

SUSTAINABILITY REPORT 2021



Plzeňský Prazdroj

Can a flap of a pair of butterfly wings have an impact far far away? Human activity surely can. That is why it is essential we treat the environment responsibly and bear in mind that even a slight change for the better that we do today may have a massive impact in the future. If we wish for the planet to be a place we can live in and survive, we must introduce and follow through with sustainable measures which have no harmful impact on the environment. We, Plzeňský Prazdroj, are ready for that.

Our 2021 Sustainability Report is represented by a collection of butterflies. We would love our world to become a place where new species are born rather than become extinct, as many of them are threatened with. Butterflies represent a symbol of a healthy landscape and a fragile beauty which deserves to be cherished because otherwise we could easily suffer a huge loss.

“May a flap of butterfly wings in Brazil trigger a tornado in Texas?” This question was raised by Edward N. Lorenz during a lecture in 1979. He intended to illustrate the idea that even slight shifts in initial conditions may have a massive impact on the result of the whole system.

Edward N. Lorenz,
meteorologist
and mathematician



To the future!
2030



COLLECTION OF SUSTAINABILITY CONTENTS:



EDITORIAL



**I. ABOUT
THE COMPANY**



 **II. STRATEGY**



 **III. CARBON
NEUTRALITY**



 **IV. WATER**



 **V. RAW
MATERIALS**



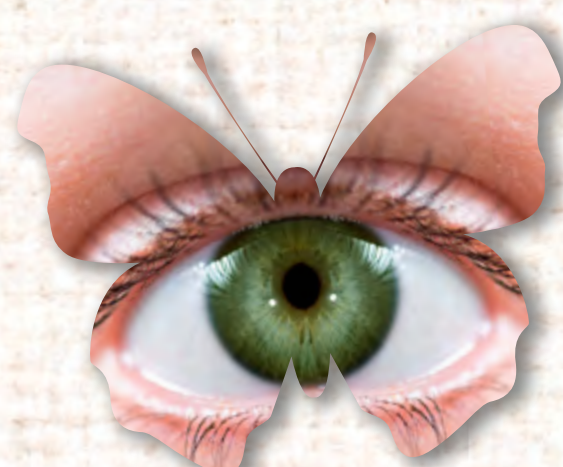
 **VI. PACKAGING**



 **VII. WASTE**



 **VIII. PEOPLE**



 **IX. RESPONSIBILITY**



 **X. COMMUNITIES**



 **ABOUT
THE REPORT**



Pilsenřský Prazdroj

EDITORIAL

Prazdroj is a name that is known all over the world, associating a pioneer and a leader in its area of business. This also expresses our ambition related to sustainability.

Therefore, sustainability is core within our company strategy and taken into consideration when we review all our processes. As for the environment, we save natural resources and are on the way towards carbon neutrality. We also contribute to positive changes in the social area, in the surroundings of our breweries and through our overall approach to doing business.

Despite the difficult aspects of 2021 caused by the continuing pandemic, Plzeňský Prazdroj did not ease up on its sustainability-related goals.

We initiated some activities in cooperation with hop growers to help them resolve problems brought by climate change. We started, together with other partners, to work on the FOR HOPS project where we help hop growers to make their water management more efficient with the use of modern technology and to introduce and put into practice certain principles of sustainable agriculture.

We are gradually replacing energy sources with “green ones” and we have been innovating and modernizing our production technology. The results of our water management have been excellent in the long term. At our Nošovice Brewery we only need 2.4 litres of water to brew 1 litre of beer.

We track the carbon footprint of our whole supply chain and we engage in promoting sustainable solutions even beyond the gates of our breweries. On our way towards packaging circularity, we have devoted a lot of energy and time to the preparation of a can deposit scheme in Slovakia and to the introduction of the same practice in the Czech Republic. We stopped selling our products in plastic bottles and launched a can with the highest certified recycled aluminium content.

We worked on prevention programmes dealing with responsible alcohol consumption, focusing mostly on young consumers. During Covid, we introduced an on-line counselling programme within the Respektuj 18



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project called “Let’s talk about this”. We support a responsible approach to alcohol consumption through self-regulatory measures in the area of communication and advertising. We respond to the increasing demand for non-alcoholic drinks by developing our portfolio accordingly.

We pushed to provide pubs and restaurants with significant support, helping them to both cope with covid-related challenges and prepare for the future. As part of the Fresh Outlet project, we helped two thousand pubs to get rid of visual (commercial) smog and to reduce energy consumption and the use of plastic.



Our support for the communities surrounding our breweries was reflected more in projects focused on saving water or climate change. Safety is still first and so is the development of our employees. We put great emphasis on creating a healthy and inclusive working environment where everybody has a chance to unlock or further develop their potential. It is our people who make success happen, not only in the area of sustainability.

We are now, as this report is being written, experiencing a completely unprecedented period following two difficult years. We believe, however, that values like solidarity and togetherness will help us all to survive this period. At Prazdroj, we stand by these values. Cheers to our health and to the future!



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Dragos Constantinescu,
Managing Director

I. About the company

HOW DID WE DO IN 2021

OUR SALES FIGURES DROPPED DUE TO THE PANDEMIC OF COVID

PERSONNEL CHANGES

THERE IS A NEW MANAGING DIRECTOR AND A NEW ŠARIŠ BREWERY PLANT MANAGER

INVESTMENTS

WE KEEP INVESTING INTO PRODUCTION, TECHNOLOGY, INFRASTRUCTURE AND ALSO HUMAN RESOURCES

COMPANY ETHICS

WE FOLLOW OUR INTEGRATED POLICY

ISO CERTIFICATION

WE OPERATE USING CERTIFIED MANAGEMENT PROCESSES

AWARDS

WE GAINED

WE HAVE WON SEVERAL PRESTIGIOUS AWARDS

STAKEHOLDERS

WE APPRECIATE EVERYONE WHO HELPS US IMPROVE



[Brewer's Copper]

Its first occurrence in the area of today's Czech Republic dates back to 1842. Soon the species spread across Europe and became a protected species.

It can currently be spotted all over the world. It is one of few species of this family which has maintained its original looks and features.



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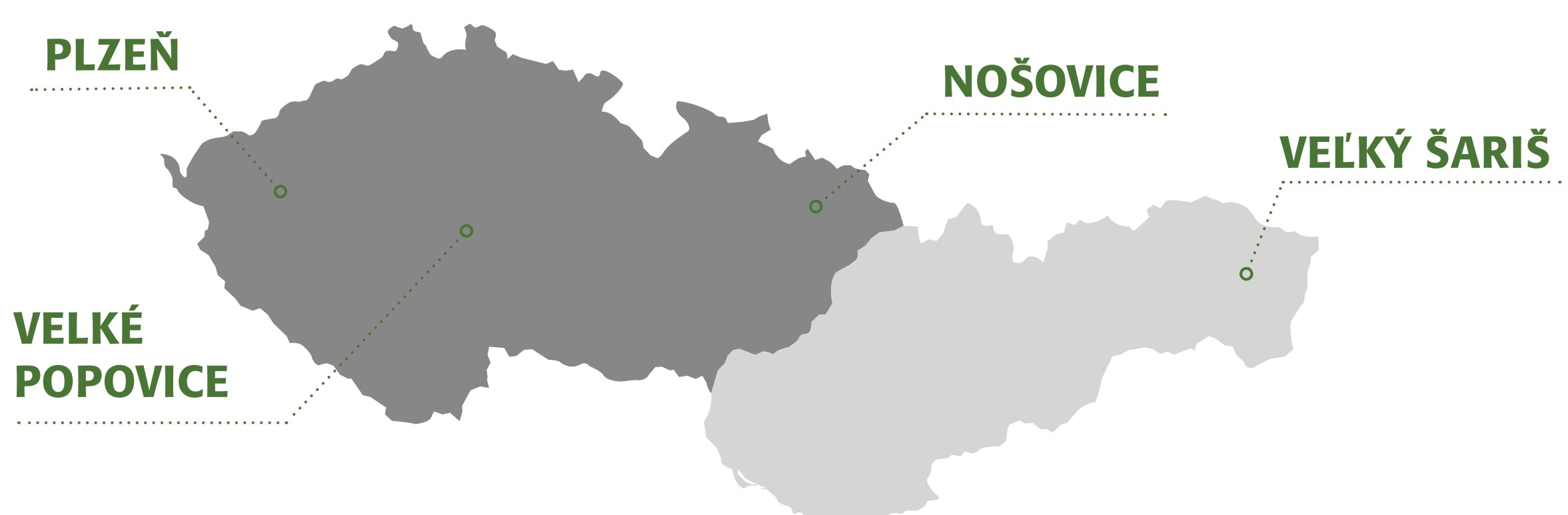
We are, in the Czech Republic, a leading brewing industry company and rank amongst the biggest beer producers in Central Europe. The fact that we are the number one exporter of Czech beer proves the high quality of our product.

On June 1, 2014, we became an integrated company consisting of Plzeňský Pradzoj and Plzeňský Prazdroj Slovensko (formerly Pivovary Topvar). This merger meant we became part of a leading brewing organization in Central Europe. Since 2017, we have been part of the Asahi Group.

Our beer is brewed at two breweries in Pilsen and also in Nošovice, Velké Popovice and in Slovakian Velký Šariš. One more brewery joined them in Pilsen, namely the Proud experimental brewery.

Malthouses are part of our breweries and embody a guarantee that the best raw materials are used. Our brands represent the best of the Czech brewing heritage and their products have long been recognized as beers of the highest quality. We are proud that four of our brands can use the Protected Geographical Indication České pivo.

WE WANT TO BE A COMPANY WHICH IS NOT ONLY SUCCESSFUL IN BUSINESS BUT ALSO HAS A POSITIVE EFFECT ON ALL OF SOCIETY AND THE ENVIRONMENT.



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HOW DID WE DO IN 2021

As a consequence of the covid pandemic, Plzeňský Prazdroj saw for the second year in a row a decrease in overall sales of beer on the domestic market. Sales figures dropped by 3% to 6.5 million hectolitres year-on-year.

Sales in retail saw a 5% year-on-year decrease due to the crisis, but draught beer did better as sales increased by 2% despite the fact that the gastronomic sector was closed for even longer than in 2020. The result reflects the intensive support Prazdroj provides to pubs on a long-term basis.

IN THE PAST TWO YEARS ALONE, THE BREWERY ALLOCATED MORE THAN HALF A BILLION CROWNS TO SUPPORT THE GASTRONOMIC SECTOR. GROWTH WAS, AGAIN, CONFIRMED BY THE FLAGSHIP BEER OF THE BREWERY - PILSNER URQUELL LAGER. THE RADEGAST BREWERY WITH ITS RYZE HOŘKÁ 12 HAS THE BIGGEST SHARE IN THE GROWTH OF THE LAGER CATEGORY.



Flavoured Birell did well, too. Its sales figures grew by 1%. Flavoured non-alcoholic radlers did even better, growing by 4% year-on-year. All this together implies an increased interest in non-alcoholic beverages.

The best development was seen in Plzeňský Prazdroj Slovensko, a.s. where numbers soared by 7% compared to the previous year. It sold over 1.6 million hectolitres of beer. In Slovakia, lagers enjoyed increased interest as their sales figures grew by 11%. The biggest total growth was seen in the Pilsner Urquell brand, which also won an award based on an independent consumers' opinion poll about beer, **THE MOST TRUSTWORTHY BEER BRAND OF 2021**. Prazdroj also led in the sales of glass-bottled beer.



The Šariš brand enjoyed success with its limited edition of summer beer called Jánošík which was made as part of a unique co-operation with Vršky v Terchové Brewery.



**Unflavoured
Birell did well. Its sales
figures grew by 1%.**
Flavoured non-alcoholic
radlers did even better,
growing by 4% year-on-year.



PLZEŇSKÝ PRAZDROJ IS ONE OF THE BIGGEST TAX CONTRIBUTORS

The purpose of the [Asahi company tax code](#) is to ensure legitimate administration of tax-related issues with regard to tax governance and transparency and balancing the interests of stakeholders.

Taxation:

Excise tax

Income tax

Value added tax

Real estate ownership tax

Energy-related taxes

Other taxation (road tax, withholding tax)



TAXES, PAID BY PLZEŇSKÝ PRAZDROJ IN CR* AND SR

CZ
CZK 4.87
billion

of which almost
CZK 2 billion
excise tax

SK
EUR 48.38
milionu

of which almost
EUR 22 million
excise tax

* Prazdroj is one of the TOP 20 income tax payers in the Czech Republic.



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Dragos Constantinescu

PERSONNEL CHANGES

We have a new boss. Since the beginning of June, the helm of Plzeňský Prazdroj is in the hands of Dragos Constantinescu, who has taken up the position of General Manager after Grant Liversage's four years in charge. Dragos comes to the Czech Republic following a successful career as the Romanian Ursus Brewery President and Director of Romanian and Hungarian markets, which are part of the Asahi group. Since March 2021, the Šariš Brewery has been managed by Grzegorz Komora, who has 14 years of experience in breweries in Poland and in North-Moravian Nošovice.

INVESTMENTS

Despite difficulties arising from the pandemic and further changes in the market, the planning of further investments in new technology, infrastructure and human resources did not come to a halt. At the same time, we have been investing in production to ensure sufficient long-term capacity of our breweries. The Radegast Brewery production capacity was expanded by 20% to more than



+20%

72,000 hectolitres

Radegast Nošovice Brewery

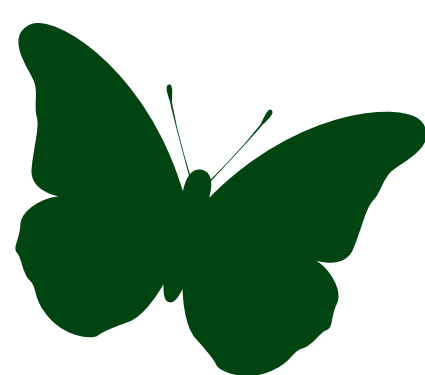
72,000 hectolitres of beer a week last year. This was thanks to the 250-million-Crown investment in the construction of a **new brewhouse, and the purchase of four new fermentation tanks and a new wort filter**, the last one used in Nošovice being the only one in Czechia. Works related to the **expansion of storage capacity in the Pilsen Brewery** advanced, too, and some investments were made in further innovations leading to reductions in water consumption, energy consumption and production of CO₂. In Pilsen, the **reconstruction works on the power station will continue to better serve the experimental Proud brewery**. It is our plan to renovate the power station building both inside out.

COMPANY ETHICS

We strictly follow principles and rules of our business that are clearly defined by our [integrated company policy](#). The IMS Policy is a public declaration of the company's approach towards quality, food and input material safety, occupational health and safety and protection of the environment. Our [Business Ethics Policy](#) is binding for all our employees as well as for all external work forces, contractors and consultants. We also familiarize our suppliers with the policy. Our suppliers are also obliged to follow [the Asahi Europe and International Antibribery Policy](#). Our [Rules of Commercial Communication](#) also determine the principles of self-regulation we follow when preparing marketing material for alcoholic beverages.

ISO CERTIFICATION

The company's integrated policy identifies the overall intentions of the company and follows up on the integrated management system which currently includes WCM system principles, quality management principles – **ISO 9001**, environmental protection principles – **ISO 14001**, food safety management principles – **ISO 22000** and **GMP+**, and last but not least, occupational health and safety management system principles – **ISO 45001** and energy management system – **ISO 50001**.



The area of environmental management and safety management system complies with ISO standards and is part of system management carried out by the head brewmaster of Plzeňský Prazdroj



RECEIVED AWARDS

SODEXO EMPLOYER OF THE YEAR

A comparison of companies based on international PwC Saratoga methods monitoring, for example, wage costs, costs of staff training or programmes of staff benefits. This year, we won both on the regional and national level.



Předávání ocenění Sodexo Zaměstnavatel roku

LEMUR

Our PR campaign, the goal of which was to help bartenders during lockdown, helped us gain two Lemur awards. The success of the Plzeňský Prazdroj PR team was highlighted by a bronze “medal” in the Media Relations category for the communication towards helping pubs which Prazdroj provided its customers with throughout the pandemic.

FENIX CONTENT MARKETING

The story of Plzeňský Prazdroj told on beer mats was awarded the Golden Fenix while the internal newsletter Šnyt got the bronze “medal”.

VIA BONA SLOVAKIA

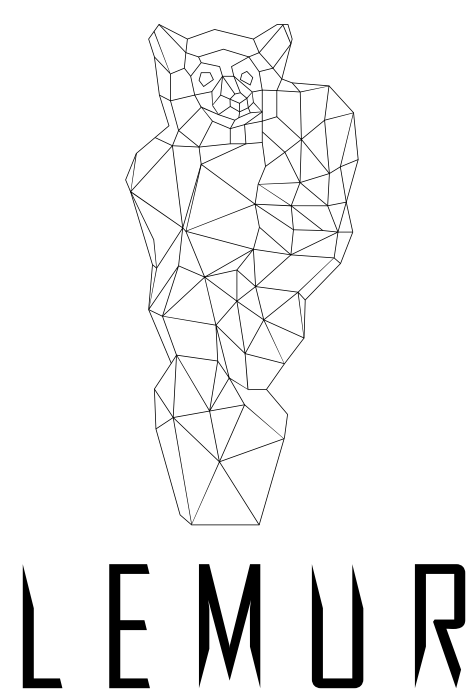
We received an award called A Fair Player on the Market from the Nadace Pontis Foundation for inspiring examples of responsible business and company philanthropy as we helped within the gastronomical sector during the pandemic.

SLOVAK AGRICULTURE AND FOOD CHAMBER AWARD

Our Cesta k plné cirkularitě obalů (Way to 100% Circularity of Packaging) project earned us first place in the Permanent Sustainability category. The jury of experts appreciated several activities including our termination of use of plastic bottles for beer, supporting returnable bottles, our emphasis on circularity of cans and the overall ambition to achieve full circularity.

TOP ODPOVĚDNÁ FIRMA (TOP RESPONSIBLE COMPANY)

Within the rating called Large Company and TOP Responsibility Reporting Company we ended up among the golden companies. The Byznys pro Společnost Association has been giving these awards since 2011 and Plzeňský Prazdroj has regularly been among the highest-rated ones.



POTRAVINÁŘSKA
KOMORA
SLOVENSKA



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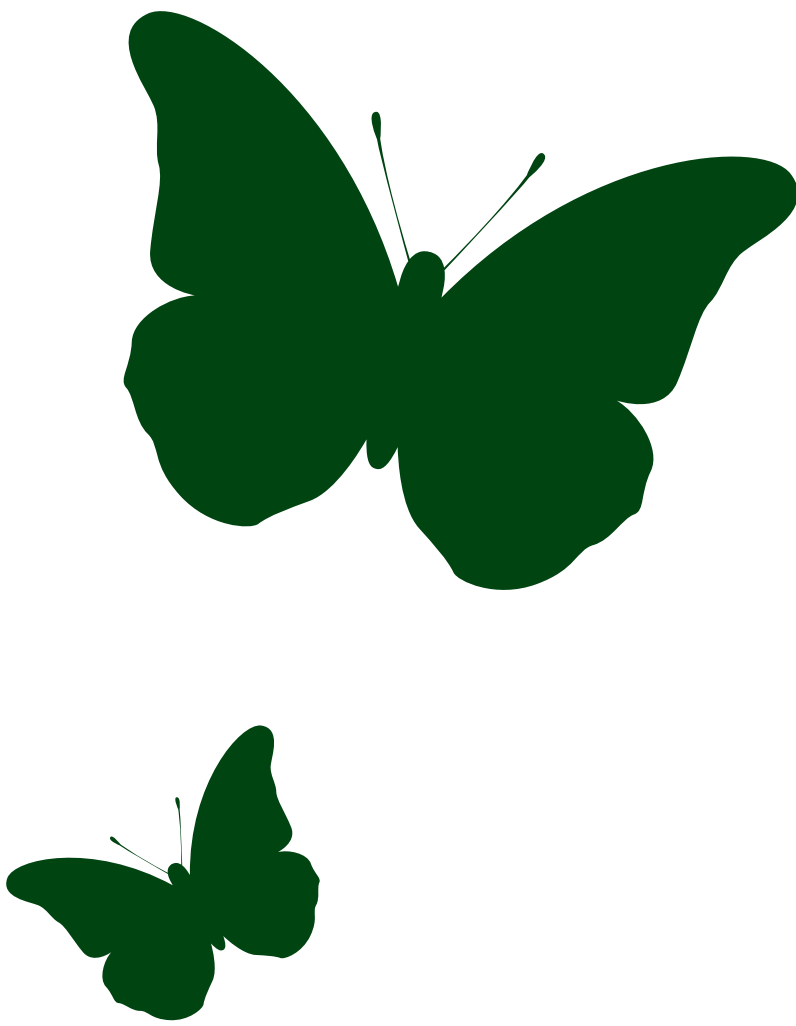
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STAKEHOLDERS: WHO WE COOPERATE WITH

Cooperation and partnership are key for us. 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). We are a founding member of the **Deposit Initiative**. In Slovakia, common topics are discussed, for example, in the **Federation of the Food and Drink Industries** and **Slovak Trade Association**. We are an active member of the **Slovak Malting and Brewing Association**, **Advertising Standards Council**, **Business Leaders Forum** and the **Circular Slovakia** initiative.

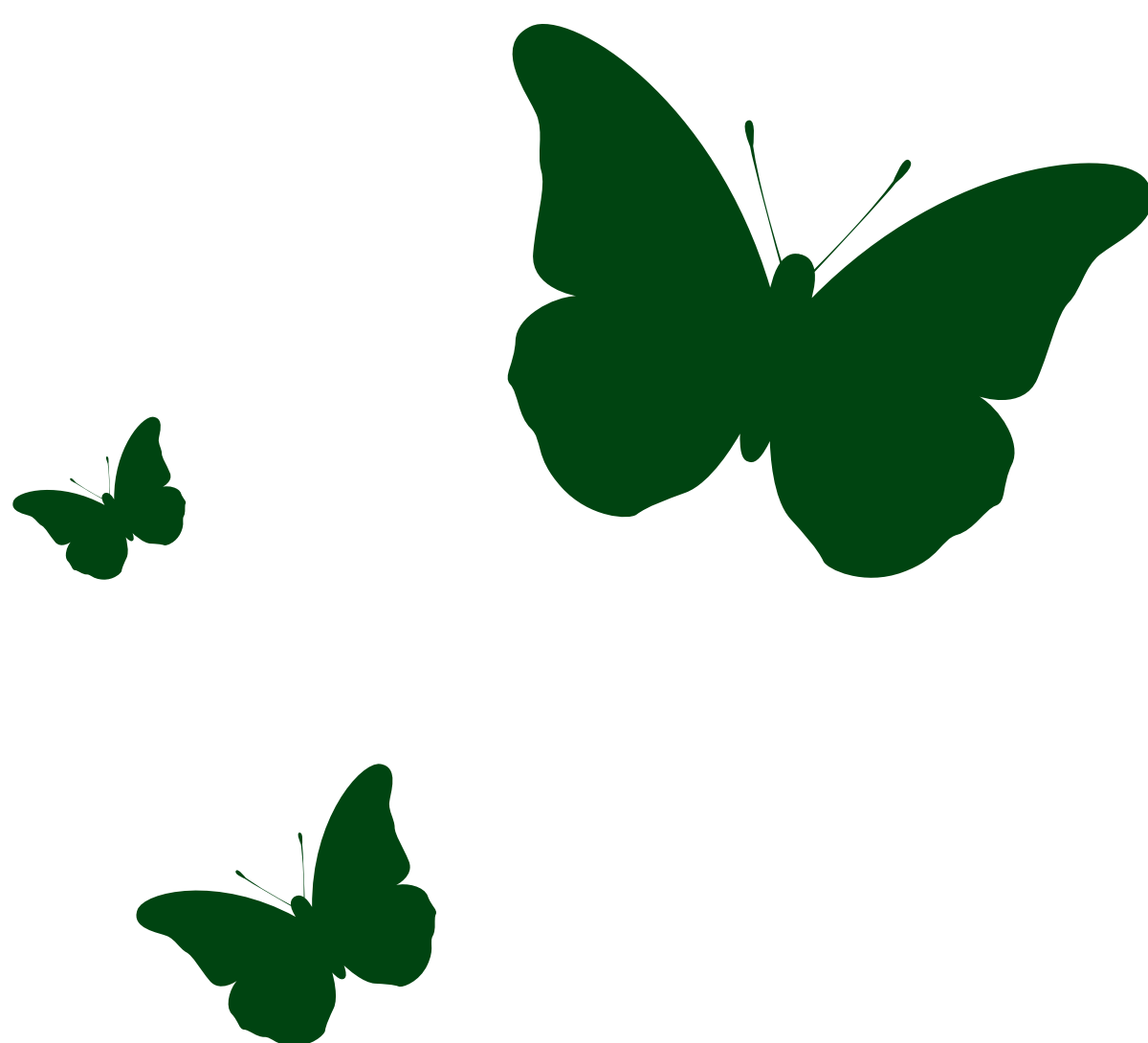
OUR STAKEHOLDERS:

- EU
- Government
- Legislation authorities
- Regional and local partners
- Associations and federations
- Non-profit organizations
- Educational and research institutions
- Media, Suppliers, Customers and consumers
- Employees and trade unions



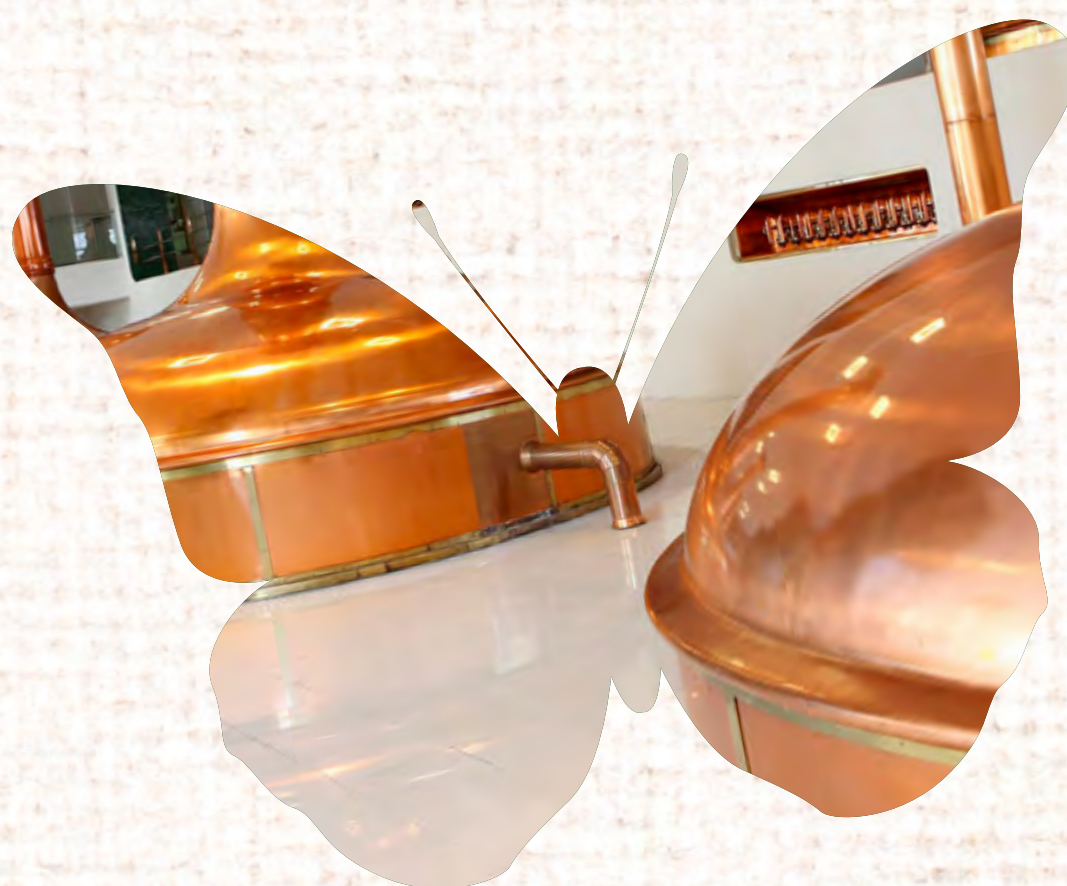
We took on commitments to reduce the impact of our business on the climate and nature and we are eager to cooperate on this across all sectors. Therefore, we partnered with **Nadace Partnerství** (Partnership Foundation) giving out [Adaptterra Awards](#), which appreciate projects which mitigate negative impacts of global warming or new ideas of non-traditional use of water or maintaining water in cities.

In 2021, we were partners to [GreenHack](#), the largest sustainability-focused innovation hackathon in Central Europe. This two-day event gave students, ethical hackers, developers, designers and technologists the chance to meet one another and use their potential to solve problems related to recycling packaging material or waste, energy savings in buildings or prolongation of product life. We are fully aware that it is our stakeholders who influence our company and thus its success. After identifying topics which are directly linked to our company, we summarized information from organizations and individuals who have an impact on our company or who are affected by our company. The information was generated thanks to the so-called **stakeholder dialogues (CZ, SK)** which we organize regularly and which also include surveys, round tables, etc. These dialogues generated a matrix which we have used to identify key topics for our sustainability strategy since 2020.





**WE DRAW ATTENTION TO
AND ENCOURAGE THE AREA
OF SUSTAINABILITY IN
AGRICULTURE, THE FOOD
INDUSTRY AND BREWING
NOT ONLY IN CZECHIA AND
SLOVAKIA, BUT ALSO ALL
OVER EUROPE.**



CZ

**Annual Report of the
Plzeňský Prazdroj, a.s.
company.**



SK

**Annual Report of the Plzeňský
Prazdroj Slovensko, a.s. company.**



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II. Strategy

TO BETTER FUTURE! 2030



Pillars of strategy



WATER



CARBON NEUTRALITY



RAW MATERIALS



CIRCULARITY OF PACKAGING



RESPONSIBILITY



WASTE



DIVERSITY

[Pilsen Gold]

This is the most well-known butterfly from the sustainables family. One of its characteristics is its continual care for nature. Both male and female individuals exhibit extraordinary independence. Both genders regularly assess their effort to help nature and constantly seek new and better solutions.



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Gifts from Mother Nature are necessary for brewing great tasting beer. Therefore, we consider the impacts on nature when we run our business in order to help it survive and be there for us and for future generations. It is our goal not to harm the planet, but rather to come up with solutions which are sensitive to nature.

IN 2020 WE RAISED OUR AMBITIONS
IN THE AREA OF SUSTAINABLE DEVELOPMENT
AND ACCEPTED A NEW STRATEGY WE WILL
FOLLOW IN THE NEXT 10 YEARS.

Sustainability represents the core of our business. That is why we set clear goals in this area each year as part of our strategic plan. These goals help us move towards sustainable operation of our company.



Our activities in the area of sustainability
**WE SUPPORT THE GOALS
OF SUSTAINABLE DEVELOPMENT
OF THE UN**
(SDGS), SET AT THE UN SEPTEMBER 2015 SUMMIT.





OUR GOALS AND RESPONSIBILITIES ARE CLEARLY SET

Sustainability is an integral part of our company strategy and top management, including the whole Executive Committee, is evaluated as regards achieving KPIs of the sustainable development of the company set earlier.

We project sustainability not only into strategic planning, but also everyday decisions of the company.

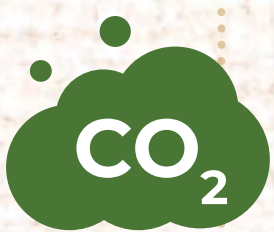
Directors of particular departments who also have a representative for the area of sustainability are in charge of these decisions. The consistency of the strategy is supervised by the Steering Committee, consisting of the company top management.

THE EMPHASIS ON SUSTAINABLE BUSINESS HAS APPLIED TO THE EVERYDAY WORK OF PLZEŇSKÝ PRAZDROJ FOR MANY YEARS. WITH THIS NEW SUSTAINABILITY STRATEGY, WE INTENSIFIED OUR COMMUNICATION ABOUT THE EMPHASIS WE PUT ON SUSTAINABILITY AND BEHAVIOUR TOWARDS OUR PEOPLE. OUR PEOPLE THEN NATURALLY BECOME AMBASSADORS OF A SENSITIVE APPROACH TO NATURE.

Our raising of awareness of the new strategy was supported through an **internal competition called “Sustainables”** where our colleagues had a chance to try gamified recycling, upcycling, growing plants and saving water or energy. We organize a series of workshops for members of senior managements called **Sustainability Academy**. Our staff is educated through various internal communication channels, including a specialized podcast. We share our experience at expert seminars and conferences as part of our cooperation with universities.

STRATEGIC GOALS

2021



CARBON NEUTRALITY

We measured the use of emissions within our supply chain. As for production, the Nošovice Brewery was very successful in reducing its consumption of energies. In Pilsen, we started to use “green steam”.



3 litres → 1 litre



WATER We invested in new water treatment facilities.



PACKAGING Average CZ and SK

60%
of our products go to the market in recyclable packaging.

80%
We reduced the use of disposable plastic from primary material by as much as 80%.



RAW MATERIALS
100% of barley and 2/3rds of hops are purchased locally – in Czechia and Slovakia.



WASTE
We recycle all secondary raw materials from production.

0

12% RESPONSIBILITY
We also widened our portfolio of non-alcoholic drinks which now represent 12% of the overall portfolio.

ALL CHANNELS OF OUR ALCOHOLIC BRANDS INCLUDE A MECHANISM THAT VERIFIES THE AGE OF THE USER AND LETS ONLY THOSE OVER 18 CONTINUE TO THE CONTENT.

18



DIVERSITY
We support parents and career development of women.

The **safety and health** of our employees comes first, not only during a pandemic.



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2025



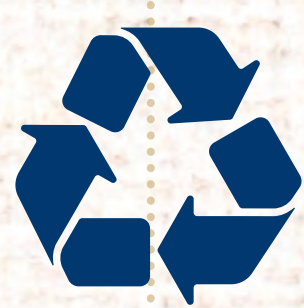
CARBON NEUTRALITY
All power for our breweries will come from renewable sources.



2,78 → 1
litre litre



WATER
We will reduce the average water consumption necessary for producing 1l of beer to 2.78l.



WASTE
“No waste from our breweries will end up in landfill.”

90%



RESPONSIBILITY
90% of our products will have reduced sugar content or will contain no sugar.

20%

We will increase the engagement in our prevention programmes by 20%.

0 *“A fifth of the beverages in our portfolio will be represented by non-alcoholic ones.”*





FOLLOWING THE STRATEGY

It is not enough to set goals. Goals must be achieved and further improvements need to be worked on. This is, apart from other topics, what our sustainability strategy called “To a Better Future!” defines. As part of Asahi group, we are a member of the global **RE100** initiative focused on using energy from renewable sources. We have also committed to **Science Based Targets**, such as not to let global warming exceed more than 1.5°C.

In 2021, goals in the area of water consumption and direct energy for breweries in the Czech Republic and Slovakia were unfortunately not reached. The covid pandemic and related government regulations which limited the operation of pubs were among the main causes. This caused a significant decrease in the sales of keg beer, the production and distribution of which are most suitable as far as energy and water consumption.



**Our commitments
in the area of sustainable
management are
in compliance with
the Asahi Europe
& International
Sustainability Strategy.**



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III. Carbon neutrality



INVESTMENT AND MODERNIZATION

WE CHANGE BOTTLES, AUTOMATE WAREHOUSES, MODERNIZE MALTHOUSES.

ENERGY AND CO₂ EMISSIONS IN PRODUCTION

WE CONTINUALLY REDUCE AMOUNT USED

CO₂ EMISSIONS IN OUR SUPPLY CHAIN

THIS IS WHERE MORE THAN 80% OF CO₂ EMISSIONS COME FROM

EXPLORING ALTERNATIVE SOURCES OF POWER

WE TEST ELECTRIC VEHICLES FROM VARIOUS CAR MAKERS

[Carbon Green]

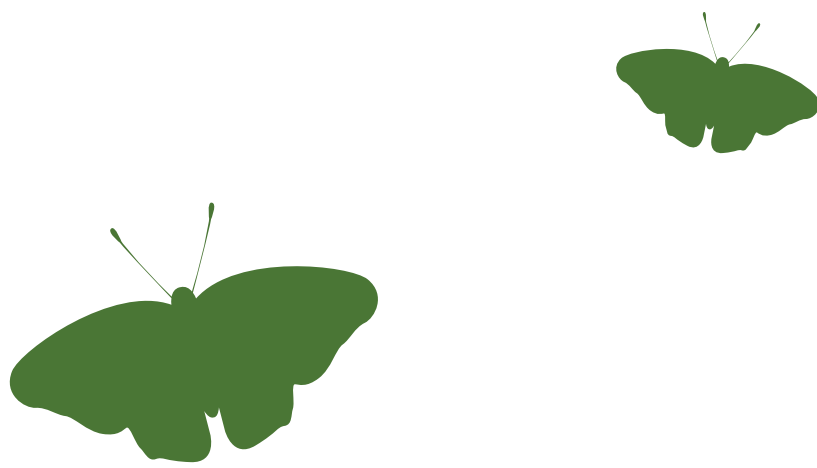
This species inhabits the surroundings of breweries and seeks out spots with a high concentration of CO₂.

It helps reduce the production of CO₂ thanks to its presence. Females dare to cross brewery gates and look for opportunities to help reduce the carbon footprint.

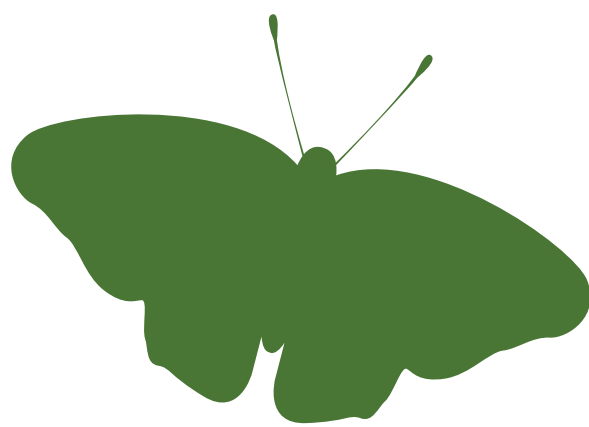


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We have been dealing with the idea of reducing our carbon footprint for a long time. This, however, does not mean there is no space for further improvement. For a few years already, we have been investing in substantial changes which help us achieve our sub-goals on the way to carbon neutrality.



**Our commitment:
By 2030, all our
breweries will be
carbon neutral.**



INVESTMENTS AND MODERNIZATION

GREEN STEAM IN PILSEN

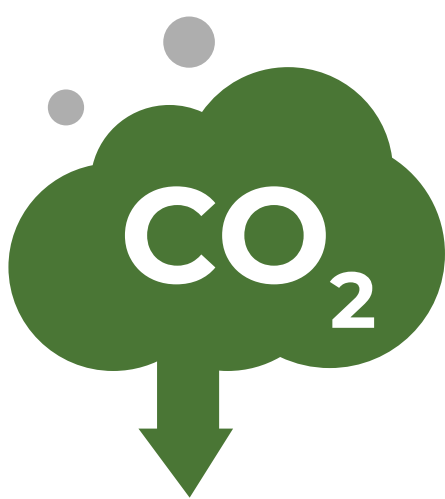
Plzeňský Prazdroj and the Plzeňská Teplárenská company co-signed, with the participation of the mayor of the City of Pilsen, a 7-year contract for the supply of so-called “green heat”, which means there will be less impact on the environment. There are contracts for supply until the end of 2028. It is heat generated from renewable sources, in this specific case from waste wood-chips. By burning this material we managed to gradually replace **300,000 tonnes** of brown coal.



Pilsen brewhouse

“We introduce and adopt a sustainable approach in all our processes and activities. Therefore, we also want to maximize using renewable energy. Our cooperation with the Plzeňská Teplárenská company is therefore a very important step on our journey, leading to our production being carbon neutral by 3030,”

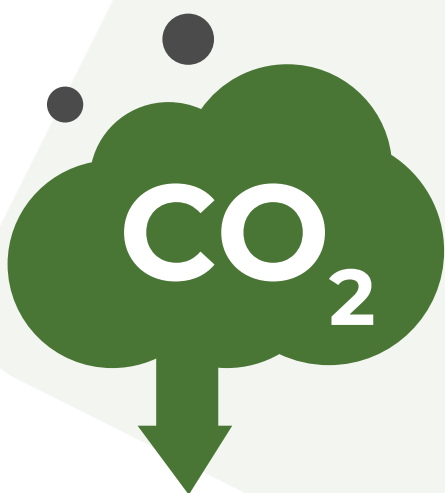
Says Pavel Šemík,
Technical Director of Plzeňský Prazdroj.



Yearly reduction of CO₂ is  around 38 thousand tonnes

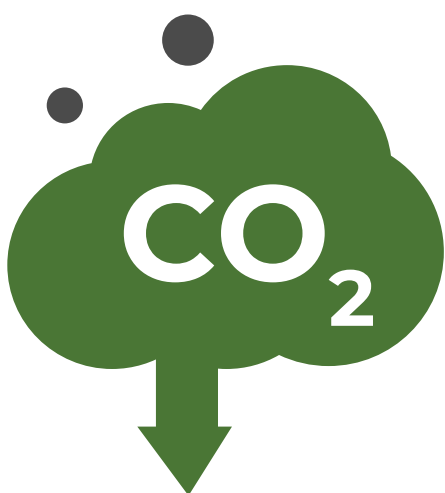
INSULATION OF PART OF PILSNER URQUELL BREWHOUSE AND GAMBRINUS TECHNOLOGY IN PILSEN.

Energy saving 0.46 MJ/hl and 193 tonnes of CO₂ emissions reduced yearly.



Brewhouses:  Yearly reduction of 193 tonnes of CO₂ emissions

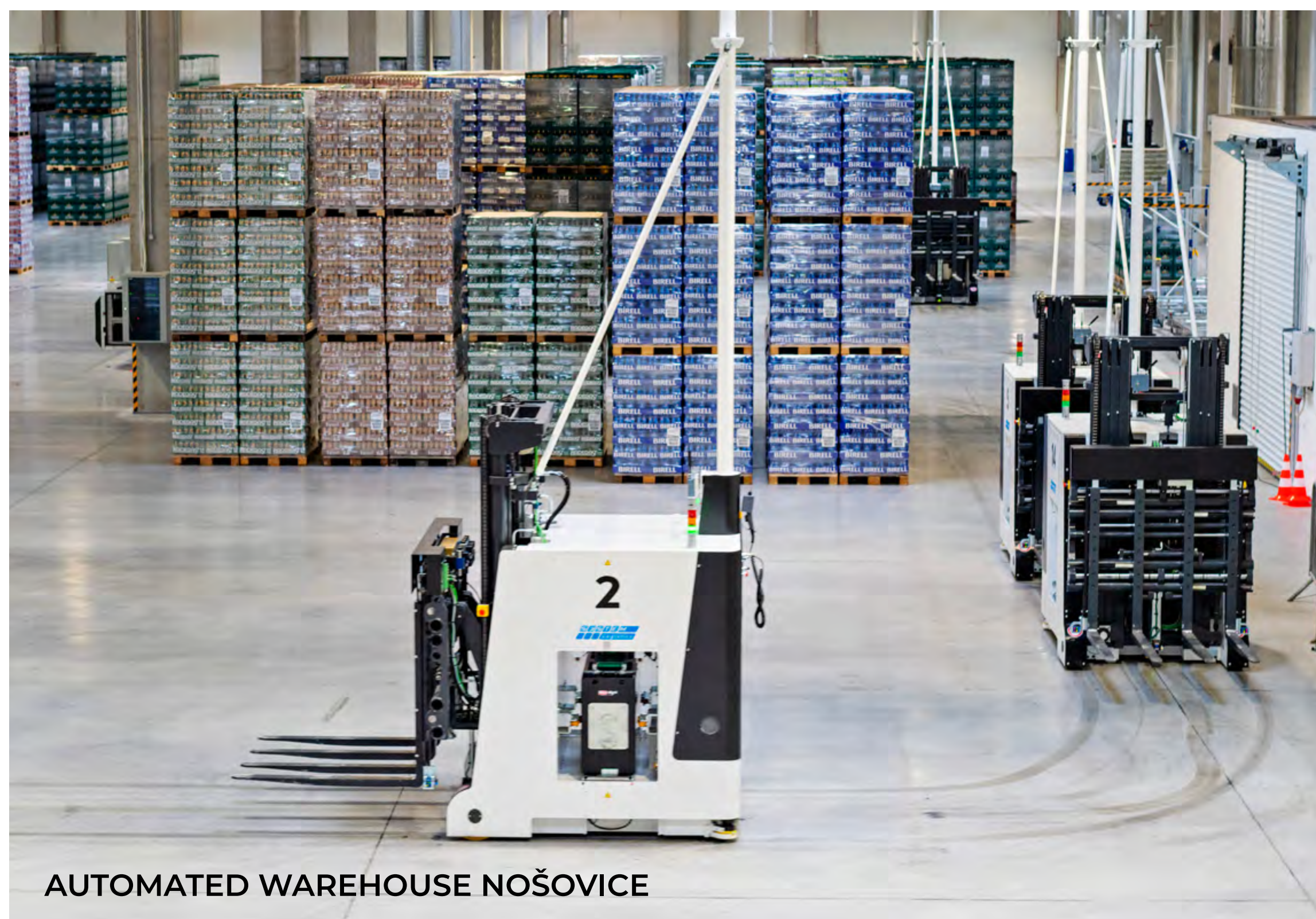
REPLACEMENT OF OUR BOTTLES WITH FULLY RECYCLABLE ONES (THE ORIGINAL ALUMINIUM FOIL OR PLASTIC LABELS WERE REPLACED BY PAPER ONES) ENABLED US TO SUBSTANTIALLY SAVE ENERGY, NAMELY 4.4 MJ/HL AND 1,815 TONNES OF CO₂ EMISSIONS YEARLY.



Bottles:  Yearly reduction of 1,815 tonnes of CO₂ emissions

CONSTRUCTION OF AN AUTOMATED WAREHOUSE IN PILSEN

The construction was started in 2021 and the warehouse is supposed to start operation in November 2022. The warehouse will use green energy, which will save LPG that would otherwise be used to power forklift trucks. This represents a reduction of about 480 tonnes of CO₂ yearly.



AUTOMATED WAREHOUSE NOŠOVICE

AUTOMATION OF THE NOŠOVICE WAREHOUSE

During the extension of the capacity of the Nošovice Brewery we purchased 16 AVG machines (automated systems) for the warehouse and implemented the infrastructure necessary for complete management of transport and handling prepared goods.

At the same time, we are preparing a project where we will install a photovoltaic power station on the roof of the warehouse. The generated energy should cover the whole energy requirements of the warehouse.

TERMINATION OF THE USE OF BOILERS AND A COMPRESSOR REPLACEMENT IN VELKÝ ŠARIŠ.

At our Šariš Brewery, we replaced the compressor that produces compressed air with one that has lower energy consumption. This replacement helped us save 0.05 KWH/hl and reduce 10 tonnes of CO₂ emissions yearly.



MODERNIZATION OF OUR MALTHOUSE IN VEL'KÝ ŠARIŠ

Several devices in the malthouse were replaced during the summer shutdown, which follows up on last year's replacement of the barley sorting machine and green malt tedder. This has not only made production more efficient, it also reduced its impact on the environment and enabled substantial energy savings – up to 38,795 kWh and a reduction of more than 7 tonnes of CO₂ emissions. This year, the Šariš Brewery is about to purchase new tedders and rails which enable these tedders to be shifted. This way the brewery completed the modernization of the germination process. A substantial investment was made in the complete reconstruction of the upper part of the malt kiln where green malt is dried, and in the replacement of the heating system used during the kilning process. The malthouse modernization will improve automation and make the process more precise.



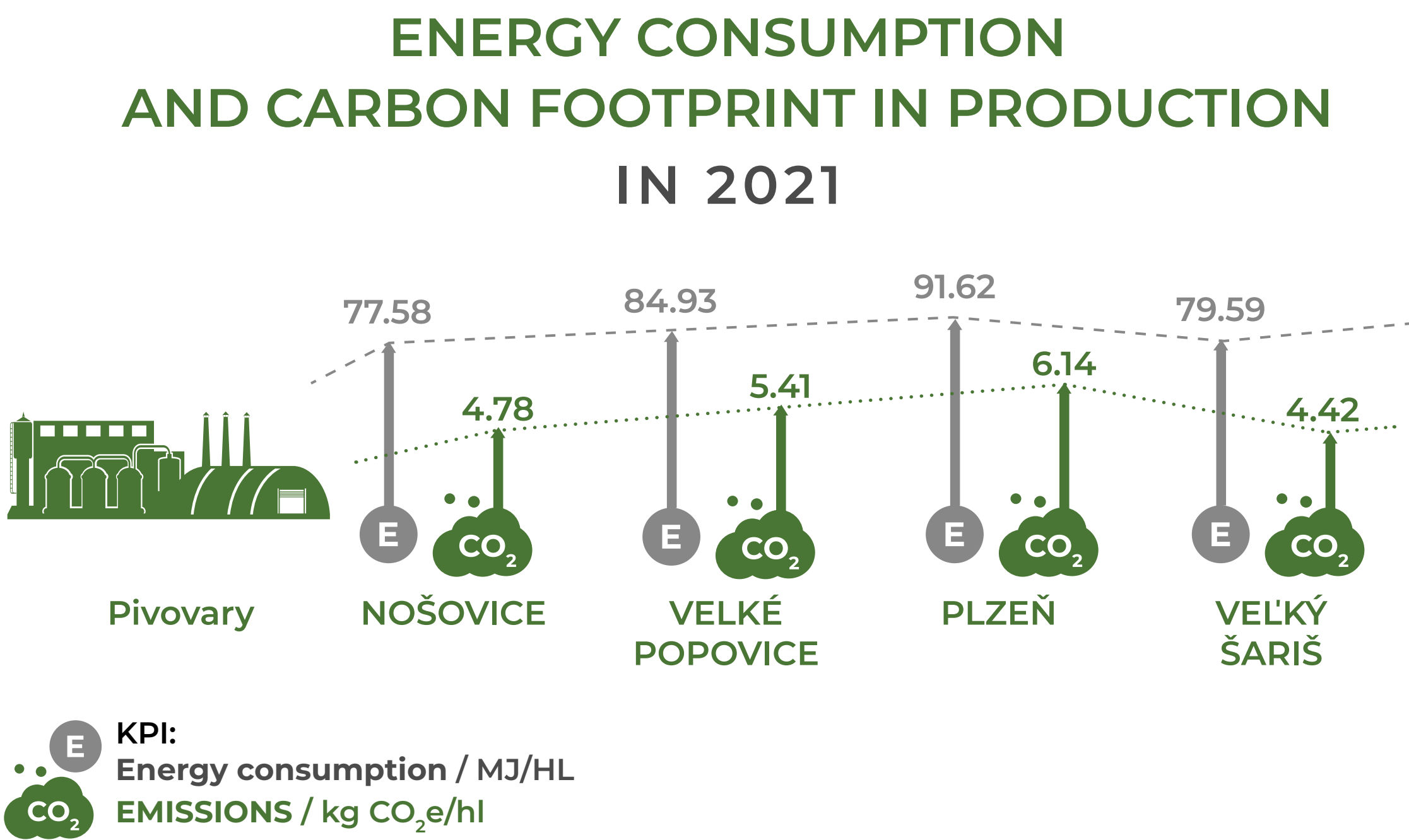
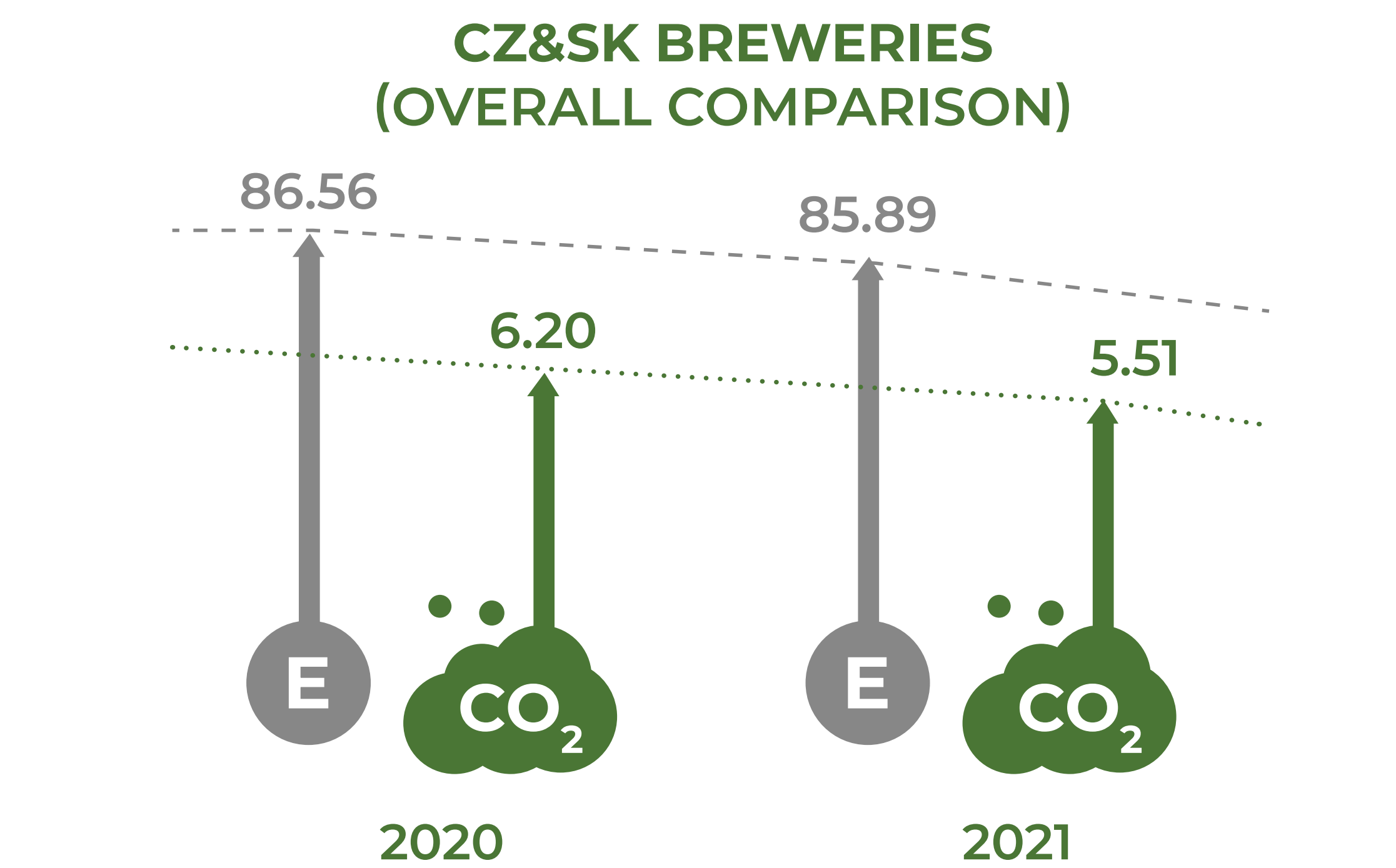
Malthouse: **T** reduction of 7 tonnes of CO₂ emissions

The Šariš Malthouse modernization made production more efficient and, at the same time, reduced the impact on the environment.



ENERGY AND CO₂ EMISSIONS IN PRODUCTION

We were remarkably successful in reducing energy use in the Nošovice Brewery. Other breweries used a similar amount as in 2020. Thanks to progress in Nošovice, the overall consumption was reduced by 0.67 MJ/hl. The total amount of emissions of greenhouse gases in production was reduced to **5.51 kg CO₂e/hl in 2021**.



CO₂ EMISSIONS IN OUR SUPPLY CHAIN

Together with external experts, we continued measuring our carbon footprint in the area of indirect emissions and can now say with certainty that **more than 80% of CO₂ emissions** come from our supply chain. We therefore focus on cooperation with our partners in order to achieve positive changes in this area.

PRODUCTION OF EMISSIONS FROM GRAIN TO GLASS

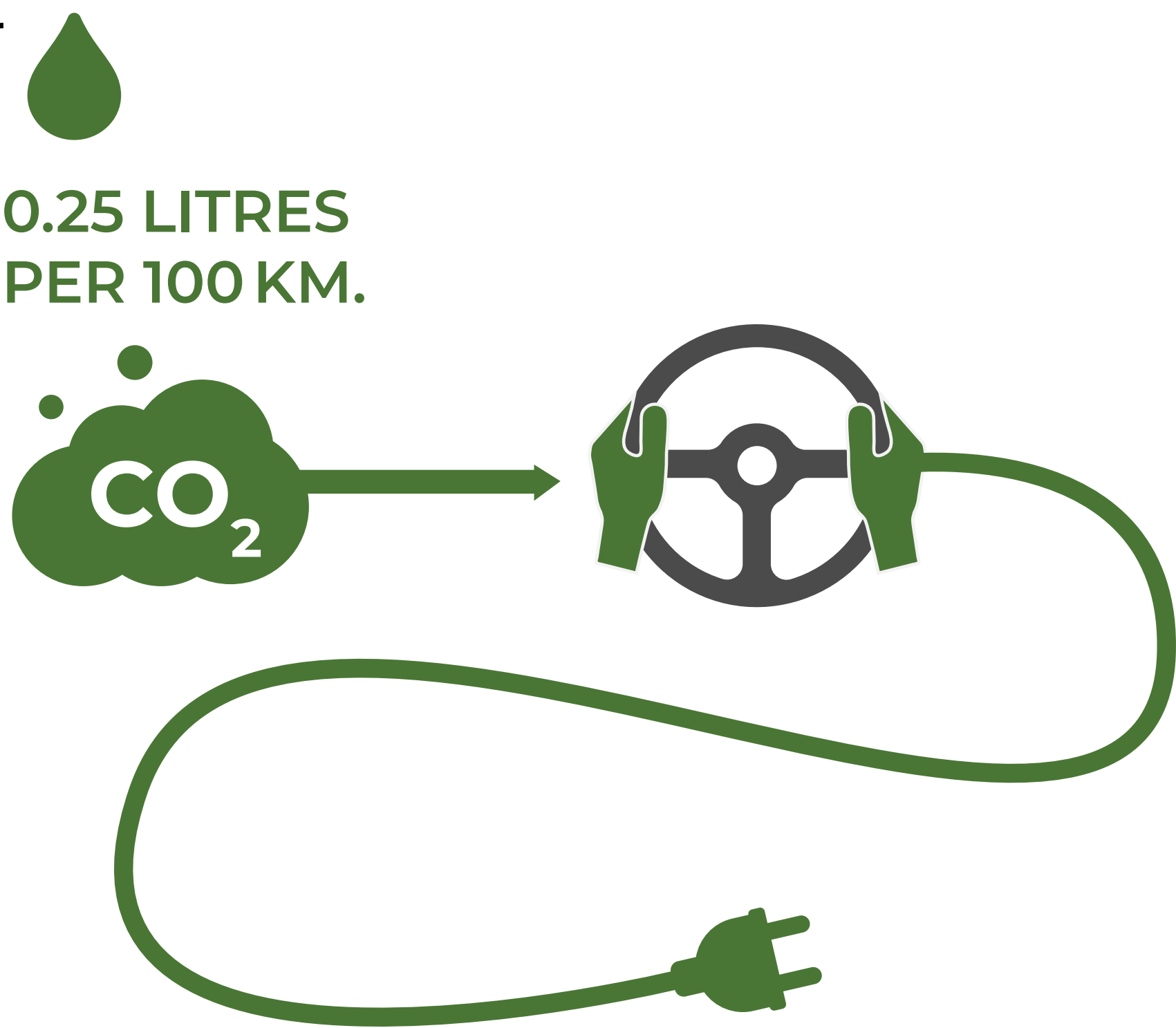


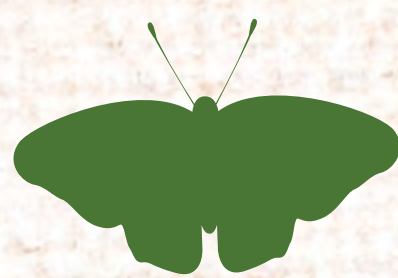
EXPLORING ALTERNATIVE SOURCES OF POWER

In our Chýně distribution centre, we tested the e-Sprinter electric van from Mercedes in normal operations, but it was not able to cover our current needs. This year we are planning to test Volvo FL Electric which has a larger load capacity and may better meet our requirements. We have also been testing hybrid cars for our management.



As they do every year, our LONG Truck drivers participated in training and drives with instructors. The plan was for them to learn ways of optimum use of the vehicle with the emphasis on an economical driving style. In addition, they were better motivated thanks to us also turning it into a driving style competition. The consumption of LongTrucks decreased by 0.25 l per 100 km on average.





FOUR STEPS TOWARDS CARBON NEUTRALITY



A CHANGE

A change in the mix of energy purchased from suppliers.



ELECTRICITY

By 2025 we will get energy for our breweries from renewable sources only.



EMISSIONS

Gradual reduction of emissions when cooling beer and in agriculture.



COMMITMENT

We will reduce emissions in our supply chain by 30% by 2030.



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IV. Water



INVESTMENT IN TECHNOLOGY

WE WILL INVEST IN NEW INNOVATIVE TECHNOLOGY.



RADEGAST AMONG GLOBAL LEADERS

WE ALREADY RANK AMONG THE BEST COMPANIES WHEN IT COMES TO WATER MANAGEMENT.



THE BREWERY IMPROVES THE LANDSCAPE IN ITS SURROUNDINGS

WE DISPOSE WITH A UNIQUE SYSTEM OF BIOLOGICAL CLEANING OF RAINWATER.



2021 RESULTS



[Crystal Blue]

This extraordinary species needs more water for its development than any other butterfly species. The amount of water needed for this butterfly to develop into an adult individual keeps decreasing. It has been scientifically proved that representatives of this species, especially in some locations, stand out by being able to reduce the amount of water needed.

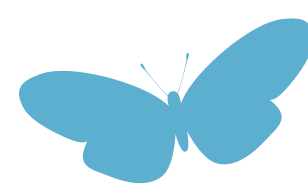


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B There would be no life on the planet without water. Neither could we brew our beer without it. Water supply on Earth is not unlimited, and water is currently disappearing from our landscape. It is, therefore, necessary we do not consume more than we need to, and for us to save water as much as we can.

We get water mainly from our own sources, wells, and we try to use these without it having a negative impact on the surroundings. We do our best to use state-of-the-art technology which encourages minimum water usage and we also constantly look for new opportunities to save water. We also prove our motivation to save the environment by handling sewage water in a responsible way. Water tanks with trout help us check how clean our water is and whether it is good quality.

Our commitment:
**We will reduce the
amount of water used
for producing 1 litre of
beer to 2.75 l.**



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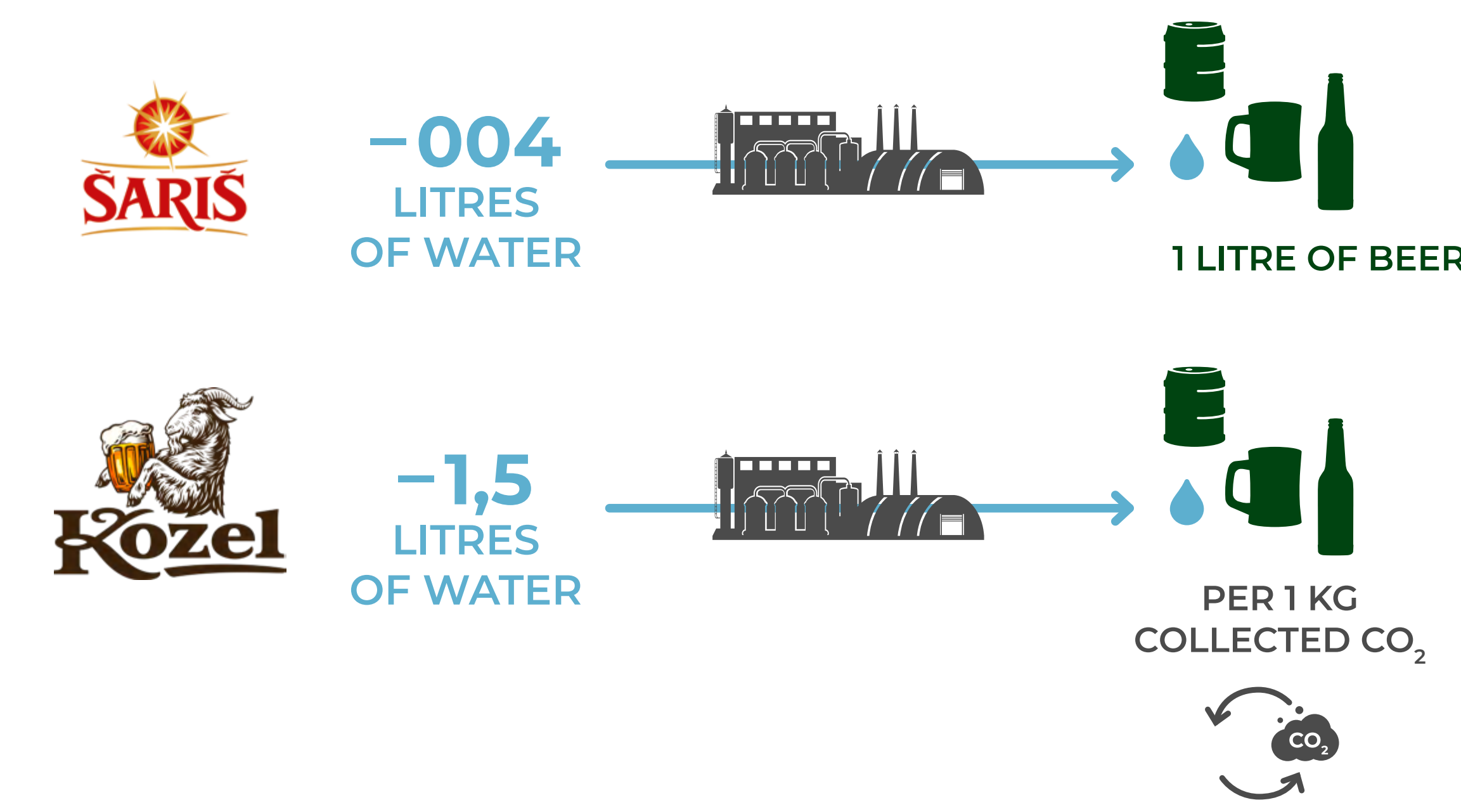
INVESTMENT IN TECHNOLOGY

IN RECENT YEARS WE HAVE MANAGED TO KEEP THE AVERAGE WATER CONSUMPTION AT THE LEVEL OF 3 LITRES PER 1 LITRE OF BEER. IT, HOWEVER, IS BECOMING INCREASINGLY MORE DIFFICULT AND SLOWER TO CONTINUE REDUCING IT.

We can save only a tiny amount of water via optimisation of our production processes. To reach our ambitious goal, we will therefore invest in new innovative technologies. We therefore continue optimizing the so-called **“Clean in Place”** technology in all our breweries, which enables us to, for example, use bag-free stainless steel beer tanks. We also use ultra-filtration units which collect sewage water and clean it to become water we can use, say, for rinsing.

RECONSTRUCTION/RENOVATION

New technologies for water treatment in the Velký Šariš Brewery brewhouse enable savings of **0.04 l** of water per 1 litre of beer. Water consumption optimization in the fermenting CO₂ collection saved the Velké Popovice Brewery 1.5 litres of water per 1kg of collected CO₂. CO₂ gained this way is further used when filling beer in all types of packaging. We use this circular technique at all our breweries in the Czech Republic.





Radegast concept pub in Cheb

RADEGAST AMONG GLOBAL LEADERS

The Radegast Brewery has for a long time come first as far as the smallest amount of water used for the production of beer. It saw extraordinary success in this area in 2021 **when this brewery needed only 2.41 l of water for producing 1 l of beer.** This refers to the total amount of water needed for producing and packaging beer. This thus does not refer only to water in beer itself but also to water which evaporates during production, water used for sanitizing, rinsing, disinfecting and cooling. In this regard, Radegast Brewery ranks among world leaders in water management, even though this brewery does not apply recycling or any type of repeated use of sewage water.

In Nošovice, attention is paid not only to the amount of water used in brewing and packaging, but also to brand outlets - Radegastovna pubs where pub owners are motivated to save water in ways such as using no-water toilets. These can, in all outlets together, save about 3 million litres of drinking water yearly by abandoning the flushing method. [A project dealing with eco-friendly toilets in the Radegast concept pubs](#) is being carried out by Radegast Brewery in cooperation with the Eco-Step company.



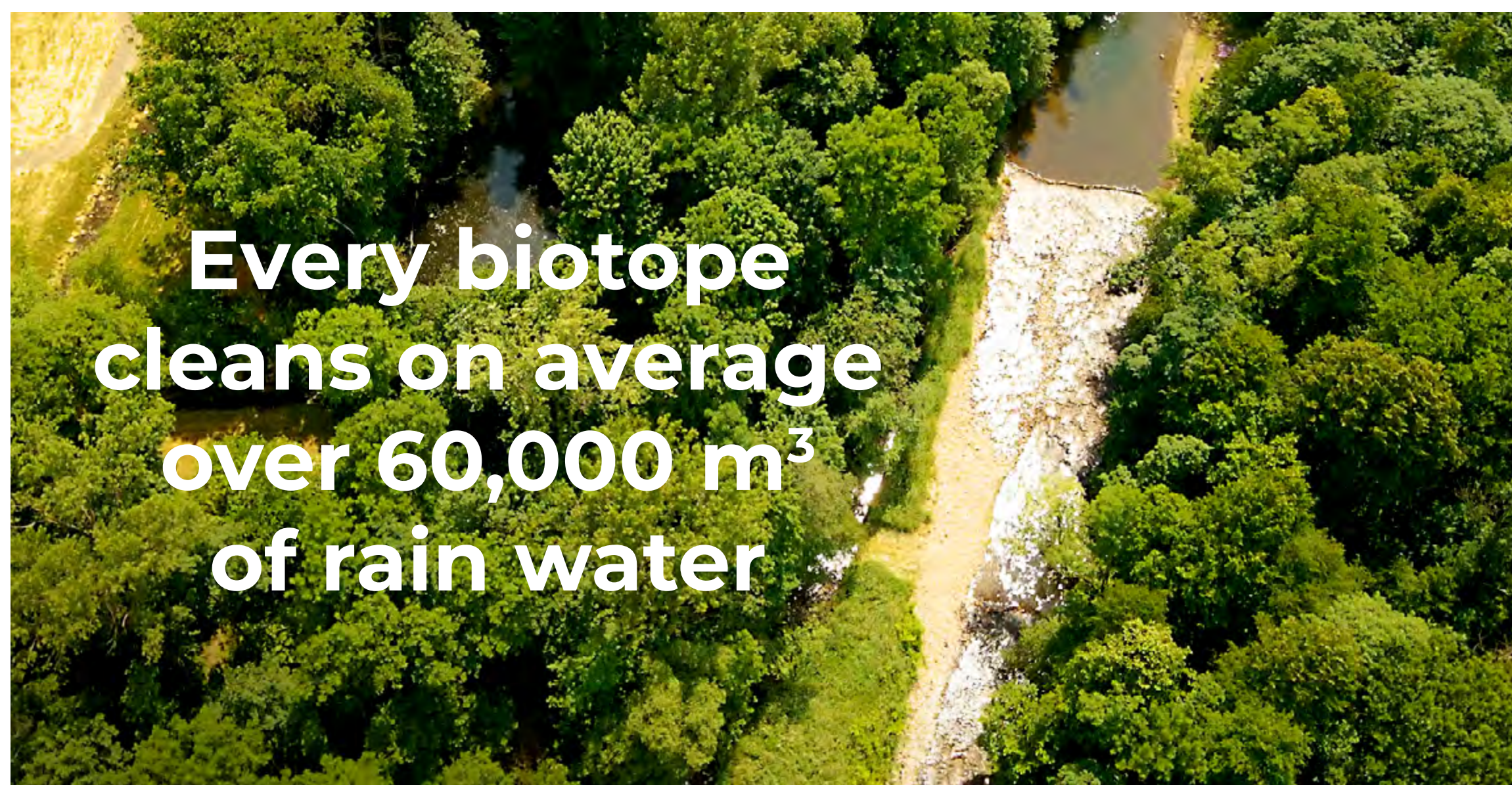
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THE BREWERY IMPROVES THE LANDSCAPE IN ITS SURROUNDINGS

There is a unique system of biological cleaning of drinking water at the Radegast Brewery which transports water out of the Nošovice brewery compound. **A system of connected ponds cleans water in a natural way and, at the same time, increases the variety of biotopes in the Morávka River flood plain.** Every biotope cleans on average over 60,000 m³ of rain water yearly. This project also contributed to revitalization of the area surrounding the river and to the return of some of the original fauna and flora. Radegast Brewery planted approximately 300 trees and bushes which originally grew in this area, and species like the Rana Esculenta frog, fire salamander and muskrat are re-inhabiting the area. Employees of the brewery maintain the ponds. They check the compound every day, regularly clean creeks which connect the ponds, clear away fallen woody plants and collect sediment from the bank of the water main.



Radegast Brewery is, apart from other associations, **a partner to ČSOP Salamandr which takes care of the Beskydy Mountains marshlands.** In 2021, thanks to the cooperation between the Radegast Brewery and ČSOP Salamandr, we were able to help tidy up the Na Jurášce Marshland and more water-logged locations such as in Hutě ve Starých Hamrech and a rare meadow marshland in Čeladná in the Podolánka River valley.



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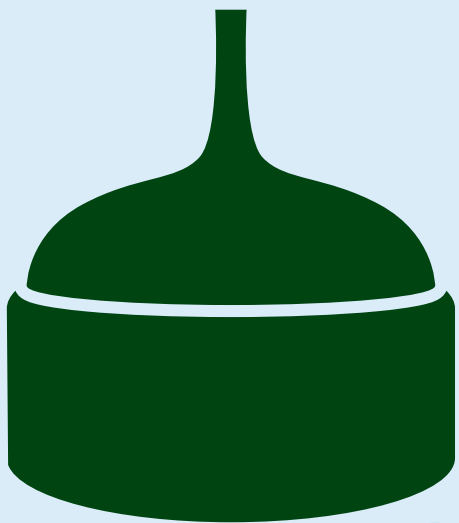
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2021 RESULTS

The aim we set for 2021 was to decrease the overall amount of water used by 0.13 litres of water for the production of 1 litre of beer, getting to a ratio of **2.92 : 1**. We succeeded in reducing the amount of water used in the Nošovice and Velké Popovice Brewery.

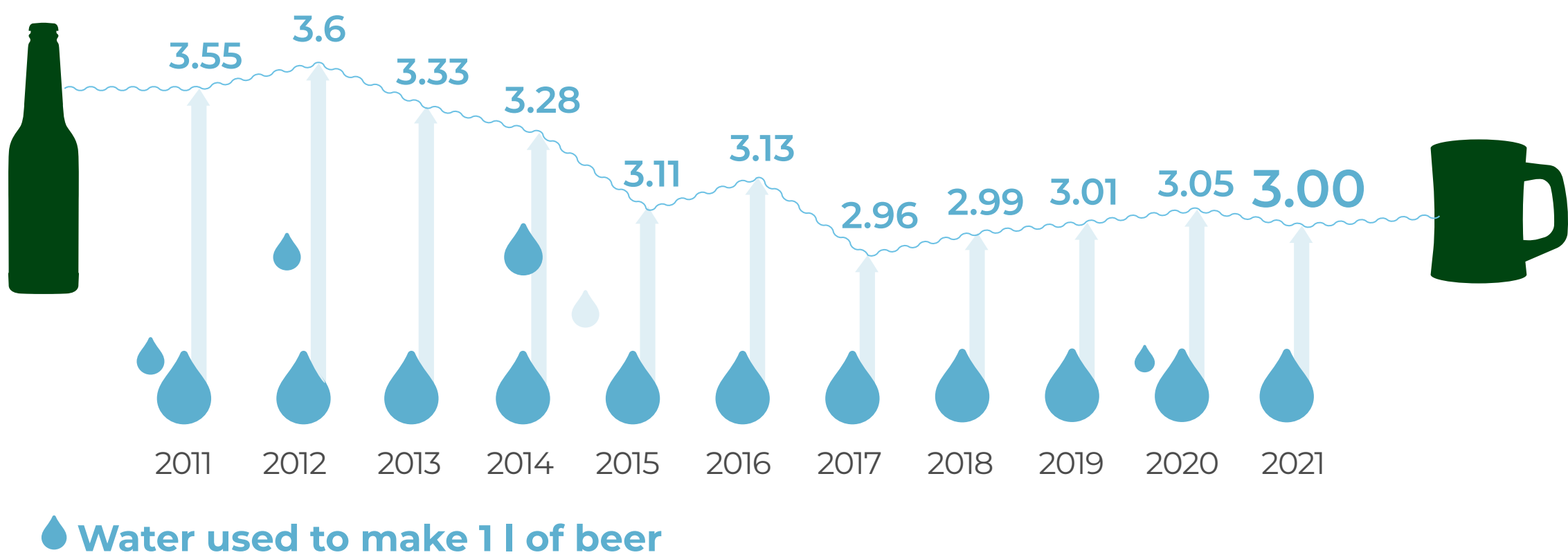
How well did our breweries do?

Pivovar Plzeň	3.36 l/l
Pivovar Nošovice	2.41 l/l
Pivovar Velké Popovice	2.91 l/l
Pivovar Vel'ký Šariš	2.79 l/l
ALL COMPANY	3.00 l/l

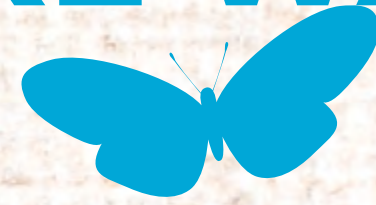


Development of the amount of water used

IN 10 YEARS



TWO STEPS TO SAVE EVEN MORE WATER



INSPECTIONS

We are planning to undergo audits focused on water-supply-related solutions in breweries.



SOLUTIONS

Together with farmers, we look for ways to save water and to also maintain water in the landscape.



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V. Raw materials



BARLEY

WE BUY ALL THE BARLEY USED IN OUR BREWERIES LOCALLY.

HOPS

CZECH HOPS LENDS OUR BEERS THEIR SPECIFIC TASTE.

[Barley Hopper]

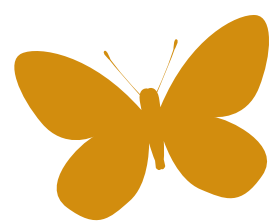
This butterfly species feeds almost exclusively on Czech or Slovak barley and hops and carefully selects its food from sustainable farming. It spreads awareness of the importance of a sustainable approach to growing crops for brewing among other butterflies.



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We appreciate the effort made by suppliers of barley and hops, the most important raw materials for beer production, in growing and processing them. We purchase mainly from local suppliers, supporting Czech and Slovak farming while reducing the carbon footprint of the transport of raw materials. We look for partners who have a positive relationship to their land, who take care of it, follow the right practices when sowing, treating and harvesting crops and take care of raw materials during storage and transport. Such farmers guarantee high quality raw materials for our beer.

It is precisely because we always use local raw materials of the best available quality, while respecting traditional recipes and brewing practices, that we have been proud bearers of the **Protected Geographical Indication České pivo** since 2009.



Our commitment:
By 2030, Prazdroj beers
will be brewed only
with ingredients from
sustainable farming.



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BARLEY

For our beer, we choose mainly domestic varieties of barley. These allow for a lower fermentation rate, which gives Czech beer its typical full body. We process the purchased barley in the traditional way **in our malt houses in Pilsen, Nošovice and Velký Šaříš.**



**Sourcing quality
malting barley
is becoming
increasingly
more difficult.**

WE BUY 100% OF OUR BARLEY LOCALLY, OF WHICH ALMOST 70% COMES DIRECTLY FROM CZECH OR SLOVAK FARMERS, AND THE REST IS SUPPLIED BY TRADERS WHO GUARANTEE THE LOCAL ORIGIN OF THE RAW MATERIAL.

The Pilsen Brewery has, therefore, long been one of the largest buyers of barley grown in the Czech Republic and Slovakia. **In 2021, we purchased 143 thousand tonnes of barley in the Czech Republic and 24 thousand tonnes in Slovakia.**



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100 %



143 thousand  CZ

24 thousand  SK

We need to remain active in the debate on sustainability in agriculture and in setting standards in this area. At the same time, this means that we will be developing long-term partnerships and co-operation with farmers even more intensively and support them even in the event of crop failure. Quality partnerships ensuring a sustainable and affordable harvest of this valuable raw material will be crucial for the whole industry. In the future it will be ever more important to have reliable suppliers. In the case of barley, for example, we have seen a decline in production in recent years, which means that finding quality malting barley is getting increasingly more difficult.

The solution to this situation is breeding more resistant varieties, which we are actively working on with our suppliers and experts. **We are continuing in testing the LG Stamgast, Lodestar and Tango varieties, and we will now be testing the LG Ester and LG Tosca varieties.** The new varieties should better withstand droughts and possible diseases. This would mean less water consumption as well as less maintenance involving farm machinery, which in turn means a lower carbon footprint. Varietal breeding is an important step on the way to sustainable farming, but it is important to bear in mind that this is a long-term process and new varieties may require changes in processing settings.



HOPS

Hop growers have also struggled with drought in recent years. For several years, Plzeňský Prazdroj has been actively connecting them with experts from a number of sectors to provide hop gar-

**We are active
in the area
of precision
agriculture.**



dens with the moisture/irrigation they need. Promising projects are emerging in the field of precision agriculture, where, based on data collection, we should be able to adapt crop care better, faster and more sensitively to achieve the highest quality and the greatest possible saving of water or fertilisers and sprays. We have launched a unique **FOR HOPS** project where **we are working with growers and experts from the Žatec (Saaz) hop-growing region, Microsoft and other partners.**

State-of-the-art technology is designed to help hop growers map the climatic and soil conditions. They will also show how hop plants react to different weather changes and water and mineral levels. The project will bring forth a software solution that will provide growers with detailed information for optimal plant cultivation. It will show them when, where and how much to irrigate specific parts of the hop garden, so that the plants thrive and growers do not waste water, which is scarce, especially in some parts of the Žatec Region.

for hops



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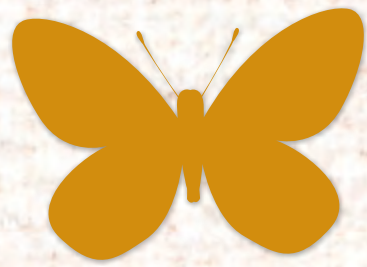
The unique soil and climatic conditions as well as the traditional method of cultivation give Czech hops exceptional taste characteristics, which are then transferred to Czech and Slovak beer. In the Pilsen Brewery, the most famous Czech varieties of hops used are –

Saaz semi-early red-bine hops, Sládek, Premiant and Saaz Late hops.

We also import some hops from abroad to our breweries. This is because we also produce flavoured beers, beer specials and other beverages for which foreign varieties are more suitable. In 2021, **we purchased 803 tonnes of hops for beer production in the Czech Republic and Slovakia (40 tonnes more than in 2020), which means that two-thirds of the hops we use come from domestic suppliers.**



To keep the hops in great shape after harvest, they are stored in climate-controlled warehouses with a reduced amount of oxygen before they can be processed into pellets. At low temperatures, they then wait until it is time for the brewer to add them to a wort boil. Czech and Moravian hops are usually added to beer at a later stage of the hopping process, giving the beer a specific, milder bitterness and a specific hoppy aroma.



THREE STEPS TOWARDS EVEN BETTER RAW RESOURCES



EVALUATION

We are setting up our own evaluation tools to cover other areas - production quality, water demand or CO₂ reduction. These evaluation standards will serve as a tool for selecting reliable farmers who farm sustainably and meet our high standards for raw material quality.



SUPPORT

We will support our suppliers in developing the principles of regenerative agriculture.



DIALOGUE

We will further strengthen our dialogue with experts.



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VI. Packaging



PLASTIC

WE STOPPED FILLING OUR BEER INTO PLASTIC PACKAGING

PAPER

WE USE LABELS MADE FROM RECYCLABLE MATERIALS

CANS

WE CONSTANTLY INCREASE THE RATIO OF RECYCLED MATERIAL IN CANS

RETURNABLE PACKAGING

WE CHOSE THE PATH OF PACKAGING CIRCULARITY

DEPOSIT SYSTEM

WE ARE IN FAVOUR OF DEPOSIT BOTTLES AND CANS.

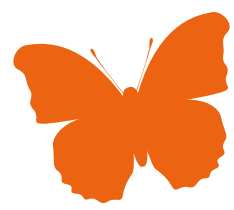
[Pulltab Tincan]

The wings of this butterfly have a distinct pattern resembling the shape of a can. One of its characteristic features is the fact that adults return to the place they inhabited during their first development stage. Up to 75% of this species undergo this return.



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The Covid pandemic changed the usual habits of beer lovers, who now purchase much more packaged beer than before. This means a wider use of plastic, which we quickly want to address.



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 disposable plastic materials.



PLASTIC

We want to reduce the remaining plastic footprint in 2 ways. We are reducing the weight of plastic packaging and the extent of its use and we use as much recycled plastic as possible. We are gradually abandoning the use of non-ecological plastic which can no longer be recycled.

We did not withdraw the decision to **stop using plastic (PET) bottles** even under the influence of increased interest in packaged beer. We started this two years ago by Prazdroj stopping filling beer into plastic packaging at the end of 2021, and currently the last part of beer packaged in plastic is being sold. By stopping filling into plastic packaging, we save over 400 tonnes of plastic yearly.

We also **reduced the thickness of foil which holds beer together on pallets** – by a third. This means saving 78 tonnes of plastic yearly. Another step was stopping the use of plastic labels on Pilsner Urquell bottles. As for packaging several cans together, we now use **100% recycled foil**. We replace virgin plastic wherever possible.

We reduced the use of disposable plastic from virgin material by 80% compared to 2019. By 2030, we will not be using any.



PAPER

We approach the topic of packaging in a complex way and reduce its impact on nature in every way.

WITH MOST OF OUR BRANDS, GLASS BOTTLES HAVE LABELS MADE OF RECYCLED PAPER. THIS HELPS US TO SAVE OVER 350 TONNES OF NEW PAPER YEARLY.

We managed to start operation of a changed system of printing on cardboard used together with cans, which enables us to use more recycled material. In the Velký Šariš Brewery, we succeeded in eliminating the material which, during the palletization process, is put between products on pallets. This will lead to saving 30 tonnes of paper yearly.



↓
350
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CANS

We are aware of the huge popularity of cans with our consumers. To have less of a negative impact on the environment, we continue reducing their thickness and this goes hand in hand with reducing the amount of used aluminium. At the same time, we increase the ratio of recycled material. Our cans **currently contain on average between 40% and 50% recycled aluminium.**

Brand Innovations within the production of Pilsner Urquell meant an increase in the ratio of use of recycled aluminium to 75%, which is currently the highest certified ratio on the market.

PILSNER URQUELL CANS HAVE A 30% SMALLER CARBON FOOTPRINT THAN NORMAL CANS AND CAN SAVE 280 TONNES OF NEW ALUMINIUM YEARLY.



Al 

280 tonnes of aluminium

It is our aim to further increase the ratio of recycled material in our products. The availability of certified aluminium with a favourable ratio of recycled material is currently very limited. Almost every sheet of aluminium available on the market has a certain ratio of recycled material. Producers are, however, unable to guarantee the exact ratio due to the nature of the technology and processes of their production. Aluminium with a certified ratio of recycled material (which guarantees the minimum ratio in each supplied item) currently has a higher value on the market than aluminium with no certification. Therefore, we see a deposit system as a big opportunity potentially enabling us to maintain the aluminium in cans in a closed system and to reuse it – can to can.

RETURNABLE PACKAGING

IN 2021, WE SOLD 73% OF OUR PRODUCTS IN CZECHIA IN RETURNABLE PACKAGING, AND 46% IN SLOVAKIA.

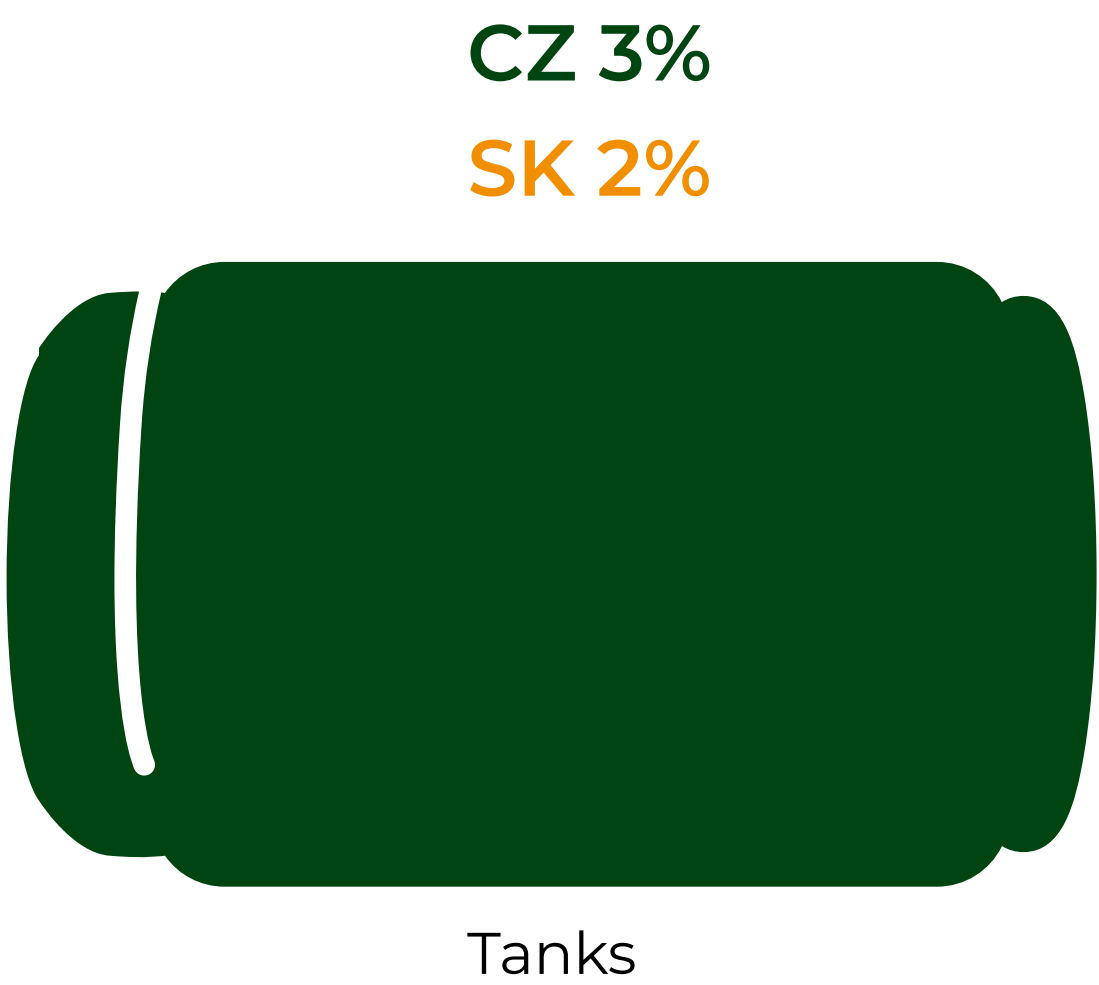
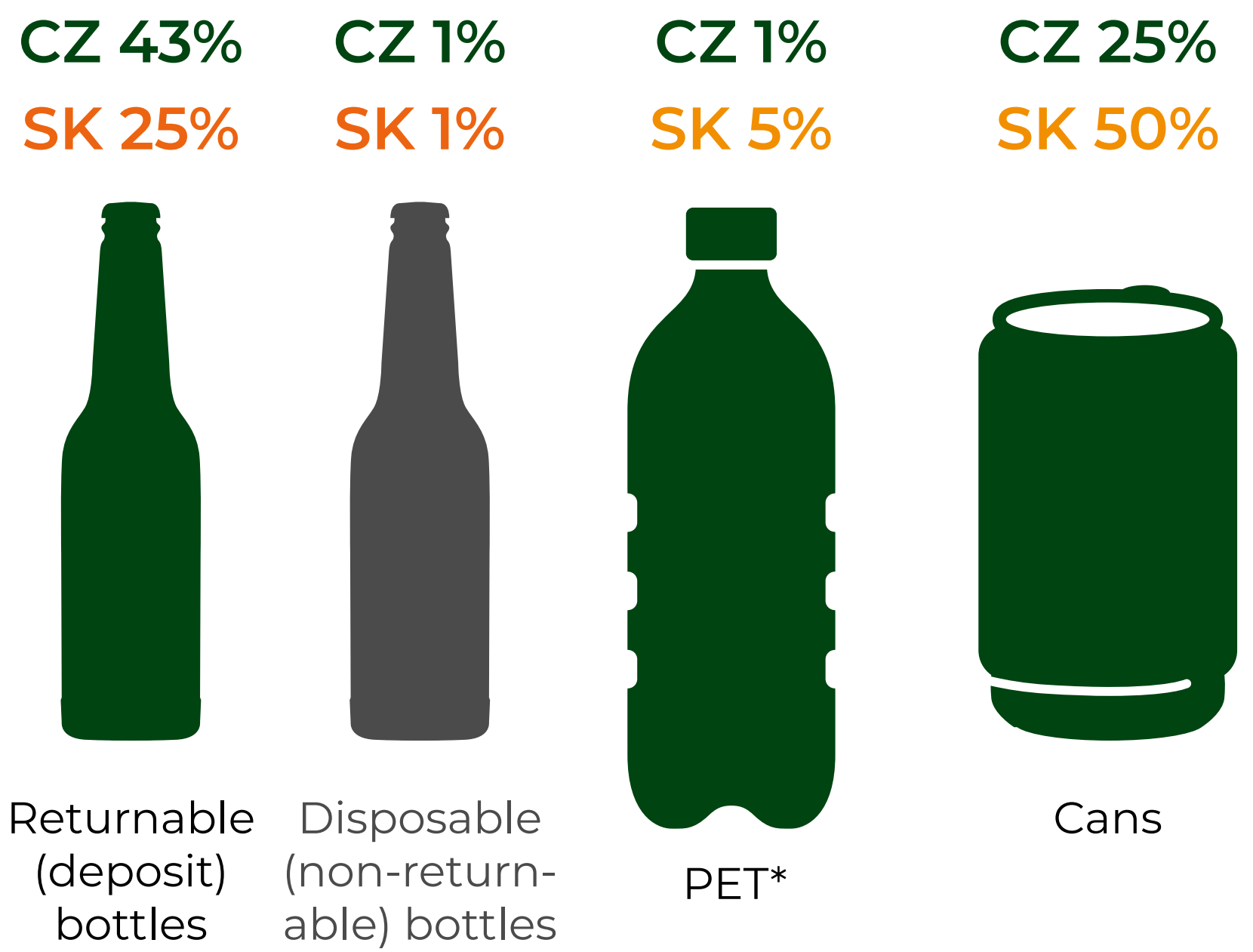
Glass beer bottles are a good example demonstrating that systems of returnable packaging do work. According to the data we have gained about this system, a bottle gets reused up to 22 times. That is why we, at Prazdroj, work on encouraging more and more people to choose them.

However, we cannot achieve full circularity without handling used cans efficiently. We need to close the material cycle in a way that enables us to make new ready-for-use cans out of used ones. That is actually why we, in Slovakia, as a member of the Slovak Brewing and Malting Association, are one of the founders of the **DRS Administrator of the Deposit Return Scheme** which has ensured the operation of the deposit scheme since January 1, 2022.

Prior to the introduction of the scheme, we focused on improving our internal processes in order to be ready for it. We changed the design of our cans for the Slovak market which will be launched under a new EAN code and marked with the logo of the deposit scheme. We also registered everything in the DRS Administrator system and we fine-tuned our IT systems and financial processes. We would like to achieve similar changes in the Czech Republic. Therefore, Plzeňská Prazdroj is a founding member of **Iniciativa pro zálohování** (the Initiative for Deposits).



STRUCTURE OF OUR PACKAGING AND THE RATIO OF OUR PACKAGING WITHIN LOCAL SALES



DEPOSIT RETURN SCHEME

Currently, a deposit return scheme for bottles is being implemented in 12 European countries and more than two dozen countries are considering or planning implementation. Such scheme has several benefits. **It ensures that up to 90% of bottles and cans are returned because a deposit is a strong motivation and people return packaging on which they paid a deposit.** Repeated use of material for the same purposes in a closed cycle is the best way to minimize the impact on the environment.

“Recycling a bottle into a bottle and a can into a can enables a reduction of both environmental consequences and the carbon footprint of beverage packaging. Direct participation of producers in a deposit scheme will lead to an increase in efficiency in the area of using packaging waste,”

this is how Vladimír Kočí, dean of the Faculty of Environmental Technology at UCT Prague, explains the principle.

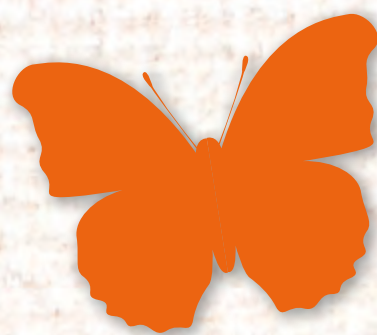
We worked in close cooperation with the UCT experts in having **LCA analyses done of the life cycle of selected beverage packaging.** We later use the results of these analyses when making decisions about where to steer our business activity in the future.



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FURTHER STEPS TOWARDS THE CIRCULARITY OF PACKAGING



OPPORTUNITIES

We look for new opportunities and innovations in the area of packaging materials



CANS

It is our goal to close the material cycle and to ensure that used beverage cans may become cans again.



RETURNABLE PACKAGING

We strive to increase the ratio of returnable packaging.



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VII. Waste



WASTE REPRESENTS A SOURCE

WE DO EVERYTHING WE CAN TO PREVENT WASTE FROM ENDING UP IN LANDFILL OR AN INCINERATION PLANT.



SECONDARY RAW MATERIALS FROM PRODUCTION

MOST OF THESE MATERIALS ARE OF NATURAL ORIGIN AND CAN BE USED FURTHER.



CRACKERS MADE FROM SPENT BREWER'S GRAINS

WE ARE PREPARING, TOGETHER WITH THE ZEMANKA ORGANIC BAKERY, SOMETHING SMALL THAT WILL GO PERFECTLY WITH BEER.



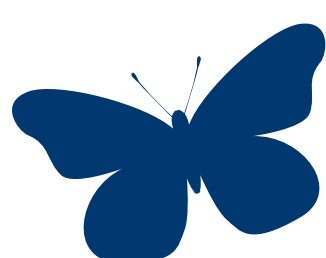
[Green Maltster]

This species inhabits, above all, the surroundings of malt houses and feeds on by-products of malt production. Not a bit of material gets wasted. Its presence has a positive effect on growing crops.

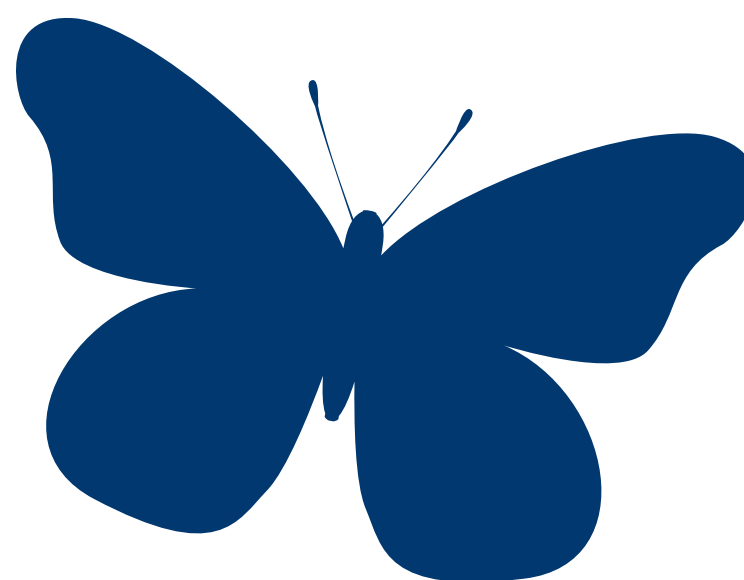


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In all our breweries, we are committed to using as modern production technology as possible, which has to do with eco-friendliness and minimum landfill and incineration waste. The Šariš Brewery currently has the best results as for recycling or further use of waste. The responsibility for handling waste lies not only with brewery managers, but also with managers of distribution centres and technical service managers.



Our commitment:
By 2025 none
of our waste will end
up in landfill.



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WASTE REPRESENTS A SOURCE

We approach the processing of waste according to the **hierarchy of waste management while ensuring take-back and making sure that packaging waste is used**. What comes first for us is preventing the production of waste and preparation for its reuse or recycling. Another option is using waste for the production of heat and energy. Waste would be transported to a landfill only and if it is inevitable. Apart from the last area mentioned, more can be done towards improvement in all of these areas. Sometimes even changing a small detail may bring about big savings.

We carefully monitor the ways of recycling, evaluating and processing of waste by our contractors and we prefer to partner with those who prefer material usage of waste and secondary raw materials to their use as a source of energy.



WE STOPPED using PET bottles for Gambrinus. At events, such as festivals, we gradually replace plastic cups with returnable cups.

STRETCH WRAP represents a big volume of plastic packaging. We use it when distributing our goods on pallets. We are testing some options to reduce its weight and overall consumption. We managed to find customers who further process this wrap. A new paper and plastic pressing facility in Pilsen helps us reuse hundreds of tonnes of waste yearly.



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100%

Pilsner Urquell bottles are currently fully recyclable,

The original aluminium foil and plastic labels were replaced by paper. Thanks to this change we will save over 100 tonnes of waste yearly and also save water and energy.



BOTTLE LABELS ARE A CHAPTER IN THEMSELVES. THERE, WE EXPLORE CHANCES TO RECYCLE AND WE HAVE ALREADY FOUND A CUSTOMER FOR THIS MATERIAL. IN THE PILSEN BREWERY ALONE, 400 TONNES OF LABELS ARE WASHED OFF YEARLY. THESE WOULD OTHERWISE END UP IN LANDFILL BUT WE MANAGE TO RECYCLE THEM THANKS TO USING THE CORRECT SEPARATION METHODS.

400  LABELS 

In cooperation with the Cyrkl waste marketplace, **WE MONITORED WASTE MANAGEMENT** in the Proud Brewery and identified all types of waste produced throughout the year in order to know how much of it there is and how to handle it further.



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SECONDARY RAW MATERIALS FROM PRODUCTION

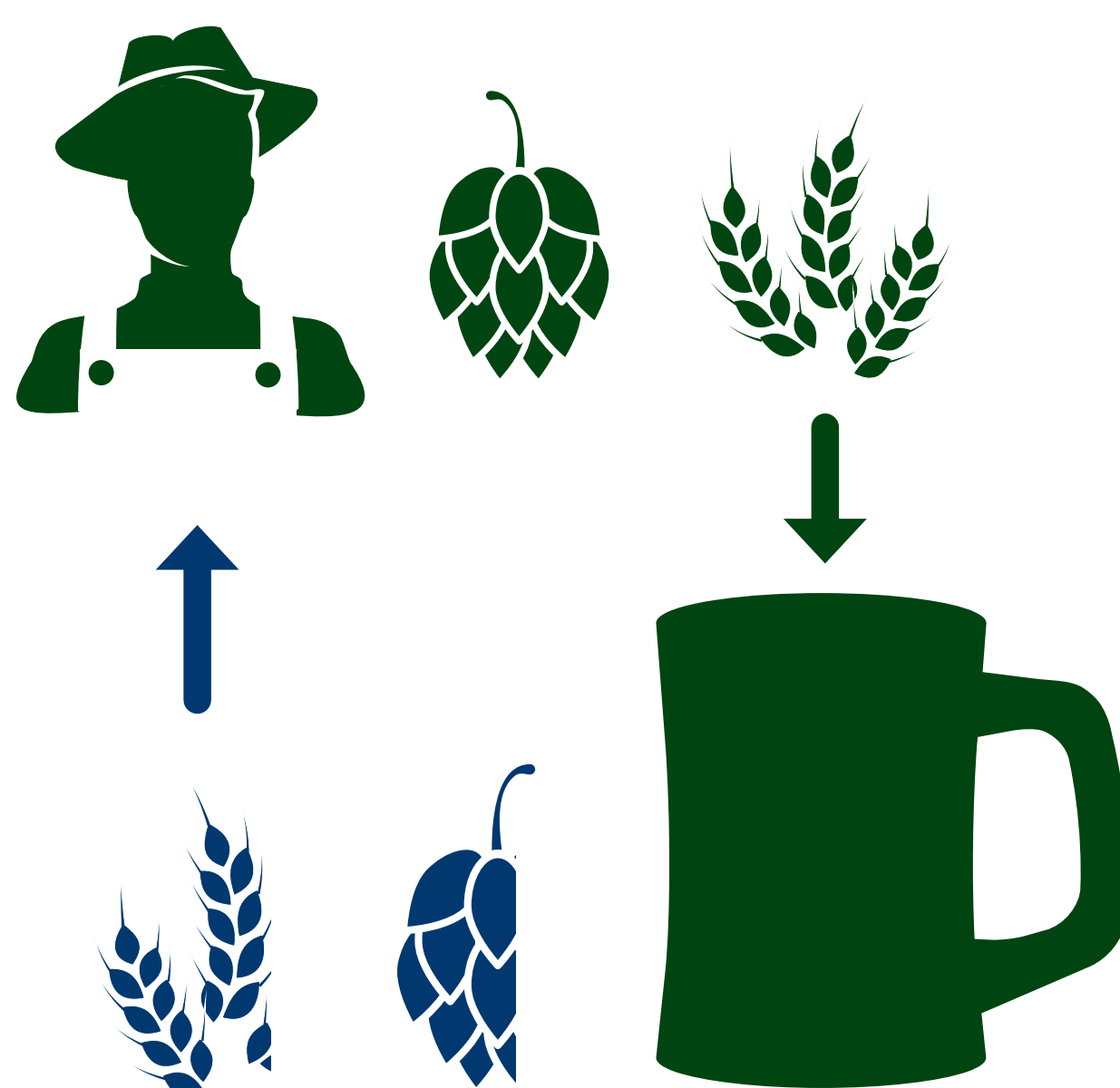
The vast majority of our waste is of natural origin, so we try to find a secondary use for it.

As much as 100% of secondary material from production is recycled.

We provide spent grains to farmers or use it to get green energy. Yeast and malt waste serves as feed in agriculture. Sludge is mixed into soil as fertilizer and filtering kieselguhr is used for ploughing and lightening soils in reclaimed areas.

We conclude long-term contracts and regularly communicate with customers who purchase spent grains and malt waste. For example, we send them our weekly brewing plans to ensure efficient transport.

Our customers are in direct contact with the farmers and agricultural associations they have contracts with for the supply of these products. Part of this waste ends up at our direct suppliers of barley and hops, which helps to use these raw materials completely.





IT WOULD BE A PITY TO LET BREWED BEER WHICH DID NOT GET TO PUBS DUE TO THE PANDEMIC GO TO WASTE. THIS BEER, IN COOPERATION WITH THE L'OR COMPANY, WAS DISTILLED AND THE OUTCOME IS A BEER BRANDY CALLED PROUD SPIRIT.

CRACKERS MADE FROM SPENT GRAINS

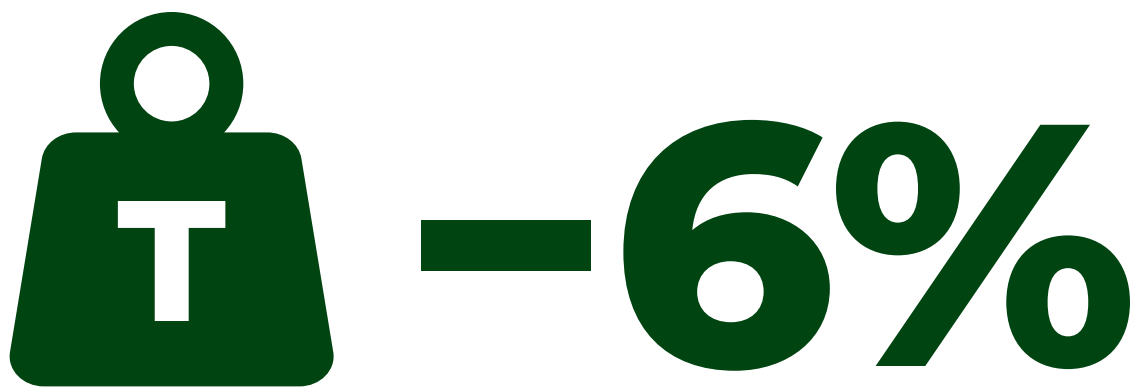
Spent grains can be used as wholesome food, not only for farm animals, but also for making nice snacks for people. That is why we appreciate the cooperation we have with the Zemanka organic bakery which developed a method and prepared an original recipe for crackers made from spent brewers' grains. In 2021, 794 kg of spent grains were used this way, and we demonstrated that waste can be made into something with added value.

Waste can actually be made into something with added value.

794
kg of spent grains



WE MANAGED TO REDUCE THE AMOUNT OF WASTE WHICH CANNOT BE RECYCLED OR PROCESSED FURTHER BY 4.5%. THE OVERALL AMOUNT OF WASTE WAS REDUCED EVEN MORE, NAMELY BY 6%.



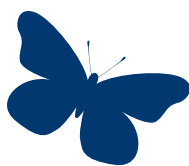
BY-PRODUCTS

2020 – 184,932 tonnes
2021 – 178,362 tonnes

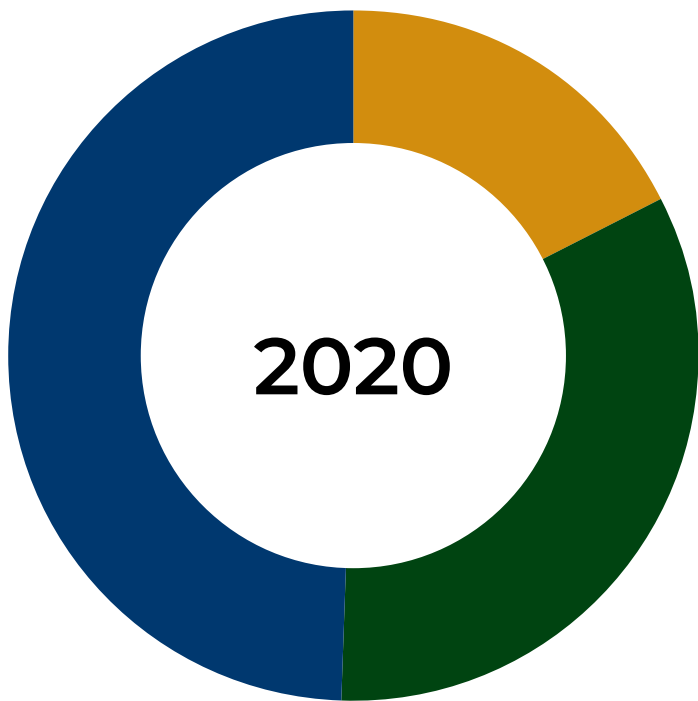


WASTE

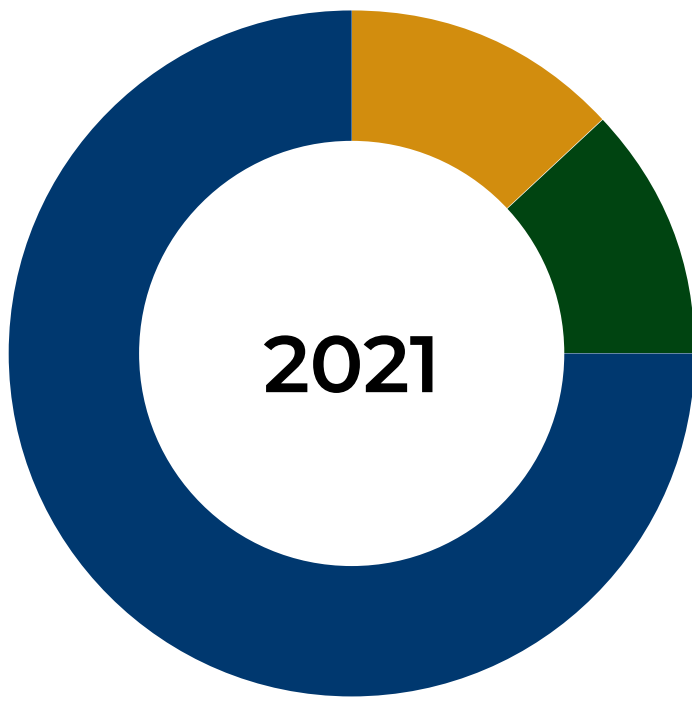
2020 – 12,371 tonnes
2021 – 11,697 tonnes



PROCESSING MATERIALS
(WITH NO BY-PRODUCTS)



Recycling 49.5%
Landfill 17,5%
Incineration 33%



Recycling 75%
Landfill 13%
Incineration 12%



THREE STEPS TOWARDS OPERATION WITH ZERO WASTE



OPPORTUNITIES

Seek out opportunities and contractors helping us recycle and further use waste even better.



AWARENESS

Raise awareness of waste management principles among our employees.



INNOVATIONS

Look for and implement innovations in the area of processing waste and processing secondary raw materials.



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VIII. People



DIVERSITY AND INCLUSION

WE BUILD ON DIVERSITY AND EQUAL OPPORTUNITIES.

LEARNING, DEVELOPMENT AND BENEFITS

WE DEVELOP OUR EMPLOYEES IN ORDER TO DEVELOP AS AN ORGANISATION.

HEALTH AND SAFETY

WE CHOSE A WAY TO PREVENT OR MINIMIZE RISKS.

VOLUNTEERING

WE HELP SO THAT THE WORLD AROUND US CAN GET BETTER.

ETHICS

THIS APPLIES TO OUR EMPLOYEES, OUR SUPPLIERS AND OTHER PARTIES.

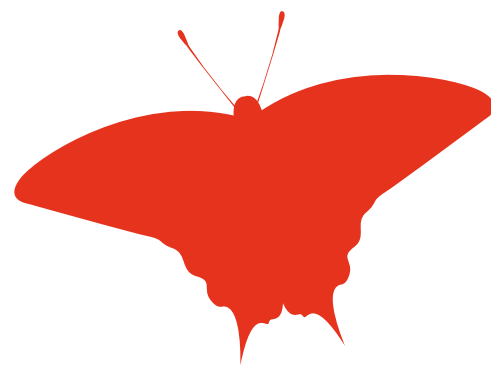
[Friendly Face]

This representative of the butterfly species lives in large communities where individuals have strong bonds between one another and demonstrate a remarkable amount of friendliness. Their symbiosis unlocks many benefits for everyone.



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We believe it is mainly people who are behind the success of every company and society. That is why we want to create an environment and corporate culture that will encourage our people to be active and thrive. Our goal is to ensure an open, welcoming and inclusive culture supported by appropriate processes that will positively impact the career growth of all our employees. In 2021, on top of our regular employee satisfaction survey, we organized a survey focused on career factors and obstacles. In total, 1,143 employees participated in the survey. Based on its results, we will further develop programmes and activities supporting an inclusive culture and equal opportunities.



Our commitment:
Equal share of
women and men in
management.



DIVERSITY AND INCLUSION

BEER IS NOT A MAN-ONLY THING

We are signatories and ambassadors of the **Czech Diversity Charter** and the **Charter of Diversity Slovakia**. In the spirit of these, we try to create a culture of mutual respect, trust, empathy, learning and inclusion. We have also pledged to the commitment of **LEAD Network** and we are committed to support gender diversity and inclusion in the area of European retail and consumer packaged goods in a meaningful way.

This year, we have focused on raising awareness about diversity in internal communication and brought inspirational stories of women from the brewing industry. We already have equal representation of men and women in our mentoring programme, and we have the same approach towards our talent development programme.



HEADCOUNT 2021

Company	Women	Men	Total
CZ	742	1,420	2,162
SK	168	388	556

REPRESENTATION OF WOMEN IN MANAGEMENT*

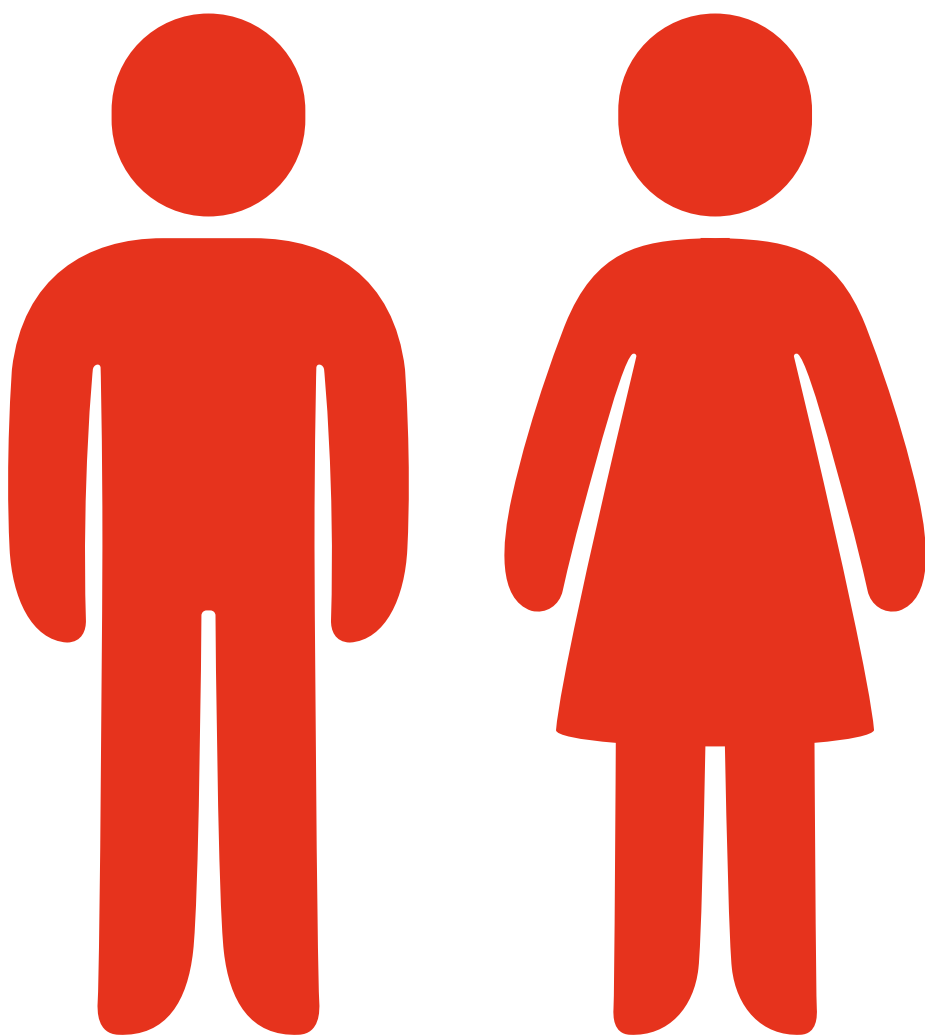
2020	18%	2021	20%	leadership
	23%		17%	senior management
	29%		31%	management

WE DO NOT FORGET ABOUT PARENTS

We have extended our support and cooperation with parents on maternity/paternity leave.

We have been trying to be forthcoming to mums in the long term, either via various forms of part-time work or flexible working hours so that they can balance their maternal and work duties. We try to keep in touch with our colleagues who are on maternity/paternity leave via various newsletter, and we also offer them the chance to participate in learning and development webinars. We also engage them in activities focused on talent potential, and they are entitled to a contribution from the employer for English classes. They can also use our Employee Assistance Programme or the programme called U Lékaře (At the Doctor's).

*Internal indicator



LEARNING, DEVELOPMENT AND BENEFITS

On top of our standard package of benefits, our employees could use the assistance programme called **Můžeš s námi počítat** (You can count on us) offering free-of-charge psychological, financial or legal advisory. They could also make online appointments with doctors within our medical programme called **u Lékaře** (At the Doctor's). Our employees could also benefit from the project called **Na zdraví!** (Cheers!) focused on prevention and lifestyle. They were given vitamins to support immunity or attended seminars on the topic of mental health and healthy lifestyle.

uLékaře.cz Plzeňský Prazdroj

BENEFIT PRO ZAMĚSTNANCE

Lékařská poradna a objednání k lékaři online

- ✓ **Zdarma**
Pro vás i celou vaši rodinu.
- ✓ **Bez limitu**
Lékař odpoví do 6 hodin.
Službu využívejte neomezeně a kdykoliv.
- ✓ **Bezpečně**
K veškerým informacím má přístup pouze zdravotnický tým, se kterým komunikujete.

Využijte benefit v mobilní aplikaci nebo na webu ulekare.cz/prazdroj
Pro autorizaci využijte kód: **XUFGKQ**

Nevíte si rady? Klientská podpora: tel: 602 413 933 (Po - Pá: 8 - 17 hod.)

ALL THE BENEFITS WE PROVIDE TO OUR EMPLOYEES ARE DEFINED IN THE COLLECTIVE LABOUR AGREEMENT AND ONLY FULL-TIME EMPLOYEES ARE ENTITLED TO THEM.

These include, for example, the employer's contribution to retirement or life insurance schemes, or contributions aimed at health, sports, culture, relaxation, transportation or

education. Our offer of benefits includes concessionary offers and bargains from our partner companies.

The Collective Labour Agreement also governs compensations and benefits in Plzeňský Prazdroj and Plzeňský Prazdroj Slovensko.

Negotiations on new terms and conditions of the Agreement are attended by union organizations of all our breweries, the Agreement is signed for two years, and its next update is planned for 2022.

SELECTED EDUCATIONAL ACTIVITIES

- **e-learning** – webinars on various topics, mainly well-being, competences and project methodologies
- **Leading for the future** – webinars with external parties for top management focused on development of their leadership skills
- **Mentoring programme** – internal and external
- **Catalogue courses** – twice a year for everyone
- **Brewing Academy** – course focused on developing knowledge in the area of brewing and malting in cooperation with the University of Chemistry and Technology Prague and the Research Institute of Brewing and Malting
- **Job Exchange** – project focused on supporting overloaded teams
- **On Trade Incubator** – project outside our standard agenda that we do not have capacity to cover under usual circumstances

LOOKING FOR AND DEVELOPING YOUNG TALENTS

Brewer study programme

This three-year study programme opened for the fourth time in cooperation with the Secondary Vocational School of Business and Services in Prešov. The programme was already completed by its first graduates, who had a chance to start working for the Šariš Brewery.



We bring up new brewmasters in cooperation with SOŠ obchodu a služeb Prešov (high school focusing on gastronomy and services).



Go Graduate

We accepted 4 university graduates to take part in our Go Graduate programme as managers of specific areas.

13 interns

Student internship, the outcome of which are presentations of particular projects to the senior management of the company, was done by 13 interns.

We cooperate with secondary schools and universities in the form of lectures or practical assignments. We participate in events and conferences, such as Youth Speak Forum, Big Step, STU Student Scientific Conference, and Doors Open Days. We also provide consultancy for bachelor and master's theses. Our long-term partners include **Prague University of Economics and Business, University of Chemistry and Technology Prague, Moravian Business College Olomouc, VŠB – Technical University of Ostrava, Slovak University of Technology in Bratislava, Slovak University of Agriculture in Nitra and University of Economics in Bratislava.**



We take part in various conferences and training events.

**IN TOTAL, WE ORGANIZED
704 COURSES.**



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HEALTH AND SAFETY

MEASURES TO FIGHT THE PANDEMIC

We monitor current developments related to Covid-19 and respond according to Government regulations in force. We inform our employees and notify them of changes on a regular basis.

We have reduced mobility and meetings of our employees to the maximum extent possible since spring 2020. Those who could, worked from home. We defined strict sanitary and safety measures in our breweries, we wore masks and respirators and sanitized common areas regularly. We cooperated with public health authorities and actively traced all colleagues who had been in contact with an ill person. At the same time, thorough observing of quarantine measures proved successful.

We offered testing to our employees even prior to the introduction of this obligation by the Government. We also created a special website with information about vaccinations, and organized webinars with experts who our employees could ask anything they were interested about in this regard.

Udělejte krok k normálnímu životu
#stojitozato

Všichni se chceme vrátit k normálnímu životu, bavit se s přáteli, zajít si na pivo, na fotbal a plánovat dovolenou bez obav, že se neustále mění podmínky. Zároveň nám záleží na zdraví nás všech, našich kolegů i blízkých. Všichni můžeme přispět k návratu k normálnímu životu – zvažte očkování!

„Osobně si nejsem jistý, že existuje jiný způsob, jak se vrátit k normálnímu životu. Proto jsem se nechal očkovat hned, jak to bylo možné,“ říká **Dragos Constantinescu, generální ředitel Plzeňského Prazdroje**.

PRAZDROJ A COVID

Od začátku pandemie dělá Prazdroj maximum pro ochranu vašeho zdraví a budeme v tom pokračovat. My umíme vařit skvělé pivo, ale v oblasti pandemie covidu-19 se řídíme doporučeními odborníků a odborných institucí, jako jsou doporučení Světové zdravotnické organizace, ministerstva zdravotnictví, lékařů.

CO TO ZNAMENÁ?

3R

Nosíme ochranu dýchacích cest tam, kde to situace v tu chvíli vyžaduje, dodržujeme bezpečné rozestupy i hygienické předpisy, abychom chránili sebe i kolegy.

Než se situacelepší, nebudeme pořádát větší interiérové akce, kde není možné mít nasazenou ochranu dýchacích cest či dodržovat bezpečné rozestupy.

Pokračujeme s přísnými pravidly pro zahraniční služební cesty, omezujeme je jen na ty nezbytně nutné a upřednostňujeme, aby zaměstnanci, kteří se na ně vydají, byli očkovaní, abychom zajistili jejich maximální možnou bezpečnost během cesty i po návratu.

Podporujeme očkování, protože to je v tuto chvíli doporučovaná cesta, jak se vrátit k normálu.

PRAZDROJ A OČKOVÁNÍ

Rozhodnutí o očkování je soukromá věc každého z nás, ale zároveň je odpovědností každého z nás možnost očkování pečlivě zvážit, protože může zachránit život váš nebo někoho z vašich blízkých. Proto přinášíme známé informace a odpovědi na možné dotazy.

PROČ ZVÁŽIT OČKOVÁNÍ?

- CHCI CHRÁNIT SVOJE ZDRAVÍ A ZDRAVÍ SVOJÍ RODINY.
- CHCI CHRÁNIT ZDRAVÍ SVÝCH KOLEGŮ A PŘÁTEL.
- CHCI ŽÍT NORMÁLNĚ, BEZ TESTŮ, KARANTÉN A DALŠÍCH OMEZENÍ.

ZÁKLADNÍ INFORMACE O OČKOVÁNÍ PROTI COVIDU-19

FUNGUJE TO VŮBEC?

Očkování je podle expertů tou nejlepší cestou, jak se zbavit nemoci covid-19 nebo alespoň jak zajistit, že tato nemoc už nebude závažným ohrožením pro naše zdraví a životy. Jak to? Protože očkovaný člověk je proti nemoci lépe chráněn, a když se přece jen nakazí, je průběh nemoci slabší než u neočkovaných lidí.

A CO NEŽÁDOUCÍ ÚČINKY?

Většinu lidí může po očkování bolet vpich, také se jako reakce imunitního systému může objevit zvýšená teplota, zimnice nebo bolest hlavy a svalů. Ale za den dva už budete zase jako rybička. Více než 9 měsíců od začátku očkování je jasné, že covid je daleko nebezpečnější než očkování.

A CO KDYŽ SE ROZHODNU NEOČKOVAT?

Je to rozhodnutí každého z nás. Ale je možné, že na základě vládních nařízení se mohou na neočkované zaměstnance vztahovat jiná preventivní opatření a pravidla než na ty očkované.

BUDE PRAZDROJ PODPOROVAT ZAMĚSTNANCE, KTERÍ SE NECHAJÍ OČKOVAT?

Očkování je benefit pro vás i celou společnost. My chceme, aby naši zaměstnanci měli dostatek ověřených informací, aby znali tyto benefity a mohli se svobodně rozhodnout o tom, zda se budou očkovat.

KDE NAJDU POTŘEBNÉ INFORMACE?

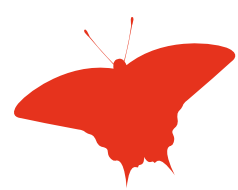
Prazdroj portál

uLekare.cz

Česko očkuje

Dotazy můžete poslat také na prevence@asahibeer.cz.

UDĚLEJTE S NÁMI KROK DO NORMÁLNÍHO ŽIVOTA!
#STOJITOZATO


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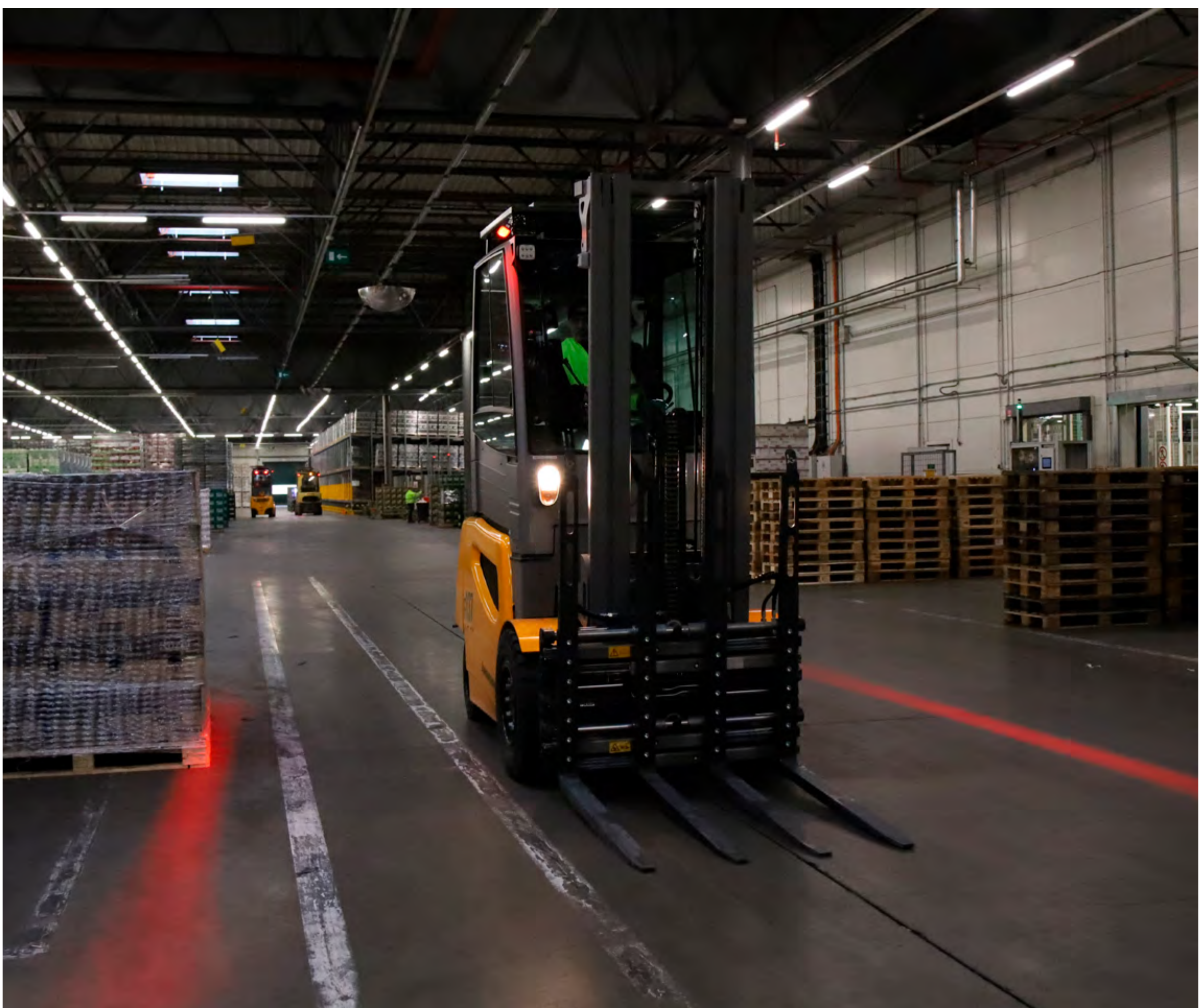
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OCCUPATIONAL SAFETY

Throughout the year, there were only 10 work injuries resulting in incapacity to work, of which 9 were related to internal employees and 1 to a so-called permanent contractor. To reduce the accident rate, we held **Safety Observations and Safety Inspections**, we carefully recorded near-misses and shared safety alerts and examples of good practices.

We also applied several new measures and tools to mitigate risks of accidents at work. (For example, motivational programmes, safety teams, monitoring of solitary workers and many specific technical measures.) We focused on mitigating risks of accidents at work mostly when moving and walking around premises and when working at height. Moving and walking have been the most common cause of occupational accidents in the long term.

The most significant project in this area was the across-the-board launch of **JRA teams (job risk analysis)** which deal with occupational safety issues in their departments. During the year, we also launched the system of **ambassadors of occupational safety** and selected employees of individual departments who focus on occupational safety and fire protection and have clearly defined tasks they fulfil on a continuous basis and report every month.



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A project of new methodology of trainings of production and supply chain employees

was also launched, focusing on practical drills in first aid, fire protection (fire fighting), handling of chemical substances, and the like.

Training in occupational **health and safety and fire protection** is attended by all employees and contractors. These trainings include not only matters required by law, but also focus on risks identified in specific workplaces. We pay significant attention to activities of external companies because their work is identified as a serious risk.



All the systems for processing personal data are secured so that protection of personal data and privacy is maintained.

The system for safety management and occupational health is governed by the respective internal policies and related procedures. These documents are updated on a regular basis, especially in relation to legal changes and external documentation, or with regard to organizational changes.



VOLUNTEERING

We are very happy we have a lot of great people who helped with-in the company by volunteering in 2021. This was, again, near our breweries with the aim to **help nature and public spaces**. In Popovice, our employees planted more than 50 linden, maple and oak trees in the compound of a former brick factory in Brtnice. In



We planted trees in Velký Šariš

the area of Pustevny in the Beskids, volunteers raked grass from meadows or cleaned up unique wetlands. In Velký Šariš, they planted trees and cleaned up the surroundings of a cycle path. This year, our volunteers helped a lot in **villages affected by a tornado**, for example in Mikulčice, where sales teams from Brno and more volunteers from Nošovice cleaned up the remains of damaged houses. We also **helped non-profit organizations** in person, such as our Procurement team in Pomocné tlapky (Helping paws) where they train assistance dogs for people with disabilities, or via competence training as part of Pro Bono in Slovakia.



We raked mowed grass in Pustevny in the Beskydy Mountains



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ETHICS

To ensure the good reputation of Plzeňský Prazdroj and the entire Asahi Group, fair and ethical behaviour within the company and when cooperating with contractors, customers and other parties is very important. The procedure of the company in the case of alleged breaches of its ethical principles and rules is described in a new policy which has been valid since 1 August for the entire Asahi Europe & International and is applicable to all employees, including temporary workers. **All employees must know and follow our ethical principles and that is why they attend a short training called Company Ethics every year.**

Unethical conduct or unfair practices can be reported by employees and third parties via an anonymous ethical (whistleblowing) line (via phone or e-mail) operated by an external supplier. The entire process is described in our **Whistleblowing Policy**. All notifications are investigated by an independent team. At the same time, employees can report unethical behaviour to their line manager. In the field of ethics, we have: Ethics Committee (Managing Director, HR Director, Finance Director), the Team for Investigating Unethical Behaviour, the Ombudsman and Representative for Ethical Matters.



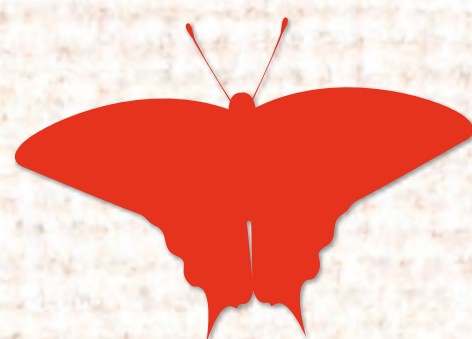
IN 2021, ONLY COUPLE OF CASES OF SUSPECTED UNETHICAL BEHAVIOUR WERE REPORTED, ALL OF WHICH WERE SUBSEQUENTLY RESOLVED.



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FIVE STEPS TOWARDS FURTHER DEVELOPMENT OF OUR PEOPLE



CORPORATE CULTURE

Continue building an
inclusive corporate
culture



PARENTS

Supporting parents
upon their return to
work



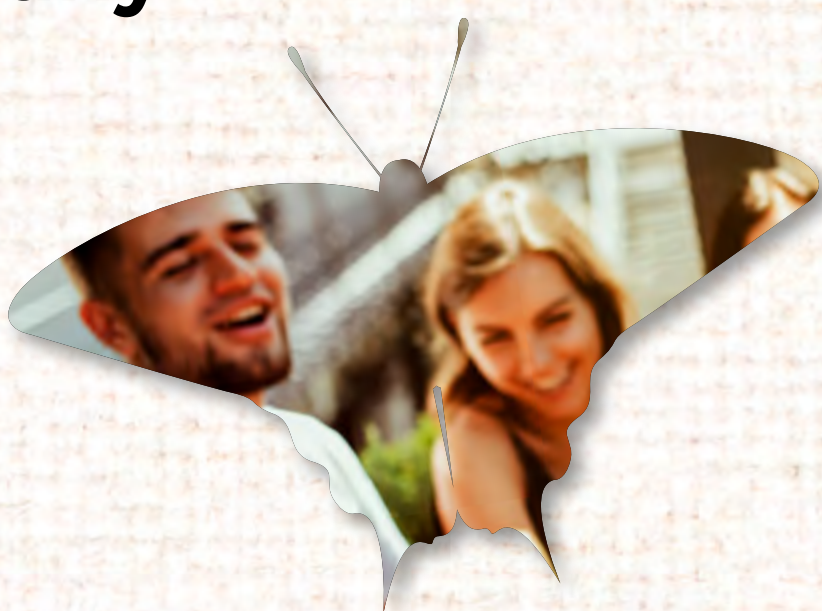
WOMEN

Helping women in their
career development
within the company



VOLUNTEERING

Supporting active
volunteering



SAFETY

Increasing safety measures
with the goal of a zero-injury workplace





IX. Responsibility



COMMERCIAL COMMUNICATION

OUR COMMERCIAL COMMUNICATION MUST BE APPROVED BY INTERNAL SALES AND MARKETING COMPLIANCE COMMITTEE



PREVENTING SALE OF ALCOHOL TO MINORS

TOGETHER WITH OUR PARTNERS, WE RAISE AWARENESS



OUR INTERNATIONAL COMMITMENTS

WE CONTINUE RESPONSIBLE COMMUNICATION OF OUR PRODUCTS



NON-ALCOHOLIC BEVERAGES

WE MITIGATE PREJUDICES RELATED TO NON-ALCOHOLIC BEER



[Watching Eye]

This species knows its place well and has a natural capacity to only settle in safe spaces. It is hardly ever spotted anywhere it is not meant to be. Even young individuals are born with an extraordinary sense of prevention and responsible behaviour.



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We are striving for beer to become the natural choice for moderate and responsible consumers. Alongside our prevention programmes, we mainly rely on self-regulation; the rules which we voluntarily apply are some of the strictest among alcohol producers.

Observing Czech and worldwide regulations and codes of conduct is a matter of course for us. However, we also apply our own strict internal rules which go beyond these regulations. We continually broaden our portfolio of non-alcoholic brands because we want to offer our consumers new beverages and flavours within the non-alcoholic drinks segment.

We train and educate our employees, as well as business partners from the ranks of publicans or store representatives, and other stakeholders. Every employee of Plzeňský Prazdroj participates in training focused on responsible drinking called **Alcohol ABC**. Employees from the Marketing Department also undergo special training in responsible marketing called **Alcohol IQ**.

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



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COMMERCIAL COMMUNICATION

WE APPROACH MARKETING IN A RESPONSIBLE WAY AND REGULARLY REVIEW THE EFFECT OF SELF-REGULATORY RULES WE FOLLOW. WELL-SET SELF-REGULATION WORKS ON A FLEXIBLE BASIS IN PLZEŇSKÝ PRAZDROJ. THEREFORE, WE ARE ABLE TO QUICKLY REACT TO CHANGING TRENDS AND CHECKING THE SELF-REGULATION DOES NOT REQUIRE ANY INVESTMENT FROM PUBLIC BUDGETS.

100 %

of commercial communication must be approved by our internal Sales and Marketing Compliance Committee. In 2021, its members evaluated more than 600 proposals for the Czech and Slovak markets.

99,6 %

of our television advertisements complied with our rule of 75:25 (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). In press and on the radio, this rule was complied with in all cases, and in 95% of cases in digital communication.



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In 2021, we did not receive any complaints about our advertising in the Czech Republic.



POUZE PRO STARŠÍ 18 LET
www.napivosrozumem.cz

We follow our [CODE OF COMMERCIAL COMMUNICATION](#), which includes several strict rules.

On top of that, **DIGITAL COMMUNICATION** at Plzeňský Prazdroj follows [DIGITAL GUIDING PRINCIPLES](#), which, among other things, include important rules related to the content of websites and social networks.

In 2021, we did not receive any complaints about our advertising in the Czech Republic. In Slovakia, a complaint was made about one of our advertisements to the Advertisement Committee (in Czech “Rada pro reklamu”) but its arbitration committee did not see the advertisement as one that breaks the respective rules, so the complaint was not recognized. However, we take all proceedings seriously and we respond by placing more emphasis on the training of our employees.



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PREVENTING DRINKING OF ALCOHOL BY MINORS

We strive to raise awareness and change the tolerant approach of the public towards drinking by minors in the Czech Republic and Slovakia. Therefore, we participate in several projects which draw attention to these problems and the aim of which is to do something about it.

With the [RESPEKTUJ 18](#) project, we managed to get back to festival events after the covid-induced break and to renew the contact campaign aimed at parents and children. This project, which we consider very important in the light of our prevention efforts, enjoyed the active participation of 19,000 people. We engage with the board of representatives of the City of Pilsen, the Drug Prevention and Therapy Centre, The Podané Ruce company, Moravian-Silesian Region representatives and Prague 13 and Prague 14 authorities.

We included our activities in the new campaign – [POJĎME O TOM MLUVIT! \(LET'S TALK ABOUT IT!\)](#) Thanks to this campaign, parents and other adults have a chance to confide with current experience and with stories related to the issue of drinking by minors. Stories are made public anonymously on [SOCIAL NETWORKS](#), and the website of the project offers some examples of how these can be resolved, including expert advice.

In Slovakia during 2021, we presented our [REŠPEKTUJ 18](#) project at 3 events for families with children in Bratislava and Velký Šariš.



19 000 CZ
RESPEKTUJ 18.CZ

30 000 SK
REŠPEKTUJ 18.SK

Together with our partners from OZ Prima we launched an awareness campaign on social networks called "Rodičia na slovíčko" ("Parents, can we have a word") which includes videos with psychologist Barbora Kuchárová. The aim of this is to start dialog about alcohol with adolescents. Over 300,000 people engaged in the project in various ways.

Together with the Czech Brewing and Malting Association and Czech Trade and Tourism we support the [NEZLOB SE, PROKAŽ SE](#) project, the aim of which is to encourage thorough age checking to minimize the chance that a minor purchases alcohol. In 2021 the Czech Traditional Market Association joined the initiative.



We strive to raise awareness and change the tolerant approach of the public towards drinking by minors in the Czech Republic and Slovakia.

“NA PIVO S ROZUMEM” (DRINK REASONABLY) AND OTHER PREVENTION PROGRAMMES

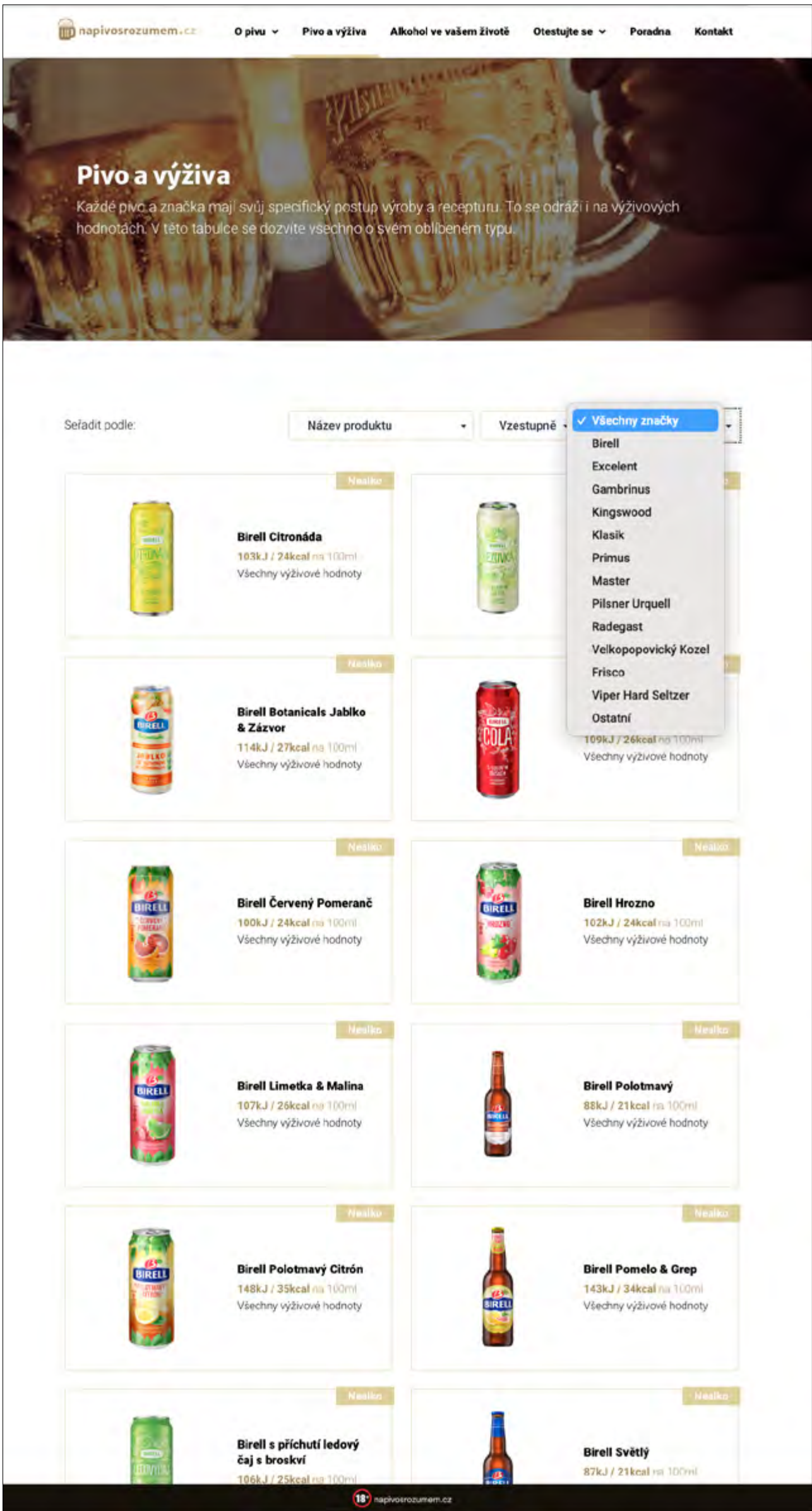
We also promote reasonable alcohol consumption through our websites www.napivosrozumem.cz in Czechia and www.promileinfo.sk in Slovakia. We innovated these sites in 2021. A new feature on the websites is an Alcohol consumption test which was prepared based on an audit test of the World Health Organization in cooperation with prevention specialists and specialists in treatment of addictions from the non-profit organization Sananim z.ú.

In compliance with the commitment “Proud to Be Clear”,

**We increase
The level of
how informed
Consumers are**

And on our packaging and labels and on-line in the Pivo a výživa (Beer and Nutrition) section of the website, we state the nutritional values of more than 56 products on the Czech website and 46 on the Slovak one.

As a member of the Czech Brewing and Malting Association, we actively support events focused on prevention of drinking and driving through our Řídím, piju nealko pivo (I Am Driving, So I Drink Non-ALco) project. Last year, 11,600 people were engaged.



We enabled access to information about and prevention of **foetal alcohol syndrome** (FAS) caused by pregnant women consuming alcohol - in cooperation with Zuzana Tomanová from “Centrum terapie a diagnostiky Fascinující děti” (a FAS therapy and diagnosis centre) through the web site www.promileinfo.sk. We also prepared a small-scale campaign to raise awareness of this issue on social networks and, so far, more than 4,300 people have engaged.



OUR COMMITMENT TO STATE NUTRITIONAL VALUES OF PACKAGING “PROUD TO BE CLEAR”

The calorie content (energy value) of our alcoholic and non-alcoholic drinks is stated on all our primary consumer packaging sold within the European Union. We also state the overall nutritional profile (i.e., Big 7) on secondary and tertiary packaging. Packaging of all alcoholic products in our portfolio also shows:

**At least 1 out of 3
voluntary signs promoting
responsible behaviour.**





ALKOHOL ZA VOLANT NEPATŘÍ
www.napivosrozumem.cz



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OUR INTERNATIONAL COMMITMENTS

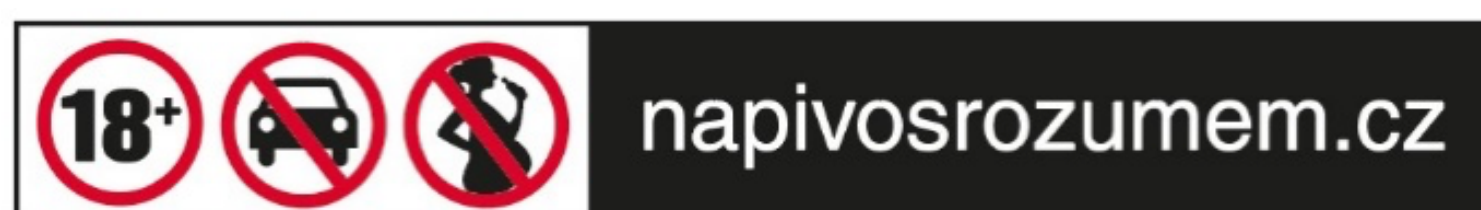


Plzeňský Prazdroj in the Czech Republic and in Slovakia continues following through with the delivery of our international commitments we made as Asahi Group in the area of responsible communication of our products, prevention of drinking by minors and publishing detailed information about the nutritional values of our products.

OUR COMMITMENT RELATED TO THE PREVENTION OF DRINKING BY MINORS TO THE INTERNATIONAL ALLIANCE FOR RESPONSIBLE DRINKING (IARD)

1. By 2024, we will introduce a **clear symbol** or a written warning that the product is not suitable for minors - on all alcoholic products.

Data for 2021: **We already deliver this commitment on 75% of our products by showing these responsibility-related icons:**



2. 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.

Data for 2021: **We have been able to achieve this goal through training our employees and thanks to agencies which thoroughly implement the principles of Commercial Communication which include these regulations.**

3. We will strengthen current measures preventing the young from obtaining our content in **the digital environment**.

Data for 2021: **All channels of our alcoholic brands include a mechanism that verifies the age of the user and lets only those over 18 continue to the content. Our channels also comply with the requirements defined by the commitment to Digital Guiding Principles.**

4. We will encourage retailers, partners in wholesale and distributors to cooperate with us on the implementation of the most efficient methods of **consumers' age verification**.

Data for 2021: **We have been successful in achieving this aim thanks to our engagement in the Nezlob Se, Prokaž se project, which entails training of retail and wholesale staff.**

5. We will invite on-line retailers and delivery service staff to join us and help us **develop global standards for selling alcohol on-line**.

Data for 2021: **We are working intensively towards this goal.**



NON-ALCOHOLIC BEVERAGES

CZ 11% SK 12%

Non-alcoholic beers like Birell Dry-Hopped and IPA-style Birell are already available in 0.5l returnable glass bottles. Their launch on the market has been supported by a campaign with the slogan “Let everyone drink what they wish to drink”. The goal of this campaign is to undo the myths about non-alcoholic beer which is frequently looked upon as a mere substitute of alcoholic beer in situations when you cannot consume the alcoholic variant. Consumers showed a lot of interest in the new Birell flavour - lemon and mint.



In 2021, we introduced several non-alcoholic beverages under the AYA brand. This is a new edition of malt-based beverages where fruit juices and vitamins are added. These enriched beverages contain no added sugar and comply with European UNESDA norms (under 5 g per 100 ml). AYA consumers have a choice of three variants with different benefits - energy, relax and vitality.



AYA SINCE 2022 EYA

“Let everyone drink what they wish to drink”.



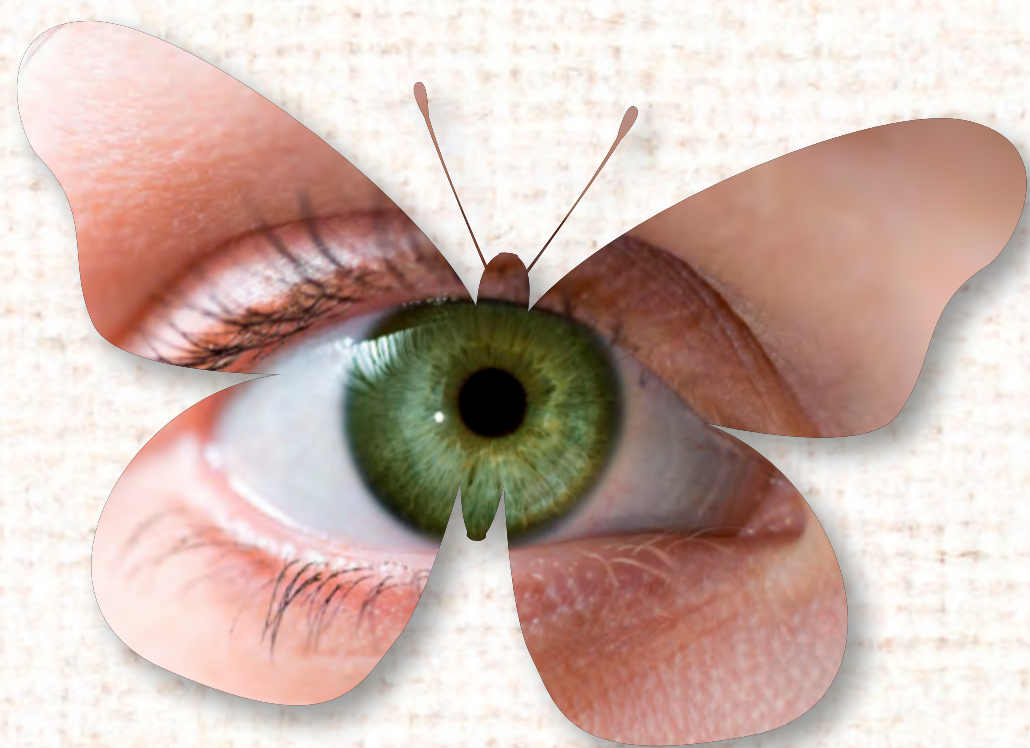
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STEPS PLANNED TO ENABLE AN EVEN MORE RESPONSIBLE APPROACH



COOPERATION

Until 2024, we will focus on delivering the remaining parts of our international commitment to IARD, especially on our cooperation with customers from retail, store chains and e-commerce customers with the goal to widen the standards of selling alcohol responsibly.



RESPONSIBILITY

We wish to continue promoting a responsible approach to alcohol consumption. Therefore, we committed to increasing the number of people engaged in prevention programmes by 20 % by 2025.





IX. Communities



GRANTS

BREWERIES TO PEOPLE

COMPANY PHILANTHROPY

WE HELPED BOTH DURING THE PANDEMIC AND WHEN THE TORNADO HIT.

COOPERATION WITH MUNICIPALITIES AND REGIONAL AUTHORITIES

WE CONTRIBUTE WHERE OUR BREWERIES ARE

OUR BREWERIES ATTRACT TOURISTS

WE OPEN OUR COMPOUNDS TO PEOPLE

WE CREATE MEANINGFUL CONNECTIONS

WE SUPPORT PROJECTS WHICH GENERATE COMMON BENEFITS

GASTRO

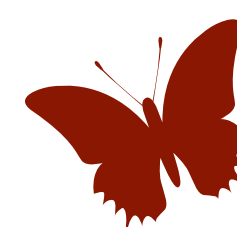
WE STAND BY OUR BUSINESS PARTNERS

[Helping Hand]

This butterfly really lives up to its name. Frequent observations carried out by experts confirmed this species helps and develops other individuals without getting anything in return.



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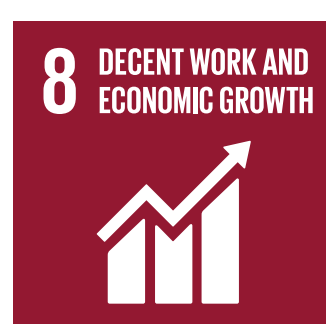
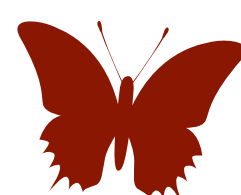
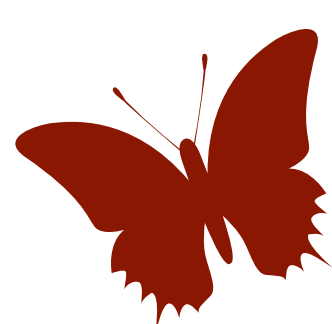


Where beer's brewed, life's good.

For two decades we have been actively supporting community life in the surroundings of our breweries and helping local traditions to survive. We draw attention to topics related to the environment through our grant-funded programmes.

In 2021 we established a company fund called "For A Better Future!" which serves to support such activities. Together with **Foundation Partnerství** and **Foundation Ekopolis**, we seek out sustainable water management solutions. We look for ways to maintain water in the landscape, to support biodiversity, to plant trees, to look for functional solutions which prevent waste and to apply circularity principles in the area of waste management.

In total, Prazdroj collected CZK 3.6 M for the Czech company fund. Through community grant programmes, we funded 16 projects among which we divided CZK 1,000,000 M. The remaining finances were used to support ongoing long-term projects.



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GRANTS – BREWERIES TO PEOPLE



Bird boxes for the Kamenice Region

KOZEL LIDEM (KOZEL TO THE PEOPLE)

The aim of last year's Kozel to People programme was further improvement of community life in the surroundings of the Velké Popovice Brewery. In 2021, a committee consisting of several representatives of Velkopopovický Kozel and representatives of the region's authorities decided to support 5 projects with an overall amount of CZK 200,000.



Mountain Meadows together with ČSOP Salamandr

RADEGAST LIDEM (RADEGAST TO THE PEOPLE)

The aim of this programme was to support publicly beneficial projects in the surroundings of the Nošovice Brewery. The overall amount of CZK 700,000 was used to support five different projects.



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Summer Cinema in Pilsen

PRAZDROJ LIDEM (PRAZDROJ TO THE PEOPLE)

Last year, the Prazdroj to the People programme supported projects bringing benefits for the general public in Pilsen. 6 grants were supported financially with a total amount of CZK 700,000 in 2021.

ŠARIŠ LIDEM (ŠARIŠ TO THE PEOPLE)

This grant programme, prepared together with the Velký Šariš Community Foundation, funded several publicly beneficial projects in the Prešov region where EUR 15,000



Relaxing Season near Okružlá

were divided among 8 civic associations. Based on public voting, an extra bonus of EUR 1,000 was paid to support a project which focuses on maintaining traditions and folklore. Also, the Šariš brand prepared a new limited edition of folklore-style cans.

We supported 24 projects with an overall amount of CZK 1,600,000 and EUR 16,000.



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COMPANY PHILANTHROPY

The most support provided in Slovakia, where 2% of VAT may be redistributed, is our traditional contribution to the Community Foundation in Velký Šariš, to the Prima Association of Citizens which we cooperate with on the [Respektuj 18!](#) Project and to organisations which focus on FAS (fetal alcohol syndrome) prevention, diagnoses and therapy. In 2021, we supported [the Ekopolis Foundation](#) in this way.



HELP DURING THE PANDEMIC

We did not forget about health-care staff during the third and fourth wave of the pandemic. We provided non-alcoholic Birell to hospitals, helping organisations, medics and rescue service staff. We also lent our large Birell tent to Náchod Hospital. It served as a makeshift Covid centre. In Slovakia, we provided 18 old people's homes before Christmas with free Birell.



Overall, in the Czech Republic we donated approximately 100 thousand free beverages and about 40,000 in Slovakia.

BEER FOR HODONÍN

The pandemic had not yet faded when Moravia was hit by a tornado. We immediately sent more than 13 thousand Birell drinks to volunteers helping the Hodonín region deal with the consequences of the tornado. Some of our colleagues gave a hand physically, too. We added beer for pubs in the affected region which they served for free during the crisis. Our Velkopopovický Kozel, together with the [Nejřemeslníci.cz](#) Server, interconnected the citizens of municipalities which were seriously affected by the tornado, and free beer was added on top of it.



COOPERATION WITH MUNICIPALITIES AND REGIONAL AUTHORITIES

In 2021 we intensified our cooperation with the municipalities and regions where we operate our breweries. In 2021 in **Velké Popovice**, we completed the construction of the water delivery system which ensures a reliable supply of drinking water in the municipality. Last year, we also contributed CZK 300,000 to the construction of a wooden bridge over the tributary of the Klášterní Pond. In **Petřkov**, we helped plant new trees, and a completely new declaration was co-signed with the municipality authorities.

There was very active and intensive cooperation with the **Nošovice City Council** and with the **Moravian-Silesian region** authorities. We also engaged in community events and initiatives in **Velký Šariš**. Many initiatives took place in **Pilsen** where the cooperation between the City Council and the brewery has had a long tradition. During the covid-related crisis, we opened a vaccination centre for our employees and the general public in our brewery, in cooperation with Pilsen University Hospital. We will continue developing tourism and the local cultural and social life as well as support projects which develop the city, the environment or security.



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OUR BREWERIES ATTRACT TOURISTS

We gradually invest in historical buildings located in the compounds of our breweries, so they continually become popular tourist destinations. Tourists have a wide choice of attractions including the Pilsner Urquell Brewery Tour, Gambrinus Brewery Tour, Pilsen Historical Underground, Pilsen Brewery Museum, Velké Popovice Brewery, Radegast Brewery and now newly also a tour of the experimental Proud Brewery. Despite corona-related restrictions, these tours were taken by more than 82,000 (mostly Czech) visitors in 2021.



82 000
VISITORS IN 2021

The experimental brewery – Proud



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WE CREATE MEANINGFUL CONNECTIONS

RADEGAST

WHEN IT COMES TO FIGHTING FOR WATER, EVERY DROP MATTERS.

In 2021, thanks to the cooperation between the Radegast Brewery and ČSOP Salamandr, we were able help to tidy up the Na Jurášce Marshland and more water-logged locations such as in Hutě ve Starých Hamrech and a rare meadow marshland in Čeladná in the Podolánka River valley. The money raised through the auction of the Baník and Radegast anniversary jerseys, CZK 220,997, is helping to restore the Bečva River after the ecological disaster. Thanks to this contribution, fishermen were able to place about 8,500 common barbels into the river.



Renewal of the Bečva River



Staré Zubří Volunteer Fire Brigade.



We Plant the Future, Liptovský Ondřej



ČSOP Salamandr

Our auction of yearly Baník jerseys yielded over CZK 220,000 for renewal of the Bečva River environment.



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PILSNER URQUELL WHEN BOTTLES HELP

Part of the campaign for our new, 100% recyclable [Pilsner Urquell](#) bottle was an activity where we, together with two young artists, created design T-shirts. By purchasing these T-shirts people had a chance to contribute to the projects of planting trees executed by [the Partnerství Foundation](#) and [the Ekopolis Foundation](#).

THIS WAS THE TENTH TIME THAT PILSNER URQUELL AUCTIONED DESIGN BEER BOTTLES BEFORE CHRISTMAS, THIS TIME RAISING CZK 2,064,179. Together with the finances raised by selling other 1l bottles, the overall sum amounted to CZK 2,824,179 and was given to [Centrum Paraple](#), where people with spinal chord injuries are given a lot of support and help with getting back to an active life.

We also became a partner of the European innovative marathon (hackathon:) [GreenHack](#), which focuses on sustainability. On behalf of Prazdroj, we prepared 3 challenges for participants that had to do with recycling cans, the use of disposable bottles and eco-friendly gift wrapping of beer



Money raised through selling design T-shirts was used for planting trees.

BIRELL

ACTIVE LIFE FOR EVERYONE

In cooperation with the association [Platforma rodín dětí so zdravotným znevýhodněním](#) (Platform for Families with Handicapped Children) we launched a new platform in Slovakia - [Birell Nezastavitelní](#), supporting the inclusion of the handicapped. In the Czech Republic, we also support projects such as [Kolo Pro Život](#) and [Cesta za Snem](#).

GAMBRINUS

WE PLAY FOR FOOTBALL

Through the [We Play for Football](#) programme we support participating amateur clubs by providing them with prizes for the given season and by granting financial support in order to help them improve their facilities. This project represents long-term help not only for clubs themselves, but also help for culture and community life in municipalities.



**Overall, we invested
CZK 3.5 M in such support
in 2021.**



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WE STAND BEHIND OUR PARTNERS IN THE GASTRO SECTOR.

We supply roughly 25 thousand pubs and restaurants across Czechia and Slovakia. The year 2021 was extremely difficult in this area. We helped pubs and restaurants as much as possible. We replaced, free of charge, beer that would go past the due date despite them not doing anything wrong. We provided disin-



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fectants, hygienic supplies, and delivered growlers so that pubs could sell takeaway beer more easily.

We also supported the initiative called “Safe Pub” 3R 3S, together with the Czech Beer and Malt Association. This was about surgical masks, social distancing, washing and disinfecting hands, regular disinfection of tables, properly washed glassware and limiting the number of people in a group.



As part of the [#StáleMámeChuť](#) initiative in Slovakia, together with HORECA representatives and their suppliers, we came up with a number of activities to support the gastronomic sector. Examples included helping during the pandemic, explaining chaotic rules of closing and reopening gastro establishments and the reduced VAT rate on catering/boarding services. We believe that these activities contributed to the fact that 90% of our outlets are still able to operate, even if some only to a limited extent.

It was actually last year that we introduced the CONCEPT OF HEARTCORE PUBS, which guarantees high quality beer, service and a pleasant environment.



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WE CONTINUE FIGHTING VISUAL POLLUTION

Fewer banners and less lighting on pubs – Plzeňský Prazdroj substantially multiplied its activities within the general fight against visual smog in local towns and villages. Altogether, we have improved the look of 2,300 local restaurants and pubs which we supply our beer to. These, instead of using excessive visuals with banners and lights, attract guests with moderate signs and upgraded façades. At the same time, the amount of used plastic is being reduced and pub owners will save money on energy.



**We supply beer to roughly
25 thousand pubs and restaurants
across Czechia and Slovakia.**



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BEER GASTRO ACADEMY

For the past few years we have been investing in the development of our customers. This applies to a number of areas important for their business (staff, economy, marketing, etc.) Our Customer Development Department has been keeping track of market developments and keeping up with customers' requirements according to which we prepare various training sessions and development programmes for publicans. When interested in more detailed information, they can also refer to the PGA handbook which we put together for them.

Due to the pandemic, there was no Brewers' Star awarded in the Czech Republic in 2021. However, the circumstances allowed the awarding of the Star in Slovakia. **69** pubs and restaurants were awarded. Brewers' Star is an award for pubs that ensure good care of beer and correct pouring methods.



69

Establishments
in Slovakia got the
Brewers' Star award.



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WE WILL CONTINUE HAVING A POSITIVE INFLUENCE IN KEY AREAS



CULTURE
Develop beer
culture



DEVELOPMENT
Promoting
brewing traditions



PARTNERSHIP
Create meaningful
connections



COMMUNITIES
Actively support
communities
in the surroundings
of our brewery



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About the report



[Pilsen Longtail]

It is the best-known species within the family of sustainable butterflies. Its wings are full of amazing details. Yet, they are fully symmetrical. Females lay eggs in a firm structure and the methodology gets passed down to the next generation.



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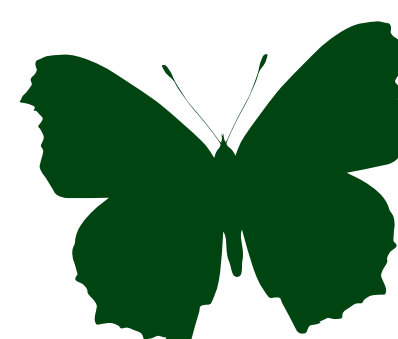
Praha, 15. 7. 2022

This report contains data about the period starting December 31, 2021 together for Plzeňský Prazdroj, a.s., registered office at U Prazdroje 64/7, Východní Předměstí 301 00 Plzeň and Plzeňský Prazdroj Slovensko, a.s., registered office at Pivovarská 9, 082 21 Veľký Šariš. We have issued a 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 come forward with a summary of how well we manage to follow our sustainability strategy called To A Better Future! 2030. Our sustainability strategy covers all important areas of our activity together with their **impact on the environment, on society and the economy**.

The source of non-financial data regarding the current period is a system of tracking KPIs in all defined areas of our business according to key pillars of the sustainability strategy. All data must be approved by the directors of the particular sections who are part of the Executive Committee of Plzeňský Prazdroj.

This year is the first time we refer to selected international reporting GRI standards indicators (Global Reporting Initiative). They relate to topics where we revealed data and results in previous years, too. By adding more information and aligning the methodology or reporting according to GRI standards, we strive for higher transparency and want to support comparisons of our results and enable monitoring of their development in time. Therefore, the data in this section, which is available in [the full version of the report on our website](#), also contain numbers and data from previous periods in the same structure.

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Information which had been made public about previous periods was not edited. The achievement of some commitments presented in this report partly depend on externalities and unpredictable circumstances which are beyond the control of Plzeňský Prazdroj. We decided on early **adoption of the revised GRI Standards (2021)**. This will ensure better continuity in the next report and smoother adoption of new CSRD in the future.

This report has undergone independent limited verification by the Mazars Slovensko, s.r.o. company – an unbiased third party that complies with the ISAE 3000 standards.

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

CONTACT DETAILS

Milica Danková,
Sustainable Development Manager
milica.dankova@asahibeer.sk





Plzeňský Prazdroj, a. s.

U Prazdroje 64/7
Východní Předměstí
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 2021 („the Report“).

Scope and Subject Matter

Our limited assurance engagement focused on the 2021 sustainability indicators as presented in the 2021 GRI Content Index of the Report on pages 114 to 143 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, a summary of which is provided in the “About Report” section 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 2021 sustainability indicators as presented in the 2021 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 2021 sustainability indicators as presented in the 2021 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 2021 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 2021 to 31 December 2021 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, 15 August 2022

Mazars Slovensko, s.r.o.

DocuSigned by:
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Mickaël Compagnon
Managing Partner
GRI Certificate number: C19892

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Jana Ružická
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Jana Ružická
Sustainability Director



Plzeňský Prazdroj

www.prazdroj.cz