

SUSTAINABILITY REPORT 2025

Kvásek Foods s.r.o.

Baking a lower-carbon future

Prepared in accordance with the EFRAG Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME) — Basic and Comprehensive Module

1,250.8

t CO₂e Scope 1 + 2 (market-based)

-34.3 %

Scope 1 + 2 emissions vs. 2023

91 %

of waste diverted from disposal

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About this report

This is the second sustainability report of Kvásek Foods s.r.o.. It covers the financial year 2025 and has been prepared using the VSME standard published by EFRAG and recommended by the European Commission for voluntary reporting by SMEs. Comparative figures for 2023 (our base year) and 2024 are shown where available.

Item	Disclosure
VSME option	Basic Module + Comprehensive Module
Basis of preparation	Individual (single legal entity, no subsidiaries)
Reporting period	1 January – 31 December 2025 (same as financial statements)
Entity	Kvásek Foods s.r.o., Brno, Czech Republic
Legal form	Limited liability company (s.r.o.), privately owned
NACE code	C10.71 – Manufacture of bread; fresh pastry goods and cakes
Sites	Production plant Brno-Slatina (owned), logistics hub Modřice (leased), 3 bakery shops in Brno (leased)
Omitted disclosures	B4 – not applicable (no legal pollutant-reporting obligation); see index
External assurance	None (limited assurance planned for the 2030 cycle)
Contact	sustainability@kvasek-foods.example

Good bread, lower footprint

In 2025 we cut our Scope 1 and 2 emissions by 34.3 % compared with 2023 — while growing turnover to €14.8 million. It proves that a regional bakery can grow and decarbonise at the same time.

The biggest step was switching 42 % of our electricity to renewable sources: a rooftop solar plant at our Brno-Slatina site and a guarantee-of-origin contract for green power. We also replaced two diesel vans with electric ones and moved our cold store to a lower-impact refrigerant.

We know our largest impact lies outside our walls. About 86 % of our total footprint comes from what we buy — mainly flour, dairy and eggs. That is why our Bake Better 2030 strategy works with farmers

on regenerative wheat and sets a goal of sourcing 80 % of ingredients within 250 km.

Our 118 colleagues are the heart of this company. Safety remains our first priority: four recordable accidents in 2025 is four too many, and we have launched a new ergonomics programme for the dough-handling lines. Thank you to our team, customers and partners for baking a better future with us.

Jana Horáková

Managing Director, Kvásek Foods s.r.o.

2025 at a glance

Key environmental, social and governance figures for the reporting year. Detailed disclosures follow in the chapters referenced in the VSME index.

1,250.8 t CO₂e

Scope 1 + 2 emissions
market-based · location-based 1,364.9 t

-34.3 %

Change vs. base year 2023
target -42 % by 2030

84.5 t/€m

GHG intensity
t CO₂e per € million turnover

42 %

Renewable electricity
solar PV + guarantees of origin

4,950 MWh

Total energy use
-8.0 % vs. 2023

91 %

Waste diverted
1,076 t recycled or recovered

28,400 m³

Water withdrawn
2.88 m³ per tonne of product

118

Employees (headcount)
109.5 FTE · 56 % women

4.08

Accident rate
per 200,000 hours worked

15.1 h

Training per employee
average hours in 2025

67 %

Women in management
2 of 3 managing directors

0

Corruption convictions
and €0 in fines

Highlights of the year

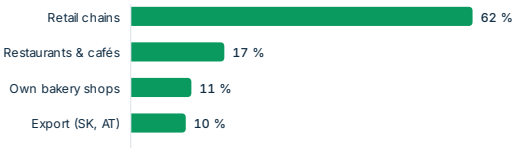
- 180 kWp rooftop solar plant commissioned at Brno - Slatina; renewable share of electricity up from 0 % to 42 %.
- ISO 14001 environmental management certification achieved in June 2025.
- 1,076 t of by-products and returns turned into animal feed, biogas and recycled materials.
- First supplier sustainability survey: 86 % of ingredient spend covered.

Company profile & business model

Kvásek Foods s.r.o. is a family - owned bakery founded in 1994 in Brno. We bake bread, rolls and sweet pastry for retailers, restaurants and our own shops in the Czech Republic and neighbouring countries.

Topic	2025
Products	180 products: sourdough and rye bread, rolls, sweet pastry; organic line = 14 % of revenue
Markets	Czech Republic (90 % of revenue), Slovakia and Austria
Production	9,850 t of finished products
Supply chain	140 suppliers; 72 % of ingredient spend sourced within 250 km
Key figures	Turnover €14.8 m · balance sheet €9.6 m · 118 employees
Certifications	IFS Food v8 (2024), ISO 14001:2015 (2025), EU organic certification

Revenue by sales channel (2025)



Our value chain

Upstream: grain farmers and mills in South Moravia, dairy and egg producers, packaging suppliers. Own operations: production in Brno - Slatina, logistics hub in Modřice, three shops. Downstream: retail and HoReCa customers, consumers, and the treatment of packaging after use.

Bake Better 2030

Our strategy links the business model to our most significant sustainability impacts. It was approved by the management board in 2024 and is reviewed every year.

1

Climate & energy
Halve the carbon intensity of every loaf: efficient ovens, 100 % renewable electricity and an electric delivery fleet.

2

Zero - waste food
No edible food to landfill, recyclable packaging and more local, regenerative ingredients.

3

People & community
A safe, fair and learning workplace, and partnerships with food banks and schools in Brno.

Area	KPI	Baseline	Target	2025
Climate	Scope 1 + 2 emissions (market-based)	1,903.0 t (2023)	-42 % by 2030	-34.3 %
Energy	Renewable share of electricity	0 % (2023)	100 % by 2028	42 %
Waste	Waste diverted from disposal	84 % (2023)	95 % by 2027	91 %
Packaging	Recyclable packaging (by weight)	61 % (2023)	100 % by 2027	78 %
Sourcing	Ingredients sourced within 250 km (spend)	64 % (2023)	80 % by 2030	72 %
Safety	Recordable accident rate (200,000 h)	5.6 (2023)	< 2.0 by 2028	4.08
Skills	Training hours per employee	9.8 h (2023)	20 h by 2027	15.1 h

Targets cover own operations unless stated otherwise. A Scope 3 target (-25 % intensity per tonne of product by 2030) is under development with our key flour and dairy suppliers.

Policies, practices & human rights

We have formal policies for all sustainability matters we consider significant. Each policy has a named owner on the management board and is reviewed at least every two years.

Policy	Sustainability matters covered	Public	Responsible
Environmental Policy (ISO 14001)	Climate, energy, pollution, water, waste	Yes	Operations Director
Climate & Energy Plan	GHG reduction, renewable energy, fleet	Yes	Managing Director
Food Waste & Packaging Policy	Circular economy, resource use	Yes	Quality Manager
Health & Safety Policy	Own workforce health & safety	No (internal)	HSE Manager
Code of Conduct	Human rights, equal treatment, anti-corruption	Yes	Managing Director
Supplier Code of Conduct	Human & labour rights, environment in supply chain	Yes	Purchasing Manager

Key practices in 2025

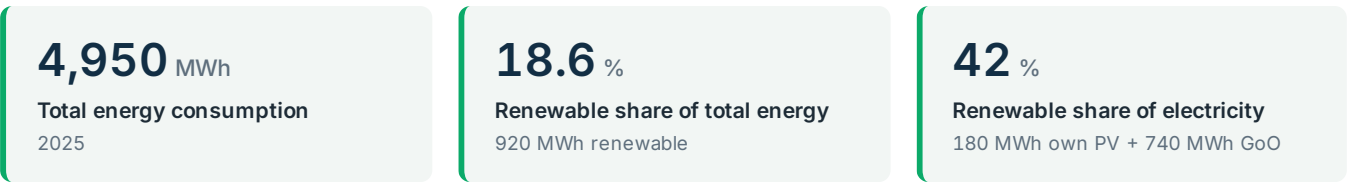
- Heat recovery from the tunnel ovens now pre-heats process water (saving ~140 MWh of gas per year).
- Daily surplus-bread collection by the Brno food bank: 38 t donated in 2025.
- Quarterly energy reviews with production shift leaders; leak-detection rounds for compressed air.
- Supplier sustainability questionnaire covering 86 % of ingredient spend.

Human rights (C6)

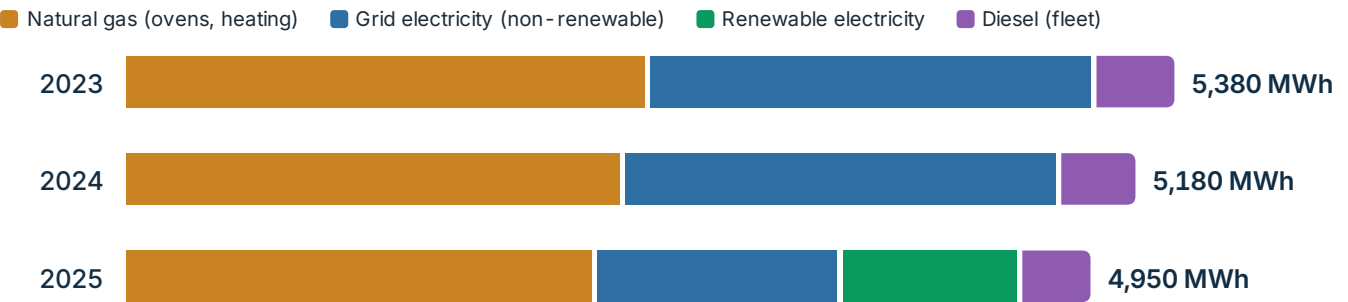
Our Code of Conduct and Supplier Code of Conduct prohibit child labour, forced labour and human trafficking and cover discrimination and accident prevention. Employees and suppliers can raise concerns confidentially through an anonymous whistleblowing channel operated under the Czech Whistleblower Protection Act. No reports were received in 2025.

Energy

Baking is energy-intensive: ovens run on natural gas, while mixers, proofers and cold stores use electricity. In 2025 we consumed 4,950 MWh, 8.0 % less than in 2023.



Energy consumption by source (MWh)



2025 (MWh)	Renewable	Non-renewable	Total
Total energy	920	4,030	4,950
of which electricity	920	1,260	2,180
of which fuels	0	2,770	2,770

Electricity covers 2,180 MWh, of which 180 MWh came from our own rooftop solar plant and 740 MWh were purchased with guarantees of origin. Natural gas (2,420 MWh) remains our largest energy source; it will be addressed by electrifying the two oldest tunnel ovens in 2027.

Greenhouse gas emissions

Our Scope 1 and 2 emissions were 1,250.8 t CO₂e (market-based) in 2025. Scope 2 is reported using both the location-based and market-based methods, in line with the GHG Protocol.

Scope 1 + 2 emissions (t CO₂e, market-based)



Scope 3 screening 2025 (t CO₂e)



Estimate based on spend and average data; 7,893 t CO₂e in total.

t CO ₂ e	2023	2024	2025
Scope 1 – direct	609.1	576.2	538.9
Natural gas	492.0	468.2	442.6
Company vehicles (diesel)	100.5	95.5	87.9
Refrigerant leakage (R-448A)	16.6	12.5	8.3
Scope 2 – location-based	945.8	925.1	826.0
Scope 2 – market-based	1,293.9	1,265.6	711.9
Scope 1 + 2 (market-based)	1,903.0	1,841.8	1,250.8
Scope 1 + 2 (location-based)	1,554.9	1,501.3	1,364.9
Scope 3 (screening estimate)	–	–	7,893
Intensity (t CO ₂ e / € m turnover, market-based)	145.3	131.6	84.5

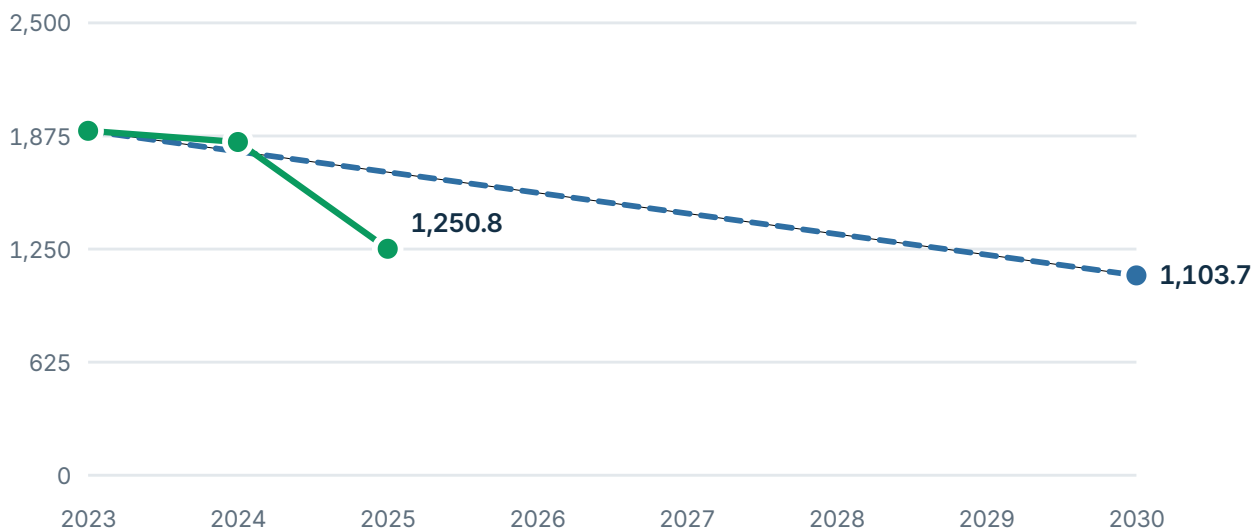
Gases included: CO₂, CH₄, N₂O and HFCs. Location-based GHG intensity 2025: 92.2 t CO₂e per € million. Product intensity: 127 kg CO₂e per tonne of product (Scope 1 + 2, market-based). Scope 3 accounts for about 86 % of our total footprint, dominated by flour, dairy and eggs.

Transition plan & targets

We have committed to reduce absolute Scope 1 and 2 emissions by 42 % by 2030 against 2023, in line with a 1.5 °C pathway. In 2025 we were 34.3 % below the base year.

Scope 1 + 2 emissions vs. reduction pathway (t CO₂e, market-based)

■ Actual emissions ■ Target pathway (-42 % by 2030)



Most of the reduction to date comes from renewable electricity contracts. Further cuts must come from electrifying heat and the fleet.

Decarbonisation lever	Timing	Expected saving (t CO ₂ e/yr)	Status
Expand rooftop PV to 600 kWp + battery	2026	≈ 150	Approved, €0.6 m
Electrify two tunnel ovens (heat pumps + electric)	2027	≈ 220	Feasibility study
50 % of delivery fleet electric	2028	≈ 45	2 of 11 vans electric
Natural refrigerant (CO ₂) in cold store	2026	≈ 8	Tender running
100 % renewable electricity contract	2028	≈ 300	Negotiating PPA

The plan is financed from our investment budget (€1.9 m for 2026–2028) and the Czech Modernisation Fund. Progress is reviewed quarterly by the management board and linked to the annual bonus of the Managing Director.

Climate risks & resilience

We assessed physical and transition climate risks over short (< 3 years), medium (3–10 years) and long (> 10 years) horizons. The most material risks and our responses are listed below.

Risk	Description	Horizon	Impact	Response
Heatwaves	Higher cooling demand in proofing and cold store; heat stress for bakers	Short	Medium	Ventilation upgrade, adjusted shift times in summer
Drought & harvest volatility	Lower wheat yields in South Moravia drive flour prices	Medium	High	Multi-year contracts, regenerative-farming pilot with 4 farms
Carbon pricing	EU ETS2 will add a carbon cost to natural gas and road fuels later this decade	Medium	Medium	Oven electrification, EV fleet
Customer requirements	Retailers request product carbon footprints and supplier targets	Short	Medium	Product footprints for top 20 products in 2026
Energy prices	Price volatility for gas and electricity	Short	High	Own PV, fixed-price PPA, efficiency programme
Opportunity: low-carbon products	Growing demand for organic and climate-labelled bread	Medium	Positive	Expand organic line to 20 % of revenue

Financial effect

Based on current plans, carbon pricing could add about €40,000–60,000 per year to energy costs by 2030 if no action were taken. The planned measures avoid most of this cost.

Pollution, biodiversity & water

Our operations have a limited direct impact on air, soil and nature, but water and land use matter for a food producer.

B4

Pollution

Kvásek Foods s.r.o. is not required by law to report emissions of pollutants to air, water or soil (we are below the E - PRTR thresholds) and does not run an EMAS-registered system. This disclosure is therefore not applicable. Wastewater is pre-treated in our own fat separator before discharge to the municipal sewer, in line with the operating permit.

B5

Biodiversity

None of our sites is located in or near a biodiversity-sensitive area (Natura 2000 or protected areas). In 2025 we converted a former parking strip into a flowering meadow.

Indicator	2025
Total site area	3.4 ha
Sealed area	2.1 ha
Nature-oriented area on site	0.35 ha
Sites near sensitive areas	0

B6

Water

All water comes from the municipal supply. Most is used for cleaning; part is incorporated into products or evaporates during baking.

Indicator	2025
Water withdrawal	28,400 m³
Water consumption	3,100 m³
Withdrawal per tonne of product	2.88 m³/t
Sites in water-stress areas	None

Circular economy & waste

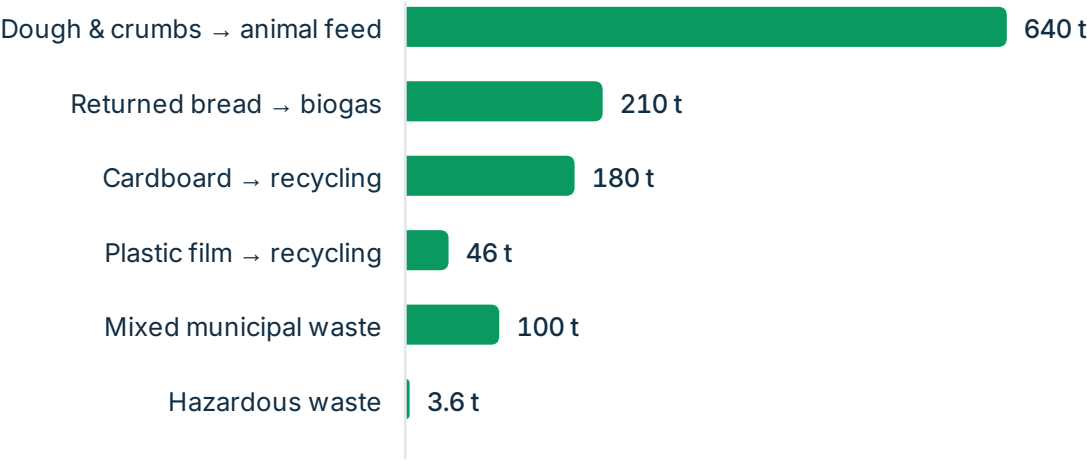
Bread is too good to waste. Our goal is that no edible food ends up in landfill and that all packaging is recyclable by 2027.

1,179.6 t
Total waste
1,176.0 t non-hazardous · 3.6 t hazardous

91 %
Diverted from disposal
1,076 t recycled or recovered

78 %
Recyclable packaging
32 % recycled content

Waste by type and treatment (2025, t)



Green = diverted from disposal (reuse, recycling, recovery); mixed municipal and hazardous waste go to licensed treatment.

Circular economy principles applied

- Cascading use of food: donation → animal feed → biogas, before any disposal.
- Reusable plastic crates for 85 % of deliveries to retail and HoReCa customers.
- Packaging design: mono-material films, removal of plastic windows in paper bags.

Key materials used

Material	2025
Flour and grains	6,200 t
Dairy and eggs	1,450 t
Sugar	620 t
Packaging	410 t

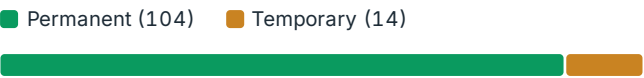
Our people

On 31 December 2025 we employed 118 people (109.5 FTE), all in the Czech Republic. Most work in production and logistics on a three - shift pattern.

Employees by gender



Employees by contract type



Pay & collective bargaining (B10)

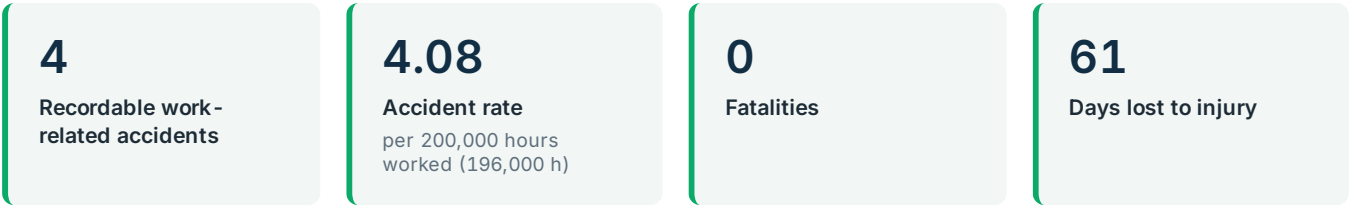
All employees earn above the statutory minimum wage — our lowest entry wage is 21 % above it. 100 % of employees are covered by the company collective agreement. Although not required for companies under 150 employees, we voluntarily report a gender pay gap of 6.8 %.

Workforce (31 Dec 2025)	Headcount	Note
Total employees	118	109.5
Permanent contracts	104	
Temporary contracts	14	
Women	66	
Men	52	
Employees in Czech Republic	118	
Employee turnover rate	14.2 %	17 leavers
Agency workers (peak season)	9	C5

Turnover was highest among seasonal production staff. In 2025 we introduced a buddy system for new bakers and a retention bonus after the first year, which reduced early leavers by a third.

Health, safety & training

Working with hot ovens, heavy dough and moving machinery requires constant attention. Our ISO 45001 -based safety system covers all employees and agency workers.



Safety actions in 2025

- Ergonomic lifting aids on both dough -handling lines (main cause of injuries in 2024).
- Monthly safety walks by management with shift leaders.
- Burn -prevention training and new heat-resistant gloves for all oven operators.
- Near-miss reporting app: 112 reports, 96 % closed within 30 days.

Training hours per employee



Training covers food safety, occupational safety, machine operation and, since 2025, energy-saving behaviour. Every new employee completes 24 hours of onboarding.

Business conduct & governance

We act with integrity in all business relationships and comply with all applicable laws.

Disclosure	2025
Convictions for corruption or bribery (B11)	0
Fines for corruption or bribery (B11)	€0
Severe human rights incidents in own workforce or value chain (C7)	0 confirmed incidents
Revenue from fossil fuels, chemicals, controversial weapons or tobacco (C8)	None – not excluded from EU Paris-aligned benchmarks
Gender diversity of the governance body (C9)	2 women, 1 man (67 % women)
Whistleblowing reports	0

Governance

The company is led by three managing directors (statutory body), who also own the company. Sustainability is a standing agenda item at the monthly management meeting; the Operations Director coordinates the Bake Better 2030 programme.

Anti - corruption

Our Code of Conduct prohibits bribes, facilitation payments and gifts above €50. All purchasing and sales staff completed anti-corruption training in 2025.

VSME content index

The index maps every disclosure of the VSME Basic and Comprehensive Module to the page where it is reported.

Code	Disclosure	Page	Status
B1	Basis for preparation	2	Reported
B2	Practices, policies and future initiatives for transitioning towards a more sustainable economy	7	Reported
B3	Energy and greenhouse gas emissions	8	Reported
B4	Pollution of air, water and soil	12	Not applicable
B5	Biodiversity	12	Reported
B6	Water	12	Reported
B7	Resource use, circular economy and waste management	13	Reported
B8	Workforce – general characteristics	14	Reported
B9	Workforce – health and safety	15	Reported
B10	Workforce – remuneration, collective bargaining and training	14	Reported
B11	Convictions and fines for corruption and bribery	16	Reported
C1	Strategy: business model and sustainability-related initiatives	5	Reported
C2	Description of practices, policies and future initiatives	7	Reported
C3	GHG reduction targets and climate transition	10	Reported
C4	Climate risks	11	Reported
C5	Additional (general) characteristics of the workforce	14	Reported
C6	Additional own workforce information – human rights policies and processes	7	Reported
C7	Severe negative human rights incidents	16	Reported
C8	Revenues from certain sectors and exclusion from EU reference benchmarks	16	Reported
C9	Gender diversity ratio in the governance body	16	Reported

Methodology & emission factors

Standards

Disclosures follow the EFRAG VSME standard (December 2024). GHG emissions are calculated according to the GHG Protocol Corporate Standard and Scope 2 Guidance using the operational control approach.

Data

Energy data come from supplier invoices and our own meters; fuel from fuel-card records; refrigerants from service logs. Workforce data are taken from the HR system on 31 December. Scope 3 is a screening estimate based on spend and average-data methods and will be refined with supplier-specific data.

Base year & recalculation

2023 is the base year. It will be recalculated if structural changes or methodology changes alter base-year emissions by more than 5 %.

Main emission factors

Source	Factor	Reference
Natural gas (gross CV)	182.9 kg CO ₂ e/MWh	DEFRA 2025
Diesel (average biofuel blend)	2.512 kg CO ₂ e/l	DEFRA 2025
R - 448A	GWP 1,387	IPCC AR5
Electricity – CZ grid average	413 kg CO ₂ e/MWh	Location-based, national grid mix
Electricity – CZ residual mix	565 kg CO ₂ e/MWh	Market-based, residual mix
Scope 3 categories	Spend & average data	EXIOBASE-type factors

Disclaimer

This document is an illustrative example prepared by Sustainly to show what a VSME-aligned sustainability report can look like. Kvásek Foods s.r.o., the people named and all figures are fictional. Emission factors are rounded illustrative values and must be replaced by current official factors in a real report.