

BILLA SUSTAINABILITY PROGRESS REPORT 2025

To us, sustainability means caring for our communities by promoting local food, reducing waste and using energy wisely, while making our workplace welcoming for everyone.





“Sustainability is integral to our long-term business strategy. We prioritise food quality and are expanding our range of fresh, locally sourced products while working closely with regional suppliers. Our goal is to also offer customers products that promote balanced eating.

I truly appreciate the work of our team, who always put customer service and a pleasant shopping experience first.”

Marek Doležal
CEO and Sustainability Sponsor
BILLA Czech Republic

OUR STRATEGIC PILLARS



GREEN PRODUCTS



ENERGY, CLIMATE AND ENVIRONMENT



OUR EMPLOYEES



SOCIAL COMMITMENT

MILESTONES OF 2025



Start of BILLA Sustainability Ambassadors



**BILLA Cup winner ceremony
Family Day in BILLA**



Start of 2nd green-concept store (Senohraby) construction



Employees Health Days



**Charity Fair supporting an NGO
Employee Christmas Gift cards**



**National Food Collection
Employees Sustainability Days**




Energy management certification retained



“Balanced eating” project launch



TIRA private label certified coffee launch

 If you would like to learn more about the topic, look for this icon.

GREEN PRODUCTS IN FIGURES

We care about the quality and freshness of our food. Our priorities include responsible sourcing and food-waste prevention. With our private labels in particular, we are constantly looking for ways to innovate our packaging and product range. We believe that a balanced diet and sustainability go hand in hand.

PRIVATE LABELS

are key for advancing our sustainability strategy



These brands entirely sourced from **Czech suppliers**



Multiple quality **Awards**



Tira, our new coffee brand, launched in 2025 and certified by **Rainforest Alliance**



LOCAL AND REGIONAL SUPPLIERS



- **≈50%** of all products sourced in Czech Republic
- **Growing distribution** of regional products across all categories



LET'S GIVE FOOD A CHANCE

Our initiatives prevented more than 7,200 tonnes of food waste



≈4,800 tonnes >**1,300 tonnes**

by extra discounts on expiring products

saved by discounted Fruit & Vegetable bags



≈170 tonnes

saved by selling previous-day bread rolls for use as breadcrumbs

>950 tonnes

of food surplus donated to people in need



RECYCLED AND RECYCLABLE CARRIER BAGS



80% is the minimum best-seller bag recycled content. For other bags, the share of recycled material is more than **50%**.

- All carrier bags are fully recyclable.
- This enabled us to obtain RecyClass and Global Recycled Standard certification for all our carrier bags.



QUALITY CONTROL




- **≈6,000** sensory tests – doubled year-on-year (YoY)
- Regular pesticides tests on Fruits and Vegetables



ENERGY, CLIMATE AND ENVIRONMENT IN FIGURES

At BILLA, we carefully monitor our carbon footprint and look for new ways to reduce our energy consumption. Thanks to our energy management certificate (ISO 50001), we know that we are on the right track. We also take a responsible approach to managing our resources and waste.

 **289** stores in total **15** newly opened **38** stores renovated

 **Green-concept stores**
1 in operation
1 under construction

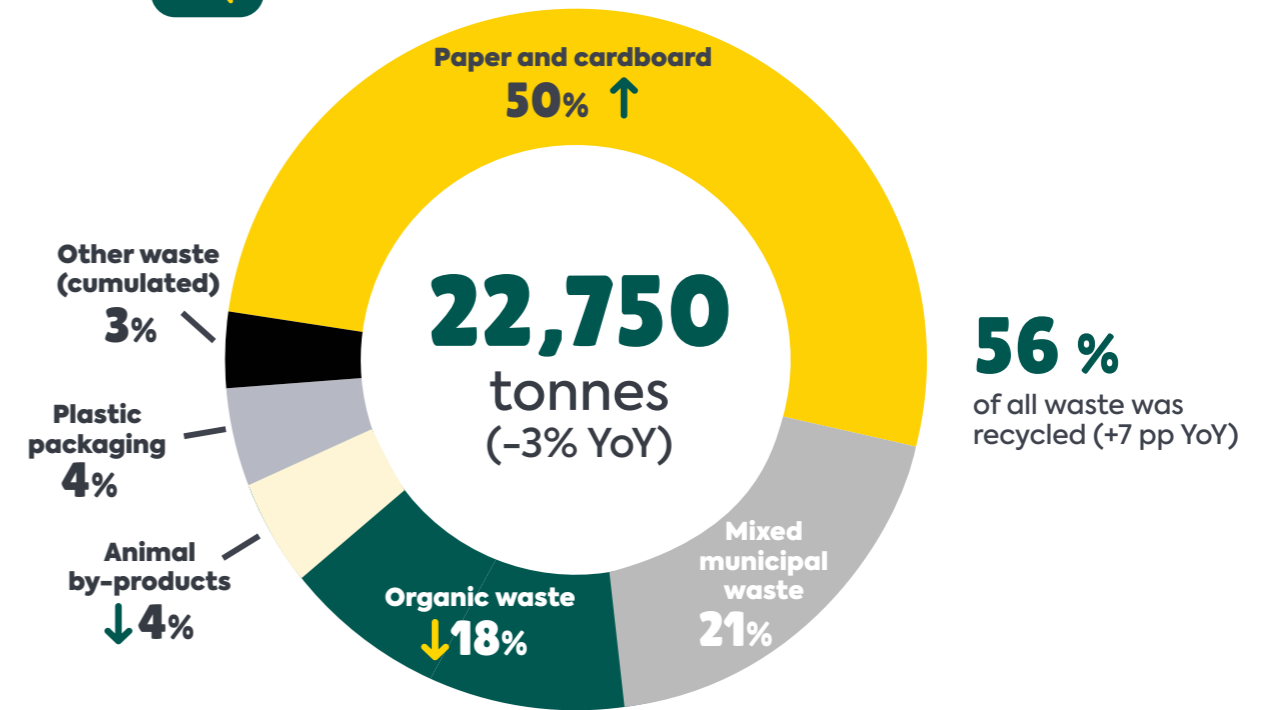
 ISO 50001 certification for **energy management** retained



As part of the REWE Group, BILLA is committed to science-based climate targets and aims to **achieve net zero emissions*** by 2050.



WASTE GENERATED BY TYPE



TECHNOLOGY DRIVING EFFICIENCY

- **48%** of stores use waste heat from refrigerators for heating
- **47%** of stores use heat pumps for heating buildings
- **35%** of stores use heat pumps for water heating
- **97%** of stores use smart building management
- **18** solar systems at stores and 2 at central warehouse
- **20%** of stores use natural refrigerants in cooling system

*The 2025 carbon footprint was not available at the time of report preparation, as data collection and calculation were still in progress.



Responsibly disposed Organic Waste

- **15** stores donated food surpluses to animal shelters
- **69%** of organic waste used in biogas plant
- **31%** of organic waste used in composting plant

OUR EMPLOYEES IN FIGURES

Our success is built on the team work of thousands of colleagues. We care about their well-being and their opportunities to grow both professionally and personally. That is why we foster an environment with fair and transparent conditions, long-term stability and an open culture based on trust, respect and mutual support.



OUR VALUES

- We are Responsible
- We are One Team
- We are Honest & Fair

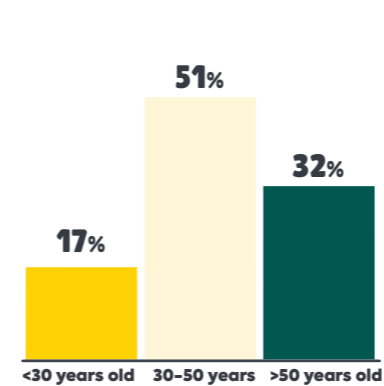


BILLA PEOPLE OVERVIEW

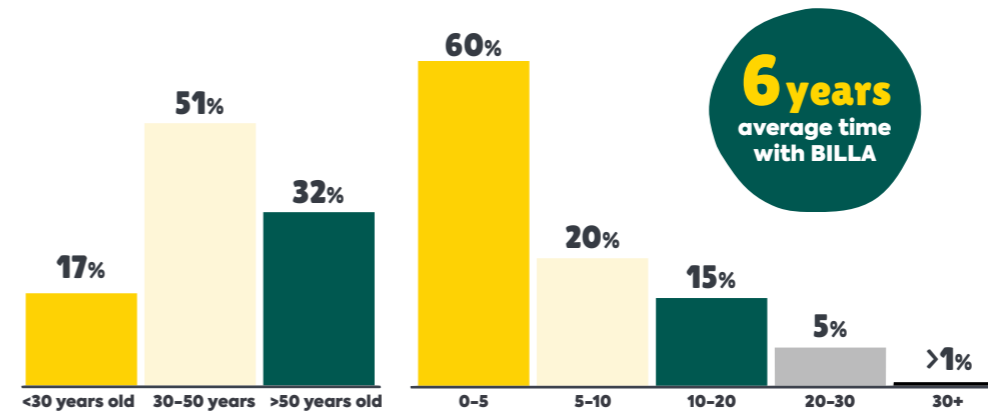


10% part-time employment
83% permanent contract

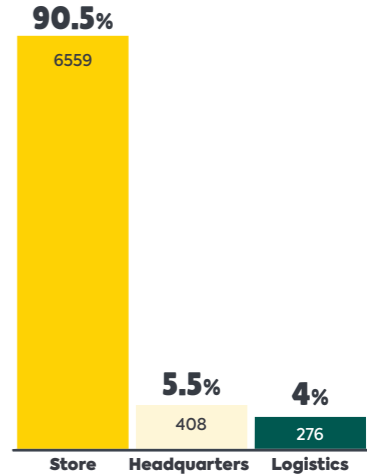
COLLEAGUES BY AGE GROUP



YEARS IN THE BILLA TEAM



WORK LOCATION



CAREER & COMPENSATION



49%
of management positions recruited internally

5%
salary budget increase for store teams

EUR 600,000
in Christmas gift cards for employees

SELECTED EMPLOYEE BENEFITS



Five weeks paid holiday



Benefit and MultiSport card with employer contribution



Flat-rate meal vouchers



Increased severance pay



Paid time off for unexpected life events



Reward for recommendation or work anniversary



Pension contribution, supplementary pension insurance



Retirement gratuity

SOCIAL COMMITMENT IN FIGURES

Being responsible is one of our values. We care for communities, establish partnerships with non-governmental organisations and participate in National Food Collection. We support children and adults in balanced eating and leading an active lifestyle

BALANCED EATING



Consistent AWARENESS-RAISING

A programme developed by the Czech Olympic Team and BILLA promoting balanced nutrition and an active lifestyle



5 ambassadors from Czech Olympic and Paralympic teams



EUR 18,000 donated to young athletes from unprivileged backgrounds



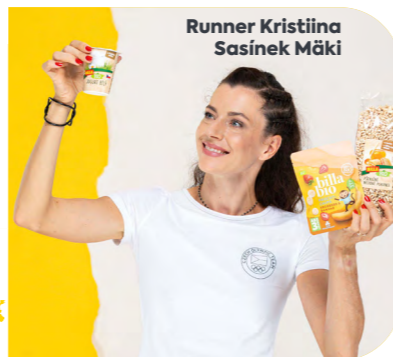
≈ 150 schools reached by the initiative



Alpine skier Jan Zabystřan



Batáty olopu a nakrájím na kostky nebo hranolky. Přidám brokolici nakrájenou na kousky, na kolečka nakrájenou cuketu, na proužky nakrájenou papriku a cibuli. Vše osolím, posypu sladkou paprikou a zakápnu olivovým olejem. Vše promíchám a dám péct asi na 15-20 minut na 200 °C do trouby. K zelenině si udělám dvě volská oka, nebo si k ní dám rybu či maso.



Runner Kristiina Sasinek Mäki

STORE TEAMS INITIATIVES



>60 stores organised their own social-responsible projects

1/3

focused on **animals** in need

2/3

focused on **social** initiatives



HEADQUARTERS AND LOGISTICS TEAMS COLLECTED

> EUR 2,000 at Charity Fair to support an NGO providing personal assistance

>70 Christmas gifts for children from a children's home.



COOPERATION WITH FOOD BANK



>950 tonnes of food surplus donated to people in need (+21% YoY) via 15 regional food banks



140 tonnes collected during National Food Collections (+14% YoY)



≈ 2,000 volunteers involved in Food Collections



>2 million portions of food donated for people in need



WE VALUE FOOD: QUALITY AND RESPONSIBLE SOURCING

STRONG PRIVATE LABEL PORTFOLIOS

Private labels play a crucial role in advancing our sustainability strategy. We are dedicated to exploring new sourcing opportunities and enhancing nutrition. Moreover, our private labels are crafted to provide quality products at competitive prices.

28
private labels
brands

2,400
private-labels
products

27%
of total revenue
generated
by private labels



30%
of total revenue
generated by private
labels by 2028

EXPLORE OUR NEW PRODUCTS

With the launch of the **TIRA coffee** brand, we introduce a private-labelled coffee range sourced entirely from plantations certified by the **Rainforest Alliance**. This certification confirms that the farms meet defined requirements in areas such as agricultural practices, biodiversity protection and working conditions.



The **Vocílka** brand offers meat and sausages of **exclusively Czech origin**. It has now expanded to include **Czech freshwater fish and game meat**. The focus on processing quality remains our priority.

We expanded our Srdce domova brand, which features products from Czech suppliers, by adding a **new organic** range. Under the **Srdce domova Bio** label, customers can now find items such as organic milk and organic eggs.



ANIMAL WELFARE COMMITMENTS

We uphold several long-standing commitments that support animal-welfare standards. Since 2024, we have been selling **100% cage-free eggs**. We also prioritise cage-free eggs as an ingredient in private-label products developed in the Czech Republic. To date, 70% of egg-based ingredients across 112 products are cage-free.

We also **prohibit the sale of live carp** at our owned store locations during the Christmas season and do **not sell consumer fireworks**, a practice we have maintained for four years in a row.



PRIORITISING REGIONAL SOURCING

Almost **half of the assortment** remains supplied by Czech suppliers, and cooperation with regional suppliers became even stronger across multiple categories.

Regional suppliers distribute their products exclusively within the region where they originate or in nearby areas, which contributes to the regional economy and employment. Their advantages include shorter delivery routes, reflecting traditional production and preferences.

REGIONAL PRODUCT HIGHLIGHTS

- ✓ **Regionally sourced meat** available **across all stores**.
- ✓ **Regional deli** products reached **80% of stores**.
- ✓ **Regional confectionery** expanded to almost **30% of stores** within its first year
- ✓ **Regional bakeries** are present in nearly **all stores**.

We openly disclose how we like to cooperate with all regional suppliers interested in working with us.

CODE OF CONDUCT FOR OUR SUPPLIERS

All suppliers must comply with the REWE Supplier Code of Conduct, which sets expectations for **responsible business practices** and full compliance with national animal-welfare laws, including measures to minimise stress and harm.

WE VALUE FOOD: OUR RESPONSIBLE INITIATIVES

WE SUPPORT CUSTOMERS IN BALANCED EATING

A BILLA survey among primary-school pupils* showed us irregular breakfast and snack habits, with many relying on sweets or ready-made foods during the school day.

These results not only reflect pupils' routines but also broader patterns in the general population. Customers often look for clear, **simple nutrition guidance** on what to buy and how to structure daily meals.

MAKING BALANCED EATING EASIER

In autumn 2025, the Czech Olympic Team and BILLA launched the Balanced Food campaign. The campaign introduced 33 'Favoured by Olympians' private-labelled products selected by a nutrition specialist. It also included a **regular leaflet section** to help people make easier choices for balanced eating.



Communication targeted a wide audience through the **leaflet**, BILLA Gusto magazine, in-store radio, online and in-store product labelling. The initiative also reached almost **150 schools** through Olympic Team events and supported youth programmes by distributing fruit and healthy snacks.

IMPACT ON EVERYDAY DECISION-MAKING

Customers, families and pupils received clearer, practical information that supports everyday food choices across multiple touchpoints.



The campaign's visibility was further strengthened by five inspiring athletes from the Czech Olympic and Paralympic teams, who acted as **ambassadors of the Balanced Eating** programme and helped present the concept through simple, relatable examples.

FOOD WASTE PREVENTION

Around **one-third of food** produced in the Czech Republic is wasted. As a food retail chain, it is our highest priority to plan our customers' demand accurately and prevent waste at all levels of our operations. Preventing food waste supports efficient use of resources in food production and distribution.

ADVANTAGED PRICING

Under the **Let's Give Food a Chance** programme, we combine store-level measures to prevent food waste. From offering discounted near-expiry goods to donating unsold food that meets safety criteria to the **Food Bank**.



7,200+ TONNES OF WASTE PREVENTED

Our activities prevented more than 7,200 tonnes of food waste. Key contributions include:



Extra discounts for expiring products: almost 4,800 tonnes saved.



Discounted Fruit & Vegetable bags: >1,300 tonnes saved.



Previous-day bread rolls for use as breadcrumbs: almost 170 tonnes saved.

Food bank donations: >950 tonnes of food surplus donated to people in need.

On top of that BILLA partners with the **National Food Collection**, which gathers long-shelf-life food for people in need. Through this cooperation, our customers donated 140 tonnes of products in 2025.

LET'S GIVE FOOD A CHANCE TOGETHER

Customers can join by choosing products stickered by the Let's Give Food a Chance label or by contributing to the National Food Collection.

*Source: Survey by MN Force for BILLA ČR, September 2025, sample of 600 primary-school pupils.

PEOPLE OF BILLA

STRONG STORE LEADERSHIP

We continuously support the internal growth and development of our people. The **Aspirant programme** is a key part of our sales team career planning. This 6-month training course prepares employees for future store and regional management positions.

In 2025, we launched a structured development for **shift leaders** to strengthen store-level substitutability and support their professional growth.

Forty of the most talented colleagues from our stores joined a 6-month programme called **Ownership Thinking**. While part of it covered economic performance, the biggest shift came from its strong focus on leadership skills. Participants learned how to coach their teams, recognise strengths and encourage personal growth. Thanks to all these steps we achieved 49% of our 50% internal management promotion target.



ENHANCED COLLABORATION OF STORES

To support clearer communication and shared learning, we introduced quarterly **Sales Townhall Meetings**. These meetings bring together all store managers and head office employees to exchange best practices, share feedback and stay aligned on key priorities.

APPRECIATING THOSE WHO KEEP US MOVING



In 2025, we increased **store salary budget +5%** and distributed EUR 600,000 in Christmas gift cards, as a thank you for the dedication that makes our success possible.

DRIVING ENGAGEMENT

As a longstanding activity, we again hosted the internal **BILLA Cup store competition**, where store teams are encouraged to create their **own social-responsibility projects**. More than **60 stores** organised initiatives - often for children from children's homes, people facing illness or treatment, and seniors in communities.



These projects were **led directly by store employees**, who chose topics relevant to the needs they see in their surroundings. Around two-thirds of all activities supported community groups, while one-third focused on animal care.

The competition concluded with an experiential winner ceremony held in Dolní Morava.



SUSTAINABILITY DAYS

An event organised together with colleagues from BILLA Slovakia combined **lectures on sustainability in the food sector** with practical activities. Head office employees tried **zero-waste cooking** and joined a **family bonfire** in the nearby Říčany orchard, whose development BILLA supported.



HEALTH DAYS

At the head office, employees could join lectures or **physical screenings** for physical and mental well-being. Store teams received free fruit snacks. The in-store radio also provided short educational messages and a themed prize contest.

FAMILY DAY

For the first time, headquarter **employees' children** could visit the place where their parents work. They explored office and logistics spaces, visited the canteen, and joined simple sport games and a quiz prepared by the Czech Olympic Team together with BILLA colleagues.

EMPLOYEE SPORTS DAY

Head office employees and regional managers spent time together at the Lipno reservoir. The main shared activity was dragon-boat paddling, complemented by informal team-building moments.


TECHNOLOGY UNLOCKS STORE EFFICIENCY

NETWORK GROWTH, INCREASED RESPONSIBILITY

Our expanding network of 289 stores, including 15 new openings increases the energy needs linked to refrigeration, heating and lighting. This makes **energy efficiency** and **operational optimisation** a long-term priority.

TECHNOLOGIES SUPPORTING EFFICIENT OPERATIONS

To reduce environmental impact and operating costs, we use a broad set of technologies. These include **heat pumps for heating** (47% of stores) and hot-water generation (35%), **recuperation of waste heat** from refrigeration (48%). LED lighting with dimming control and a smart **building-management system** are used in nearly all stores, enabling remote monitoring and reducing the risk of waste, leaks or human mistake.

 **Photovoltaic systems** support energy self-sufficiency in 18 stores, and in 2025 we completed the extension of the solar installation at our Modletice warehouse, with additional capacity becoming operational in 2026.



GREEN-CONCEPT STORE AS A PILOT

Our innovative store in Vracov, opened at the end of 2024, serves as a **pilot for energy efficient solutions**. It brings together all the described technologies in one place and, in addition to savings through **operational excellence**, provides valuable **knowledge**. We are proud that the store received a special sustainability award at the VISA Czech Top Shop ceremony.



We will apply this knowledge to our **second store**, which is set to open in Senohraby in spring 2026. The design includes an **on-top** wooden façade, solar-powered public lighting and 3 rainwater retention tanks.



RESULTS FROM THE 1ST YEAR of the green-concept store

- ✓ **Electricity purchases** fell by **17%** thanks to more efficient use and on-site solar power.
- ✓ **Water use** dropped by **30%** due to rainwater harvesting.
- ✓ **92%** of heating comes **from heat recuperation**.

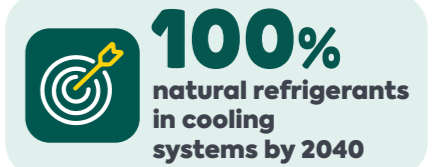
Savings compared with the average store were calculated per square metre

CONTINUOUS ENERGY MANAGEMENT

We maintain continuous oversight and improvement of energy use across our operations through regular internal and external audits. In July 2025, we successfully **retained our ISO 50001 certification** with TIF Austria and received positive feedback together with eight recommendations for further improvement.

TRANSITION TO NATURAL REFRIGERANTS

Refrigerants remain significant drivers of operational carbon footprint. **Natural refrigerants** with minimal warming potential are already used in 20% of our stores. We have set a **target to transition** fully to natural refrigerants, which will require continuous investment in refrigeration technologies.



INSIGHTS FROM WASTE ANALYSIS

A waste analysis carried out in summer 2025 identified further opportunities to **improve store-level processes**. Based on these findings, we adjusted waste-collection logistics and provided additional training for store teams.

In 2025, our total waste **volume decreased by 3%**, even as the store network expanded. The reduction was mainly driven by lower organic waste and animal-by-product waste, reflecting the **impact of our food-waste-prevention** initiatives.

In 2026, we will continue to build awareness of **effective waste sorting** and food-waste prevention through the internal BILLA Cup competition.



GOALS AND 2026 ACTION STEPS

A clear summary of the main long-term goals and the key action steps planned for 2026 is provided below for each pillar of the sustainability strategy.

GREEN PRODUCTS

Goal: 30% of total revenue generated by private labels, where we can better innovate, by 2028

Actions:

- Investment in the Česká farma brand (Czech fruit and vegetables)
- Clear labelling of regional products at stores for easy customer orientation (currently piloted).
- Development of regional sourcing of confectionery and deli products
- Raising awareness of food waste prevention in stores and in communication channels at least quarterly.

ENERGY, CLIMATE AND ENVIRONMENT

Goal: Transition to 100% natural refrigerants in cooling systems by 2040

Actions:

- Opening of second BILLA green-concept store in the Czech Republic
- Communication of sustainability-related technologies to customers in stores

- Commissioning of the Modletice photovoltaic plant and pilot shared-energy system
- Internal competition for stores on waste separation and food-donation

EMPLOYEES

Goal: 50% of management positions to be filled internally every year

Actions:

- Leadership skills for region and store managers to support structured development of their teams
- Extending Sustainability and Health Days to Store Teams

SOCIAL COMMITMENT

Actions:

- 80 stores to organise their own social responsibility projects (vs 63 in 2025)

GOVERNANCE



Compliance with upcoming legislation (focusing deforestation, packaging, anti-green-washing, due diligence, reporting and others)

BILLA

Special thanks go to our **Sustainability Ambassadors**. This group of volunteers was established in 2025 to promote sustainability topics across the company in addition to their regular roles.



ABOUT THIS REPORT

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

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