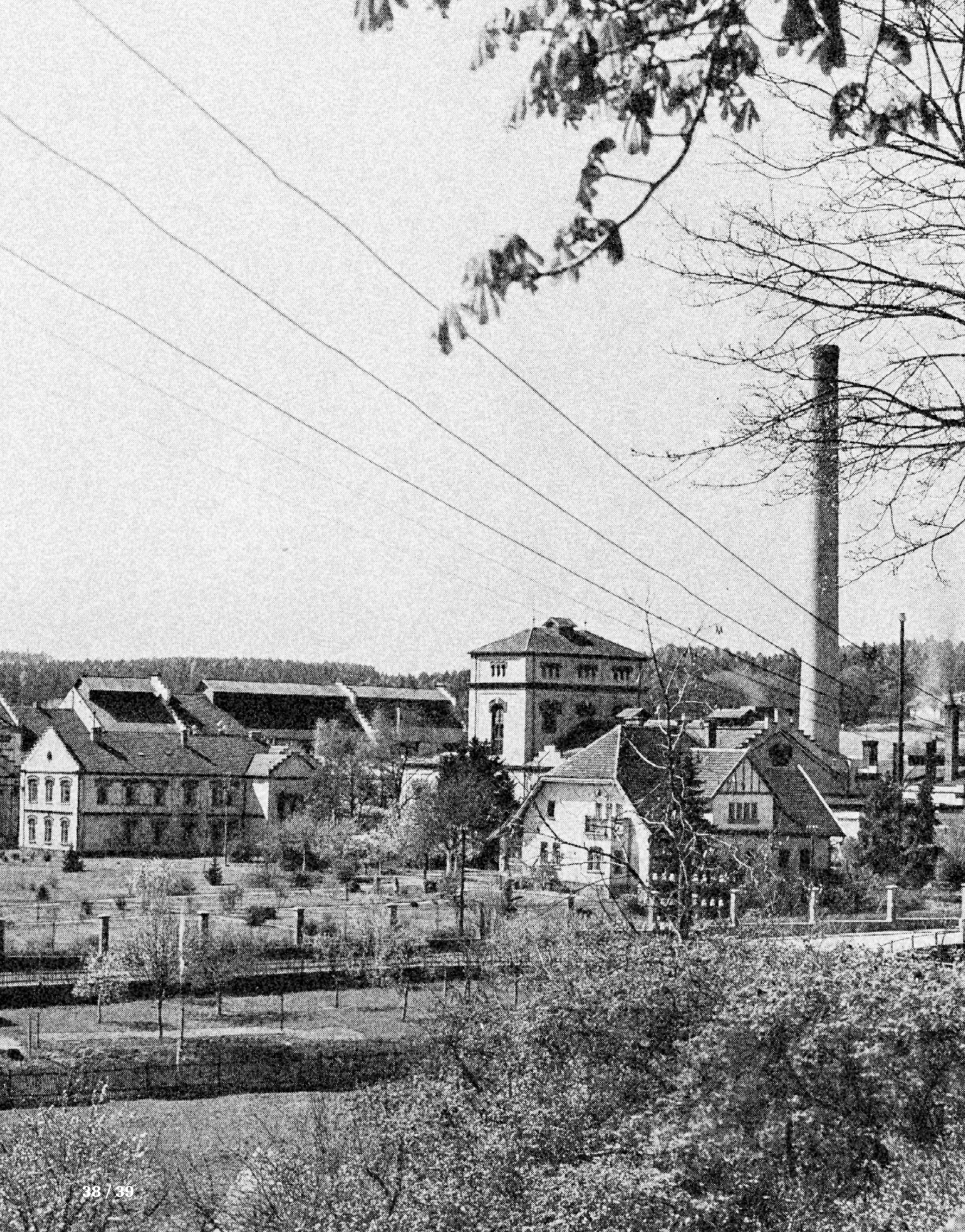


I live in Velké Popovice, near the brewery. When I go running around the brewery and see that we are installing photovoltaic panels on the roofs, I am very pleased. I know this is not only a financial investment. I feel good when I think about us using them, and that we are treating nature right. Similarly, I feel good about every investment, even a small one, that pushes us forward on our sustainability journey. I am originally a brew master. I remember the brew masters who showed me the ropes in this industry. Their legacy was the recipes. For the beer to look just like it did before and for the tradition to survive. Today we are adding sustainability. Our breweries are traditional. There is still a chimney on the building, but there is 21st century state-of-the art equipment inside. We are always improving what we do, but in a way that ensures that the customers who drink our beer enjoy the same experience as before. The oldest brewing sets I experienced were from 1901. Coal was used for heating. In all those beautiful brewery buildings, walls were covered in smoke stains and there was an unfavourable odour in the air. And today? You neither see nor smell anything like that.

PAVEL ŠEMÍK

Technical Director, with Prazdroj since 1997.





39
Renewable energy
resources

40
Investment and
modernization

43
Energy consumption
and emissions

44
Transport
and logistics

Transition to renewable resources



Green steam in Pilsen

A significant decrease in the production of emissions was achieved by transitioning the Pilsen brewery to supplies of heat from renewable resources. We purchase heating energy from wood chips from the Plzeňská teplárenská company, and in a year since signing the contract for green steam we have reduced the carbon footprint by 38 thousand tonnes of CO₂. The total volume of emissions from all the breweries in the Czech Republic and in Slovakia was reduced by 47%, while the Pilsen brewery alone decreased its emissions by 76%. The sustainability of the wood source was also confirmed through an audit carried out by the supplier.

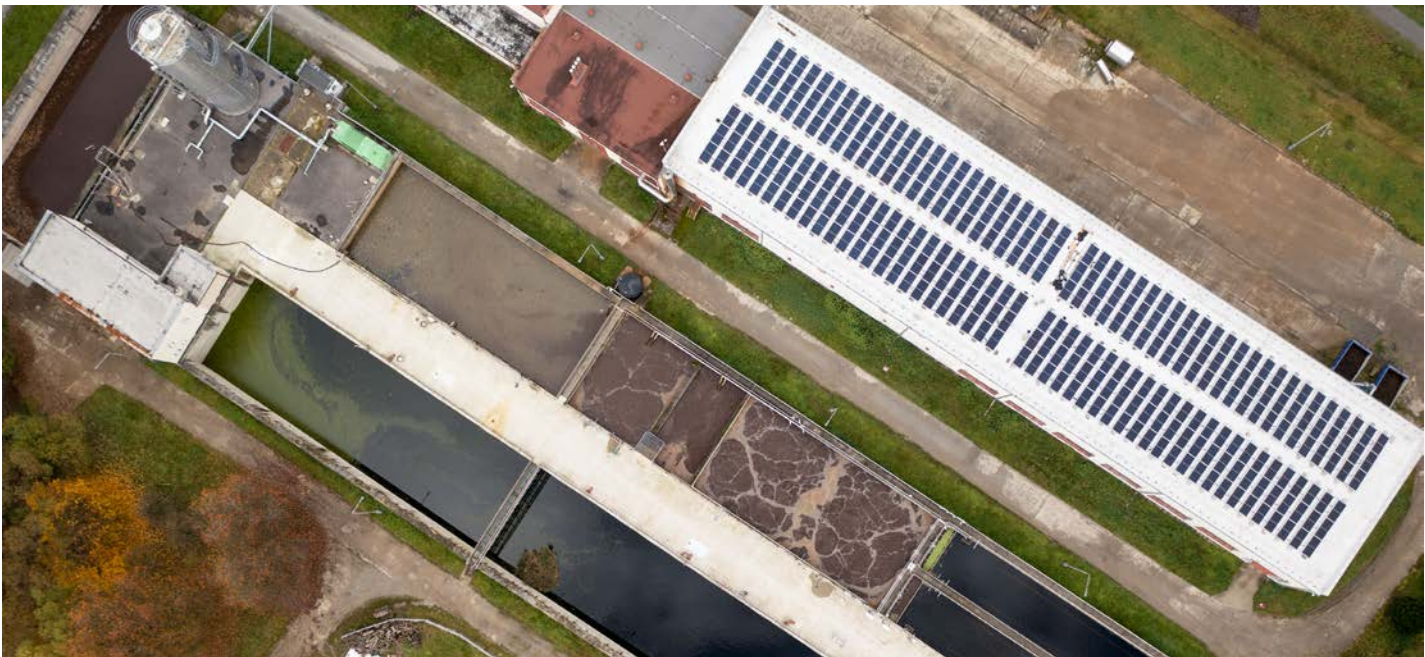
Our commitment: Our breweries will be carbon-neutral by 2030.



Biogas and photovoltaics at water treatment facilities

At the Nošovice and Velké Popovice breweries, we produce biogas at the water treatment plants and use it for heating. We are installing photovoltaic panels for the production of electricity at the water treatment plant in Velké Popovice.

The installation of another photovoltaic system is planned for Nošovice and Velký Šariš in 2023.



Automated warehouse in Pilsen



In the Pilsen brewery, a new fully automated warehouse started operation in January. It will increase the dispatching capacity by 50%. The applied technology makes this warehouse the most modern at Prazdroj and, at the same time, one of the most modern warehouses of this type in the Czech Republic. Thanks to faster dispatching of bottled and canned beer, the warehouse equipment will be able to release 290 pallets an hour, which is almost nine fully loaded trucks.

The main building is a sheathed warehouse with an independent racking system to which goods are

transported from the packaging line by an automated pallet transport system. Twenty-eight trucks, or gondolas, move on rails with an overall length of over half a kilometre. Thanks to the racking system and the way of transporting goods, we will not only save space and transport costs, but also limit the operation of forklift trucks. In the warehouse, we currently use them only for loading trucks, which saves 500 tonnes of CO₂ annually.

Further energy savings were achieved thanks to introducing automated stacking cranes which handle the bottles and cans right

in the warehouse. This technology is based on an energy recuperation system. The brewery is counting on the installation of photovoltaic panels on the roof of the building. These will cover up to 30% of the energy consumption of the warehouse.

The construction of this warehouse costing 780 million Czech crowns was the biggest investment in the Pilsen brewery since 2006.



Bottle-filling line and new lagering tanks at Velké Popovice

Returnable glass bottles are the best form of beverage packaging from the environmental point of view, and increasing their share in our portfolio significantly helps us reduce our carbon footprint. They are currently enjoying increasing interest from our customers as well, especially after we completely stopped filling beer into PET plastic bottles. The new packaging line at Velké Popovice will help us meet the demand. With a capacity of 50 thousand

bottles an hour it can cover 31% of the portfolio of returnable bottles in the Czech Republic and Slovakia. 97.3% of its capacity is in continuous operation, which further helps improve energy efficiency throughout Prazdroj.

The shut-down necessary for the installation of the new line was also used to replace some older machinery to repair the floor and for an overall renovation of the building. The lagering and

fermentation tanks underwent modernisation as well. The original tanks in cellars requiring demanding manual maintenance were replaced by **14 fully automated cylindro-conical tanks**. The overall maturation and fermentation process was thus significantly simplified and made more efficient. **The overall investment exceeded CZK 620 million.**



ENERGY CONSUMPTION AND CARBON FOOTPRINT IN PRODUCTION SCOPE 1, 2

Energy consumption (MJ/hl)

Pilsen



Nošovice



Velké Popovice



Šariš



Product emissions (kg CO₂e/hl)

Pilsen



Nošovice



Velké Popovice



Šariš



Due to the intensive use of the oldest bottle-filling line, there was an increased energy off-take at the Pilsen plant. The overall greenhouse gases emissions per product unit was decreased to **3.56 kg Co₂e/hl** in 2022 from 5.51 CO₂e/hl in the previous year.



Other measures applied

Modernization

In 2022, we continued working on replacing obsolete parts of the energy distribution network and on other projects to help us improve our energy management. Some examples are improvements to heat insulation and piping. We are also installing energy-saving LED lights in all our compounds. The process of modernising our distribution centres is continuing. Thanks to this, we have been able to maintain roughly the same level of energy consumption at the distribution centres as in the previous years.



Replacing part of the handling trucks fleet

Our cooperation with the winner of a Europe-wide tender for the supplier of handling equipment started last year. This will not only lead to the replacement of existing technology but it will help us to find a more efficient and safer machinery solution for individual plants. Due to the gradual modernisation and extension of Plzeňský Prazdroj production plants, it is impossible to completely unify the equipment. It is necessary to rather look for a specific solution for each part of the plants.

The first step was the supply of 66 electric trucks/trolleys with various specifications - from manually guided to counterbalance ones with a 5-tonne capacity for the Pilsen plant. A major change compared to the previous equipment is replacing LPG-driven trucks with electric ones. A smart system of recharging and transparent servicing ensures a long life for batteries and the trucks themselves.

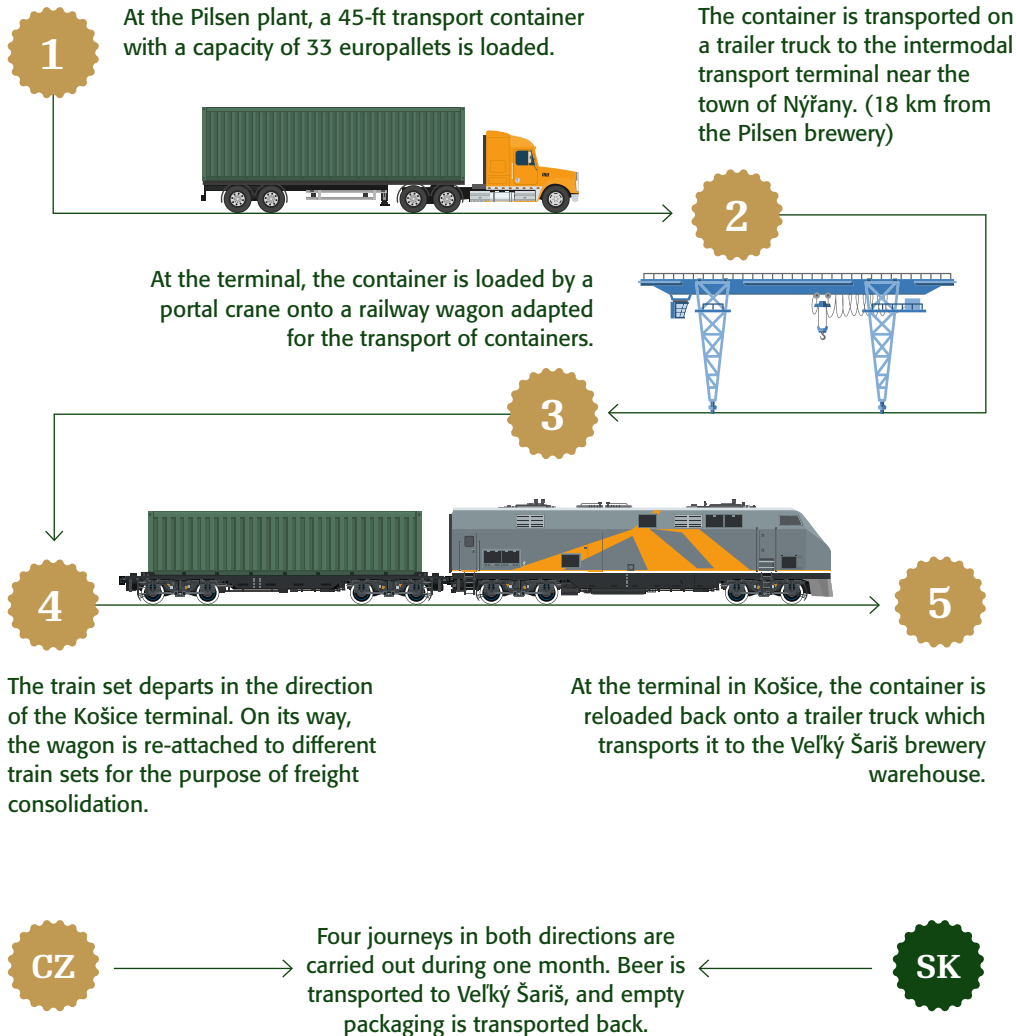
Transport and logistics measures

We continue testing MB eSprinter and Volvo FL electric vehicles in our distribution system. 2023 will see the testing of an MB Actros 6x2 heavy electric delivery truck and an MB Actros 4x2 electric trailer truck. We have also been gradually testing hybrid and electric personal cars in the management car fleets.

The efficient use of vehicles and an economical driving style is supported by yearly training and a competition for the best driver. *All measures within the area of secondary distribution led to a reduction in emissions by 0.7%.*

We also repeatedly strengthened railway transport on the line Pilsen - Velký Šariš. This is very demanding in terms of logistics, finances and time, but it helps to save 70 tonnes of CO₂.

INTERMODAL TRANSPORT



More efficient delivery terms and conditions

An adjustment to the minimum deliveries to our customers enabled us to make deliveries more efficient. We significantly reduced the number of stops of secondary distribution vehicles. The overall CO₂ reduction emerging from this measure was 293 tonnes in Slovakia and 553 tonnes in the Czech Republic.

CHAPTER FOUR



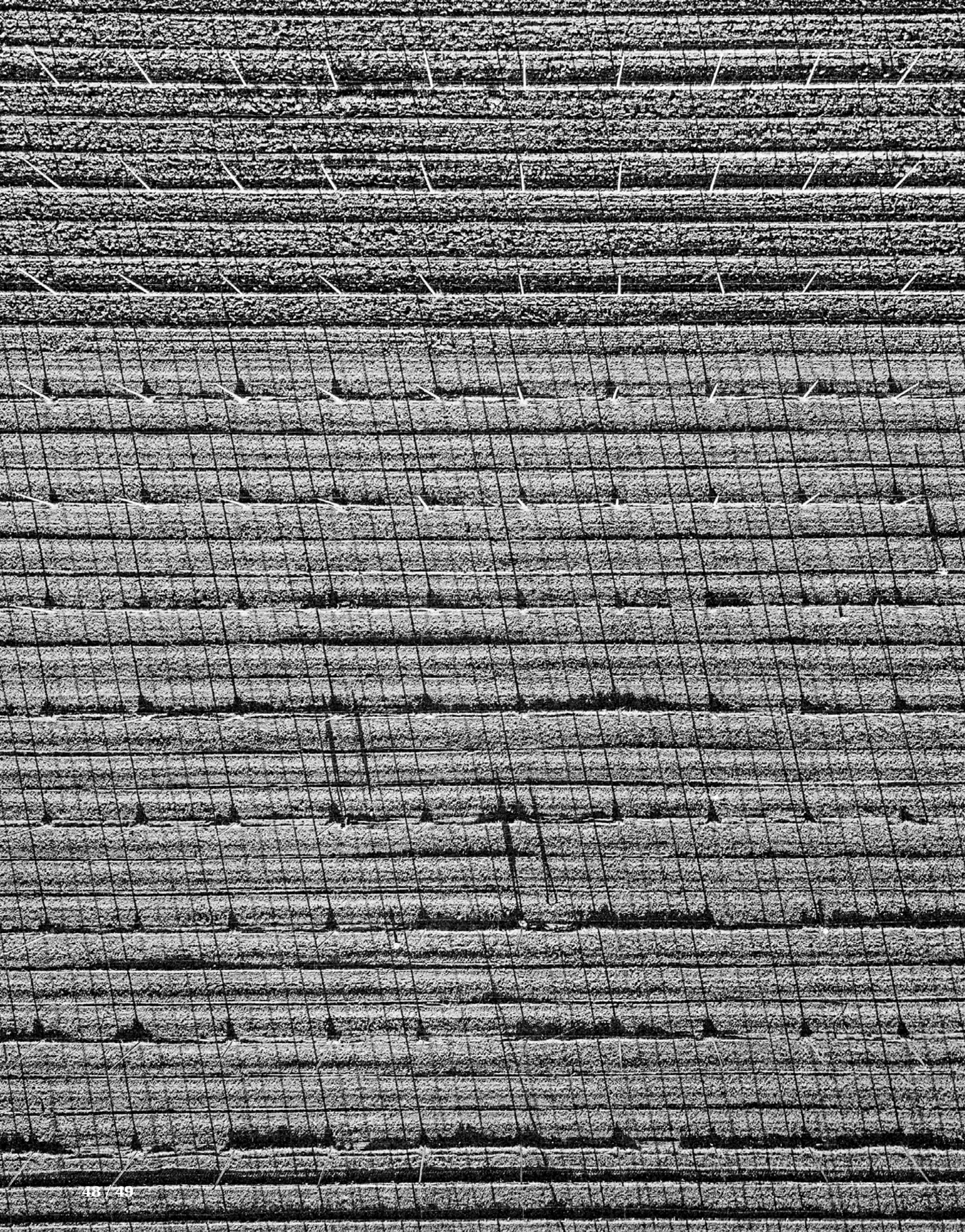
From grain to glass

Our activities do not end at the gates of our breweries. We think about our business in a comprehensive way across the whole value chain, so literally from a barley seed to a glass of poured beer in a pub. Our goal is carbon neutrality across the overall process, and so, together with our partners, suppliers and customers, we also look for solutions to reduce our footprint outside production.



I grew up in a village, and we had a large garden where we grew our own potatoes and vegetables. My parents still grow great vegetables. I did not like gardening at all at that time and I could not imagine that I would have something to do with agriculture in the future. My dad worked as a mechanic for the local JZD (an agricultural association). A quarter a century later, when I was standing in a hop garden and explaining for the first time to the hop growers that we would like to help them to adapt to climate change, they looked at me like I was crazy. I did not know much about hops back then but, fortunately, I am not afraid to ask questions. Some Wellington boots took up long-term residence in the trunk of my car and after a few months of close contact, we managed to do the most important thing: to gain the farmers' trust and to encourage them to go ahead in cooperation with us. Since then, I have learned a lot about hops, and I see more and more sense in this work. It would be such a shame to lose the beautiful Saaz region landscape covered with hop fields, and which looks different every week in the summer. When we were starting all this, I had no idea I would repeat something similar with barley farmers a few years later.





50
Emissions from grain to glass

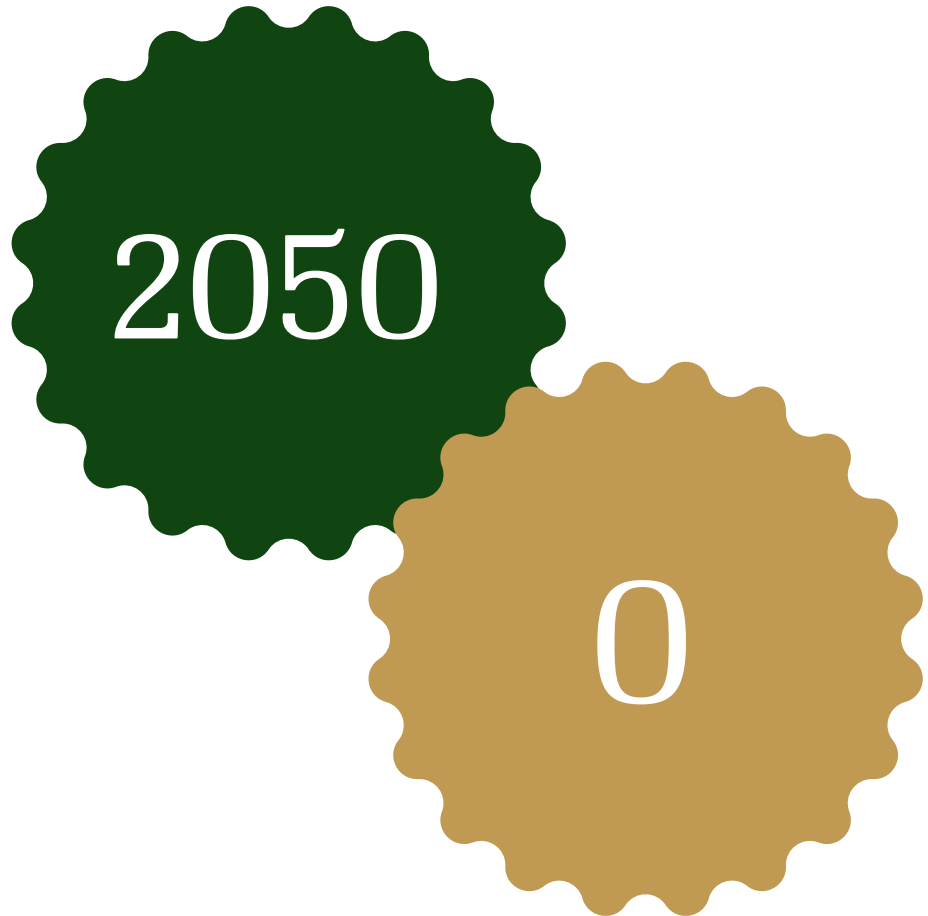
52
Absolute emissions

52
Explanatory notes

53
Categories of emissions

More than 80% of emissions related to our products are produced outside our breweries. They are related to growing and processing barley and hops, to the transport of inputs to our breweries and finished products to our customers, to the packaging material we use or to cooling beer in stores and pubs.

We have been able to continue reducing the emissions from production in overall amount in Scope 1 and 2 over the long term. While in 2019, which we set as a starting point for measuring emissions reductions, our production generated 20% of all CO₂ emissions, it was only 13% in 2022. Since 2019 we have reduced our emissions in Scope 1, 2 and 3 by 9% in the Czech Republic and in Slovakia.



Reducing emissions in our value chain is primarily driven by activities in the area of packaging material where reaching a higher level of circularity usually means reducing the carbon footprint of our packaging material. Details are described in the [Packaging](#) chapter.

A great part of these emissions is connected with the cooling of our products by our customers, especially in pubs and restaurants. Our Smart Taproom project will help us reduce our carbon footprint in the longer run. This project is described in the [Water](#) chapter.

Reducing external inputs for growing crops and following the principles of regenerative agriculture can also help us towards this aim. These expectations are being tested through the Flowers for Hops project, which is elaborated in the [Raw Materials](#) chapter.

Our commitment: We will reduce the carbon footprint of our value chain by 30% by 2030. In 2050 at the latest, our carbon footprint will be zero across the whole value chain.



Emissions from grain to glass in 2022

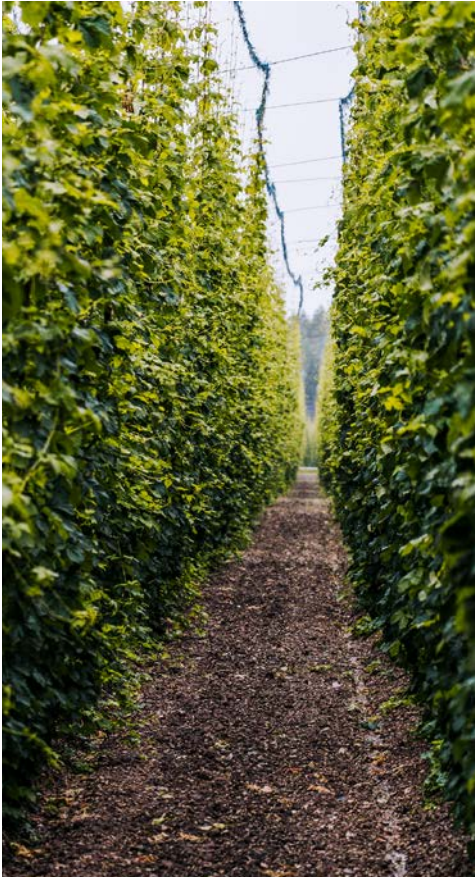


AGRICULTURE AND RAW MATERIALS

Hop and barley growing, all related works in fields and other activities necessary to ensure a successful harvest.

14%

Scope 3



PROCESSING BREWING INGREDIENTS

Germination, drying and further processing of malt at malt houses.

5%

60% Scope 1, 2 / 40% Scope 3



PRODUCTION IN BREWERIES

Beer brewing, fermentation, the maturing process and packaging at the brewery.

17%

55% Scope 1, 2 / 45% Scope 3





PACKAGING

Bottles, cans, kegs and other packaging, including secondary packaging used during transport on pallets.

30%

Scope 3



TRANSPORT AND LOGISTICS

Transportation of raw materials and packaging to breweries and transportation of finished products to customers.

15%

Scope 3



COOLING

Cooling our products at pubs and in retail.

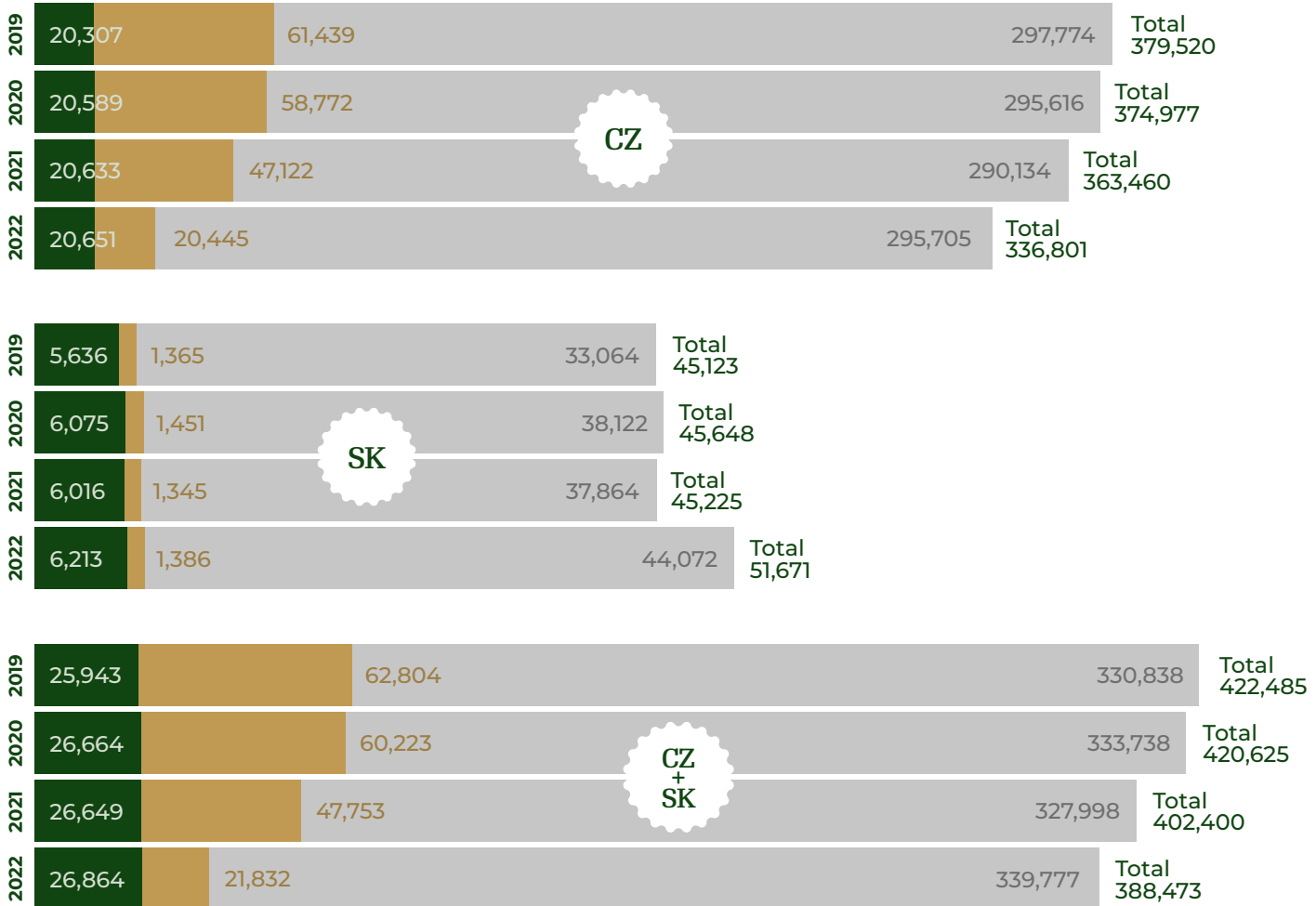
19%

Scope 3



Absolute emissions in tonnes, both direct and indirect (t CO₂e)

Scope 1 Scope 2 Scope 3



EXPLANATORY NOTES

The model for the calculation was prepared in compliance with the accounting and reporting standard of the 2004 Greenhouse Gases Protocol and its amendment and the accounting and reporting standard for company value chains of the 2011 Greenhouse Gases Protocol. It also takes into account version 4.1 of the 2019 BIER sector guidelines for emissions of greenhouse gases in the beverage industry. This methodology also takes into account the category rules for the ecological footprint of PEF products for beer from the European Commission from 2018, the accounting and reporting standards for life cycle assessment of the 2011 Greenhouse Gases Protocol, and the principles of the PAS 2050:2011 certification.

The methodology of the calculation of emissions related to our value chain in the Scope 3 category processed and the calculation was carried out and verified by Verco Advisory Services Ltd. The methodology was externally verified by Lloyd's Register Quality Assurance Limited. The system boundary includes all activities resulting in emissions which substantially contribute to the overall amount of the greenhouse gases emissions from beer across its life cycle. It covers all products manufactured in the Czech Republic and Slovakia, including for export, with the exception of the volume brewed based on licensed production abroad, which was excluded due to limited access to data and the ability to influence the situation.

The absolute values also include employee travel, which is not shown in the overview on the previous page, and accounts for less than 1% of our total emissions. The calculation takes six greenhouse gases into account. These are the greenhouse gases the Kyoto and the Montreal Protocols apply to: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulphur hexafluoride (SF₆), fully fluorinated hydrocarbons (PFC) and fluorinated hydrocarbons (HFC). The overall footprint is expressed as the carbon dioxide equivalent (Co₂e) using the values of the global warming potential provided by IPCC (2007).

SCOPE 1

Direct emissions related to burning fuel in solid or mobile sources owned or controlled by the company, and emissions produced during technological processes or by releasing cooling substances.

SCOPE 2

Indirect emissions resulting from the consumption of purchased or externally supplied electricity or thermal energy, technical steam and cool air.

SCOPE 3

Other indirect emissions resulting from our value chain, for example emissions related to growing or processing raw materials, input transport and the transport of finished products, packaging material and the use of products by end consumers.

Categories of emissions

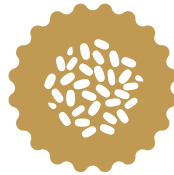


AGRICULTURE



CO₂ emissions intensity (kg CO₂e/hl) per product in Scope 3

This covers emissions from all the raw ingredients necessary for beer brewing, especially barley and hops. It includes emissions related to growing ingredients, including fuel consumption on farms, energy production and consumption on farms and the production of fertilizers and agents for the protection of plants.



PROCESSING BREWING INGREDIENTS



CO₂ emissions intensity (kg CO₂e/hl) per product in Scope 3

This includes emissions from the malting of barley and hop processing. The figures of 79% of emissions of Scope 3 related to processing raw materials for the Czech Republic, and 51% for Slovakia are calculated based on data about Scope 1 and 2 emissions directly from suppliers. This also covers Scope 1 and Scope 2 emissions related to the operation of our own malt houses in Pilsen, Nošovice, and Velký Šariš.

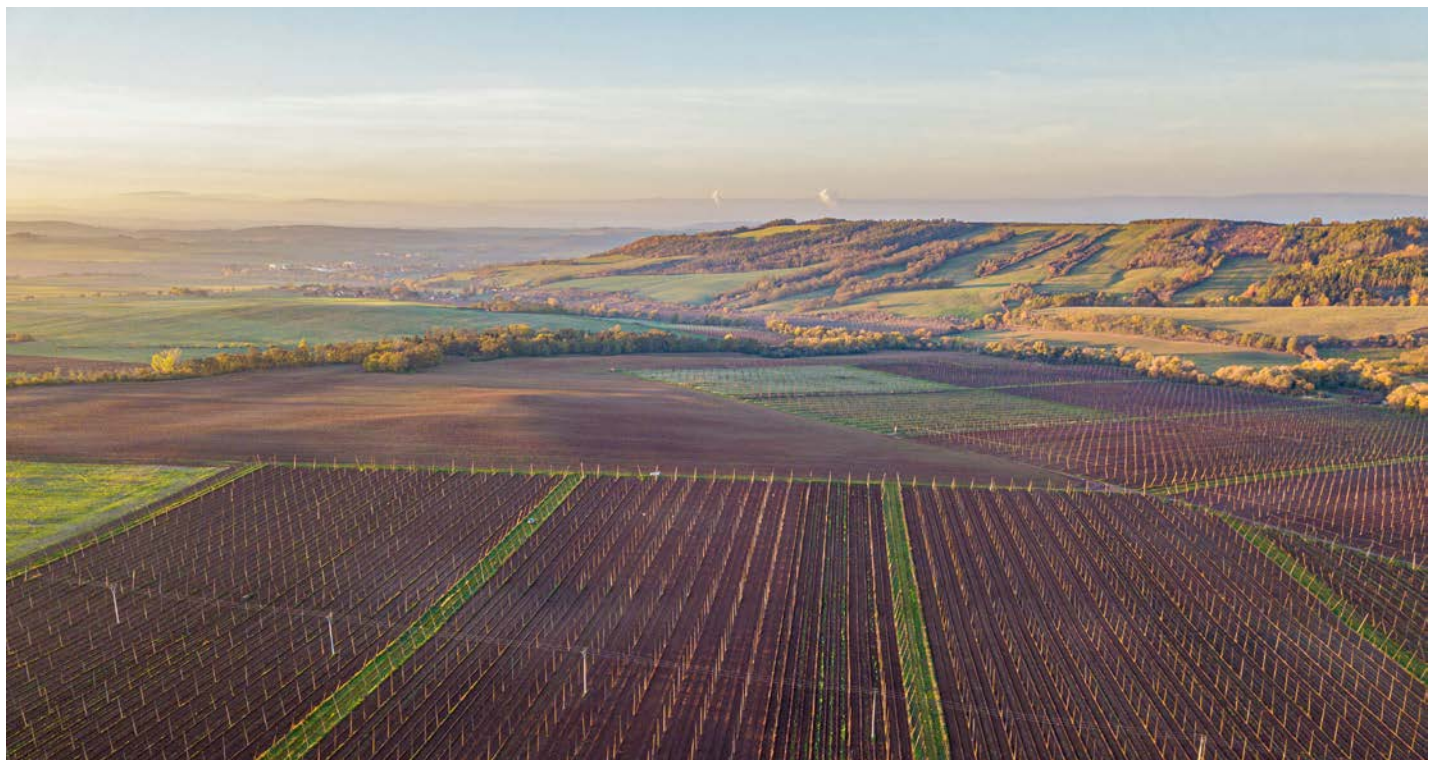


PRODUCTION IN BREWERIES



CO₂ emissions intensity (kg CO₂e/hl) per product in Scope 3

This covers emissions related to burning fuel for heat production at our breweries and emissions related to the production of electricity consumed at our breweries. It also includes emissions from purchased CO₂, emissions from water consumption in beer production and emissions related to the purchase of chemical substances used at our breweries.



Categories of emissions



PACKAGING



CO₂ emissions intensity
(kg CO₂e/hl) per product in Scope 3

This includes all emissions related to the production and end of life of purchased packaging material from raw material extraction to the final stage of production. It covers all purchased primary, secondary and tertiary packaging materials used for packaging finished products. The figures of 73% of emissions from packaging material in the Czech Republic, and 89% of emissions from packaging material in Slovakia were calculated based on data about Scope 1 and 2 emissions directly from suppliers. The emissions of the supply chains of these suppliers are calculated using secondary data sources. The calculation methodology for this year does not yet take into account the impact of the deposit return scheme in Slovakia.



LOGISTICS



CO₂ emissions intensity
(kg CO₂e/hl) per product in Scope 3

This covers emissions in all transport types used for transporting barley from farms to malt houses, emissions from the transport of malt and other brewing ingredients, and emissions from the transport of packaging material to breweries. Emissions are calculated using estimated distance between suppliers to production sites. The subsequent logistics include all logistics activities related to the distribution of finished products to points of sales. This includes both domestic and export logistics. For 2022, the values of 52% of emissions from the transport of finished products in the Czech Republic, and 83% in Slovakia were calculated using actual fuel consumption or data based on distances. The remaining emissions were calculated using the average distances and expected type of vehicle. These values do not include emissions of greenhouse gases related to energy consumption in warehouses and secondary distribution centres after the primary distribution centre. These values do not include emissions of greenhouse gases connected with the transport of waste from the end consumer to landfills or recycling centres.



COOLING



CO₂ emissions intensity
(kg CO₂e/hl) per product in Scope 3

This includes the electricity consumed by cooling devices in points of sales – refrigerators in stores and outside stores, and tapping devices in gastronomy establishments. It covers emissions resulting from electricity production and losses of cooling gas. It does not include emissions from household storage and cooling of the finished product by the end consumer.

EXCLUDED FROM THE CALCULATION

Emissions related to various forms of business travel by air, railway, sea and road are excluded from the overview as these make up less than 1% of the total amount of emissions. Promotional and marketing materials make up less than 1% of the overall emissions. These were thus excluded based on the low quantities of emissions and

unavailability of to data. Energy consumption related to the storage spaces and distribution centres of our customers – due to unavailability of data and the lack of ability to influence the situation. These are mostly warehouses of our customers, especially in retail and wholesale.

It is difficult to calculate and influence emissions connected with capital goods. Estimates based on total capital expenditure quantify total emissions as less than 1% of total group emissions. Capital expenditure was excluded from the system boundaries based on the level of their importance and the inability to influence them. It is very difficult to measure

emissions related to transporting beer from retail to our consumers. These we excluded due to a lack of data and the inability to influence the situation. For the same reason, the boundaries of the system do not include the cooling of beer at the end consumers.

CHAPTER FIVE



Water

Water is as important for the brewing industry as it is for life on the planet itself. 2022 was an average year in terms of precipitation, but periods of draught in the summer reminded us and farmers how much we should appreciate water. Therefore, water and its sources were in the centre of our attention throughout the year.



I probably should not be saying this, but I actually like water a little more than I like beer.

When I was a small boy, our granddad used to take us swimming in the Úslava River, not far from Pilsen. I have been in charge of water management since the moment I joined the brewery as a trainee. I distinctly remember that 10 years ago we had a discussion at the Nošovice brewery about whether it is even possible to reduce the use of water in production below 3 hectolitres per hectolitre of beer. It seemed utterly impossible and something akin to the Holy Grail. Today, we are at 2.24 hl of water per hl of beer. And we keep reducing this amount. My estimate is that we will get below 2 hectolitres by the end of the decade. It will not end there, though.

The ultimate goal, of course, is to get to a one-to-one ratio. It sounds like utopian, but this is also how it sounded in Nošovice 10 years ago.





60
Water
resources

61
Reducing
consumption

63
Behind
the brewery
gates

64
Smart
Taproom

In cooperation with experts from the *Antea Group*, we carried out audits focused on solutions to risks related to water supply for breweries. We also carried out an assessment of the vulnerability of water resources in the surroundings of the breweries in Pilsen, Velké Popovice and Nošovice, and the same audit awaits the Šariš brewery in 2023. As part of this vulnerability assessment (SVA), an analysis of the conditions of local water resources is carried out and helps to identify potentially vulnerable spots and risks. The results of the audit confirmed that our water resources are not under direct risk and that they are in good and sustainable condition. No negative impact on water resources in areas where we operate showed when our activities were assessed.

Note: SVA is in compliance with AWS and TCFD standards.



CURRENT DROUGHT
SITUATION



Our commitment: We will reduce the amount of water used to produce 1 litre of beer to 2.75



Water resources of our breweries



Pilsen

We source more than half of our water from our own five wells in the Roudná district. The rest is provided by suppliers sourcing it from Mže and the Úhlava Rivers.

Velké Popovice

We source the major part of our water from 11 wells located within 2 kilometres from the brewery. The rest is provided by a supplier, the Švihov dam being the source.

Nošovice

Radegast uses water from the Morávka River and three of its own wells nearby..

Velký Šariš

The brewery uses water from deep wells in the Torysa River spring area. Its own wells are another source, and also provide some water for the malt house.

Reducing consumption

In terms of water consumption, we consider 2022 a very successful year. While water consumption per litre of beer was about three litres of water in previous years, we got under this difficult-to-achieve value in 2022. The Radegast brewery achieved record low water consumption again, specifically 2.29 l/l of beer, which is 0.12l less than the previous year. This amount refers to the total amount of water the brewery needs for producing and packaging beer. This thus does not refer only to water in beer itself but also to the water in the beer itself, but also to the water which steams off during production, and the water used for sanitizing, rinsing, disinfecting, and cooling.



2.29

The Radegast brewery achieved an average 2.29 l water consumption per litre of beer, which is 0.12l less than the previous year.

We continue optimizing our equipment with the “Clean in Place” technology, which enables us, for example, to use bag-free stainless beer tanks in bulk. We also use ultrafiltering units which collect waste water and clean it to become drinking water we can use, for example, for rinsing.

OTHER ECONOMY MEASURES AT OUR BREWERIES



PILSEN

A new automated warehouse with three 838-m³ retention tanks built underground brought about large savings. The brewery reuses retained water for cooling the production equipment at the nearby Gambrinus brewery.

Another 0.10% reduction in annual consumption was achieved thanks to new kieselguhr filtration.

The replacement of part of the ammoniac cooling equipment with an air-cooled dry condenser helped us save 0.022 l of water per litre of beer.



VELKÝ ŠARIŠ

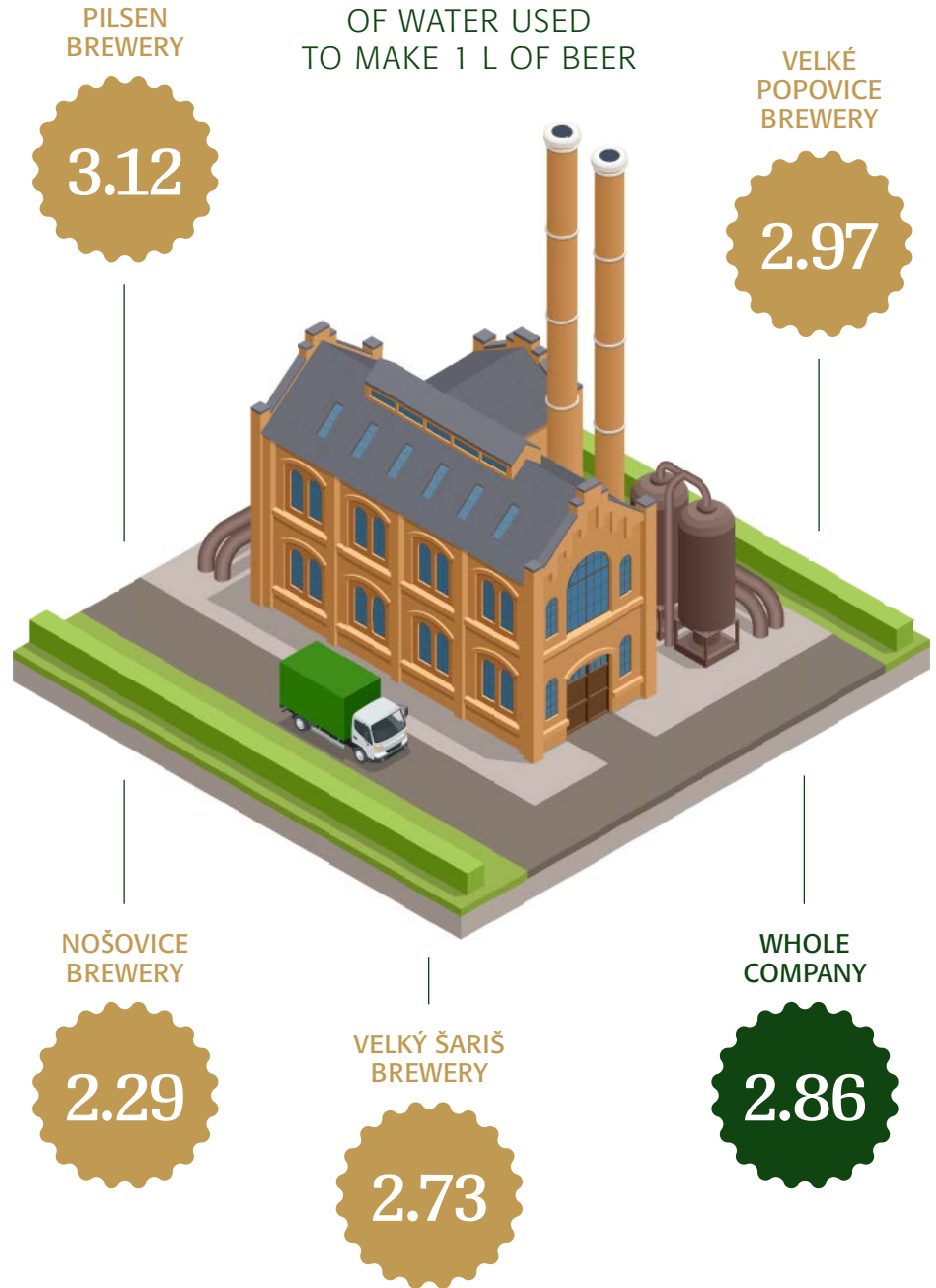
We introduced a water cascading system in returnable bottle pasteurisation process. Water used for cooling, is later reused when the bottles are filled. This repeated use helps to save 0.05 l/l.



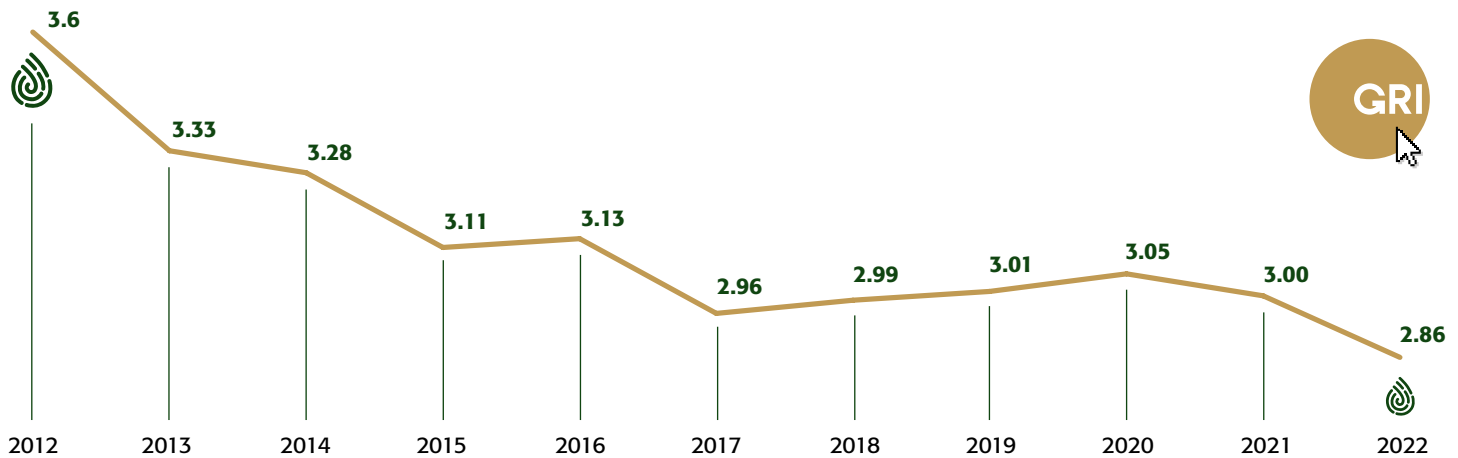
NOŠOVICE

A project to reduce water pressure in the water piping system in the brewery compound brought about further reduction to already record low water consumption, enabling savings of 0.03l/l.

AVERAGE AMOUNT OF WATER USED TO MAKE 1 L OF BEER



THE DEVELOPMENT OF THE AMOUNT OF WATER CONSUMED AT BREWERIES OVER THE PAST 10 YEARS (TOTAL l/l OF BEER)



Behind the gates of our breweries

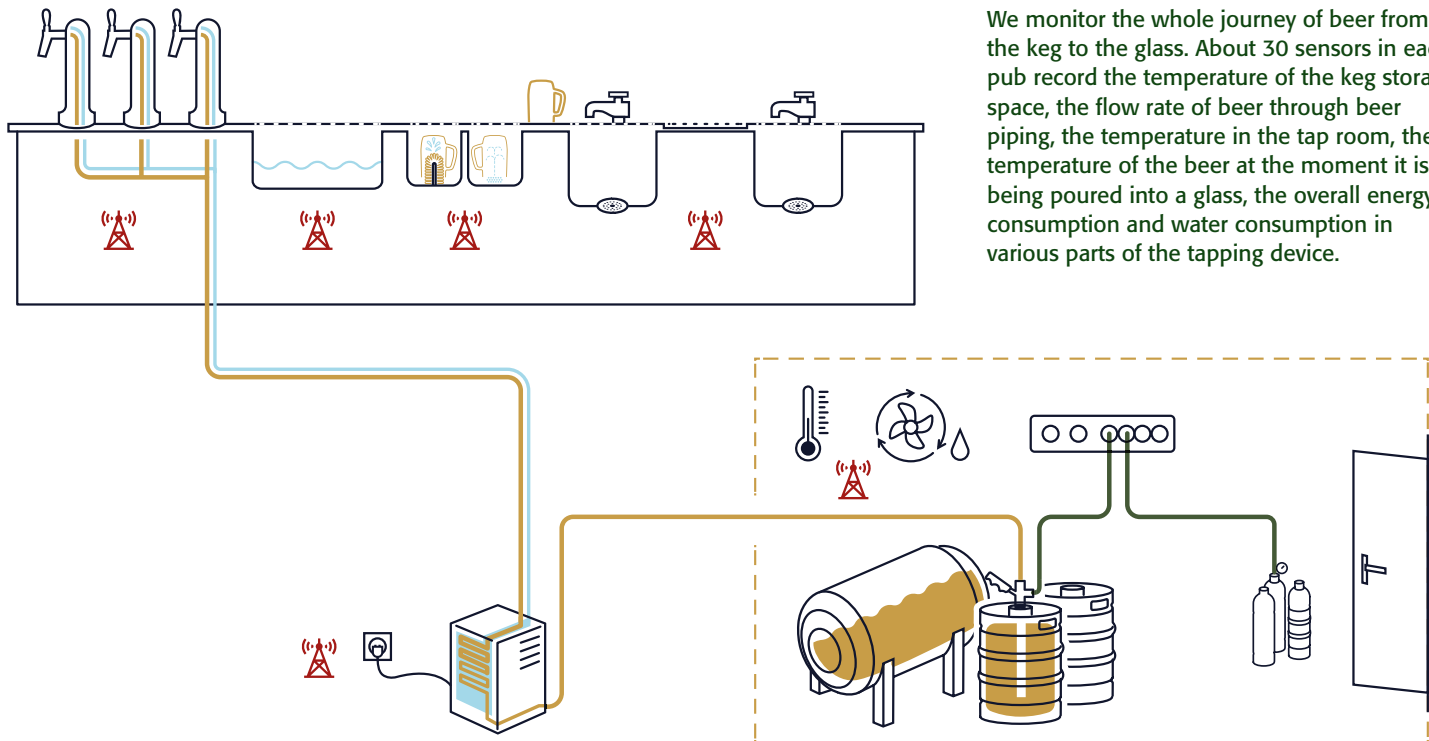


A unique system for the biological cleaning of rainwater from the brewery compound was built at the **Radegast Brewery** in Nošovice back in 2002. The system consists of several connected ponds that clean water in a natural way and, at the same time, increases the variety of biotopes in the Morávka River flood plain. In this way, over 60,000 m³ of rain water is cleaned every year. (A detailed description can be found in our [2021 Sustainability Report](#).)

In **Velké Popovice**, we started a project to improve the quality of water in the brewery pond. The first phase is the application of special bacteria which remove organic mud and, at the same time, reduce the amount of nitrogen compounds and other nutrients in the water. The bacteria removed 2,400 m³ of organic mud from the brewery pond after the first dose. The project also improved the visual quality of the water, eliminated blue-green algae, and increased the concentration of oxygen in the water.

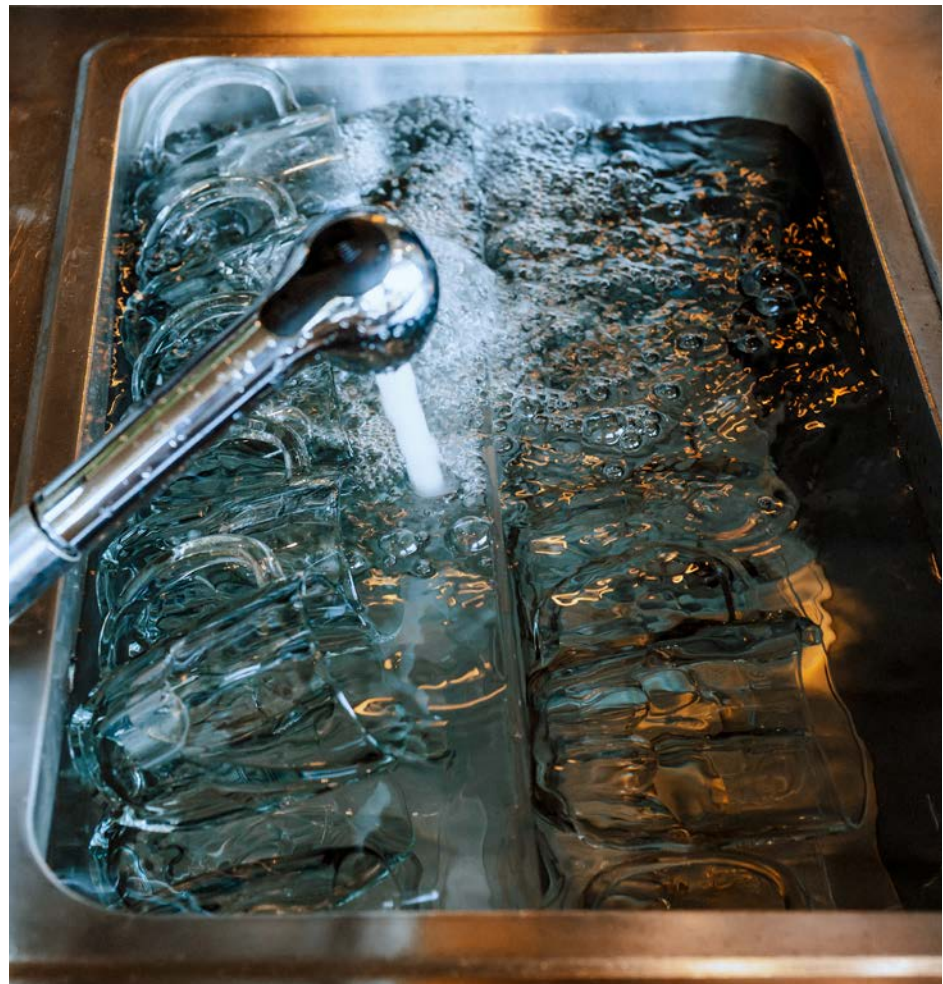
Together with hop farmers and malting barley growers, we are looking to save more water and to help its retention in the landscape. Our cooperation is described in more detail in the [Raw Materials](#) chapter.

Smart Taproom



We monitor the whole journey of beer from the keg to the glass. About 30 sensors in each pub record the temperature of the keg storage space, the flow rate of beer through beer piping, the temperature in the tap room, the temperature of the beer at the moment it is being poured into a glass, the overall energy consumption and water consumption in various parts of the tapping device.

Saving water is also one of the goals of the “Smart Taproom” project. With this project, Plzeňský Prazdroj cooperates with the **Czech Institute of Robotics, Informatics and Cybernetics at CTU, and Microsoft, Adastra and Smart Technology**. The goal is to be able to monitor the whole journey of draught beer in a pub. Therefore, more than 1,800 sensors in 45 Czech and 17 Slovak pubs will monitor the whole journey of beer from storage spaces in cellars, to cooling boxes, to beer piping and finally to a poured glass, throughout a 12-month period. Apart from energy consumption, the project also focuses on water consumption in the process of care for beer and beer glasses. Based on data gained, changes in the tapping equipment will be proposed in order to help outlets can save water and energy. At Prazdroj, we are already working on finding technological solutions which will enable water recuperation, reduce the water needed for rinsing, and on other equipment improvements.



CHAPTER SIX



Raw Materials

We brew our beer only from the best ingredients which can be provided only by the best farmers. Quality is not the only criterion we monitor when selecting our suppliers. Their sustainability and relationship with the landscape the ingredients come from is of the same importance to us.

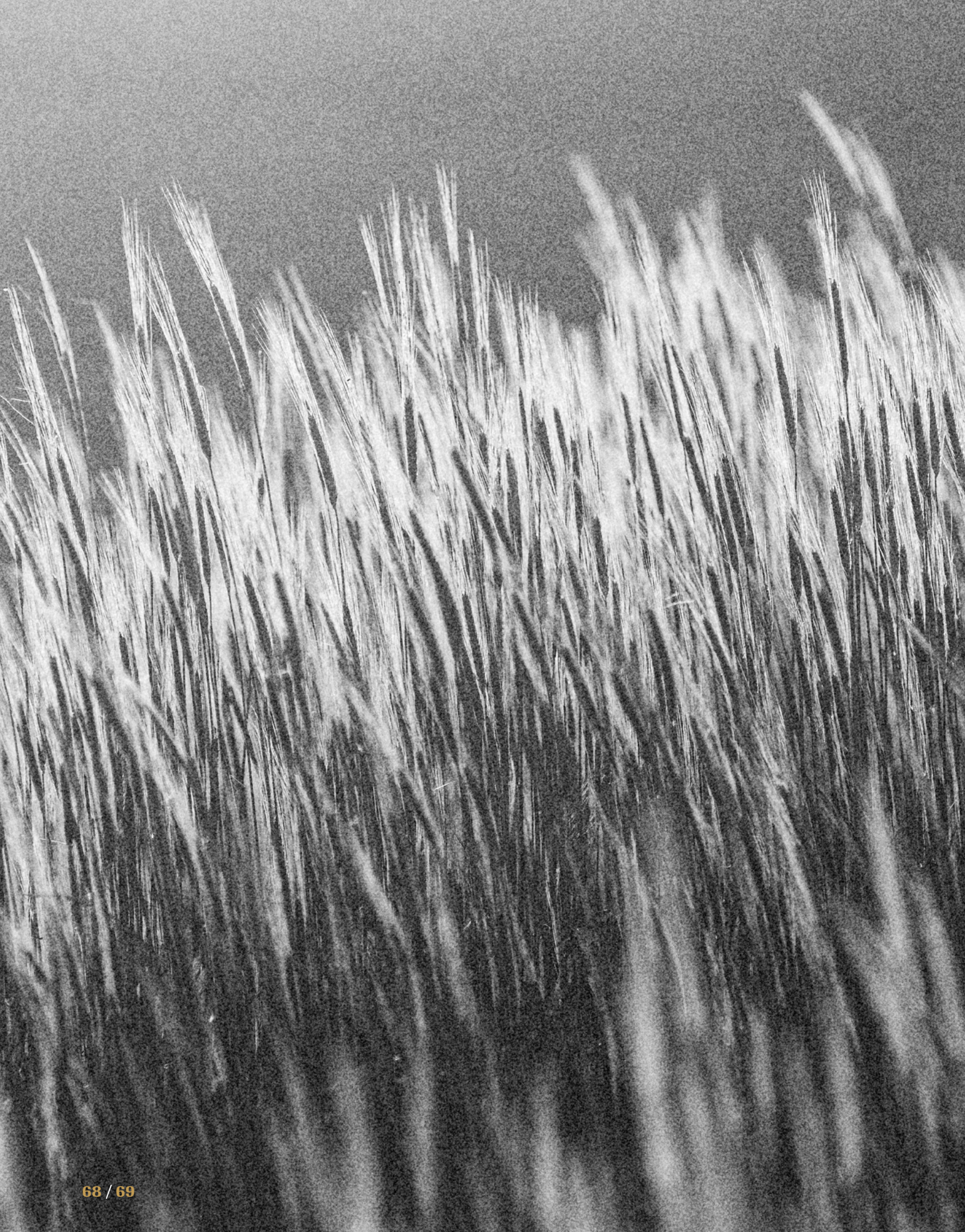


At university, I wrote my bachelor and diploma theses about barley and malt. Working at a brewery was the next logical step, even though a woman at a brewery was a scarce thing back then. I am happy to work in the field I studied. It is important to manage the quality of raw materials for beer, and I like taking care of barley, hops and other ingredients at the Šariš brewery. It is work that makes sense. In addition, the view of a barley field waving in the wind under a blue sky is very soothing. We participate in field days and check the quality of crops. The journey of beer starts in the field. Barley forms the base of beer - body and soul. We buy barley for the Šariš malt house in Slovakia to support Slovak farmers. Farmers also grow new varieties for us which we want to try, so we always try to make both sides satisfied. When we receive barley, it is up to me to determine how we will process it - at what temperatures, at what humidity level, etc. The grain is alive and sometimes does its own thing.. It does not listen and do exactly what you want. This is the beautiful thing about it, though. To work with it so that in the end it is always our Šariš. Beer with a sparkle.

GABRIELA GALAJDOVÁ

Malting Process Technologist, with Prazdroj since 2019.





70
One of the biggest
barley customers

71
For Barley

72
New barley
varieties

73
For Hops

76
Flowers
for Hops

We put a lot of effort in selecting farmers to work with. We make sure they take proper care of their soil. We observe whether they follow the right procedures when sowing and taking care of the plants, and during harvest, storing and transport. Thanks to these requirements, we can be sure that we always use local raw materials of the best available quality. This, together with traditional recipes and production processes, has allowed us to use the *protected geographical indication “Czech beer”* for our products.

There are many other areas related to sustainable agriculture, from reducing the carbon footprint, to saving water while growing crops, to limiting chemicals and fertilizers.



Our commitment: By 2030, beers by Prazdroj will be brewed only using raw materials originating from sustainable agriculture.

Barley



We buy all the barley for our malt houses from local Czech and Slovak farmers.



Prazdroj brews beer primarily from domestic barley varieties, which enable a lower level of fermentation, lending Czech beer its full body. All barley is bought exclusively locally and processed in a traditional way in our own malt houses in Pilsen, Nošovice, and Velký Šariš. 72% of our barley consumption comes from Czech and Slovak farmers. We purchase the rest from suppliers who guarantee its local origin. ***Prazdroj has thus, on a long-term basis, been one of the biggest customers of barley in the Czech Republic and Slovakia.***



IN 2022, WE PURCHASED

152,033
tonnes of barley in the Czech Republic

24,624
tonnes of barley in Slovakia





The FOR BARLEY initiative for saving Slovak barley

The area of fields of barley in Slovakia has been decreasing for the past decade. In 2012, malting barley was grown on an area of 70 thousand hectares. By 2021, this area had decreased by more than a fourth to 50 thousand hectares. Many farmers are worried they will not be able to ensure the required quality and volume due to the changing climate conditions.

This challenging situation many barley growers have to face is, to a large extent, caused by practices applied in the period of collectivization of agriculture. Fields were consolidated into huge units and natural landscape features which ensure the variety of terrain were eliminated. Large-area agriculture led to a decreased ability of the soil to retain water and to

increased erosion of the most fertile layer of topsoil. Quality soil with sufficient humidity is very important when growing malting barley. With current climate conditions, there is a risk that farmers will prefer other crops.



The FOR BARLEY initiative is a response to the current problem of a decrease in land sowed with barley. It is a joint project of Plzeňský Prazdroj Slovensko, Ekopolis Foundation and experts from the Slovak National Forest Centre. It is focused on **the support of local farmers, the protection of the surrounding environment, and on sustainable barley growing, applying the principles of agroforestry** – growing

crops together with woody plants. Purposefully planting woody plants on at field boundaries and dividing fields into smaller lots improves the soil's ability to retain water, prevents erosion and prevents water from washing away the fertile part of topsoil. At the same time, it supports the biodiversity of local fauna and flora, mitigates microclimatic extremes and generally cultivates the landscape.

PROJECT PILOT PHASE

The first agricultural association where the project is tested, is PD Radošinka in Veľké Ripňany. 150 poplars, oaks, elms, wild apple and pear trees, mulberry trees and lime trees were planted on the borders between fields.

New barley varieties

Another solution to climate change-related problems is using more resilient barley varieties. Together with experts from the Research Institute of Brewing and Malting, **we are working on developing new barley varieties which would be more resilient to droughts and diseases**. Using them would mean not only lower water consumption, but also less use of agricultural machinery and an overall reduction of the carbon footprint from production. Breeding new varieties is a long-term process, which, apart from other efforts, requires a change in the setting of processing procedures. It is however an important part of the transition to sustainable agriculture.



In the past year, we organised educational events and seminars for malting barley farmers in Pilsen, Nošovice and Veľký Šariš. We are planning to actively support farmers and encourage the development of regenerative agriculture in malting barley farming in the upcoming years as well.

Hops



The hops which grow in the unique soil and climatic conditions of our landscape lend Czech and Slovak beer a special taste. In the Pilsen region, we use well-known varieties of hops – **Saaz semi-early red bine, Sladek, Premiant and Saaz Late**. We also use foreign hop varieties for flavoured beers and other special beers. Before the hops are processed into pellets, they are harvested and stored at low temperatures and in an atmosphere with a reduced level of oxygen. Czech and Moravian hops are added to beer by brew masters at a later stage of hop boiling, which gives beer its specific soft bitterness and a unique aroma.

Year-on-year differences between volumes purchased are caused by stocking up in advance and by specific trade agreements in the given year.

700
tonnes

Three quarters of the total of 700 tonnes of hops which we purchased in the Czech Republic and in Slovakia in 2022 were from local suppliers.



FOR HOPS

This year's hops season was negatively affected by extreme weather fluctuations in the summer months when long periods of drought alternated with intense rain. The harvest therefore yielded a third less than the long-term average. ***In comparison to the record figures in 2021, the yield was smaller by a half.***

Domestic hop growers will get support in their fight against climate change via the FOR HOPS project. Its goal is to create an application which will, with the help of artificial intelligence, recommend an ideal schedule for irrigation and care for hop fields. Plzeňský Prazdroj and Microsoft are the initiators of the project. Other engaged bodies are the Hop Research Institute, the Association of Hop Growers,

technological start-ups from Canada, the USA, and experts from several other countries.

The pilot project was launched in six Saaz region hop gardens. Before winter, experts installed soil sensors, meteorological stations and time-loop cameras in these hop gardens. In spring, more sensors were added – the so-called hop ECG – connected directly to hop plants. Thanks to sensors in various spots within the region, the data centre collects data from various soil types and various micro climatic conditions. Further data are gained from meteorological stations, satellite images, and data files from the Microsoft Planetary Computer. The data collected are analysed with the help of AI to help us understand how hops respond to external conditions. The outcome

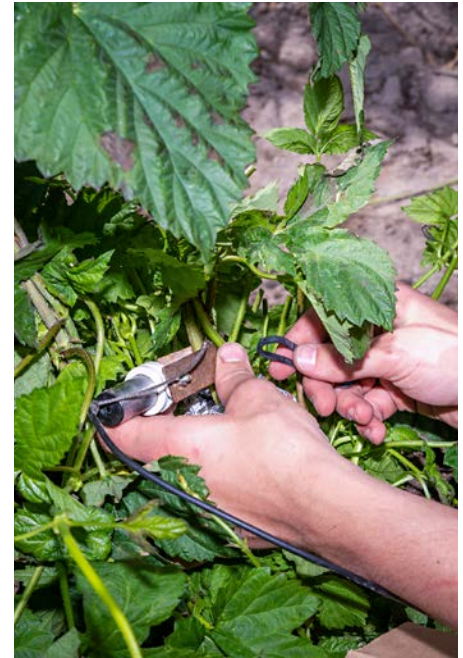
of the project will be a mobile application, which will help growers to better cope with lack of water and manage other resources more efficiently. Further measurements will be carried out throughout the next hops season. The accuracy of the analysis will show us values from individual hop gardens, so the application should be a significant contribution to our efforts to maintain the amount and quality of grown hops.

pro chmel



MORE INFORMATION ABOUT THE
PROJECT AT WWW.PROCHMEL.CZ





We connected 40 experts from across three continents to help Czech hops.

Regenerative hop field



A hop field where not only hops grow, but also flowers and other plants which help boost the soil in a natural way.

kytky pro chmel



DALŠÍ INFORMACE O PROJEKTU
WWW.KYTKYPROCHMEL.CZ



There is another project to help farmers adapt to climate change – Flowers for Hops – the pilot phase of which started in selected Saaz region hop fields last year. The goal is to test the implementation of the principles of regenerative agriculture in hop farming. Soil regeneration, enrichment with nutrients and irrigation should help hop farmers stabilize their yield and quality, and ensure better harvest predictability for the upcoming seasons.

The project is conceived as a scientific experiment with continuous monitoring of key parameters *in hop fields in Běsno, Mšec, Nesuchyň and Kroučová*. These locations were selected as they provide an overview of the wide scale of soil types where Saaz semi-early red-bine hops are grown. We sowed plants which can help nurture the soil and improve water retention into hop fields. This means we are abandoning agricultural procedures followed in recent decades, where soil is ploughed in autumn and all

the nutrients freeze and must later be added artificially. Conditions from fields where these methods of regenerative agriculture will be applied will later be compared to control hop gardens where things will be done as they have been so far, all with the help of state-of-the-art technology. Locations and facilities for the experiment were provided by the *Arix Czech Hop* group, one of the biggest hop growers in Europe and a key supplier to Plzeňský Prazdroj. The main scientific partner of the project is the *Czech University of Life Sciences*.

CHAPTER SEVEN



Packaging

Packaging materials are key for our business and also for our customers. Yet they also significantly contribute to the overall impact of our business on the environment. Therefore, we approach packaging material in a comprehensive manner and we reduce its environmental footprint wherever possible. Our goal is for all packaging material to be either filled repeatedly or to become raw material for other packaging material.



We have always kept packaging material in our family. My grandmother used to do it, and we have simply continued. We jokingly say that we save boxes for boxes. I am therefore happy to be in charge of this area at the brewery and can look for solutions at work as well. I am interested in it. It is eco-friendly, financially beneficial and, for me, totally natural. I was very pleased when we stopped putting our beer into plastic PET bottles where it is impossible to sufficiently tune the production technology. I see recycling cans in the near future. We have already been able to do this in Slovakia. Collaboration with our suppliers is key to us. It works like symbiosis. Packaging suppliers come up with something new, more eco-friendly, and they need to try these new materials with a customer. So we meet them halfway. The courage to do so has been paying off. We are committed to sustainability at home as well. We are very disciplined at recycling, and we try to use packaging multiple times. My son already has his own household, and is going even further. He looks for packaging-free products and he has been really good at it. I am really pleased about that.

MARTINA VAJSKEBROVÁ

Raw Material Manager, with Prazdroj since 2000.





82
We are reducing our environmental footprint

82
Beer tanks

83
Returnable bottles

84
The circularity of cans



The starting point for decision-making with regard to our packaging strategy is the LCA analysis of the life cycle of selected beverage packaging materials. The method of the analysis was developed together with experts from the Faculty of Environmental Technology, UCT Prague. It enables us to assess the impact of different packaging types on the environment.



LCA ANALYSIS OUTCOME



Our commitment: All packaging of our products will, from 2030 on, be reusable or recyclable and, at the same time, at least half of the packaging will be made up of recycled material. We will stop using single-use plastics from virgin material.

The journey to reducing the environmental footprint of our packaging

Zero use of single-use non-recyclable packaging.

We completely abandoned the use of packaging which cannot be recycled into new packaging. For this reason, we stopped selling beer in plastic PET bottles. The last plastic PET bottles were used in December 2021, **and we dismantled our plastic bottle-filling line at the Pilsen brewery last year.** Since then, we only use kegs, tanks, glass bottles and cans for all our brands.

Limiting the use of virgin material and increasing the share of recycled material

Wherever possible, we replace virgin plastic with recycled plastic. We use single-use virgin plastic only for the production of packaging for which we have not yet found a suitable alternative: plastic caps on kegs, mobile tank bags and foil wrap. In previous years, we reduced its thickness by almost a third and, in comparison to commonly used foil, we save 78 tonnes of plastic yearly. **We have reduced the consumption of single-use virgin plastic in our packaging by 85% since 2019. We have been successful in reducing its consumption every year. We will not be using it at all in 2030.**

We have also been successful in reducing the use of virgin material in the case of paper packaging. Thanks to a new method of printing on corrugated cardboard, we have been able to start using more recycled material for cardboard packaging, thereby saving 107 tonnes of virgin material. Despite the lack of recycled material on the market, we have still been able to use labels made from recycled paper for almost half of our glass bottles. **We use 70% - 100% recycled material for producing labels where technology enables us to do so.**



New plastic bags in beer tanks

Beer is transported to tank facilities in mobile tanks which are cleaned in a similar way to tankers. We, therefore, do not have to use plastic bags in them anymore. However, they are still used in tanks in pubs for hygiene reasons.

Our development workshop has a long-term project to develop plastic bags for tank beer that need as little plastic material as possible. During almost two years of tests, we managed to make the side of the bags thinner - from 110 microns to 90 at first, and currently to 60 microns - in other words, only 0.06 mm. Thanks to this step, we will save 12 tonnes

of plastic in the Czech Republic and 5 tonnes of plastic in Slovakia annually.

With regard to beer tank bags, there has also been progress in the process of recycling. In the Czech Republic alone, we use almost 50,000 of them every year, which means 45 tonnes of plastic for their production. We also use tanks with plastic bags for the export of tank beer. In cooperation with the Technical Service, Procurement and Distribution teams, **we have launched a programme for the collection and recycling of used tank bags.**

Returnable packaging

It is part of our long-term strategy to increase the proportion of returnable packaging – returnable bottles, kegs and tanks – in our portfolio. **In 2022, we sold 71% of our products in returnable packaging in the Czech Republic and 57% in Slovakia.** Our Slovak customers have been showing an increasing interest in beer packaged in returnable bottles, which are the most suitable option for the environment – according to our data, each bottle is used up to twenty-six times. We are, therefore, pleased that more and more people find their way to them. **Their use increased by 8% year on year in Slovakia** alone, and Prazdroj is the Slovak leader in their sales.

Returnable bottle*

Average percentage of bottles returned: **98%**
 How many times refilled: **26x**
 How long each bottle stays in circulation: **8 years**

* According to the internal calculation method

THE STRUCTURE OF THE PACKAGING OF OUR PRODUCTS AND THEIR SHARE IN TOTAL DOMESTIC SALES

NON-RETURNABLE BOTTLES



ČR 1%
SR 0.5%

RETURNABLE BOTTLES



ČR 37%
SR 33%

CANS



ČR 28%
SR 42%

KEGS



ČR 32%
SR 22.5%

TANKS



ČR 2%
SR 2%



Cans

Our customers continue to show a lot of interest in canned beverages. For the cans to be the smallest burden on the environment possible, we have been reducing the thickness of the material used on a long-term basis, thus also reducing the amount of aluminium used. We have also been increasing the proportion of recycled material used for their production. Pilsner Urquell was the first brand in the Czech Republic to use cans with a certified 75% of recyclate.

Our cans contain an average of 60% recycled material.





One can makes another can

Full recyclability is a unique quality of aluminium, and this enables a closed system of repeated use. Unfortunately, there is a lack of recycled aluminium in Europe. To launch the recycling cycle it is necessary to ensure that used cans do not end up in general waste. A clear way to prevent this is to introduce a deposit scheme. Via the Slovak Association of Brewers and Malt Producers, we are one of the founders of the deposit scheme in Slovakia. This Slovak system, in operation since 2022, is offering beverage producers the opportunity

to purchase collected cans for the purpose of recycling them and using them in production. Thanks to the fact that we can purchase returned cans, Prazdroj has also become a supplier of used aluminium. **We will thus be able to increase its share in cans to 75% across the whole portfolio in Slovakia, and to cover its overall consumption with the material from the deposit scheme.** In this way, we will symbolically close the circle of material and know exactly what our cans are made of.

Testing of the closed cycle began in 2022 with 200 tonnes of aluminium being recycled.



MORE INFORMATION ABOUT THE DEPOSIT RETURN SCHEME

We keep reducing the carbon footprint of cans

The higher share of aluminium will be reflected not only in saving 460 tonnes of new material, but also in the decrease of the carbon footprint of our cans. We find out the exact carbon footprint values in cooperation with the British [Verco Global](#) company, which measures it throughout our supply chain. They monitor the whole life cycle of a can and compare it to the

situation in 2021 when the deposit system had not been introduced yet. The results show that the increase in collection and recycling from 43% to the expected 80% and the increase in the proportion of recycled material from 47% to 75% will decrease the average carbon footprint of our cans in Slovakia by 39%.



Efforts to introduce a deposit return scheme in the Czech Republic

Plzeňský Prazdroj is seeking to introduce a deposit system for beverage packaging in the Czech Republic, where most of it, unfortunately, ends up in incinerator plants and landfills. Together with other top producers of beverages in the Czech Republic, we founded the Initiative for Deposits. Its goal is to introduce an across-the-board system in which all producers and importers who place beverages in plastic

bottles and cans on the market would take part. PET plastic bottles with a deposit could be returned by customers in all food stores with an area larger than 50m² and on petrol stations. Customers could return deposit PET bottles and cans at a wide and convenient network of collection points in grocery stores and petrol stations, and the Czech Republic would take a crucial step towards a circular economy.



MORE ABOUT
THE INITIATIVE

CHAPTER EIGHT



Waste

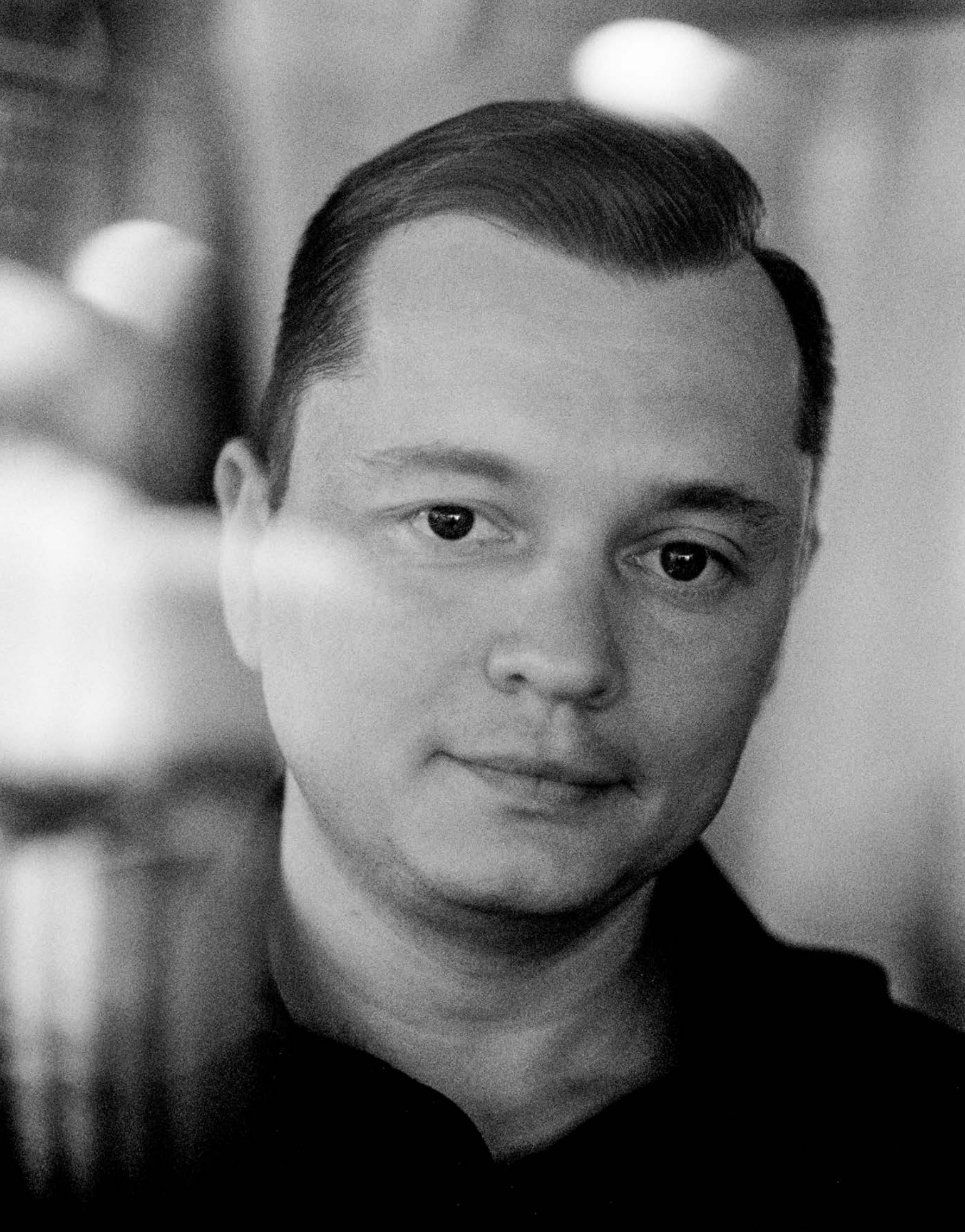
We continue to decrease the volume of waste in landfills and to look for alternative ways to use waste. We recycle secondary raw materials from production, look for new solutions to reduce the carbon footprint of our products and we take waste management into consideration when selecting our suppliers and business partners.



During my university studies, one of the best things was the dormitory life. Even that could be improved a bit. I studied environmental studies in Košice and I noticed that there was minimum awareness of recycling waste at the dorm. There was only one rubbish bin in the shared kitchen into which all the rubbish was thrown. Me and my friends from university thought about whether to do something about it and we decided that we would. We talked to the dormitory maintenance staff and asked them to place at least three bins in the kitchens – for plastic, paper and general waste. We tried to raise awareness – visualizations near the bins, written rules. We also added funny punishments for breaking these rules. Students accepted it and started to recycle at least at some level. Those kitchens immediately looked better as the bins were not overfilled and rubbish did not lie around. Some parts of our student campaign inspired me later after coming to work at Šariš. Our employees follow the rules of recycling perfectly. However, we have to keep working on this with our suppliers. We will achieve 0% landfilling in 2023 – we will be able to make use of everything that is made during our production processes. I think this is something we can be proud of.

RASTISLAV DULEBA

Water and Environmental Management System Specialist, with Prazdroj since 2017.



**ODPADNÍ
ETIKETY**

91
So that nothing
ends up in a
landfill

93
Returnable cups at
festivals

94
How we are doing
in terms of waste

96
Cooperation with
partners

96
Brewers'
crackers



Our commitment:
By 2025 none of our
waste will be landfilled.

We are heading towards zero landfilling

The use of waste is determined by the hierarchy of waste management processes followed by the managers of our breweries, distribution centres, and technical service. Thanks to our joint efforts, we have **decreased the amount of landfill waste by 6.6% in the Czech Republic, and by 3.6% in Slovakia**. This was achieved mainly by increasing the extent of recycling. The overall volume of waste did not decrease compared to last year, but the **level of recycling did - by 17% in the Czech Republic and by 9% in Slovakia**.



In our brewery in Velký Šariš, we have established cooperation with a company that operates a waste energy recovery facility. Therefore, ***we are planning to achieve zero landfilling as soon as in 2023.***

We remain committed to terminate landfilling by 2025. Part of our effort to achieve zero landfilling is the priority to reduce production of mixed packaging material and general waste. The first step towards reducing waste from beverage packaging was the termination of the use of PET plastic bottles. Another step is our support for deposits on cans. ***We ensure the collection of packaging material waste and its further use.*** In the premises of our breweries, this idea is supported by the fact that we use compressing containers for paper and plastic packaging material residues. We are glad to have found customers for paper labels removed from used bottles and that we are able to recycle thanks to suitable separation processes.



GETTING OUR HOUSE IN ORDER

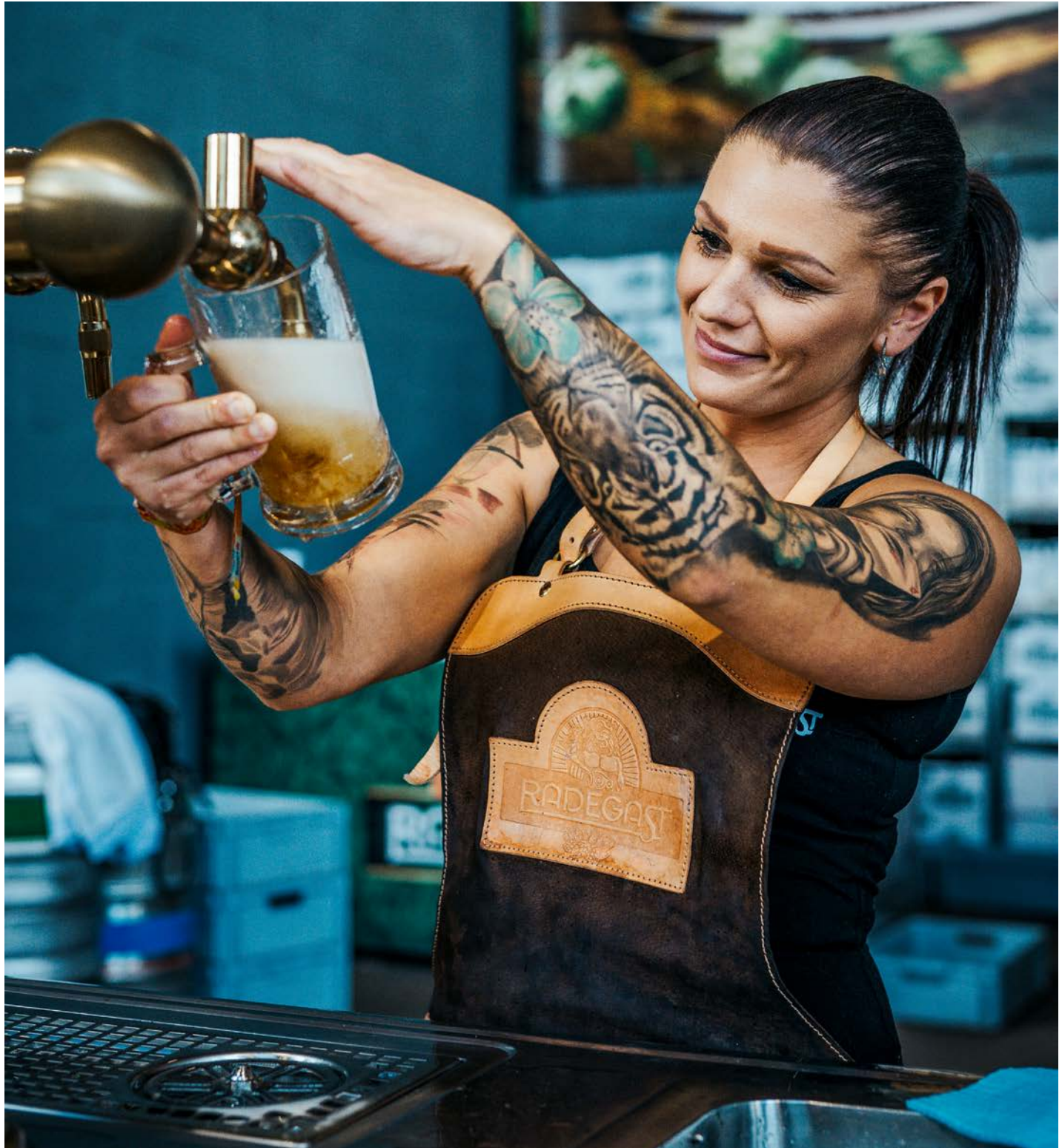
We supported efforts to reduce the amount of general waste through an internal campaign to raise awareness in our company. There are new containers for recycled waste in our breweries.

WE ALSO MONITOR WASTE MANAGEMENT BY OUR PARTNERS

We also monitor how our suppliers and contractors use, recycle and dispose of waste. When choosing companies to cooperate with, we take into consideration what waste and secondary materials they use and whether they prefer further processing of material to incineration or landfilling.

Returnable glasses and cups at festivals

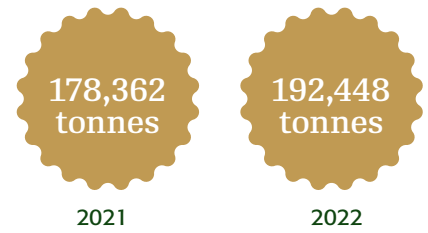
We use returnable cups or pour beer into returnable glasses wherever organizers allow it. If there is no way to do so, we opt for single-use recycled plastic cups, which helps us decrease the carbon footprint of our products. We continuously look for suitable alternatives to recycled plastic cups which would offer the same characteristics and, at the same time, a demonstrably and significantly smaller carbon footprint.



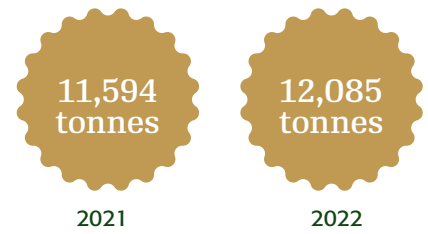




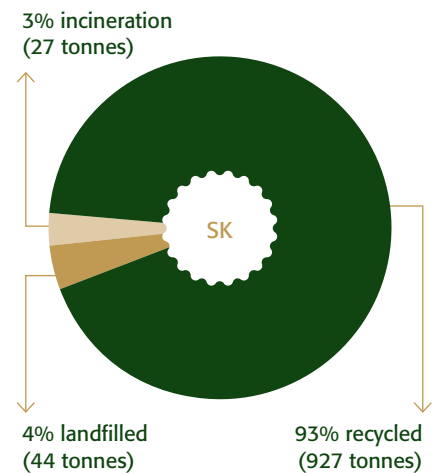
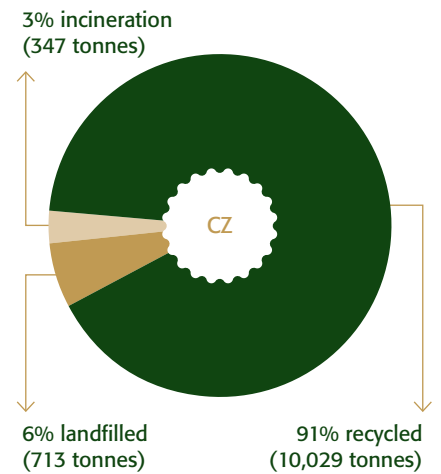
BY-PRODUCTS FROM PRODUCTION



WASTE



WASTE PROCESSING WITHOUT BY-PRODUCTS



Secondary raw materials from production

Most raw materials processed in the brewing industry are natural. Therefore, also most of our waste is of natural origin, so there is the opportunity of secondary use. Thanks to our long-term efforts, ***we are currently able to recycle 100% of all secondary raw materials originating from our production.***

Malting waste is a great source of feed for farm animals. Breeders appreciate especially yeast from spent brewer's grains as it has a high content of protein, fibre and calcium. Farmers can also use sludge as fertilizers and sewage filtration kieselguhr. When ploughed into the soil, the soil becomes lighter and more aerated in recultivated areas.

We conclude long-term agreements with malting waste customers. We communicate with them regularly and we share our weekly brewing plans so that the collection of by-products from our breweries is the most efficient. Our customers conclude agreements directly with farmers and agricultural associations. ***Part of the secondary products from our production thus actually heads to our barley and hops suppliers.***



Brewer's crackers

Brewer's grains are a by-product which remains after barley malt is boiled and the hopped wort is strained. Because most of the sugars from barley go into the beer, this malt has a low calorie content. It is, nevertheless, rich in fibre, amino acids and protein, which makes it an interesting ingredient for the food industry. Our popular malt crackers are proof that malt can be used to make a tasty and healthy snack. The Zemanka organic bakery has been baking these crackers for more than three years. There are three flavours - salted, garlic, and cheese. They can serve as ideal nibbles with beer. Last year, 301 kg of brewer's grains were processed this way.

CHAPTER NINE



People

A company and its culture are created primarily by people. Therefore, we try to provide our colleagues with an environment where they can use their potential, be it directly through work or personal relationships. We value the principles of diversity, inclusion, and open-mindedness, and we support processes which have a positive impact on the satisfaction and the career development of our workers.



In 2015, I was approached by a head hunter and asked to discuss a job offer with him. I was not looking for a job at that time, but he invited me for breakfast. And I love to eat. So we met. I started to be interested in the job only at the moment he mentioned it was Plzeňský Prazdroj. I knew that people at Prazdroj valued the great atmosphere there. After I joined the staff, I found out this was no rumour. I grew career-wise at this company, but it also met me half-way when I needed. From support during pregnancy to the chance to return to work part-time 6 months after my son was born. Even before the COVID period, I appreciated working from home one day a week as a mum and the financial contribution to day-care costs. After my second son was born, I started working right after puerperium, but in a different position. For 5 hours a week at first and then more and more, just like I needed. My manager left my working hours completely up to me. I am now back in my initial position, but I still sense a good atmosphere and support for parents. Every day at Prazdroj reminds me how happy I am to have gone for that breakfast back then.

PETRA NÁDR

Head of Legal, with Prazdroj since 2015.





102
Diversity and
Inclusion

106
Learning and
development

107
Well-being
and mental
health

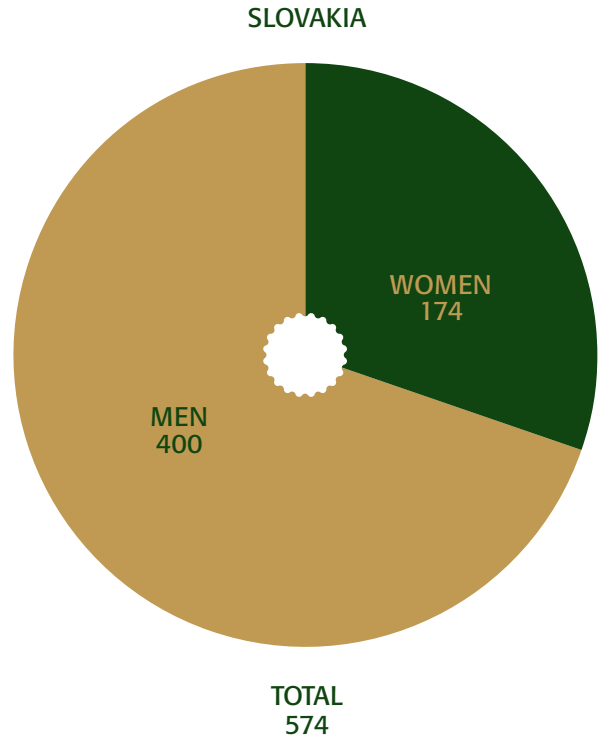
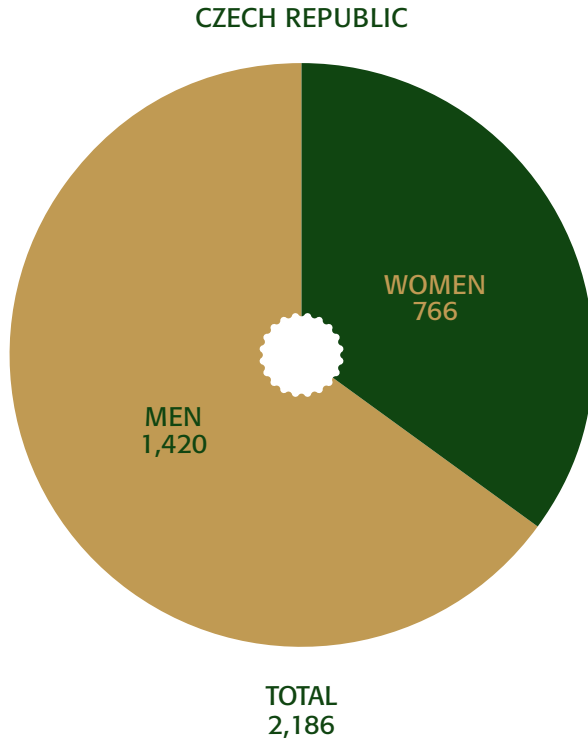
108
Volunteering

110
Talent
development

111
Occupational
safety and
health

112
Ethics

Employee numbers in 2022



Satisfaction survey

We can only improve through to feedback from our colleagues. That is why, every year, we ask them how they feel at Prazdroj, how they perceive the values and the goals of the company, how well we are doing in the area of occupational safety and health and about many other details. **In 2022, about 80% of our employees answered the survey questions, and they expressed above average satisfaction with working for our company.** In comparison to the previous survey, respondents mainly appreciated the focus on safety at work and that decision-making processes were improved and accelerated.



Our commitment: An equal share of women and men in management.



Diversity and inclusion

At Prazdroj, we have committed to treating all employees equally and we will ensure that our company culture is built on respect and equality, and that all our colleagues can fully achieve their potential. Diversity and inclusion are topics which are reflected in all areas of our activities. We would like the principles of diversity and inclusion to be followed not only in our breweries and offices, but also in outlets where our beverages are sold.





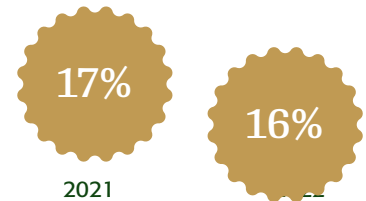
WOMEN IN COMPANY MANAGEMENT

TOP MANAGEMENT



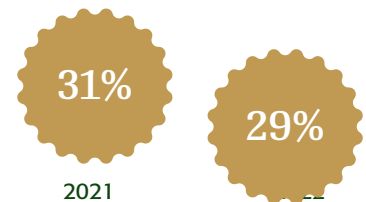
2021

SENIOR MANAGEMENT



2021

MANAGEMENT



2021

Internal indicator. 2022 data are not comparable with 2021. The indicator now does not include employees whose roles are part of the regional structures of Asahi Europe & International.

Prazdroj is a signatory and, at the same time, one of the ambassadors of ***Diversity Charter***, both in the Czech Republic and in Slovakia. The setting and management of diversity and inclusion at our company was awarded the ***Gold Diversity Strategy 2021 certificate*** as part of the Diversity Index.



Equal treatment and protection from discrimination

As part of the international LEAD Network commitment we committed to supporting **gender diversity and inclusion** in European retail and packaged consumer goods in a meaningful way. The most important aspects of our commitments are embedded in our **Equal Treatment and Protection from Discrimination Policy**. The policy specifies what is seen as unacceptable behaviour by the company – harassment, discrimination, victimisation, bullying, mobbing, etc. The policy also clearly defines the roles and responsibilities of employees and managers in terms of prevention and solutions to situations where unacceptable behaviour occurred. This policy will come into effect in 2023.



LEAD NETWORK



Our membership in the **D&I Shapers platform** makes cooperation and experience sharing in diversity, equality and inclusion much easier. The platform helps to connect and coordinate the efforts of various companies in terms of gender diversity and inclusion, and also in other areas.

Our Proud craft brewery has for the second time already taken part in the **Pink Boots Collaboration Brew Day**, the aim of which it is to support women in the brewing industry and to celebrate their successes. The limited edition Raise Your Glass APA was brewed in pink boots according to a recipe from brewmaster Lenka Straková.



Employer branding

As part of our attractive employer branding we widened the offer of development programmes and mentoring programmes focused on women. We actively share and communicate the stories of our female colleagues at Prazdroj to show that great women work at our company and that they set a great examples for other colleagues. To make sure all our male and female managers are on the same wavelength, we support the development of diversity, inclusion and open-mindedness by organising seminars.



Equal salary opportunities

An inherent part of our company strategy is an emphasis on equal treatment and the same metrics, regardless of gender. The system of development for employees and their remuneration plays an important role in this context. To make sure our remuneration processes are fair, we underwent an independent audit related to **Equal Salary** certification. The Swiss **Equal Salary Foundation**, together with the PwC audit company closely looked into our processes, carried out interviews with our employees and thoroughly analysed the data related to remuneration. The certification we obtained at the beginning of 2023 confirms that the remuneration of women and men by our company complies with the practices of the best employers and that we clearly remunerate our people based on their qualifications, abilities and their contribution to the company. Prazdroj is only the second company in the Czech Republic and one of the 150 internationally to get this certification.



EQUAL SALARY FOUNDATION

We support parents

It is important for us that during maternity leave and parental leave, parents still feel they are part of the company. This is enabled through the **Stay in Touch programme** which informs them via a newsletter about what is happening in the company and gives them access to webinars and on-line educational sessions.

There is also a special Facebook group available for parents. They keep their entitlement to employee benefits, such as the Christmas contribution, preventive health care, recreation vouchers, etc.

In order for parents to be able to reconcile family responsibilities with work, we support them in

various ways by enabling them to work part time and having flexible working hours. If they decide to return to work earlier than 3 years after giving birth, they get a financial contribution towards day-care in pre-school institutions.



Apart from transparent remuneration, we provide our employees with numerous benefits with the aim of helping them to achieve a good work-life balance.

Collective Agreement

As of January 1, 2022, a new Collective Agreement co-signed by the representatives of the employer and trade unions came into effect. The Agreement governs salaries at Plzeňský Prazdroj and Plzeňský Prazdroj Slovakia for the period until December 31, 2022.

The Collective Agreement defines all benefits provided to our employees who work full-time and part-time, with an indefinite period employment contract or a definite period contract longer than one year. This applies especially to the contribution to a pension scheme and life insurance, 5 weeks of annual leave, the contributions to health, sport, culture, recreation, transport and education. Special offers and reduced prices by partner companies are part of the offer of benefits, together with our company's products.

Internal rules were discussed with the trade unions as well. These rules define basic aspects of remuneration and a four-member committee was appointed to decide about the strategic questions, results, current topics and remuneration. Members of this committee include the managing director, financial director, director of human resources and representatives of management responsible for remuneration and benefits. Key aspects of remuneration are discussed with the Executive Committee. The remuneration system is based on the Korn Ferry Method, which is, for higher positions, consulted at the Asahi Europe & International level.

Můžeš s námi počítat (You Can Count on Us)

Our employees and their families have access to psychological, financial and legal counselling via the Můžeš s námi počítat (You Can Count on Us) assistance programme. This phone line is available 24/7, consultation is in local languages and are completely anonymous. Legal assistance has proven to be most in demand.

uLékaře.cz

Another assistance programme uLékaře.cz ensures on-line consultations with doctors for employees and also helps with arranging a check-up.

Learning

We see employee learning and development as an important investment in the future of our company. Our learning culture strives to create an environment where *employees manage the development of their skills and knowledge on their own*, and where managers have the role of coaches. One of the important principles of our philosophy is supporting natural *sharing of experience and knowledge* through workshops, expert discussions, and similar activities.

Information about educational activities and their focus is regularly shared via our newsletter *Na zdraví a na rozvoj!* (To Health and Development!)

Any development must rest on a firm base. All new colleagues go through an onboarding programme entitled *Welcome to Prazdroj*. We also provide on-line onboarding training sessions as part of CZ&SK Academy. This is mainly, but not exclusively, meant for our colleagues in Sales and Telesales. Another part of education provided by the company is statutory training based on legislation and our internal policies. For compliance, we have introduced a new concept of interactive training sessions with numerous practical examples.

After they undergo mandatory training, any Plzeňský Prazdroj employee can further unlock their potential with the help of an individual development plan (IDP). The offer of activities was put together according to the educational areas in highest demand:

Managerial skills

Our Leadership development programme enjoyed a lot of interest and was taken by 164 colleagues, as did our Mentoring programme in which 37 pairs of employees participated. An important part of skills training is the PROLEAD project method of transformation management. Our goal for the future is for the largest possible number of our employees who are engaged in projects, assign projects, or lead projects to take this training.

Lifestyle, psychology, well-being, and soft skills

29 webinars were organised in this area, and 534 colleagues participated. A training platform, GoodHabitZ, was started in order to enable access to on-line training. 274 employees joined at least one of the sessions. Language development enjoyed a lot of interest, with our company supporting 188 employees.

Technical skills

We also organise very specific and expert training. These include MiBi, focused on the area of microbiology, meant for employees working in production, Academy of Logistics and SixSigma. This is meant for senior positions in production who work on their own projects with the goal of increasing the efficiency of our processes (reducing the level of dissipation of beer, etc.) The Commercial Excellence Department prepared 44 educational courses, including some for our customers.



We try to approach training efficiently as well. We fused three mandatory courses into one, saving 816 working days for the company.

Well-being

Well-being - a state of psychological, physical and social contentment - is currently a big topic on which we also put great emphasis.

The well-being of our employees is essential to us. Therefore, we became members of the Coalition of Companies of the League for Mental Health in Slovakia. Our employees can thus have on-line consultations with experts in mental health every month.

We offer our people numerous webinars focused on *healthy lifestyle*, nutrition, exercise, but also an often neglected part of working life - ergonomics. We have been participating in the Cycle to Work! Challenge and the 10,000 steps challenge for five years.

We have revived the tradition of *Family Days at our Breweries* where hundreds of colleagues and their family members meet.

To help find the *balance between family and work life*, we have amended our formal policy *enabling home office work*. All employees whose job enables it can make use of it.



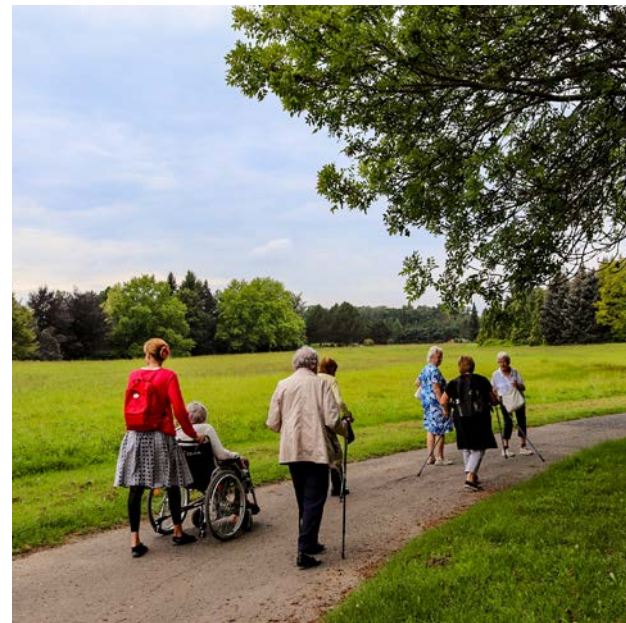
We do sports together

We organise numerous sporting events and tournaments, and we actively partake in others. Our football representatives traditionally take part in our Sports Day at Velký Šariš. For running enthusiasts, there is the Birell Grand Prix. There are competitions in darts, badminton, volleyball, but also in firefighting. Prazdroj is one of the main organisers of firefighting competitions in Pilsen. In 2022, the competition took place right in the Pilsen brewery courtyard. 28 teams of seven took part, including representatives of Prazdroj.

Volunteering



We enable all our employees who have an employment contract to spend **two working days volunteering every year**. In 2022, 422 colleagues used this opportunity, and they devoted 2,690 hours to voluntary help. Be it cleaning the landscape in the surroundings of our breweries, planting trees, landscape revitalisation, organising material collections for the needy, or senior care, our colleagues are willing to devote their time and actively engage in volunteering activities. Many of our colleagues were engaged in activities directed to help people affected by the war in Ukraine. More in the [Communities](#) chapter.





In
2022

422

colleagues
donated

2,690

hours
volunteering
doing socially
beneficial
activities



The development and support of young talents

GoGraduates

The GoGraduates project is a programme focused on the development of “Future Leaders”. Participants go through a two-year internship in positions which match their interests and career development. One rotation is abroad in a partner Asahi group brewery. Many graduates are already making use of experience they gained through this programme in key management positions. In 2022 alone, we filled 6 Trainee positions in Sales, Marketing, HR, Manufacturing, and Supply Chain with people from the GoGraduates programme.

Internships

Our company offers several types of internship positions every year. **All-year** internships mean a 20-hour work week throughout the year. **Summer ones** are in the form of full-time employment during the summer months. Internships are related to projects which focus on actual benefits for Prazdroj operation. Graduates present the results of their activities directly to the company’s management and they often become part of the operation of the company. In 2022, there were nine participants of the all-year internship, and six worked with us through the summer programme.

Cooperation with educational institutions

We actively engage with high schools and universities. We organize lectures, workshops, open days, and take part in long-term practical students’ assignments and provide consultations for Bachelor and Diploma theses. Some of our long-term partner universities are **VŠE, VŠCHT, VŠB, STU, SPU, EUBA, and others**. We also take part in job trade fairs and conferences, such as YouthSpeak Forum and Big Step.



Dual education at the Šariš brewery

Our brewery cooperates with the Secondary Vocational School of Business and Services in Prešov, providing the practical part of the only study course for malting and brewing in Slovakia. In 2022, four students studied the three-year course Brewer and Maltster, and 29 instructors from the brewery shared their experience with processes such as malt production, hopped wort production, managing the fermentation process, filtration and product packaging. Apart from an apprenticeship certificate, students can take the school-leaving examination and, if interested, they can start working for the Šariš brewery. Currently, three out of the eight graduates from the programme are working here.

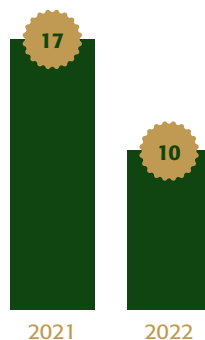
Safety is our number one priority

The management of occupational safety and health and of fire protection is internally referred to as SMS (Safety Management System) at Plzeňský Prazdroj. It is managed by the Technical Director's team which coordinates managers of individual plants. SMS also includes distribution centres, technical service and, as part of Pilsen brewery, the Proud experimental brewery. **30 audits focused on safety were carried out in 2022. 22 in the Czech Republic and 8 in Slovakia.**

A series of new measures were taken to reduce the risk of occupational injuries. These included motivational programmes, monitoring workers who do their job alone, introducing the idea of safety teams and some technical measures.

For us, the protection of personal data is also an important part of employee safety. All systems which process these data are secured in a way which ensures maximum protection of personal data.

In 2022, risk analysis was done by 42 Safety teams in total. The most important project was an across-the-board introduction of **JRA (Job Risk Analysis) by teams in individual departments**. It is their goal to identify specific risks of the given workplace, engage employees in looking for solutions and to perform follow-up updates on the state of the risk. The system of occupational safety ambassadors continued as well. These underwent a series of trainings. It is important for us that pedestrians also move safely around the premises of our breweries. We have issued procedures focusing on the **safe movement of pedestrians** and we consider this a great success.



There were 10 occupational injuries resulting in incapacity to work in 2022. 9 in the Czech Republic and only 1 in Slovakia. In comparison to the injuries in 2021, both their number and their seriousness were reduced.

Safety training

All our employees and suppliers undergo occupational safety and health training. The content is determined by legislation and is also focused on other specific risks identified at the given workplace. Employees in distribution centres and technical service are familiarized with topics related to the environment, occupational safety and health and fire protection, in cooperation with external consultants with expertise in the respective areas. Great emphasis is put on the work of external companies, especially in operation, where a system of work permits is set up and implemented for them.



146 employees participated in **Safety Camps** – special programmes organised for employees to gain knowledge and develop skills in the area of safety.

Emergency situations training

Despite difficult conditions due to COVID-19, we managed to organise a number of practical instructional sessions. At the Gambrinus brewery, for example, a joint fire drill by a voluntary fire brigade and a professional fire brigade took place, simulating an ammonia leakage situation. The procedures of responsible employees during an emergency ammonia leakage were also tested during a training session at our Nošovice brewery. This was training for a complete plant evacuation, in cooperation with the rescue services. Evacuation procedures were trained also at Pilsen and Popovice.



Ethics

Integrity and ethical behaviour both within the company and in relation to suppliers and customers is essential for supporting the good reputation of Plzeňský Prazdroj and the whole Asahi group. Principles of such behaviour are defined in our ethics policy, which was updated in 2022 and which is binding for all employees of the company, including seasonal ones. These ethical principles are introduced to them during the onboarding process, and knowledge of the principles is supported by the annual *training “Company Ethics”*.

Employees and third parties can report non-ethical behaviour anonymously on a special phone line or by filling in an on-line form . This hotline is provided by an external supplier and any reporting is investigated by an independent team. Employees can also report non-ethical behaviour to their line manager, to a member of the Ethics Committee, to the Compliance team or to the respective Ethics Commissioner. The whole process is described in the *Whistleblowing Policy*.

The fact that there were only a few reports to investigate last year proves that our measures are effective.



Prazdroj Stars

We would like our employees to be determined, full of initiative, to have a sense of responsibility, and to support and encourage one another. To encourage such behaviour, we introduced, in 2022, the chance to nominate any colleague or team for the *Prazdroj Stars award*. This is awarded to employees who have significantly contributed to the company's results or to the improvement of our company's environment. Nominees are assessed every month by a committee of senior managers, and the winners get the Prazdroj Stars award personally from the managing director. Awarded individuals and teams can proceed to another round. There, the members of the committee choose projects which can represent Prazdroj in the global *Asahi Group Philosophy Awards* competition. In 2022, Prazdroj nominated the FOR HOPS project.

CHAPTER TEN



Responsibility

We understand the need to find a balance between a healthy lifestyle and joyfully spent free time with friends. Therefore, we encourage the principles of responsible alcohol consumption, and we want our beverages to become the natural choice of consumers who drink with moderation.



We sometimes went to the pub when I was at university. Usually somewhere with cheap drinks, pool, and good company. Yet when you ordered a non-alcoholic drink in such places, the bar tender looked at you and said “You’re not at a café, have another one,” and put an alcoholic beer in front of you. I still remember this very well. People do not go to pubs, parties or barbecue get-togethers because of alcohol, but rather for the company. No one should feel they do not belong just because they do not feel like drinking alcohol. So, I am happy with my job, because although we work in a “beer environment”, we have done a lot to support the idea that it is completely normal to order non-alcoholic beer in a pub. This is now starting to feel normal, at least in larger towns. I myself love Birell. It is made from natural ingredients and tastes great. Both the flavoured and unflavoured. When I go to the pub with my friends these days, I sometimes drink non-alcoholic beer between regular beers. One wants to enjoy the whole evening. Sometimes I drink only Birell if I feel like it. No one pities me for being on antibiotics or being the designated driver. Everyone sometimes feels like that. I am happy about this progress.

ROMAN TRZASKALIK

Marketing Director, with Prazdroj since 2018.





118
Commercial
communication

120
Preventing minors
drinking alcohol

121
Na pivo s
rozumem (Drink
responsibly) and
other prevention
programmes

122
Non-alcoholic
beers

124
Our international
commitments

It is natural for us to comply with Czech, Slovak and international rules and ethical codes of conduct. Apart from them, we also apply our own internal rules which go beyond them and are among the strictest in the alcoholic beverage industry. ***Abeceda Alkoholů (The Alphabet of Alcohol)***, our principles of responsible alcohol consumption, are part of our employees' regular training and the training for cooperating agencies, business partners and shareholders. Employees of marketing departments also go through special training focused on ***responsible marketing***. We continuously expand our portfolio with non-alcoholic brands because we want to offer our consumers new beverages and flavours within the non-alcoholic drinks category.

Our commitment:
We will increase the
proportion of non-
alcoholic beverages in
our offer to 25% by 2030.



Commercial communication

We approach marketing responsibly and we regularly assess the results of self-regulation. Properly configured self-regulation enables Plzeňský Prazdroj to quickly react to changing trends while its control it does not require any investment from public budgets.

100%

of commercial communication must be approved by our internal Sales and Marketing Compliance Committee. In 2022, its members evaluated more than 560 proposals for the Czech and Slovak markets.

100%

of channels for our alcoholic brands include a mechanism that verifies the age of the user and lets only those over 18 continue to the content.

99.9%

of our TV advertising complied with the 75:25 rule (at least 75% of the target group of the programme or regular broadcast where our advertisement was placed, were persons above 18 years of age). This rule was followed in all our material in print, on the radio and within digital communication.



We adhere to our own **Code of Commercial Communication**, which contains many strict rules which go beyond legislative requirements.



CODE OF
COMMERCIAL
COMMUNICATION



18+ POUZE PRO STARŠÍ 18 LET
www.napivosrozumem.cz



DIGITAL
GUIDING
PRINCIPLES

Digital communication in Plzeňský Prazdroj is governed by a set of rules - *Digital Guiding Principles*. In addition to other rules, they include essential principles regarding the content of websites and social networks posts.

In 2022, we did not receive any complaints about our advertising in either the Czech Republic or Slovakia.



Preventing alcohol consumption by minors

The public in the Czech Republic and Slovakia take an overly tolerant approach to alcohol consumption by minors. It is our goal to change this through raising awareness. Therefore, we take part in several projects which draw attention to these problems and seek is to do something about it.



Respect 18 is a contact campaign which we lead in cooperation with experts from the Drug Prevention and Therapy Centre and the Podané Ruce organisation, municipalities and city authorities. It focuses on the topic of the prevention of alcohol consumption by minors. Together with the partners, we visit various events across the Czech Republic. The entertaining and, at the same time, educational activities at our stall caught the interest of more than 11,000 adults. Our follow-up project devoted to the problem of alcohol consumption by minors is called Let's Talk About It. Through these projects, problems connected with this topic are communicated on social networks and elsewhere on the Internet. On the respektuj18.cz website and on social networks, experience and stories of real people and expert advice is shared to show how problematic situations can be successfully solved. The overall number of people who engaged in the project, be it its contact part or the online part, was more than 97,000.



RESPEKTUJ18.CZ



RESPEKTUJ18.SK

In Slovakia, we cooperate on the **Rešpektuj 18** project with experts from the OZ Prima organisation. Together we took part in six events for families with children and we managed to address over 4,000 adults through the contact campaign in 2022. We continue raising awareness on social networks with psychologist and guarantor of the project Barbora Kuchárová. Via short videos we open up the topic of how to talk about alcohol with adolescents. Over 8,500 people engaged in the project, through the contact campaign and online.

We support the project **Nezlob Se, Prokaž Se** (Don't Get Angry - Prove Your Age) prepared by the Czech Beer and Malt Association. Its aim is to minimise the number of cases where alcohol is sold to a minor by thorough checks. New training videos using virtual reality were made in 2022. At the Sámóška and Retail Summit congresses, they were introduced to representatives of chain stores and other retailers.



Na pivo s rozumem (Drink responsibly) and other prevention programmes

Our Czech napivosrozumem.cz portal and Slovak promileinfo.sk also help to promote responsible alcohol consumption. Here, in compliance with the commitment **“Proud to be clear”**, we increase consumers’ awareness of the nutrition values which are also stated on the product labels. On these portals, the Czech section **Beer and nutrition** states these values for more than 50 products, and for 30 products on the Slovak version of the website.



NA PIVO
S ROZUMEM



PROMILE
INFO



We supported the free breath test and consultation service during the summer months. This service was offered by experts from the Sanamin organisation at 11 festivals in the Czech Republic. The Promile INFO stall was visited by 5,000 guests.



Together with other members of the Czech Beer and Malt Association, we actively support preventive events focused on the prevention of drinking and driving. Through the Řídím, Piju Nealko Pivo (I drive, I drink non-alcoholic beer) project, 41,550 people were reached in cooperation with the Police of CR and BESIP in 2022.



ALCOHOL CON-
SUMPTION TEST



We support responsible behaviour, not only behind the steering wheel, in Slovakia as well. During a period of intensive checks, the annual initiative called **Zodpovednosť** (Responsibility), the Slovak Police checked more than 2,900 drivers, and the responsible ones were given a non-alcoholic beer as a reward. The responsibility-focused campaign was run on social networks throughout the year. It reached 523,000 users of Facebook and there were almost 2,000 direct interactions on Instagram.

Non-alcoholic beers

Non-alcoholic beers are no longer just beers for drivers. They enjoy popularity with people with an active lifestyle, cyclists, skiers and they more and more frequently appear in pubs as an alternative for people spending time with friends. Non-alcoholic beverages are currently the fastest growing part of the beer market. The demand for both the basic, non-flavoured Birell, the non-alcoholic radlers (shandies), and the flavoured Birells is on an increase.

We pay a lot of attention to our non-alcoholic goods and we keep improving and innovating our offer. So that Birell světlý (pale) better meets the taste requirements of our consumers, we finally developed a different recipe after 30 years. This year, four limited edition flavours have been added to the offer: Citron & Máta (Lemon & Peppermint), Višeň & Ostružina (Cherry & Blackberry), Bezový květ (Elderflower) and Malina (Raspberry). They have a lowered sugar content and do not contain any preservatives or artificial colouring, which is also the case with other Birell products. We put strong emphasis not only on sales in stores, but also on the draught variants, which were dominated by Birell Pomelo & Grep (Pomelo & Grapefruit) during the summer months.

THE PROPORTION
OF NON-ALCOHOLIC
BEVERAGES IN THE
PRAZDROJ PORTFOLIO

CZECH REPUBLIC

11.5%

SLOVAKIA

14%



Every eighth beer from Plzeňský Prazdroj and every seventh beer from Plzeňský Prazdroj Slovensko is non-alcoholic.



Our international commitments

We continue delivering against our international commitments arising from our membership in the Asahi group. These are related to communicating about our products in a responsible way, preventing the consumption of alcohol by minors, and promoting the nutritional values of our products.



PROUD TO BE CLEAR

STATING NUTRITIONAL VALUES ON PACKAGING AS PART OF THE PROUD TO BE CLEAR INITIATIVE

We report the energy value of our alcoholic and non-alcoholic products on all primary consumer packaging sold in the European Union. In addition, we indicate the entire nutritional profile (the Big 7) on secondary and tertiary packaging. All alcoholic products in our portfolio also show at least one of the three voluntary labels promoting responsible behaviour on their packaging.



PROUD TO BE CLEAR



PREVENTING ALCOHOL CONSUMPTION BY MINORS THROUGH THE INTERNATIONAL ALLIANCE FOR RESPONSIBLE DRINKING (IARD)



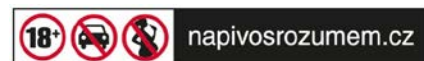
INTERNATIONAL ALLIANCE FOR RESPONSIBLE DRINKING (IARD)



In the upcoming period, we will focus on complying with the remaining parts of the International Alliance for Responsible Drinking (IARD) commitment. These include the introduction of all symbols, especially those aimed at risk groups - drivers, minors, and pregnant women who should refrain from the consumption of alcohol. Currently, we show all three icons on almost 80% of our alcoholic beverage packaging. By

2024, they will be on all our alcoholic beverage packaging. We will not aim at the young or children when preparing any marketing communication, even for our non-alcoholic variants of beverages derived from alcoholic brands. We will strengthen current measures preventing the young from obtaining our content in the digital environment. We would like to deepen our cooperation with retailers, wholesalers, distributors, e-shops and

delivery services and encourage them to join us in developing global standards for selling alcohol online and to work with us to implement the most effective strategies for verifying consumers' age.



CHAPTER ELEVEN



Communities

We create meaningful connections. We engage in the regions where our breweries operate. We help develop an infrastructure, protect the environment and preserve community traditions. We also support tourism and cooperate during extraordinary events. We develop beer culture. We cooperate with operators of restaurants and public houses on further improving their environment and draft beer quality. In this way, we contribute to the development of their business.



When you live in Pilsen, it is just a matter of time until you get attracted to beer. To the one and only beer. Everyone from Pilsen knows someone who works at the brewery, used to work there, or at least had a summer job there. Locals are proud of it. The brewery was extremely interconnected with the city in the past. The burghers who built the brewery were naturally very active in the city. These have always been interconnected vessels. There are many beautiful things in Pilsen, yet the main attraction, and all know it, is the brewery. I was born here. I have worked at the brewery since leaving school and I cannot imagine working anywhere else. I live in a small town with a population of about three thousand, and most of the inhabitants know I am Rudolf from the brewery. It is something to be proud of, and I am. Therefore, I do all I can to ensure the brewery works for the local community. We organise many events, both temporary ones and seasonal ones. When you see 2,000 smiling people at an event, it is just great.

RUDOLF ŠLEHOFER

Craft & Heritage Director, with Prazdroj since 2003.





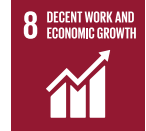
129
Cooperation
in the regions

131
Breweries
and history

134
We help and
support

138
We develop
beer culture

140
Fresh
Outlet



Cooperation with towns and regions

Prazdroj is an inherent part of the **Pilsen region**. With the City of Pilsen itself, we co-signed a declaration about cooperation which defines key areas of joint activities by the brewery and the city. We actively participate in organising events such as the Liberation Festival, Sportsmania, Pilsen Day in the Senate and the traditional Pilsner Fest. At the Pilsen - Green City festival, we introduced our sustainability-related projects. We even obtained the **Patron of Pilsen Culture** award for the Prazdroj to People programme. Many projects were carried out in the **Velké Popovice region** as well. We participated in the completion of the drinking water feeder and we opened a 'malt path' connecting the Daleška Park with Brtnice, along which we planted 8 traditional

Czech lime trees. We cultivated the car park near the brewery and we supported more projects with financial contributions totaling CZK 400,000. The inhabitants of **Nošovice** warmly welcomed the renewal of events organised by our Radegast brewery. These were, for example, the Radegast Feast in April and the Radegast Day celebrating the 50th anniversary of the brewery in August, where the results of the grant programme supporting the region were announced. After the forced break during the pandemic, activities were revived at **Velký Šariš** in Slovakia as well. Here the brewery takes part in organising cultural events at Šariš Castle and sporting events in the town. An international sculpture symposium enjoyed a lot of interest as well.



The Declaration of Cooperation was signed in Velké Popovice.



Breweries and their visitors

Our breweries are a significant part of our national cultural heritage and they are popular attractions for tourists and fans of industrial architecture. Their maintenance and preservation, therefore, is one of our investment priorities. The Brewery Park in Velké Popovice has been revitalised. Some green areas have been renewed in Pilsen. In addition, the Pilsen Na Spilce Pub has been reopened after a thorough reconstruction. The first restaurant run directly by Prazdroj offers tank beer and a menu based on high quality ingredients from local suppliers.

217,000

After the mandatory interruption caused by the pandemic, the Plzeňský Prazdroj, Gambrinus, Radegast, Velké Popovice and Proud breweries reopened to the public. After that, 217,000 visitors walked through their gates – almost three times as many as during the previous year.



TOURS OF THE BREWERIES





Barrels and coopers

Those one hundred and something lagering barrels do not serve only as a memory of brewing history. We want to make sure that our beer tastes just the same as it did 180 years ago, so we compare the batches brewed using modern technology with those maturing in these oak barrels. Their good condition is ensured by a team of coopers whose *craft was added in 2018 to the List of Intangible Elements of Traditional Folk Culture*. They are now applying to be listed as UNESCO intangible heritage.

180 years since the first batch

October 2022 saw the 180th anniversary of the brewing of the first batch of Pilsner Urquell. The Brewery Museum commemorated this anniversary with the *180 years of Prazdroj* exhibition organised together with the Plzeňský Prazdroj Archive. The most precious and the most interesting exhibits related to the history of the brewery were on display - original crystal cups, Pilsner Urquell auction bottles and gifts which were sent to the Pope in 2011 when the tradition of Easter Beer brewing was renewed.

We are not indifferent to what is happening to our neighbours

In cooperation with Nadace Partnerství foundation, we continued the *Breweries to People* grant programme. The programme supported projects to develop regions, cultivate the landscape and its biotopes, promote sensitive water and natural resources management, and develop community life.



KOZEL LIDEM (KOZEL TO PEOPLE)

CZK 200,000 / 5 projects

The aim of the Kozel Lidem (Kozel to People) programme is to develop neighbourly life, local togetherness and to contribute to the protection of nature in the Velké Popovice and Kamenice regions.



RADEGAST LIDEM (RADEGAST TO PEOPLE)

CZK 700,000 / 5 projects

Sensitive water management, care for landscape and natural resources, and increasing the responsibility for the environment. These are the key topics financially supported by the Radegast Lidem (Radegast to People) programme.



PRAZDROJ LIDEM (PRAZDROJ TO PEOPLE)

CZK 700,000 / 7 projects

The Prazdroj Lidem (Prazdroj to People) grant programme supports projects and activities which improve the quality of life in Pilsen. In recent years, it has also been increasingly supporting environmental protection projects.



ŠARIŠ LIDEM (ŠARIŠ TO PEOPLE)

EUR 16,000 / 6 projects

Through *Šariš Lidem* (Šariš to People), support was provided to projects which contribute to the renewal and revival of ecologically valuable areas in the region, and to the development of cultural heritage. Together with Community Foundation Velký Šariš, we also support other socially beneficial projects in the Prešov region.

In the Czech Republic, we provided free beverages with a total value of CZK 1.5 million. In Slovakia, the value of the beverages provided exceeded EUR 13 thousand.

We respond to critical situations

We immediately reacted to the outbreak of war in Ukraine. We organized a financial collection as early as February 25, and Plzeňský Prazdroj committed to double any contribution made by an employee. More than 600 colleagues from the Czech Republic and Slovakia contributed. CZK 3 million went to the Člověk v tísni (People in Need) account in the Czech Republic and more than EUR 20,000 were sent to Človek v ohrození (People in Need) in Slovakia. Our Asahi parent company added the same amount. Plzeňský Prazdroj call centres and ČEZ call centres organised a collection for a children’s home near Lvov in Ukraine. There were so many contributions it was possible to support some other children’s homes as well. Other collections were organised in Velké Popovice, Velký Šariš, Bratislava, but also right within the Pilsen brewery premises where we opened a collection point for non-financial contributions to help refugees in cooperation with Diecézní Charita. Almost 20 tonnes of material help were gathered here in two months.

Both our colleagues and our beverages help. Our volunteers also helped people fleeing the war. They cooked for those in need, ensured the distribution of food at the Pilsen registration centre and they also helped to assemble furniture in company flats which Prazdroj



provided for Ukrainians. As early as in the spring, we accommodated 14 people from Ukraine, and more people were provided shelter in our accommodation facilities in Velké Popovice and Nošovice. **Our beverages were sent as part of our help.** Via the ADRA and Food Bank organisations, our non-alcoholic Birells were delivered to emergency centres in the Czech Republic, Slovakia, and also in Ukraine. By the end of the year we had sent 2,570 cartons of non-alcoholic beverages to institutions across the whole of the Czech Republic engaged in helping refugees.



Help for fire fighters

Birell helped Czech firefighters to stay hydrated. We sent a hundred cartons of non-alcoholic beer to the firefighting units tackling the fire in the very challenging terrain of the Czech Switzerland National Park in July.

We help and support





Radegast takes care of the Beskydy Mountains and water in the landscape.

The Radegast brand has long been pointing out the importance of retaining water in the landscape. Together with the ČSOP Salamandr non-profit organisation, volunteers have cleaned three marshland areas, planted 1,500 fir trees and 950 young herb plants. The Radegast brand team provided 524 tree irrigation bags as part of a campaign to raise awareness of the importance of efficient water management and retaining water in the landscape. The bags were placed in various parts of the Czech Republic, specifically those suffering from drought and those which showed interest - Nošovice, Nový Jičín, Rakovník, and Nový Bydžov. The brand team also prepared a special zone at festivals where visitors will be familiarized with the aspects of retaining water in the landscape.



Prim watches for Centrum Paraple

The Pilsner Urquell brand has been cooperating with the non-profit Centrum Paraple for 11 years. This year's auction of 180 Prim Manufacture limited edition watches inspired by the history of the brewery helped us raise **CZK 5,782,260**.

Gambrinus plays for football

The Gambrinus brand has long been supporting amateur football. It financially supports football clubs which are engaged in the Kopeme za Fotbal project (Playing for Football) by helping with some equipment, promotion, tournament and competition prizes, and providing reduced beer prices. **CZK 1 million** has been released for clubs and the communities of their municipalities via this programme.



#COPATUTOJE

Pilsner Urquell has cooperated with the Pilsen-based Horsefeathers clothes company, on the design of special collection T-shirts, basketball caps and winter hats. Part of the profit made from this collection, specifically CZK 178,920, was used as a gift for the Pilsen University Hospital to support the improvement of some of its equipment.



Proud in Movember

The Proud brewery officially took part in the global Movember campaign. A non-alcoholic edition of beer - Proovan - Proud in Movember was brewed as a result of Proud's cooperation with the Muži Proti Rakovině (Men Against Cancer) foundation. The fund gained CZK 5 from every beer with the moustache label. The overall amount, including gifts from volunteers, was CZK 78,911.



Communities with Kozel

Velkopopovický Kozel, in cooperation with local governments, supported a project **to create public barbecue areas in woods** in the surroundings of Brandýs nad Labem, České Budějovice, and Újezd nad Lesy. These are built on spots where the movement of tourists does not disturb the sustainability of the wood biotope and where it does not affect fire safety. They were made from recycled materials and their robust structure ensures that the grills will stay in good condition for decades.



Our support for fire prevention and voluntary fire brigades has been a tradition for a long time. The **Hasíme s Kozlem** loyalty programme contributed an overall amount of CZK 180 thousand this year.

2% in Slovakia

Slovak companies have the opportunity to support non-profit entities with 2% of their income tax. The largest part of the support provided in Slovakia was our traditional contribution to **the Community Foundation in Velký Šariš, to the Prima Association** which we cooperate with on the Respektuj 18! Project, and to organisations which focus on **FAS (Fetal Alcohol Syndrome)** prevention, diagnosis, and therapy. **The Hradba Šariš** citizens' association and the **Ekopolis Foundation fund which focuses on adaptation measures in the agricultural landscape** were also supported.

An active life with Birell

In our opinion, non-alcoholic beers are not a substitute, but a proper beverage in tune with an active lifestyle. Birell has therefore become a partner of sports events in Slovakia, such as **BeCool runs, Behaj lesmi (Run in the Forest)** and **the Birell Bikefest**. In the Czech Republic, it supports the **Birell Grand Prix, the Run Czech series of running events**, and **Cesta za snem** (The Journey towards a Dream) supporting handicapped sportspeople.



Beer culture from the signboard to the tap

Plzeňský Prazdroj is number one on the Czech and Slovak markets in terms of sales in pubs and restaurants. We, therefore, feel responsibility for the development and tradition of the Czech beer culture. In recent years we have been trying to help our customers to develop in the areas necessary for good operation of their outlet – namely in personnel, economy, marketing, and sustainability matters.



We help Czech traditional village pubs

The times are not merciful for village establishments. According to our data, 12% of pubs in municipalities with less than 5,000 inhabitants have closed in the last three years. Plzeňský Prazdroj started the **Village (Vesnice) programme** to save this institution of the Czech countryside in 2017. Almost 900 outlets took part, and the overall support amounted to almost CZK 18 million – CZK 5.6 million was distributed in 2022 alone. Establishments can use this support to improve their interior and equipment or to finance activities which will help them attract guests. Both of these alternatives have paid off, as beer-driven revenue in the supported pubs increased by 8%.

First at the Source

It is not only village pubs that are facing hard times. According to a Plzeňský Prazdroj survey, every third outlet is not confident about its further existence. There is a programme intended to help pubs regain guests – První u Zdroje (First at the Source). ***This is a set of educational video courses which provides advice on all activities related to such outlets*** – from tapping, to financial management, to marketing and staff training. Zdeněk Pohlreich is the ambassador of this programme, and **3,000 outlets** have signed on. Educating and training staff in gastronomy is of great importance for outlets, but also for the whole sector.



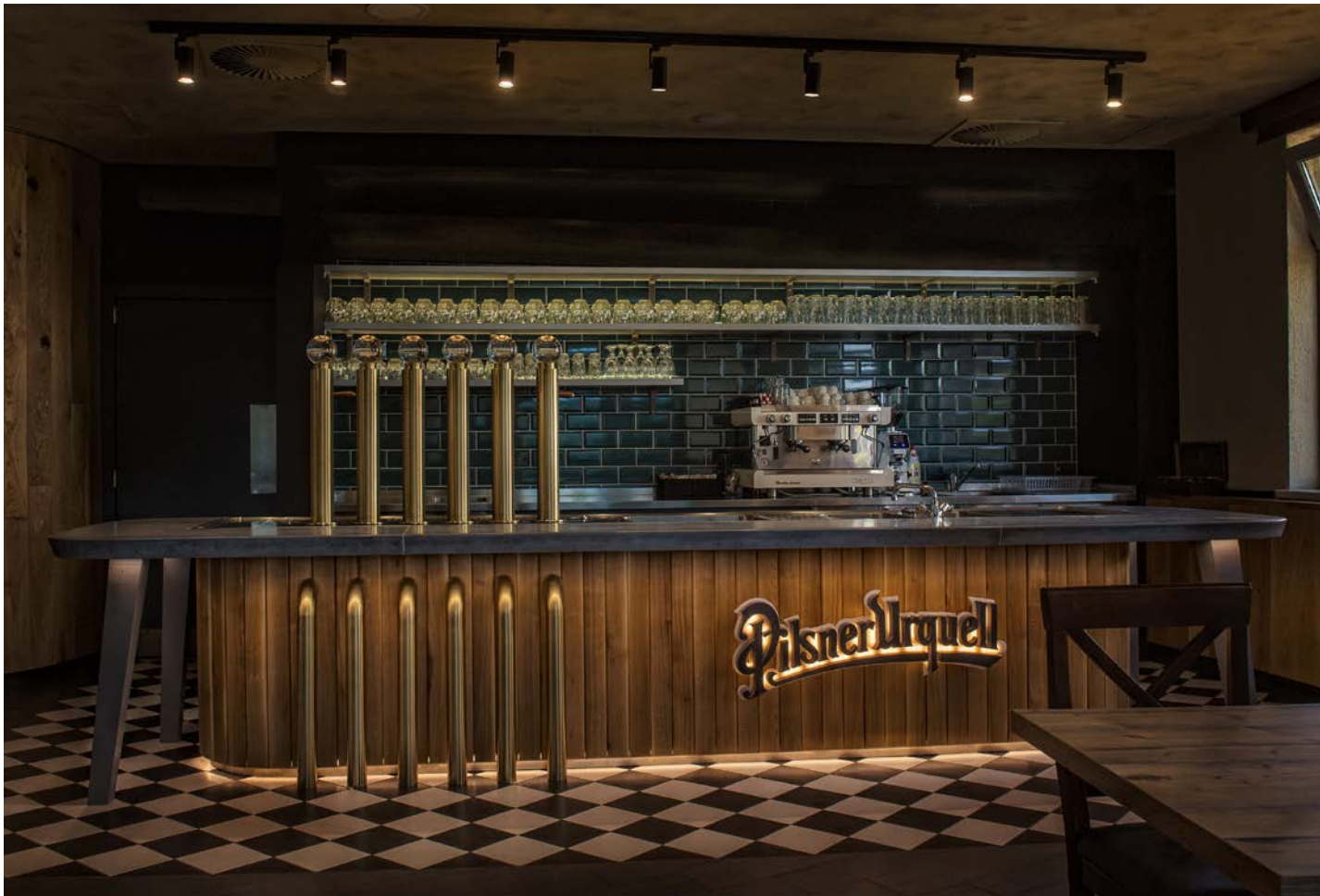


*Those competing for the **Pilsner Urquell Master Bartender** title were supposed to not only show off their skill at perfectly pouring the golden lager, but also to prove their profound knowledge of beer, its production and history, and to prove their communication skills – a must for any good bartender.*

The Brewers' Star

Plzeňský Prazdroj awards pubs that take great care over their beer with the Brewers' Star. Inspectors regularly assess the journey of beer from storage spaces, to how clean the beer piping and glasses are, to correct tapping. We are, therefore, very glad that in 2022, 586 Czech and 117 Slovak outlets obtained the Star. This is twice as many compared to the first edition of the programme three years ago. This award for bartenders also serves as a good navigation reference point if you want to find the best pubs. For a pub, this can mean a significant advantage over its competition. In a survey carried out last year, holders of the Brewers' Star confirmed that it has a positive impact on sales volumes.





The HeartCore Pub concept is primarily meant for keg beer pubs. The interior is less demanding, can be constructed quickly and we can even include the original equipment already in the pub. With style, elegance and without unnecessary promotional material.



Fresh Outlet

A pub's appearance can largely influence its success. Our Fresh Outlet project has been trying to make pubs more beautiful and get rid of "visual smog" for the past three years. More than **2,500 establishments** engaged, and in many towns in this country it goes hand in hand with the effort to reduce advertising and visual smog in

public areas. Such makeovers have had a positive impact on both appearance, but also on the eco-friendliness of operation. The elimination of illuminated signs and the change to lighting technology have been reflected in a yearly saving of 252,000 kWh, or approximately the energy consumed by about 100 Czech households.

CHAPTER TWELVE



GRI Standards

In the report, we refer to selected indicators of the international GRI (Global Reporting Initiative). To enable a comparison of our results and monitoring of their development over time, the Appendix contains data from previous periods organised in the same way.



I love mountains. I love the nature. There, I feel freedom and I relax. I am a hobby runner and I cross-country ski. I also have one very distinct memory. One winter I went cross-country skiing to my two favourite places - to the Šumava Mountains and to the Krkonoše Mountains. Neither of these locations had enough snow for long hikes. Back then I realized I would like snow to be common in Czech mountains, not just a rarity. It is really nice to go on a long hike on cross-country skis and have a beer as a reward. Back when I was a student, I went with the Brontosaurus movement to the Jeseníky Mountains to plant trees. In my opinion, such work to help nature makes more and more sense. That is why I am really happy about Prazdroj's approach.

ILONA DUBOVÁ

Internal Audit and Control Manager, with Prazdroj since 2001.





GRI INDEX (CONTENTS)

DECLARATION OF THE USE OF STANDARDS	Plzeňský Prazdroj reports information stated in this GRI Index for the period from January 1, 2022 to December 31, 2022 using GRI standards.
GRI STANDARD VERSION:	GRI 1: Foundation 2021
GRI SECTOR STANDARDS	None

GRI STANDARDS	INDICATORS	INFORMATION LOCATION	COMMENTS
GENERAL DISCLOSURE (GRI 2)			
THE ORGANIZATION AND ITS REPORTING PRACTICES			
GRI 2- 1	Organization details	About the company, About the report, Annual reports CZ and SK	
GRI 2- 2	Subjects involved in the sustainability report	About the company, About the report	
GRI 2- 3	Reported period, the reporting cycle and contact details	About the report	January 1 - December 31, 2022
GRI 2- 4	Editing information already made public	About the report	
GRI 2- 5	External verification	About the report	
ACTIVITIES AND EMPLOYEES			
GRI 2-6	Activities, value chain and other business relationships	Introduction, About the company, Raw materials, Communities	
GRI 2-7	Employees	People, GRI data- People	2-7 b iii - workers without fixed working hours are reported as other GRI 2-8 workers.
GRI 2-8	Other workers	GRI data – People	
GOVERNANCE			
GRI 2-9	Organization’s management structure	About the company, Annual reports CZ and SK	
GRI 2-12	The role of the executive body within impact management	Strategy	
GRI 2-13	Delegated responsibility for impact management	About the company, Strategy	
GRI 2-14	The role of the executive body within sustainability reporting	About the report	
GRI 2-17	Collective knowledge of the supreme managing body	Strategy	Newly added.
GRI 2-18 a	Performance assessment of the supreme managing body	Strategy	Newly added.
GRI STANDARDS	INDICATORS	INFORMATION LOCATION	COMMENTS

STRATEGIES, POLICIES AND PROCEDURES			
GRI 2-22	Declaration of the sustainability strategy	Introduction, About the company, Strategy	
GRI 2-23	Commitment to policies	About the company, Strategy, People, Responsibility	https://www.prazdroj.cz/nas-pribeh/dulezite-listiny
GRI 2-24	Implementing the commitment to policies	About the company, Strategy, People, Responsibility	
GRI 2-25	Processes correcting negative impacts	About the company, Accountability	
GRI 2-26	Mechanisms for consulting and communicating initiatives	People - Ethics, Responsibility- Commercial communication	https://www.prazdroj.cz/nas-pribeh/dulezite-listiny
GRI 2-27	Compliance with legislation	About the company	There was no breach of legislation during the reported period.
GRI 2-28	Membership in associations	About the company – Stakeholders	
STAKEHOLDERS ENGAGEMENT			
GRI 2-29	Approach towards the engagement of stakeholders	About the company – Stakeholders; Communities	
GRI 2-30	Collective bargaining	People	The collective agreement relates to all employees of Plzeňský Prazdroj, a.s. and Plzeňský Prazdroj Slovensko, a.s.
MATERIAL TOPICS (GRI 3)			
GRI 3-1	The process of determining important topics:	Strategy, About the company	The next analysis of important topics will be carried out in line with ESRS double materiality standards.
GRI 3-2	List of important topics	Strategy – Pillars of the strategy	
GRI 3-3	Management of important topics	Strategy, Text of the chapters	The approach to managing important topics is described in the respective chapters of this report.
ECONOMIC			
MATERIAL TOPIC: ECONOMIC PERFORMANCE (2016) (GRI 201)			
GRI 201-1	Direct economic value created and distributed	About the company; Annual reports CZ and SK	
GRI 201-3	Mandatory retirement fund payment and other contributions to the pension scheme	Annual reports CZ and SK	Key financial indicators are in the annual reports (newly added).
GRI 201-4	Financial support from the government	Annual reports CZ and SK	
MATERIAL TOPIC: PRESENCE ON THE MARKET (2016) (GRI 202)			
GRI 202-2	Proportion of management staff coming from local communities		In the Czech and Slovak Republic, the proportion in the company management is 50% and in senior management 95%.
MATERIAL TOPIC: INDIRECT ECONOMIC IMPACT (2016) (GRI 203)			
GRI 203-1	Investment in infrastructure and supported services	Raw materials, Communities	
GRI 203-2	Important indirect economic impact	Raw materials, Packaging, People, Communities	
MATERIAL TOPIC: PROCUREMENT PRACTICES (2016) (GRI 204)			
GRI 204-1	The proportion of costs for local suppliers	Raw materials, Packaging	99% of packaging material suppliers are from the EU, 1 supplier from Great Britain. 100% of barley and 3/4 of hops are from local Czech or Slovak suppliers.
GRI STANDARDS	INDICATORS	INFORMATION LOCATION	COMMENTS

MATERIAL TOPIC: MEASURES AGAINST CORRUPTION AND UNCOMPETITIVE BEHAVIOUR (2016) (GRI 205, 206)			
GRI 205-1	Activities assessed with regard to risks related to corruption	About the company – Ethics	https://www.prazdroj.cz/nas-pribeh/dulezite-listiny
GRI 205-2	Communication and training in the area of anti-corruption measures	People – Ethics	
GRI 205-3	Confirmed cases of corruption and measures taken		None.
GRI 206-1	Disciplinary actions for breaking the rules of protection of competition		None.
MATERIAL TOPIC: TAXES (GRI 207)			
GRI 207-1	Approach to paying taxes	About the company	https://www.asahigroup-holdings.com/en/company/policy/tax_code_of_conduct.html
GRI 207-4 vlastní	Amount of taxes paid	About the company; Annual reports CZ and SK	
ENVIRONMENTAL			
MATERIAL TOPIC: MATERIALS (2016) (GRI 301)			
GRI 301-1	Material consumption according to weight or volume	Raw materials, Packaging, GRI data – Materials	
GRI 301-2 own	Proportion of packaging material made from recycled material	Packaging, GRI data – Materials	We monitor an alternative indicator - the proportion of packaging material made from recycled material, which is more relevant for beverage producers.
GRI 301-3	Takeback of products and packaging material	Packaging	The return rate of kegs and crates is almost 100%. The return rate of glass bottles is 98%.
MATERIAL TOPIC: ENERGY (2016) (GRI 302)			
GRI 302-1	Energy consumption within the organisation	Carbon neutrality, GRI data - Energy	Apart from the total, we state the figures for individual breweries and malt houses.
GRI 302-3	Energy performance	Carbon neutrality, GRI data - Energy	We monitor energy consumption separately for malt and beer.
GRI 302-4	Reducing energy consumption	Carbon neutrality	
MATERIAL TOPIC: WATER (2018) (GRI 303)			
GRI 303-1	Interaction with water as a shared resource	Water	
GRI 303-2	Management of water discharge-related impacts	Water, GRI data – Water	
GRI 303-3a	Water withdrawal	Water, GRI data – Water	
GRI 303-4a	Waste water discharge	GRI data – Water	
GRI 303-5 own	Water consumption per product (product unit)	Water, GRI data – Water	We state water consumption in the form of our own indicator calculated per 1 hl of beer produced and m3 per tonne of malt.
MATERIAL TOPIC: BIODIVERSITY (GRI 304)			
GRI 304-1	Plants in protected areas and areas with high biological value or in their proximity.		None.
GRI 304-3 own	Protection of biodiversity	Water, Raw Materials	This does not concern protection or corrective measures in plants. This is a volunteer activity for protecting valuable areas in the surroundings.
GRI STANDARDS	INDICATORS	INFORMATION LOCATION	COMMENTS

MATERIAL TOPIC: EMISSIONS (2016) (GRI 305)			
GRI 305-1	Direct emissions of greenhouse gases (Scope 1)	Carbon neutrality, GRI data - Emissions	
GRI 305-2	Indirect emissions of greenhouse gases from energy (Scope 2)	Carbon neutrality, GRI data - Emissions	
GRI 305-3	Other indirect emissions of greenhouse gases (Scope 3)	From grain to glass	Newly added.
GRI 305-4	Intensity of emissions of greenhouse gases	Carbon neutrality, GRI data - Emissions	
GRI 305-5	Reduction of the intensity of emissions of greenhouse gases	Carbon neutrality, Packaging	
MATERIAL TOPIC: WASTE (2020) (GRI 306)			
GRI 306-1	Waste and significant waste-related impacts	Packaging, Waste	
GRI 306-2	Management of waste-related impacts	Packaging, Waste	
GRI 306-3	Waste generated	Waste, GRI data – Waste	
GRI 306-4	Waste diverted from disposal	Waste, GRI data – Waste	
GRI 306-5	Waste diverted to disposal	Waste, GRI data – Waste	
MATERIAL TOPIC: SUPPLIERS ENVIRONMENTAL ASSESMENTS (2016) (GRI 308)			
GRI 308-1	Evaluating environmental criteria in new suppliers		Since 2021, all new suppliers with contracts with a value over EUR 100,000 obtain accreditation based on the Supplier Risk Assessment, part of which are also ESG criteria.
GRI 308-2	Negative environmental impacts of the supply chain on the environment and measures taken		There have been no extraordinary events or serious accidents which would have a negative impact on the environment.
SOCIAL			
MATERIAL TOPIC: EMPLOYMENT (2016) (GRI 401)			
GRI 401-1	New employee hires and employee turnover	GRI data- People	We report numbers for this indicator.
GRI 401-2	Benefits provided to full-time employees which are not provided to temporary employees or part-time employees.	People	
GRI 401-3 a, b, c	Parental leave (PL)	People, GRI data- People	We report data a-c) about taking, starting and returning from ML and PL. We do not calculate the ratio of returning and retention (d, e).
MATERIAL TOPIC: RELATIONSHIP BETWEEN EMPLOYEES AND MANAGEMENT (GRI 402)			
GRI 402	Minimum notice period for announcing changes in operation		The notice period is one month before organisational changes are decided and announced. This is stated in the collective agreements. (Newly added)
GRI STANDARDS	INDICATORS	INFORMATION LOCATION	COMMENTS

MATERIAL TOPIC: OCCUPATIONAL HEALTH AND SAFETY (2018) (GRI 403)			
GRI 403 own	Approach to health and safety at work and protection of employees' health	People, About the company	
GRI 403-1	Occupational health and safety management system	People	Requirements for the description of the managerial approach according to indicators from 403-1 to 403-8 are too extensive for the purposes of this report. We provide a simplified disclosure here but we have the full complexity covered in our internal OHS system documentation.
GRI 403-2	Identifying risks, risk assessment and resolving incidents		
GRI 403-3	Healthcare for employees		
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety		
GRI 403-5	Worker training in occupational health and safety		
GRI 403-6	Promotion of worker health		
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
GRI 403-8	Workers covered by an occupational health and safety management system		
GRI 403-9	Work-related injuries	GRI data – People	Disclosure requirements c, d are managed by the OHS system.
MATERIAL TOPIC: TRAINING AND EDUCATION (2016) (GRI 404)			
GRI 404-1	Average number of hours of training per employee	GRI data- People	
GRI 404-2	Programmes focused on the development of employees' skills and the support of permanent employment	People	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews		Regular yearly performance review and review of career development apply to all employees - either with a part-time or a full-time employment contract.
MATERIAL TOPIC: DIVERSITY, EQUAL OPPORTUNITIES AND NON-DISCRIMINATION (2016) (GRI 405, GRI 406)			
GRI 405-1	Diversity of management bodies and employees	People, GRI data – People, Annual reports CZ and SK	Data reported herein apply to the executive committee - directors - CZ and SK together. Members of individual statutory bodies are stated in annual reports.
GRI 405-2	The ratio of base pay and remuneration of men and women	People - Equal Salary certification	Newly added.
GRI 406-1	Confirmed cases of discrimination and measures taken		None.
GRI STANDARDS	INDICATORS	INFORMATION LOCATION	COMMENTS
MATERIAL TOPIC: HUMAN RIGHTS (GRI 407, GRI 408, GRI 409, GRI 410, GRI 411, GRI 412)			

Human rights – own		About the company, People – Ethics	
GRI 407-1	Freedom of association and collective bargaining (2016)		We are committed to protecting human rights in all areas mentioned. We require the same approach from our suppliers. More detailed information in the Business Ethics Policy https://www.prazdroj.cz/nas-pribeh/dulezite-listiny
GRI 408-1	Child labour (2016)		
GRI 409-1	Forced and mandatory labour (2016)		
GRI 410-1	Safety practices (2016)		
GRI 411-1	Protection of the rights of original inhabitants (2016)		
GRI 412-1	Evaluation of human rights protection (2016)		
GRI 412-2	Employee training in human rights and related legislation and procedures	People – Ethics	
MATERIAL TOPIC: LOCAL COMMUNITIES (2016) (GRI 413)			
GRI 413-1	Operations engaged with local communities, evaluation of impacts and development programmes	Communities	
GRI 413-2	Operations with existing or potential negative impacts on local communities		We are not aware of any operations with existing or potential negative impacts on local communities.
MATERIAL TOPIC: EVALUATING THE IMPACT OF SUPPLIERS ON SOCIETY (2016) (GRI 414)			
GRI 414-1	New suppliers that were screened using social criteria		Since 2021, all new suppliers with contracts with a value over EUR 100,000 obtain accreditation based on the Supplier Risk Assessment, part of which are also ESG criteria.
MATERIAL TOPIC: PROTECTION OF THE HEALTH AND SAFETY OF CUSTOMERS (2016) (GRI 416)			
GRI 416-1	Assessment of the health and safety impacts of product and service categories	Responsibility	
GRI 416-2	Incidents of non-compliance in the area of the impacts of our goods and services on the health and safety of our customers		None.
MATERIAL TOPIC: MARKETING AND LABELLING OF PRODUCTS (2016) (GRI 417)			
GRI 417-1	Requirements for product and service information and labelling	Responsibility, Communities	
GRI 417-2	Incidents of non-compliance concerning product and service information and labelling		None.
GRI 417-3	Incidents of non-compliance concerning marketing communications		None.
MATERIAL TOPIC: CUSTOMERS' PRIVACY (2016) (GRI 418)			
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		None.

GRI DATA - PEOPLE

PEOPLE 2-7

NUMBER OF EMPLOYEES AND COMPOSITION BY GENDER AND REGION

CZ	2020	INDEFINITE PERIOD OF TIME	DEFINITE PERIOD OF TIME	FULL TIME	PART TIME
Women	754.3	666.3	88	722.5	31.8
Men	1,411.2	1,292.5	118.7	1,409.3	1.9
TOTAL	2,165.5				

SK	2020	INDEFINITE PERIOD OF TIME	DEFINITE PERIOD OF TIME	FULL TIME	PART TIME
Women	167.3	138.8	28.4	164.1	3.2
Men	399.6	353.7	45.9	399.6	0
TOTAL	566.9				

CZ	2021	INDEFINITE PERIOD OF TIME	DEFINITE PERIOD OF TIME	FULL TIME	PART TIME
Women	742.5	667.5	75	709.6	32.9
Men	1,420.7	1,317.4	103.3	1,417.3	3.3
TOTAL	2,163.2				

SK	2021	INDEFINITE PERIOD OF TIME	DEFINITE PERIOD OF TIME	FULL TIME	PART TIME
Women	168.8	148.4	20.3	166.2	2.6
Men	388.8	357.2	31.6	388.7	0.1
TOTAL	557.6				

CZ	2022	INDEFINITE PERIOD OF TIME	DEFINITE PERIOD OF TIME	FULL TIME	PART TIME
Women	766	649.5	116.5	727.6	38.4
Men	1,420	1,297.9	122.3	1,416.7	3.6
TOTAL	2,186				

SK	2022	INDEFINITE PERIOD OF TIME	DEFINITE PERIOD OF TIME	FULL TIME	PART TIME
Women	173.8	141.1	32.8	169.9	0
Men	400	353.6	46.5	400.1	3.9
TOTAL	574				

All data are calculated as an average of the number of employees (1.1. – 31.12. of the given year).

There has not been any major fluctuation in the number of employees year on year.

PEOPLE 2-8

NUMBER AND COMPOSITION OF WORKERS WHO ARE NOT EMPLOYEES

Agreement to Perform Work ("DPP" in Czech) and Agreement to Complete a Job ("DPČ" in Czech) is concluded for work where no permanent contracts are included, e.g. seasonal work within the production area, in the Craft and Heritage Department, summer work, internships, etc.

CZ	2020	DPČ	DPP	2021	DPČ	DPP	2022	DPČ	DPP
Women		130.8	253.5		111.8	241.8		115.5	272.6
Men		109.3	256.2		98.7	250.7		100	274.7
TOTAL	749.8	240.1	509.7	703	210.5	492.5	762.8	215.5	547.3

SK	2020	DPČ	DPP	2021	DPČ	DPP	2022	DPČ	DPP
Women		0.9	5.4		0.9	4.7		1.3	18.3
Men		2.1	32.2		2	31.4		1.1	32.3
TOTAL	40.6	3	37.6	39	2.9	36.1	53	2.4	50.6

All data are calculated as an average of the number of employees (1.1. – 31.12. of the given year).

PEOPLE 401-1 a

RECRUITMENT OF NEW EMPLOYEES

CZ	2020	< 30	30-50	> 50	2021	< 30	30-50	> 50	2022	< 30	30-50	> 50
Women	115	49	53	13	90	49	40	1	162	76	79	7
Men	189	88	88	13	155	76	63	16	238	100	117	21
TOTAL	304	137	141	26	245	125	103	17	400	176	196	28
SK												
Women	18	10	8	0	14	7	7	0	39	21	16	2
Men	71	37	28	6	61	34	21	6	79	35	36	8
TOTAL	89	47	36	6	75	41	28	6	118	56	52	10

All data are calculated as a cumulative count of the number of employees (1.1. – 31.12. of the given year).

PEOPLE 401-1 b

FLUCTUATION OF EMPLOYEES (ALL TERMINATIONS INCLUDED)

CZ	2021	< 30	30-50	> 50	2022	< 30	30-50	> 50
Women	101	39	46	16	109	43	47	19
Men	293	65	89	39	199	70	88	41
TOTAL	394	104	135	55	308	113	135	60
SK								
Women	17	9	6	2	44	11	25	8
Men	61	29	27	5	78	25	35	18
TOTAL	78	38	33	7	122	36	60	26

All data are calculated as a cumulative count of the number of employees (1.1. – 31.12. of the given year).

PEOPLE 401-3 a, b, c

THE OVERALL NUMBER OF EMPLOYEES WHO WERE ON PARENTAL LEAVE

CZ	2020			2021			2022		
	ON LEAVE	LEFT	RETURNED	ON LEAVE	LEFT	RETURNED	ON LEAVE	LEFT	RETURNED
Women	133	33	26	138	39	32	122	27	20
Men	4	0	2	1	0	0	2	0	2
TOTAL	137	33	28	139	39	32	124	27	22
SK	2020			2021			2022		
	ON LEAVE	LEFT	RETURNED	ON LEAVE	LEFT	RETURNED	ON LEAVE	LEFT	RETURNED
Women	35	11	10	26	2	3	30	8	8
Men	3	1	0	4	3	0	15	12	0
TOTAL	38	12	10	30	5	3	45	20	8

All data are calculated as a cumulative count of the number of employees (1.1. – 31.12. of the given year).

PEOPLE 405-1

DIVERSITY – COMPANY MANAGEMENT AND EMPLOYEES

What percentage of employees fall in the following categories:

A) COMPANY MANAGEMENT *

CZ/SK	2020	< 30	30–50	> 50	2021	< 30	30–50	> 50	2022	< 30	30–50	> 50
Women	15.3%	0	14.6%	0.6%	21.4%	0	21.4%	0	31.25%	0	31.25%	0
Men	84.7%	0	65.6%	19.1%	78.6%	0	50.0%	28.6%	68.75%	0	50.0%	18.75%
			80.2%	19.8%			71.4%	28.6%			81.25%	18.75%

* For the purposes of calculating the number of employees including directors CZ/SK.

B) EMPLOYEES

CZ	2020	< 30	30-50	> 50	2021	< 30	30-50	> 50	2022	< 30	30-50	> 50
MANAGEMENT												
Women	26.81%	0	21.88%	4.93%	27.41%	0.67%	19.95%	6.79%	27.71%	0	21.08%	6.63%
Men	73.18%	0	61.54%	11.64%	72.59%	0.18%	59.07%	13.34%	72.29%	1.20%	58.43%	12.65%
		0	83.42%	16.57%		0.85%	79.02%	20.13%		1.20%	79.51%	19.28%

SPECIALISTS												
Women	38.60%	5.80%	26.75%	6.05%	38.48%	4.40%	27.40%	6.68%	38.78%	3.27%	29.39%	6.12%
Men	61.40%	3.46%	43.20%	14.73%	61.52%	3.69%	42.22%	15.61%	61.22%	4.49%	41.22%	15.51%
		9.26%	69.95%	20.78%		8.09%	69.62%	22.29%		7.76%	70.61%	21.63%

OTHER												
Women	35.25%	5.58%	19.72%	9.95%	34.54%	4.88%	19.15%	10.51%	35.36%	5.22%	19.26%	10.88%
Men	64.75%	9.77%	37.40%	17.58%	65.46%	9.15%	37.28%	19.01%	64.64%	8.38%	35.39%	20.87%
		15.35%	57.12%	27.53%		14.03%	56.43%	29.52%		13.60%	54.65%	31.75%

SK	2020	< 30	30-50	> 50	2021	< 30	30-50	> 50	2022	< 30	30-50	> 50
MANAGEMENT												
Women	35.63%	0	24.14%	11.49%	34.35%	1.39%	21.88%	11.08%	34.15%	2.71%	22.49%	8.94%
Men	64.37%	2.87%	55.75%	5.75%	65.65%	2.77%	62.88%	0	65.85%	2.71%	62.33%	0.81%
		2.87%	79.89%	17.24%		4.16%	84.76%	11.08%		5.42%	84.82%	9.75%

SPECIALISTS												
Women	37.68%	8.81%	25.61%	3.26%	42.30%	6.97%	32.01%	3.32%	41.00%	8.84%	28.94%	3.22%
Men	62.32%	3.10%	47.80%	11.42%	57.70%	2.65%	43.45%	11.61%	59.00%	3.54%	44.21%	11.25%
		11.91%	73.41%	14.68%		9.62%	75.46%	14.93%		12.38%	73.15%	14.47%

OTHER												
Women	27.82%	5.11%	14.75%	7.96%	28.23%	4.50%	14.95%	8.78%	28.38%	4.63%	15.01%	8.74%
Muži	72.17%	9.75%	42.79%	19.63%	71.78%	9.19%	40.58%	22.01%	71.62%	8.98%	39.95%	22.69%
		14.86%	57.54%	27.59%		13.69%	55.53%	30.79%		13.61%	54.96%	31.43%

Management and senior management are included as management. Executives are not included.

All data are calculated as an average of the number of employees (1.1. – 31.12. of the given year).

LIDÉ 404-1 TRAININGS

AVERAGE NUMBER OF HOURS OF TRAINING PER EMPLOYEE PER YEAR

Includes statutory, mandatory and development training.

CZ	2021	SENIOR MANAGEMENT	MANAGEMENT	SPECIALISTS	OTHER
CELKEM	10.1	12.7	22.1	15.2	8.2
Women	7.6	14.3	20.0	12.3	5.9
Men	11.5	12.3	22.9	17.2	9.6
SK	2021	SENIOR MANAGEMENT	MANAGEMENT	SPECIALISTS	OTHER
CELKEM	10.7	7.2	17.5	19.6	9.0
Women	10.4	4.0	15.3	15.5	8.9
Men	10.8	8.8	18.6	23.5	9.1
CZ	2022	SENIOR MANAGEMENT	MANAGEMENT	SPECIALISTS	OTHER
CELKEM	16.2	23	31	26.9	13.4
Women	15.2	22.1	24.7	27.6	12.7
Men	16.7	23.2	33.8	26.4	13.7
SK	2022	SENIOR MANAGEMENT	MANAGEMENT	SPECIALISTS	OTHER
CELKEM	18.8	9.4	41.4	30.2	16
Women	20.2	7.8	47.6	33.5	16.2
Men	18.3	10.5	38.5	28.3	15.9

EXECUTIVES CZ/SK	2022
TOTAL	11.6
Women	10.25
Men	15.5

All data are calculated as a cumulative count of the number of employees (1.1. – 31.12. of the given year).

Rate calculated based on the number of hours of training and the number of workers in the given category.

Differences between hours are caused by different forms of training in the COVID period and in the period after COVID.

Data for executives are not available for previous years in this breakdown.

More information in the chapter [People](#).

PEOPLE 403-9 OCCUPATIONAL INJURIES

A) EMPLOYEES

		NUMBER			RATE		
		2020	2021	2022	2020	2021	2022
Number and rate of deaths as a consequence of an occupational injury	CZ	0	0	0	0.000	0.000	0.000
	SK	0	0	0	0.000	0.000	0.000
Number and rate of major injuries NOT Number and rate of work injuries with permanent consequences (without deadly injuries)	CZ	1	4	1	0.054	0.214	0.052
	SK	0	1	0	0.000	0.229	0.000
Number and rate of occupational injuries causing incapacity to work	CZ	5	3	5	0.271	0.161	0.260
	SK	1	1	1	0.212	0.229	0.221
Main types of occupational injuries		finger injury, injury to a leg or arm, abrasions, muscle injuries, foot/leg injuries			hand/arm injuries, leg injuries, head injuries		
Number of hours worked	CZ	3,695,398	3,732,902	3,840,145			
	SK	944,483	871,962	903,895			

B) SPECIALIZED SUPPLIERS - PERMANENT CONTRACTORS *

		NUMBER			RATE		
		2020	2021	2022	2020	2021	2022
Number and rate of deaths as a consequence of an occupational injury	CZ	1	0	0	0.099 correction = 0.112	0.000	0.000
	SK	0	0	0	0.000	0.000	0.000
Number and rate of major injuries NOT Number and rate of work injuries with permanent consequences (without deadly injuries)	CZ	0	0	1	0.000	0.000	0.142
	SK	0	0	0	0.000	0.000	0.000
Number and rate of occupational injuries causing incapacity to work	CZ	1	1	2	0.099 correction = 0.112	0.099 correction = 0.153	0.284
	SK	0	0	0	0.000	0.000	0.000
Main types of occupational injuries		injury to fingers, leg and arm injuries, abrasions			hand/arm fracture, foot/leg injury		
Number of hours worked	CZ	2,015,290 correction = 1,783,402	3,046,925 correction = 1,307,637	1,409,213			
	SK	474,326 correction = 325,700	655,320 correction = 276,035	732,219			

Explanation of the change in indicators: The methodology for calculating the number of hours worked by contractors was revised in 2022. A check revealed that some values were included twice in one indicator. This is the reason for the decrease in reported values. Hours worked within secondary distribution were included in the calculation as well. The rate based on 200,000 hours of work done for the equivalent of 100 workers. The data were gained from internal HR and HSE systems. The data include all workers whose work was controlled by the organisation.

***SPECIALIZED SUPPLIERS (CONTRACTORS)**

- › Contractors who we cooperate with in order to complete specific tasks which do not take up a major part of their working hours and/or who work for multiple employers (such as those working on yearly testing or maintenance of equipment)
- › Contractors engaged in specific projects/maintenance which are not part of regular operation processes (such as workers involved in a construction project)

GRI DATA

MATERIAL - WASTE

MATERIAL 301-1

PURCHASED RAW MATERIALS FOR PRODUCTION

The overall weight of materials which are used for the production and packaging of primary products

RENEWABLE		2019	2020	2021	2022
BARLEY (tonnes)	CZ	168,000	136,640	143,035	152,033
	SK	25,340	24,604	24,328	24,624
HOPS (kg)	CZ	684,296	733,480	803,096	655,196
	SK	28,608	39,688	34,053	44,124
CORN (tonnes)	CZ	n/a	n/a	n/a	n/a
	SK	470	470	555	1 114
MALT (tonnes)	CZ	4,043 (+ 7,022)*	3,476 (+ 5,072)*	3,705 (+ 6,066)*	5,071 (+ 6,822)*
	SK	247	203	308	338
SUGAR (tonnes)	CZ	3,663	4,446	4,166	4,248
	SK	1,767	1,165	1,166	278
NON-RENEWABLE					
AUXILIARY MATERIALS (tonnes) (Kieselguhr, stabilisation, base and other)	CZ	4,231	4,620	3,825	4,311
	SK	399	358	325	428

*Purchase from Plzeňský Prazdroj Slovensko, a.s. for Plzeňský Prazdroj, a.s. added.

More information in the chapter [Raw materials](#).

MATERIALS USED FOR PURCHASED PACKAGING (tonnes)

NON-RENEWABLE	2019 CZ/SK	2020 CZ/SK	2021 CZ/SK	2022
GLASS	27,858	33,887 modification = 32,219	34,178 modification = 31,935	30,288 Total CZ/SK
PLASTIC	3,633 modification = 2,761	2,216 modification = 2,092	2,280 změna = 1,299	CZ = 934 SK = 224
CRATES added	1,458	578	1,338	675 Total CZ/SK
ALUMINIUM	7,767	8,989	9,687	CZ = 8,941 SK = 2,112
METAL	3,452 modification = 1,533	1,796 modification = 1,669	2,574 modification = 1,581	CZ = 1,459 SK = 131
KEGS added	1,891	409	616	0
RENEWABLE				
PAPER	4,837 modification = 5,355	5,257 modification = 6,058	5,508 modification = 6,226	CZ = 5,198 SK = 762
WOOD	5,526	2,832	4,487	CZ = 3,799 SK = 262

In previous years, the internal system did not enable monitoring CZ and SK separately.

* In 2022, there was a change in the internal system, which now automatically calculates the purchase and material of packaging. The original figures were based on the budget. Changes to the calculation compared to previous years marked as modification.

MATERIAL 301-2 - PP**PROPORTION OF PACKAGING MATERIAL MADE FROM RECYCLED MATERIAL**

CZ/SK	2019	2020	2021	2022
PLASTIC Plastic bottles (PET), pallet stretch wrap, shrinking/cassette wrap, keg, container bags, tank bags, crates	10.5%	23%	29%	CZ = 40% SK = 88%
PAPER Bottle labels, offset magazine, flexo magazine, offset cardboard, cardboard flexo, Mps, boxes, pallet layer	60%	66%	81%	CZ = 81% SK = 89%
ALUMINIUM Cans, can caps, foils, crown caps	36%	37%	43%	CZ = 53% SK = 43%
GLASS Bottles	67%	69%	71%	CZ = 70% SK = 70%

In previous years, the internal system did not enable monitoring CZ and SK separately.

More information in the chapter [Packaging](#).

WASTE 306-3**WASTE FROM PRODUCTION PLANTS COMPOUNDS**

This does not include waste from distribution centres, administration centres and technical service stations, which amount to 0.15% of the overall value.

TONNES		2019	2020	2021	2022
BY – PRODUCTS (malt, brewer's yeast, barley tailings, malt culms, malt dust, etc.)	CZ	160,697	164,460	159,970	172,778
	SK	14,305	18,990	18,393	19,667
VARIOUS WASTE (kieselguhr, barley tailings, glass packaging, aluminium packaging, paper packaging, plastic packaging, wooden packaging, mixed packaging, labels, iron and other metals, biodegradable waste, mixed municipal waste, discarded electronic devices, sludge, construction waste, etc.)	CZ	11,927	11,901	10,821	11,016
	SK	1,116	1,018	773	994
HAZARDOUS WASTE (chemicals and solutions packaging, absorption agents, motor and mineral oils, oil filters, laboratory chemicals, fluorescent lights, dissolving agents, discarded devices containing chlorofluorocarbons, etc.)	CZ	127	144	99	72
	SK	65	10	3	3
TOTAL		188,237	196,523	190,059	204,533
	CZ	172,751	176,505	170,890	183,866
	SK	15,486	20,018	19,169	20,667

WASTE 306-4, 306-5

PROCESSING WASTE (WITH NO BY-PRODUCTS)

100% of by-products are processed by recycling.

TONNES		2019	2020	2021	2022
NO-BY-PRODUCT WASTE – TOTAL	CZ	12,054	12,045	10,920	11,088
	SK	1,181	1,028	776	997

TONNES		2019	2020	2021	2022
RECYCLING kieselguhr, bitter sludge, barley tailings, glass, paper and adhesive tape, plastic, metals, biodegradable waste, hazardous waste (oils, batteries, electronic devices), etc.	CZ	Information in this structure is unavailable	5,621	8,081	10,029
	SK		750	655	927
INCINERATION wooden packaging, mixed packaging, mixed municipal waste, hazardous waste (packaging of chemicals and solutions, absorption agents), etc.	CZ	Information in this structure is unavailable	4,142	1,381	347
	SK		182	62	27
LANDFILL mixed municipal waste, mixed packaging material, tailings from bar screens, bulky waste, etc.	CZ	2,413	2,282	1,458	713
	SK	199	96	59	44

The proportion of dangerous waste is insignificant. Therefore, we consider this simplified way of presentation sufficient for the purposes of GRI 306-4 and 5 b, c.

Waste management, depending on the particular type of waste, and waste disposal, is ensured through contractors with valid permissions and authorization for waste management in compliance with applicable legislation.

More information in the chapter [Waste](#).

GRI DATA

ENERGY – WATER – EMISSIONS

DATA ABOUT WATER, ENERGY, EMISSIONS APPLY TO THE PREMISES OF PRODUCTION PLANTS.

Further consumption is measured in distribution centres in the ownership of the organization, yet it constitutes only 0.4 % of the overall consumption. The Proud craft brewery (Pilsen premises) is insignificant from the point of view of consumption.

PRODUCTION IN BREWERIES (in millions hl)

BREWERIES	2019	2020	2021	2022
Pilsen	5.1	4.8	4.6	5.3
Nošovice	1.9	2	2.2	2.5
Velké Popovice	1.8	1.6	1.5	1.4
Velký Šariš	1	1.2	1	1.2

PRODUCTION IN MALT HOUSES (in thousands tonnes)

MALT HOUSES	2019	2020	2021	2022
Pilsen	82	77	78	88
Nošovice	36	35	35	34
Velký Šariš	19	19	19	21

ENERGY 302-1

Amounts of energy purchased

TOTAL ENERGY CONSUMPTION (GJ)

CZ	2019	2020	2021	2022
NON-RENEWABLE	1,084,466	1,084,246	937,029	602,141
Natural gas	332,396	341,109	340,697	304,803
LPG	28,637	26,563	26,341	23,652
Diesel + LTO	75	141	188	29,525
Electricity	231,216	226,472	222,580	238,782
Heat	8,028	4,924	6,250	5,379
Cooling	484,114	485,037	340,973	0
RENEWABLE	27,153	20,285	148,422	514,250
Biogas	27,153	20,285	21,858	16,491
Biomass steam *	n/a	n/a	126,564	497,759
TOTAL	1,111,619	1,104,531	1,085,451	1,116,391

*Heat from biomass since October 2021

Burning LTO instead of natural gas at the Nošovice Brewery as a response to the energy crisis with the aim of reducing natural gas consumption.

SK	2019	2020	2021	2022
NON-RENEWABLE				
Natural gas	99,347	106,678	106,199	109,703
LPG	1,649	2,140	1,641	1,644
Electricity	29,333	30,909	28,962	29,748
TOTAL	130,329	139,727	136,802	141,095

ENERGY CONSUMPTION IN BREWERIES (GJ)

	2019	2020	2021	2022
PILSEN	65,818	61,563	64,639	65,022
Natural gas	47,235	43,300	46,485	49,676
LPG	18,583	18,250	18,142	15,329
Diesel	n/a	13	12	17
NOŠOVICE	120,837	131,944	133,157	136,975
Natural gas	104,812	118,336	119,284	107,948
Diesel + LTO	50	128	143	15,813
LPG	5,209	4,130	4,106	4,467
Biogas (renewable)	10,766	9,350	9,624	8,747
VELKÉ POPOVICE	114,850	104,701	103,520	87,626
Natural gas	101,314	95,704	93,172	81,328
LPG	4,845	4,182	4,093	3,556
Biogas (renewable)	8,691	4,815	6,255	2,742
VELKÝ ŠARIŠ	60,254	69,683	68,159	69,330
Natural gas	58,605	67,543	66,518	67,686
LPG	1,649	2,140	1,641	1,644

ELECTRICITY AND HEAT CONSUMPTION – BREWERIES (GJ)

	2019	2020	2021	2022
PILSEN	380,388	390,711	374,879	404,044
Electricity	114,083	112,304	109,551	119,379
Heat	266,305	278,407	197,620	0
Biomass steam (renewable)	n/a	n/a	67,708	284,665
NOŠOVICE	36,773	41,713	41,898	43,751
Electricity				
VELKÉ POPOVICE	39,829	35,430	33,509	33,055
Electricity				
VELKÝ ŠARIŠ	22,845	24,146	22,830	23,162
Electricity				

ENERGY CONSUMPTION MALT HOUSES (GJ)

	2019	2020	2021	2022
PILSEN	n/a	n/a	n/a	n/a
NOŠOVICE	86,755	89,888	87,769	84,548
Natural gas	79,035	83,768	81,757	65,851
Diesel + LTO	25	n/a	33	13,695
Biogas (renewable)	7,695	6,120	5,979	5,002
VELKÝ ŠARIŠ	40,742	39,135	39,681	42,017
Natural gas				

CONSUMPTION OF ELECTRICITY, STEAM AND COOLING MALT HOUSES (GJ)

	2019	2020	2021	2022
PILSEN	255,447	237,709	235,379	250,652
Electricity	29,610	26,155	26,920	32,170
Cooling	8,028	4,924	6,250	5,379
Heat	217,809	206,630	143,354	0
Biomass steam (renewable)	n/a	n/a	58,856	213,103
NOŠOVICE	10,919	10,868	10,700	10,427
Electricity				
VELKÝ ŠARIŠ	40,742	39,135	39,681	42,017
Electricity				

ENERGY 302-3**PRODUCT ENERGY INTENSITY**

Ratio of energy consumption and the overall volume of beer production in breweries (MJ/hl)

BREWERIES	2019	2020	2021	2022
Pilsen	83.16	91.37	91.62	85.67
Nošovice	76.80	82.29	77.58	69.69
Velké Popovice	76.54	84.34	84.93	84.08
Velký Šariš	77.87	77.42	79.59	72.66

Ratio of energy consumption and the overall volume of malt production in malt houses (MJ/tonne)

MALT HOUSES	2019	2020	2021	2022
Pilsen	2,883	2,889	2,798	2,689
Nošovice	2,649	2,734	2,703	2,668
Velký Šariš	2,504	2,387	2,397	2,280

More information in the chapter [Carbon neutrality](#).**WATER****WATER 303-5-PP****AVERAGE WATER CONSUMPTION BREWERIES (hl/hl)**

Ratio of water consumption and the overall volume of beer production in the given location.

BREWERIES	2019	2020	2021	2022
Pilsen	3.26	3.35	3.36	3.12
Nošovice	2.53	2.57	2.41	2.29
Velké Popovice	2.85	2.97	2.91	2.97
Velký Šariš	2.89	2.78	2.79	2.73

AVERAGE WATER CONSUMPTION MALT HOUSES (m³/t)

Ratio of water consumption and the overall volume of malt production in the given location.

MALT HOUSES	2019	2020	2021	2022
Pilsen	4.25	3.98	3.95	3.61
Nošovice	3.9	3.83	3.96	3.83
Velký Šariš	3.6	3.66	3.53	3.46

We have been monitoring the indicator long-term and started adding it to the report in 2022.

WATER 303-3a

WATER WITHDRAWAL AND WATER SOURCE BREWERIES (m³)

	2019	2020	2021	2022
PILSEN	1,677,605	1,598,380	1,549,244	1,650,058
Municipal water mains	797,938	812,815	711,411	757,939
Own wells	879,667	785,564	837,833	892,119
NOŠOVICE	505,037	524,855	525,246	579,369
Municipal water mains				
VELKÉ POPOVICE	524,224	465,378	438,701	403,509
Municipal water mains	214,232	172,621	163,975	154,923
Own wells	309,992	292,757	274,726	248,586
VELKÝ ŠARIŠ	295,395	326,289	306,889	338,247
Municipal water mains				

WATER WITHDRAWAL AND WATER SOURCE MALT HOUSES (m³)

	2019	2020	2021	2022
PILSEN	350,786	308,319	310,297	317,429
Municipal water mains	146,297	65,299	24,441	65,396
Own wells	204,489	243,020	285,855	252,033
NOŠOVICE	139,338	135,797	137,899	131,667
Municipal water mains	46,297	27,959	28,442	21,814
Own wells	93,041	107,838	109,457	109,853
VELKÝ ŠARIŠ	67,847	70,360	67,430	73,653
Municipal water mains	17,319	16,372	13,757	21,515
Own wells	50,528	53,988	53,673	52,138

The water withdrawal mix depends on the current water management situation.

WATER 303-4a

PROCESSING OF WASTE WATER BREWERIES (m³)

	2019	2020	2021	2022
PILSEN	783,580	772,269	779,185	749,701
Sewage system	746,458	740,309	750,433	747,735
River	37,122	31,960	28,752	1,966
NOŠOVICE	339,612	560,527	512,556	502,882
Sewage system	339,612	514,821	450,132	450,865
River	0	45,706	62,424	52,017
POPOVICE	308,321	281,456	242,868	234,825
River				
ŠARIŠ	269,079	214,532	188,237	243,191
Sewage system				

PROCESSING OF WASTE WATER MALT HOUSES (m³)

	2019	2020	2021	2022
PILSEN Sewage system	305,379	237,882	239,904	253,595
NOŠOVICE Sewage system	88,078	n/a	n/a	n/a
VELKÝ ŠARIŠ	n/a	n/a	n/a	n/a*

*n/a – water is discharged through breweries

WATER 303-3, 4 (SUMMARY)**WATER WITHDRAWAL AND PROCESSING CZ (m³)**

	2019	2020	2021	2022
SOURCE AND CONSUMPTION	3,196,989	3,032,730	2,961,387	3,082,031
Municipal water mains	1,709,800	1,603,550	1,453,516	1,579,441
Own wells	1,487,189	1,429,180	1,507,871	1,502,591
WASTE WATER	1,824,970	1,852,134	1,774,513	1,741,003
Sewage system	1,479,527	1,493,012	1,440,469	145,2195
River	345,443	359,122	334,044	288,808

WATER WITHDRAWAL AND PROCESSING, SK (m³)

	2019	2020	2021	2022
SOURCE AND CONSUMPTION	363,242	396,649	374,319	411,900
Municipal water mains	312,714	342,661	320,646	359,762
Own wells	50,528	53,988	53,673	52,138
WASTE WATER	269,079	214,532	188,237	243,191
Sewage system				

WASTE WATER PROCESSING

PILSEN – sewage water into the municipal water treatment plant, pH neutralization.

NOŠOVICE – sewage water is pre-cleaned in anaerobic equipment within the brewery, then to the municipal water treatment plant

VELKÉ POPOVICE – sewage water is completely treated by the brewery in its waste water treatment plant.

VELKÝ ŠARIŠ – sewage water to municipal water treatment plant without initial treatment.

More information in the chapter [Water](#).

EMISSIONS

We follow the GHG greenhouse gases protocol while measuring.

Emission factors source: National Inventory Report (NIR) https://www.mzp.cz/cz/vypoctove_factory_emise

Emission factor as for electricity and purchased cooling: from suppliers.

EMISSIONS 305-1, 305-2, TOTAL SCOPE 1 AND 2 CZ (t CO₂)

	2019	2020	2021	2022
SCOPE 1	20,307	20,589	20,633	20,651
Natural gas	18,416	18,829	18,885	16,905
LPG	1,886	1,750	1,734	1,558
Diesel + LTO	6	10	140	2,188
Biogas (renewable)	0	0	0	0
SCOPE 2	61,439	58,772	47,122	20,445
Electricity	18,861	18,705	18,474	19,708
Cooling	1,192	668	1,105	737
Heat	41,386	39,398	26,828	0
Biomass steam* (renewable)	n/a	n/a	0	0
SCOPE 1 AND 2	81,746	79,361	67,041	41,097

TOTAL SCOPE 1 AND 2 SK (t CO₂)

	2019	2020	2021	2022
SCOPE 1	5,636	6,075	6,016	6,213
Natural gas	5,532	5,939	5,913	6,109
LPG	104	135	103	104
SCOPE 2	1,365	1,451	1,345	1,386
Electricity				
SCOPE 1 AND 2	7,001	7,526	7,361	7,599

DIRECT EMISSIONS SCOPE 1 BREWERIES (t CO₂)

	2019	2020	2021	2022
PILSEN	3,841	3,604	3,773	3,766
Natural gas	2,617	2,401	2,577	2,755
LPG	1,224	1,202	1,195	1,010
Diesel	n/a	1	1	1
NOŠOVICE	6,154	6,790	6,894	6,452
Natural gas	5,807	6,508	6,613	5,986
LPG	343	273	270	294
Diesel + LTO	4	9	11	172
Biogas (renewable)	0	0	0	0
VELKÉ POPOVICE	5,932	5,587	5,431	4,768
Natural gas	5,613	5,312	5,162	4,514
LPG	319	275	269	254
Biogas (renewable)	0	0	0	0
VELKÝ ŠARIŠ	3,367	3,896	3,807	3,873
Natural gas	3,263	3,761	3,704	3,769
LPG	104	135	103	104

*Heat from biomass since October 2021

INDIRECT EMISSIONS SCOPE 2 BREWERIES (t CO₂)

	2019	2020	2021	2022
PILSEN	32,018	31,800	24,522	9,749
Electricity	9,188	9,160	8,974	9,749
Heat	22,830	22,640	15,578	0
Biomass steam* (renewable)	n/a	n/a	0	0
NOŠOVICE	3,080	3,515	3,524	3,688
Electricity				
VELKÉ POPOVICE	3,105	2,863	2,722	2,638
Electricity				
VELKÝ ŠARIŠ	1,048	1,120	1,045	1,064
Electricity				

DIRECT EMISSIONS SCOPE 1 MALT HOUSES (t CO₂)

	2019	2020	2021	2022
PILSEN	n/a	n/a	n/a	n/a
NOŠOVICE	4,381	4,607	4,535	4,666
Natural gas	4,379	4,607	4,533	3,651
Diesel + LTO	2	n/a	2	1,015
Biogas (renewable)	0	0	0	0
VELKÝ ŠARIŠ	2,269	2,179	2,209	2,341
Natural gas				

INDIRECT EMISSIONS SCOPE 2 MALT HOUSES (t CO₂)

	2019	2020	2021	2022
PILSEN	22,323	19,677	14,709	3,490
Electricity	2,573	2,251	2,354	2,753
Cooling	1,193	668	1,105	737
Heat	18,556	16,759	11,250	0
Biomass steam* (renewable)	n/a	n/a	0	0
NOŠOVICE	915	916	900	879
Electricity				
VELKÝ ŠARIŠ	317	330	299	322
Electricity				

*Heat from biomass since October 2021

GHG PRODUCT EMISSIONS INTENSITY 305-4

CO₂ EMISSIONS SCOPE 1 AND 2 TO THE OVERALL VOLUME OF PRODUCED BEER IN BREWERIES

CO₂ emissions intensity (kg CO₂e/hl)

BREWERIES	2019	2020	2021	2022
Pilsen	6.97	7.42	6.14	2.56
Nošovice	4.62	5.04	4.78	4.41
Velké Popovice	4.92	5.4	5.41	5.45
Velký Šariš	4.32	4.27	4.42	3.99

CO₂ EMISSIONS SCOPE 1 AND 2 TO THE OVERALL VOLUME OF PRODUCED MALT IN BREWERIES

CO₂ emissions intensity (kg CO₂e/t)

MALT HOUSES	2019	2020	2021	2022
Pilsen	270.6	254.2	187.4	39.7
Nošovice	148.1	155.8	156.1	161.1
Velký Šariš	137.05	130.5	131.3	124.9

More information in the chapter [Carbon neutrality](#).





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Independent Limited Assurance Report

Mazars Accounting, s.r.o.
Registered in the Commercial Registry of the District Court Bratislava III, Section Sro, Item No. 36954/B



Plzeňský Prazdroj, a. s.

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301 00 Plzeň

Independent Limited Assurance Report

To the Board of Directors of Plzeňský Prazdroj, a. s.

We have undertaken a limited assurance engagement on the selected sustainability information of Plzeňský Prazdroj, a.s. („the Company“), listed below under the ‚Scope and Subject Matter‘ section in the Company’s Sustainability Report that covers the twelve-month period from 1 January to 31 December 2022 („the Report“).

Scope and Subject Matter

Our limited assurance engagement focused on the 2022 sustainability indicators as presented in the 2021 GRI Content Index of the Report on pages 145 to 167 and on the rest of the information in the Report.

Criteria

The applicable criteria defined by the Company and used to prepare the Report consist of internal group methodology based on Asahi Group Sustainability Principles and on the GRI Sustainability Reporting Standards published by the Global Reporting Initiative (“the Applicable Criteria”).

Inherent Limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques. In addition, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors.

The Company’s Responsibility

The Company is responsible for the selection of the Applicable Criteria and for the preparation and presentation of the Selected Information based on the Applicable Criteria. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation of the information contained in the Report that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a conclusion on the Report content and on the 2022 sustainability indicators as presented in the 2022 GRI Content Index of the Report based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in

accordance with the International Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform this engagement to obtain limited assurance about on whether anything has come to our attention that causes us to believe that the Report content and the 2022 sustainability indicators as presented in the 2022 GRI Content Index are not free from material misstatement evaluated against the Applicable Criteria.

A limited assurance engagement undertaken in accordance with ISAE 3000 (revised) involves assessing the suitability in the circumstances of the Company’s use of applicable Criteria as the basis for the preparation of the 2022 sustainability indicators and report content, assessing the risks of material misstatement of these sustainability indicators and report content whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of sustainability information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures selected depend on the assurance practitioner’s judgement.

Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

Our firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Summary of Work Performed

Our limited assurance procedures included, amongst others, the following:

- Assessment of the suitability of the Applicable Criteria in terms of their relevance, comprehensiveness, reliability, neutrality and understandability and their consistent application.
- Inquiries of Company’s representatives responsible for collecting, consolidating, and calculating the selected information to assess the process of preparing the data, the reporting system, the data capture, and compilation methods as well as internal controls to the extent relevant for the limited assurance engagement.
- Inspection of the relevant documentation of the systems and processes for compiling, analysing, and aggregating data and testing such documentation on a sample basis.
- Analytical procedures and inspection of documents on a sample basis with respect to the compilation and reporting of quantitative data: at the level of Company, analytical procedures to verify the correct consolidation of the collected data as well as the consistency of their evolution, contribution of selected entities to the consolidated indicators, interviews to verify the correct



application of the procedures and detailed tests, consisting of checking the correct application of the definitions and procedures and reconciling the data with the supporting documents.

- Critical review of the statements regarding plausibility and consistency of the Selected Information with the other information in the strategic documents.

We have not carried out any work on data other than outlined in the Scope and Subject Matter section as defined above. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our limited procedures we have performed, nothing has come to our attention that causes us to believe that the Company's Report for the twelve-month period from 1 January 2022 to 31 December 2022 is not prepared, in all material respects, in accordance with the Applicable Criteria.

Restriction on Use and Distribution

Our report has been prepared for and only for the Board of Directors of the Company and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the content of this report.

Bratislava, 28 July 2023

Mazars Accounting, s.r.o.

Mickaël Compagnon
Managing Partner
GRI Certificate number: C19892

Jana Ružická
Sustainability Director

Prague, July 31, 2023

ABOUT THE REPORT

This report contains data from the period from January 1, 2022 to December 31, 2022 together for the companies Plzeňský Prazdroj, a.s., registered office U Prazdroje 64/7, Východní Předměstí 301 00 Plzeň and Plzeňský Prazdroj Slovensko, a.s., registered office Pivovarská 9, 082 21 Veľký Šariš. We have been issuing our Sustainability Report every year since 2006.

It is our goal to transparently inform about our activities in the area of sustainability, to share our experience and to present an overview of how we have been fulfilling our sustainability strategy To the Future! 2030. Our sustainability strategy covers all important areas of our activities from the perspective of their environmental, social and economic impacts.

In the report, we present key indicators across all ESG pillars. We deal with environmental and social impacts, as well as governance of the company. We currently do not separate sustainability-related costs and investments from common costs and investments in our financial reporting.

An internal system of set KPIs is the source of non-financial data for the current period in all defined areas of our business according to key pillars of our sustainability strategy. All the data must be checked and approved by the directors of individual sections, who are, at the same time, members of Plzeňský Prazdroj top management.

In the report, we refer to selected indicators of international GRI Standards 1 (Global Reporting Initiative) without sector standards. They are related to areas in which we made our results public in previous years. By adding more detailed information according to GRI Standards we strive for a better transparency. We wish to encourage comparing our results and monitoring their

development over time. Therefore, the data in the Appendix include the data from previous periods organised in the same way. Some of the earlier issued information have been edited. They were edited based on changes in methodology of calculating the indicator for occupational injuries, employee learning, and material purchases.

We added new indicators related to employees, the average water consumption in malt houses, renewable energy resources, production volume and some other indicators in the area of management. For the first time, the report also deals with indirect greenhouse gases emissions (Scope 3), and we traced back and added the data from 2019 onwards.

The areas of occupational safety and health, environmental data and data and information related to quality are part of the company's integrated management system, which underwent a recertification audit in 2023.

The report underwent an external limited verification carried out by the Mazars Accounting, s.r.o. company, an independent party with ISAE 3000 standards. The delivery of some of our commitments and goals stated in this report is influenced by unpredictable external factors, which Plzeňský Prazdroj has no influence on.

We will be glad if you share your views of our activities.

IVAN TUČNÍK
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July 2023



Píseňský Prazdroj