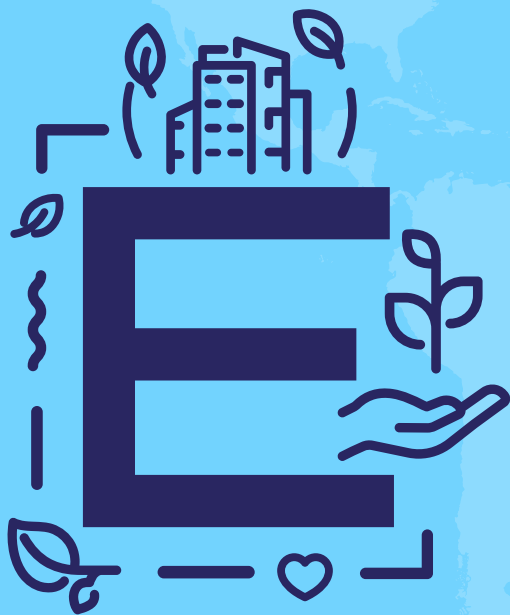




ESG Report

Sustainability Report 2023-2024
Palasino Holdings Limited
Palasino Group, a.s.



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1. INTRODUCTION

Message from the Management

We are pleased to present our first Environmental, Social and Governance (ESG) report on the sustainability of Palasino Holdings Limited and its subsidiaries including Palasino Group, a. s. This report was guided by the Corporate Sustainability Reporting Directive (CSRD) which was introduced in January 2023. In future years, the Group will continue to strive to meet the requirements of the CSRD.

This report provides a comprehensive overview of the Group's sustainability performance and initiatives, as well as our environmental performance during the financial year April 2023 to March 2024. The report also highlights our progress ahead of our listing on the Hong Kong Stock Exchange (HKEX).

For almost 30 years, our Group has been following sustainability principles and now following our listing on the HKEX on 26th March 2024, we now have the opportunity to formally share this information with our investors, potential investors and the public through this ESG report.

We have prepared our Group for the future by placing sustainability at the heart of our corporate strategy creating a business model that combines profitability and investor value with ESG considerations. This commitment to sustainability is further reinforced by ongoing changes in legislation that are critical to the Group. Today's societal changes and challenges motivate us not only to comply with regulations, but also to adopt new measures that reflect responsible behaviour and sustainability.

Fiscal year 2023 (April 2022 to March 2023), marked a return to normality for the Group following the challenges associated with the COVID-19 pandemic and it was encouraging to see operations return to pre-pandemic levels. Our Group remains one of the leading market players in the casino industry in the Czech Republic and we successfully maintain this position year in, year out. Unfortunately, positive developments in the

Group have been overshadowed by external factors including the impact of global conflicts and climate change, which affect both energy prices and consumer costs. These issues, along with shifts in global supply chain dynamics present significant challenges for the Group going forward. We are determined not to be complacent but to continue to work closely with stakeholders, organisations and government institutions to address these challenges through sustainability and a responsible approach to fulfilling our commitments.

As part of the Group's commitment to sustainability, we have focused on energy saving measures and environmental initiatives including the installation of photovoltaic power plants at all our sites in the Czech Republic, thereby reducing energy consumption, costs and greenhouse gas emissions. In addition, the Group plans to explore other alternative energy sources to further decrease the reliance on external energy providers. We continue to work on reducing waste and water consumption, and are in the process of renewing the Group's motor pool with a preference for purchasing hybrid and electric vehicles. We are also prioritizing sustainability with the external suppliers associated with our supply chain as well as actively seeking ways to engage our clients in reducing the Group's carbon footprint during service delivery. The Group remains a highly valued employer in the locations of our operations. Our employment policies, work environment, remuneration and growth opportunities make us an employer of choice in the casino, leisure and hotel industry. We are committed to professional growth in all our team members and provide various opportunities for their personal and career development. As part of their training, we educate them on managing their respective teams, working with their peers and furthering their growth within the company with a focus on sustainable development, while fostering a culture of responsibility and accountability.

We recognize that our team members are the future of our company. The Group's business and relationships with stakeholders continuously change and evolve. The communities in which we operate, whether at the level of local associations, villages, towns or regions, are increasingly providing constructive feedback on our business activities. In the interests of sustainability, we continue to build on the strong relationships established over time and to incorporate their perspectives when planning future initiatives.

During this financial year, we have focused even more on promoting responsible gaming and raising problem gaming prevention awareness among our customers. We have also successfully renewed our ISO27001:2014 certification, further demonstrating the Group's high standards in security and data protection for both customers and team members. We remain committed to further improving our responsible practices and creating a positive social impact through team member volunteering, charitable donations and other social activities. We also uphold the principles of equal treatment in all aspects of our operations and management, as reflected in the provision of an ethics hotline for team members and external collaborators.

In the years ahead, the Group will face significant changes as a public company. Managing and integrating the principles of sustainability as outlined in our ESG report will be crucial and will enable us to achieve higher goals, effectively monitor progress across various areas and maintain our market position. Acting sustainably not only gives the Group a competitive advantage, but is also essential for building a successful future, creating positive impacts and minimizing negativity, while ensuring continued success in the global marketplace.



Colin Chapman Stewart

Member of the Board of Directors and COO of Palasino Group, a.s.

Pavel Maršík

Executive Director of Palasino Holdings Limited, Chairman of the Board of Directors and CEO of Palasino Group, a.s.

Tomáš Kment

Member of the Board of Directors of Palasino Group, a.s.



PALASINO SAVANNAH RESORT

Chvalovice, Hatě 199, 669 02 Znojmo, Czech Republic

PALASINO WULLOWITZ

Dolní Dvoriště 225, 382 72 Dolní Dvoriště, Czech Republic

PALASINO FURTH IM WALD

Česká Kubice 64, 345 32 Česká Kubice, Czech Republic

HOTEL COLUMBUS

Am Reitpfad 4, 63500 Seligenstadt, Germany

HOTEL AUEFELD

Hallenbadstraße 33, 34346 Hann. Münden, Germany

HOTEL KRANICHHÖHE

Bövingen 129, 53804 Much, Germany

HOTEL DONAUWELLE

Am Winterhafen 13, 4020 Linz, Austria



2. HISTORY AND OVERVIEW OF THE GROUP COMPANIES

History

Under the management of Palasino Holdings Limited, Palasino Group, a. s. together with its subsidiaries, is a provider of gaming, leisure and hotel services with operations in Central Europe. The Group's primary activities are performed by Palasino Group, a. s. which operates an integrated casino and hotel resort and two casinos each of which are located near the borders in the Czech Republic with Germany and Austria. The Group also owns and operates three hotels in Germany and one hotel in Austria, offering accommodation, catering, conference and leisure services.

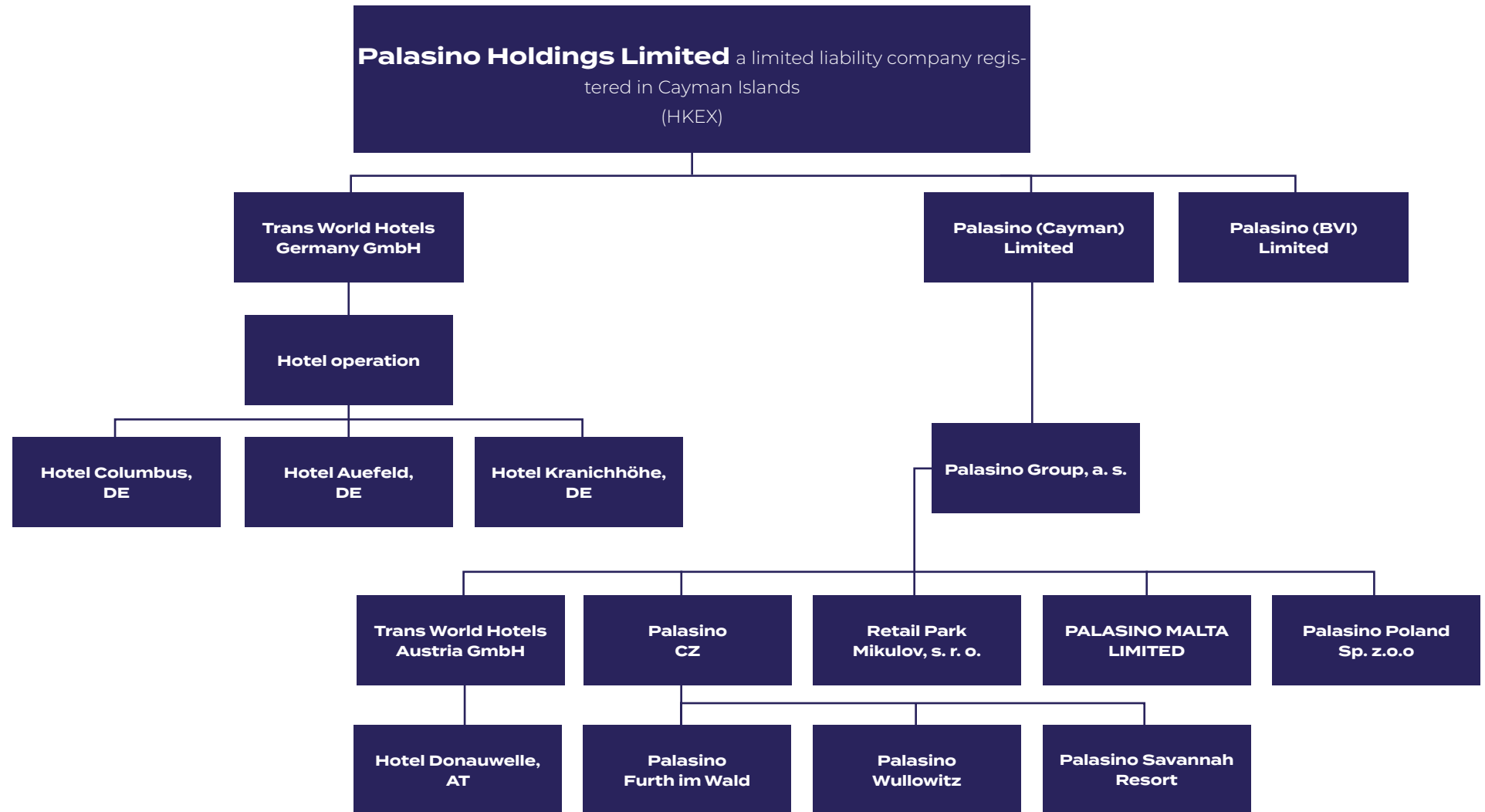
With almost 30 years of experience in the casino, leisure and hotel industry guided by our senior management, we are well positioned to capitalise on market opportunities due to our operational experience and strong industry knowledge. Our long standing presence in Central Europe began in 1995 with the purchase of Palasino Furth im Wald (fka American Chance Casinos Česká Kubice). The Group expanded its casino portfolio opening in 1999 Palasino Excalibur City (fka American Chance Casinos Route 59) and Palasino Wullowitz (fka American Chance Casinos Route 55) in 2004 (see the graphic depiction of our development milestones).

Our tagline „*at the heart of the game*“ captures the essence of our casino operations and by leveraging our strong foundations and market position, we aim to provide a unique casino environment that reflects this. Our established presence in the Czech casino industry is based on our ability to fulfil the diverse preferences of even the most discerning of our players. We offer a wide range of gaming products including slot machines from multiple suppliers and a variety of live table game options typical of land-based casinos, thus creating a fun and memorable casino experience.

In 2008, the Group opened the Savannah Hotel, and together with the adjacent Palasino Excalibur City, forms our flagship Palasino Savannah Resort. The Palasino Savannah Resort offers a full range of casino facilities including over 300 slot machines, 32 live game and poker tables, 79 rooms, dining and catering services, a state of the art spa and wellness, conference and banquet services as well as a wine cellar to complement the Resort's own vineyards. As a result, we cater not only to gaming visitors but also non-gaming visitors as a destination for friends and families.

Through strategic acquisitions between 2014 and 2017, the Group also built a portfolio of hotels in Germany and Austria, including Hotel Columbus, Hotel Auefeld and Hotel Kranichhöhe in Germany as well as Hotel Donauwelle in Austria. These hotels are primarily positioned as business and leisure hotels serving both individuals and corporate clients. Our hotels provide various types of accommodation and leisure facilities, quality catering services and a selection of meeting and conference rooms.

Organisation chart



Our trademarks

Palasino – at the heart of the game In 2022, we underwent a rebranding from „American Chance Casinos“ to „Palasino“. The name „Palasino“ is a compound created by combining the words „Palace“ and „Casino“. This play on words not only evokes the sense of grandeur associated with a palace, but also highlights our core business of operating casinos. The rebranding has brought several benefits to our Group’s casino business:

- ▶ Demonstrating our dedication to offering customers the best of both worlds, a feature that has been positively received by our players;
- ▶ Rebranding helps to strengthen the Group’s image by consolidating all casinos under a unified identity;
- ▶ When combined with effective marketing activities, this creates a cluster effect improving the Group’s market image and perception, which in turn drives increased foot traffic;
- ▶ In a highly competitive gaming industry, the right rebranding provides a competitive advantage by differentiating the Palasino Group from its competitors through a unique brand identity, message and positioning, standing out more prominently in the marketplace.

Our „PALASINO“ logo draws inspiration from traditional card game symbols. The logo prominently features the card suit symbol „spades“ and another card suit symbol „hearts“ in its centre. The heart symbol represents the passion and emotion integral to the gaming experience. In addition to the „heart“ symbol, the negative space created by the infusion of the heart also forms the letter „P“, a subtle design element that represents our brand name „Palasino“ and highlights our attention to detail.

Our commitment to providing a unique gaming experience is also embodied in our slogan **„at the heart of the game“**. This captures the essence of casino gaming—players engage with the heart and experience a range of emotions, from adrenaline to excitement, as they navigate the highs and lows of winning and losing.



Hotels

Trans World Hotels

In addition to the Savannah Hotel at the Palasino Savannah Resort, which operates under the "Palasino" brand, we own and operate four other hotels in Germany and Austria under the "Trans World Hotels" brand with the "TWH" logo. This brand is derived from the name of our parent company, Trans World Hotels & Entertainment, which in turn was derived from the previous owner, Trans World Corporation.



PALASINO SAVANNAH RESORT

Chvalovice, Hatě 199, 669 02 Znojmo, Czech Republic



HOTEL COLUMBUS

Am Reitpfad 4, 63500 Seligenstadt, Germany



HOTEL AUEFELD

Hallenbadstraße 33, 34346 Hann. Münden, Germany



HOTEL KRANICHHÖHE

Bövingen 129, 53804 Much, Germany



HOTEL DONAUWELLE

Am Winterhafen 13, 4020 Linz, Austria



Our locations

The following figure illustrates the location of our casinos and hotels in Central Europe.

HOTEL
KRANICHHÖHE
MUCH

HOTEL
AUEFELD
HANN. MÜNDEN

HOTEL
COLUMBUS
SELIGENSTADT

PALASINO
FURTH IM WALD
Česká Kubice

PALASINO
WULLOWITZ

PALASINO
EXCALIBUR CITY
Brno

SAVANNAH
HOTEL
Vienna

HOTEL
DONAUWELLE
LINZ

GERMANY

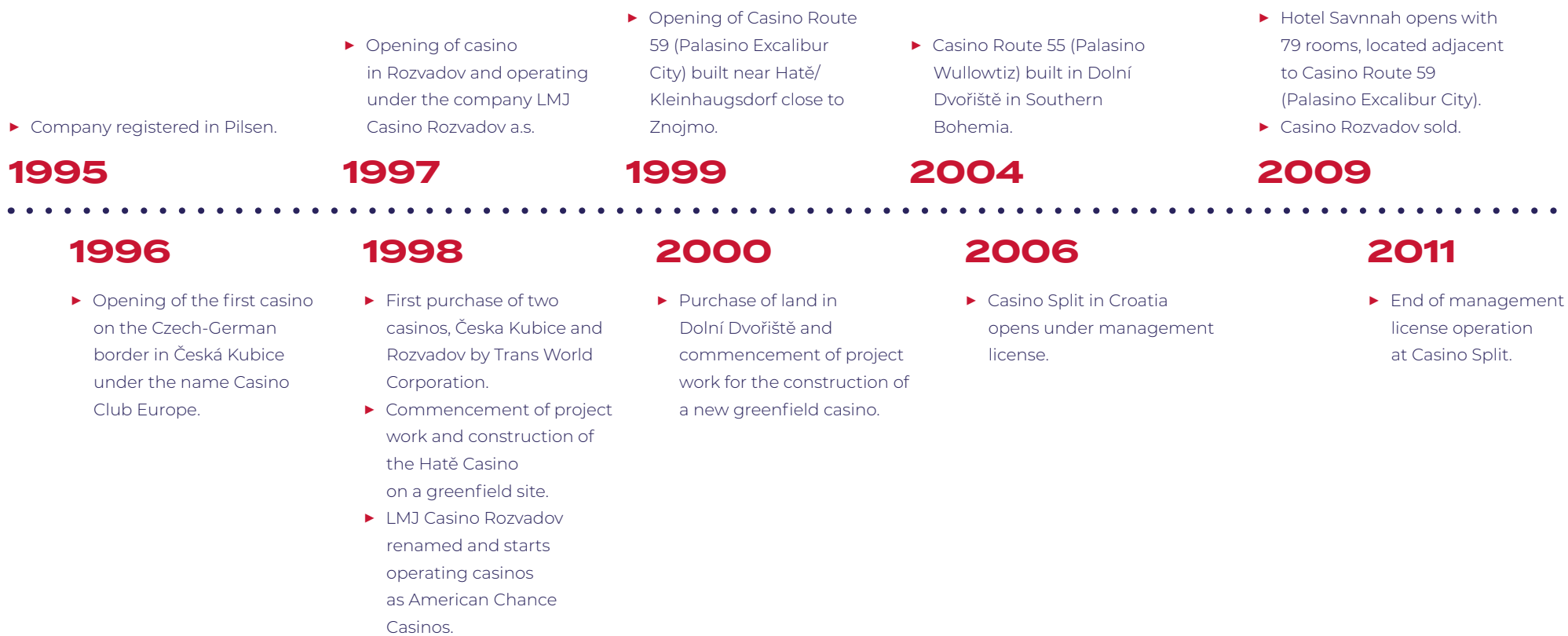
CZECHIA

POLAND

AUSTRIA

SLOVAKIA

History





3. ESG STATEMENT

We are committed to being a responsible Global Group and delivering sustainable value to our stakeholders through significant efforts in the areas of environment, social, governance and management. Since the Group's inception, we have been guided, in deciding our future strategies and development, by the principles of sustainability while maintaining maximum efficiency and operational profitability. We consider the synergy between sustainability and business to be a key factor in the Group's development and a major driver of value.

THE TWELVE SUSTAINABLE DEVELOPMENT GOALS

Our Group subscribes to the goals adopted by the Member States of the United Nations as sustainable development goals (SDGs). This is in the framework of the SDGs General Assembly resolution A/RES/70/1 of 25 September 2015 and its efforts to achieve these seventeen goals by 2030. The overarching goal of the entire initiative is to end all forms of poverty-related living, combat inequalities, address climate change, while ensuring that no one is left behind at risk of poverty. Currently, our work and activities support the following twelve goals.



Business Environment and Future Prospects

Our casinos and hotels are directly independently operated and managed on site giving us complete control over their operations. This model ensures consistency in our management processes, high levels of guest satisfaction and reduced implementation and maintenance costs, while providing flexibility and resilience in potential downturn scenarios. Unlike competing operating models, our approach grants us full control over the entire operational process.

By maintaining direct oversight of all sites, the Group adopts a personalized approach to customer service as it receives constant feedback from its customers. This allows us to respond quickly to their needs and preferences, leading to improved customer satisfaction and increased long-term loyalty.

We are actively seeking opportunities to expand in the Czech Republic, Central Europe and other markets through the acquisition of businesses and assets, all while fully adhering to our ESG strategies and Code of Conduct. Acquiring assets provides us with immediate access to fully developed properties and gaming facilities, while business acquisitions may offer casino licenses and an established customer base, allowing us to increase market share. We are also considering bidding for new gaming licenses to establish new operations and expand our geographic footprint.

This non-financial report covers the fiscal year beginning on 1st April 2023 and ending on 31st March 2024. The report is prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS as part of the management report). In connection with the commencement of reporting of non-financial data in accordance with the ESRS standards and the identification of the material topic of Climate Change, the Company's carbon footprint was calculated in accordance with the GHG Standard. The resulting values of the carbon footprint calculation are reported in the ESG Report: Sustainability Report 2023. The company's main motivation is to be able to compare its impacts and identify possible optimisations for reducing greenhouse gas emissions.

Scope of ESG disclosures

This report focuses on material ESG topics and events that relate to our business and operations. The scope of reporting includes hotels and gaming entities over which we have significant operational control. This includes a total of eight key assets:

- ▶ Palasino Furth im Wald (CZ)
- ▶ Palasino Wulowitz (CZ)
- ▶ Palasino Savannah Resort (CZ)
- ▶ Hotel Columbus (DE)
- ▶ Hotel Auefeld (DE)
- ▶ Hotel Kranichhöhe (DE)
- ▶ Hotel Donauwelle (AT)

**Detailed information on the scope and methodology and resulting data for our ESG datasets can be found in the tables at the end of this report.*

4. INVOLVEMENT OF STAKEHOLDERS AND ASSESSMENT OF MATERIALITY OF THE GROUP

This financial year, which marks the first year of preparing and producing our Group's ESG report, we engaged stakeholders to foster understanding between the Group and various key internal and external stakeholders; including the Board of Directors, senior management, team members, shareholders and investors and other relevant related groups.

The insights gained from this engagement formed the foundation for our ESG materiality assessment, which helped us identify potential ESG-related risks and opportunities in relation to the Group's overall strategy and financial performance. Our materiality assessment was conducted using a three-stage approach:

1. Identification:

We identified 15 significant themes across three main ESG categories: 'Environment', 'Social' and 'Governance'. This process involved thorough desk research, factoring in various aspects of our business and industry.

2. Assessment:

Our key internal and external stakeholders were invited to participate in an online survey to rate the relevance and importance of various topics to both them and the Group. They were provided with instructions to evaluate the topics based on several factors and quantifiable indicators, including the level of positive and/or negative significance, the severity of the impact caused by the topics and the likelihood of risks associated with the topics for them and the Group. A total of 46 topics were assessed, with materiality evaluated as part of the overall analysis.

3. Setting priorities:

An analysis was conducted based on the results of our stakeholder survey. Six key ESG issues were identified and prioritised as the main issues of the importance to our Group: climate change and greenhouse gas emissions, energy management, human rights and employment practices, guest health and safety, business ethics and integrity, and responsible gaming.

These topics have been prioritized as they represent the most significant areas of focus for our Group's ESG strategy. Prioritizing these important issues will serve as the foundation of our business model for the near future. Additionally, we will regularly review and reprioritize these topics to ensure ongoing alignment with stakeholder expectations and perspectives.

ESG key areas (selection of relevant topics)



Area E - important topics

Significant themes - identified impacts, risks and opportunities

Impact assessment of significance			Financial assessment of materiality	
Topic	Positive impacts	Negative impacts	Opportunities	Risks
We are environmentally esposable	-	-	Spreading awareness of sustainable activities	-

Area S - important topics

Significant themes - identified impacts, risks and opportunities

Impact assessment of significance			Financial assessment of materiality	
Topic	Positive impacts	Negative impacts	Opportunities	Risks
We are a good employer.	<p>Employee satisfaction due to high level of employee benefits compared to competitors and employer stability</p> <p>Uniform treatment of all employees across the Company and equal pay</p> <p>Professional and personal development of employees</p>	-	Equal access communication for all employees	Labour shortage
We are accountable to our communities	<p>The Group makes a significant contribution to the state and municipal budgets through significant tax payments, thus supporting the lives of its citizens</p> <p>Supporting employment in the regions where the Group operates</p>	-	We communicate our activities transparently	-
We value our clients	-	<p>*Gaming addiction, „Irresponsible“ gaming</p> <p>*Leakage of personal data of customers (and employees) and subsequent impact on customers (employees))</p>	*Implementation of a project for an internal communication tool for clients	*Leakage of personal data about customers (and employees)

Area G - important topics

Significant themes - identified impacts, risks and opportunities

Impact assessment of significance			Financial assessment of materiality	
Topic	Positive impacts	Negative impacts	Opportunities	Risks
We face risks in legislation	-	-	<p>*Collaboration across our business sector</p> <p>*Lobbying</p>	<p>*Legislation restricting marketing communications</p> <p>*Legislative changes in connection with the tightening of the gambling law (risk from the state)</p> <p>*Dependence on the decisions of the municipal council where the casino operates</p> <p>*Level of compliance with set changes in legislation across the market</p>
We are a good steward	Reliable and trustworthy partner	-	*Due to the high demands on operational activity, the maturity and reliability of the technology ensures 365/24 operation in all conditions	*Financially and operationally demanding running, operation and servicing of systems in the plants

5. WE ARE ENVIRONMENTALLY RESPONSIBLE

As a Group, we are committed to minimising our environmental impact in the regions where we operate by investing in sustainable technologies alternative initiatives, responsible waste management and reducing the consumption of various resources. However, we will approach these sustainability strategies with a focus on profitability of the resources invested and their return on investment (ROI). We recognize that these initiatives are not only vital for the planet, but also plays a key role in shaping the Group's investment profile, contributing to long-term returns for our shareholders, customers and other stakeholders.

Initiatives in the field of building sustainability and operational requirements

We strive to integrate sustainability into all our activities. The operation of buildings and the demands on their maintenance and energy consumption and their impact on the environment is one of the important topics for sustainability.

Renewable energy

The most significant environmental initiatives undertaken by the Group since 2021 has been the installation of photovoltaic (PV) plants for renewable energy production on the roofs of all our owned buildings in the Czech Republic. This project has allowed us to benefit from the EU-funded National Renewable Energy Plan Subsidy Programme, which has contributed upwards to 35% of the project costs and reduced the expected payback period.

Using a PV system on the roofs of our buildings provides a number of benefits, reducing operating costs, lowering our carbon footprint and decreasing our reliance on external electricity sources. Once fully operational our portfolio of PV installations is expected to have a total capacity of 485 kWp, with completion scheduled by the end of 2024. We are also exploring the feasibility of extending PV coverage to our buildings in Germany and Austria, which would further reduce our carbon footprint and and external energy dependence.

In this fiscal year, our photovoltaic systems generated over 31 MWh of renewable energy in the two locations where operational : Palasino Furth im Wald PV plant for four months and Palasino Savannah Resort PV plant for five months. Once all PV plants are commissioned and fully operational, we estimate they will provide an alternative electricity source reducing our overall consumption by 10%–15%, depending

on the system's performance. Gas-fired cogeneration units have been installed at our Palasino Resort Savannah and Kranichhöhe sites to provide both renewable energy and a source of heat for the facilities. This is an alternative with 95% efficiency.

Our rooftop photovoltaic installations include:

- ▶ 99 kWp in Palasino Furth im Wald (*connected since September 2023*)
- ▶ 72 kWp in the casino (*connected since October 2023*) and 99 kWp in the hotel (*installed, awaiting approval for connection*) at Palasino Savannah Resort
- ▶ 215 kWp in Palasino Wulowitz (*installed, awaiting approval for connection*)



Replacement of lighting sources



In 2021, we initiated a project to gradually replace outdated and energy-intensive light sources, such as classic fluorescent tubes and fluorescent lamps, halogen lights and similar fixtures with modern LED light sources. This transition has been progressively implemented across all our operations in the Czech Republic. By replacing traditional light sources with energy-efficient LED lights, we aim to achieve an estimated daily energy saving of 112 kWh and an annual saving of 40.4 MWh, while maintaining optimal lighting levels in our buildings. The /complete replacement of lights in the Czech Republic is expected to be finalized by the end of 2024. This will help us to reduce energy consumption, save costs and move towards a more energy efficient future. We also plan to extend this initiative to our operations in Austria and Germany aligning with budget allocations and cost of / implementation.

Replacement of heat sources with heat pumps



In locations that allow this change, we aim to replace heat sources (boilers, gas boilers, direct-fired boilers) with heat pumps. An example of this activity is the replacement of a 50 kW electric direct-fired boiler with a 25 kW heat pump for our facilities and offices in Česká Kubice, Czech Republic. This heat pump will serve the same purpose while reducing our heating energy consumption by 35%.

Thermal comfort management and control system



In fiscal year 2024, we completed a full replacement of the Measurement and Control (M&C) system for heating, cooling and ventilation across all of our casinos and the Savannah Hotel. The M&C system gathers extensive data from our facilities and allows facility managers to implement precise and intelligent temperature control. This ensures optimal comfort for our guests and enhances our energy efficiency. Additionally, the M&C system reduces temperature fluctuations and allows for early detection of equipment issues, ensuring smooth and consistent heating throughout our operations. With the implementation of the M&C system, we have achieved a 10% energy savings on heating and cooling compared to our consumption before the M&C system was implemented. The same modification is yet to be implemented in our hotels in DE, where the implementation will be based on a feasibility study and will depend on budget allocation according to project costs.

Hybrid and electric vehicles



We are dedicated to promoting the use of hybrid and electric vehicles in locations that make economic sense given the capacity and purpose for this technology. To support this, we have installed 12 electric vehicle charging points in key locations the Czech Republic, Austria and Germany, providing convenient access for our customers and employees using electric vehicles. Additionally, we are in process of renewing our fleet aiming to replace fossil fuel-powered vehicles with hybrids and electric vehicles that will utilize our EV charging facilities. We are planning, in collaboration with our supplier TOYOTA CZECH, to conduct a test of the real-world usability of EV passenger vehicles and shuttle vehicles with up to nine seats at one of our locations. Based on our practical experience, this will help us assess the economic and operational feasibility of integrating these EVs into our fleet.

Reducing energy consumption in hotel services



As part of our commitment to the environment and the sustainable hotel industry, we have been collaborating with the "Hotels for Trees" foundation since 2018. Hotels for Trees is a non-profit foundation that partners with hotels to help reduce water and material consumption while directly contributing to reforestation projects around the world. Guests staying multiple nights at our hotels have the option to skip daily room cleaning and display a sign outside their room that reads "Hotels for Trees" to show their participation in the program. Each day, the total number of rooms which "skipped" cleaning is provided to "Hotels for Trees" organization, which will plant a new tree in one of the Foundation's global reforestation projects for every room given.

By participating in this program, the Group saves water by reducing laundry and room cleaning, contributing to reforestation programmes around the world and offering guests more options to make sustainable choices. Since the launch of our partnership with the Hotel for Trees programme in April 2023, the Group has contributed to the planting of 330,931 trees worldwide. We are excited to continue our involvement with the Hotels for Trees programme and are actively exploring additional organizations and programmes to further enhance our sustainability efforts.



Greenhouse gas emissions and energy consumption

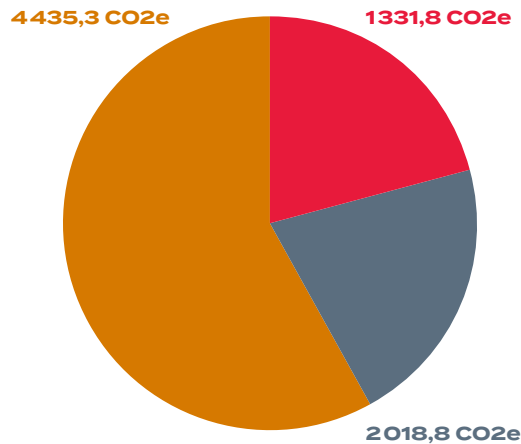
Purchased goods and services were the largest source of greenhouse gas emissions from our operations, accounting for nearly 40% of total emissions. Energy consumption through purchased electricity at our facilities contributed 25% to total emissions this year, while stationary combustion was responsible for 15% of greenhouse gas emissions. Consequently, our emissions intensity is 47 tons of CO₂e/1 mil CZK.

Total Greenhouse Gas Emissions (Tons of CO₂e)

The Group's total energy consumption and greenhouse gas emissions increased this year compared to the previous two years. However, this increase is mainly attributable to the resumption of operations as our business recovered from the COVID-19 pandemic. Our casinos and hotels experienced a period of closure in 2021 and 2022.

TOTAL EMISSIONS PRODUCED	7785,93 t CO₂e
Emission intensity	140,2 t CO ₂ e/ 1 mil. €
MOST IMPORTANT SOURCES	
SCOPE 3	
Purchased goods and services	3 081,7 t CO ₂ e
SCOPE 2	
Purchased electricity	1 969,9 t CO ₂ e
SCOPE 1	
Stationary combustion	1 148,1 t CO ₂ e

Overview of emissions in each scope



SCOPE 1: Direct greenhouse gas emissions

- ▶ Fuel combustion (e.g. energy sources for own consumption)
- ▶ Emissions from company-owned mobile devices (e.g. company vehicles and mobile machines)

SCOPE 2: Indirect greenhouse gas emissions

Emissions from purchased energy consumption.

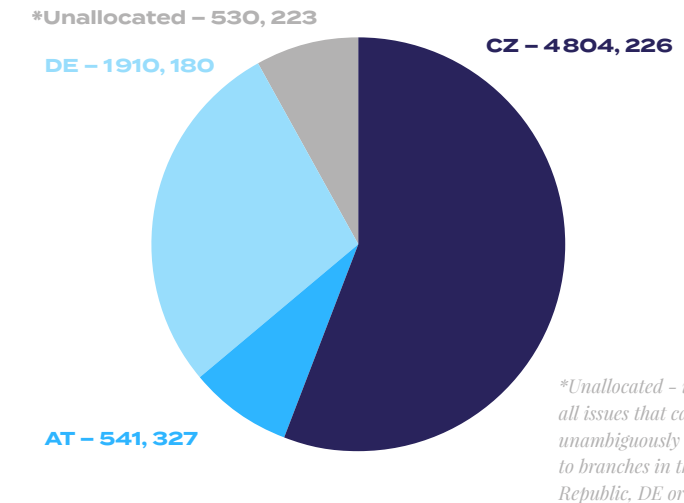
- ▶ Electricity, heat consumption

SCOPE 3: Other indirect greenhouse gas emissions

Issues typically outside the company's control.

- ▶ Emissions from subcontractor supply chains
- ▶ Transport emissions - business travel and commuting
- ▶ Waste management emissions (e.g. landfilling, recycling, energy recovery)

Overview of emissions by country



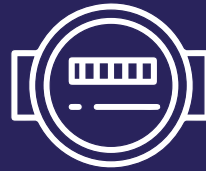
We continuously monitor our energy consumption and greenhouse gas emissions to minimize our environmental impact and achieve operational cost savings. To this end, the Group has set quantitative targets for reducing overall greenhouse gas emissions and energy consumption by 5% per year aiming for a total reduction of 20%. To achieve these targets, we are implementing innovative technologies such as rooftop photovoltaic systems and replacing outdated technologies with more energy-efficient models including LED lights and heat pumps. At the same time, the Group is exploring the introduction of EVs into the company fleet to reduce on-site emissions from vehicles.

Initiatives to save drinking water

To achieve our goal of reducing water consumption, we continually seek opportunities to enhance water efficiency and minimize usage, including:



- ▶ Using energy-saving nozzles for taps across our operations: when purchasing new taps, we specifically select models equipped with nozzles that regulate the water flow, ensuring efficiency without compromising functionality. We are also working to identify and replace older nozzles in our buildings that lack water-saving features, reducing overall water consumption.



- ▶ Conducting a feasibility analysis of installing smart water meters across our operations to monitor water consumption and reduce our long-term operating costs.



- ▶ Our partnership with the "Hotels for Trees" organisation allows guests to participate in water conservation by opting out of daily room cleaning. Guests who choose to skip room cleaning and linen changes, contribute to the reforestation effort. The cost savings then go to this organisation, which supports reforestation around the world.



- ▶ Palasino Wulowitz utilizes water from their own well, reducing dependency on public water services. This water is treated to meet safety standards.



- ▶ The use of tap water or beverages in returnable glass containers for catering and making beverages for guests. This cost-saving initiative has reduced the dependance on bottled water and minimized plastic waste.

Waste management

The Group's non-hazardous waste generation has increased over the last three years, with the majority of waste coming from the collection of general waste and kitchen food waste generated by the business. As with our energy and water consumption, this increase is mainly attributable to the Group's recovery from the COVID-19 pandemic.

We track all waste through a central system and ensure compliance with relevant laws through regular checks. Waste is separated directly at our facilities. Recyclable materials, the majority of which are paper, glass, plastics and organic waste are also separated locally which facilitates subsequent sorting and recycling.

The Group has set a quantitative target for reducing the intensity of non-hazardous waste generation. We want to reduce the production of municipal non-sorted waste by 3% each year. To achieve this target, we have implemented waste reduction measures. These measures are expected to reduce our overall waste production and long-term operating costs.

Due to the nature of our operations, the Group did not generate significant amounts of hazardous waste this year. We were not subject to any significant fines or penalties for non-compliance with applicable environmental laws this year, nor were the Group subject to any significant administrative penalties related to violations of applicable environmental laws.



Food waste management

Food waste constitutes a significant portion of our non-hazardous waste. We believe that effective food waste management begins with efficient handling of raw materials, minimizing surpluses and excess. The Group's contribution to greenhouse gas emissions is 40% from the supply and demand chain, which includes suppliers of raw materials for food production. To this end, it is essential to focus on the cost efficiency of raw material handling and their optimal use.

While some food waste in production is unavoidable, we employ two key waste management strategies to mitigate its impact:

► **Food waste generated before serving to customers:**

We ensure that all food waste is separated into compostable and animal waste, both of which are professionally disposed of.

► **Food waste from unconsumed products:**

Waste from unconsumed food products is managed in strict accordance with legal procedures and guidelines.



Reducing single-use plastic

The Group has removed the distribution of drinking water and other soft drinks in disposable plastic bottles, replacing these with reusable glass bottles at our casino and hotel facilities. Drinking water is obtained from filtered water taps while soda machines which mix beverages, have been introduced on site, eliminating the requirement for bottled soft drinks. This transition has also significantly reduced the emissions associated with beverage transportation.

Whenever possible, we prioritize the use of paper packaging over plastic, further decreasing our plastic consumption. Through waste separation initiatives, we maintain detailed records of plastic waste, enabling us to pinpoint key areas for further reduction efforts in the future.



6. WE ARE A GOOD EMPLOYER

Our employees are a key factor in our success, and we are dedicated to supporting them while prioritizing internal talent for new opportunities. Through competitive remuneration packages, training, career development and occupational health and safety programmes, we invest in our employees as we know this is an investment in our future. All of Group's activities are founded on a strong commitment to equal opportunity and diversity, enabling our employees to perform at their best and deliver quality service to our customers.





Occupational health and safety

As a gaming and hotel operator, we recognize that the safety of our customers, employees, properties, and surrounding environments, is vital for building a sustainable long-term business. The Group has implemented a comprehensive workplace safety policy to ensure a safe and healthy working environment. This policy encourages employees to identify and report work-related obstacles or unsafe conditions. We provide occupational safety training-including fire protection and legal assistance-to raise awareness of these measures. We have installed automated external defibrillators (AEDs) at all sites and provided staff training. AEDs are now standard equipment in our workplaces, and we are part of the AED equipment map.



Involvement of employees

We believe that the key to delivering an exceptional guest experience depends on the engagement and development of high-performing employees. To increase employee engagement and protect our employees' interests, we support a works council that represents the interests of our employees at Hotel Auefeld in Germany. The Group has not experienced any significant labour disputes or industrial actions this year that have had a material impact on our business. We maintain strong relationships with our workforce, as evidenced by the appointment of an employee-elected representative to the Supervisory Board.



Attracting and Retaining Talent

The Group employs a large number of employees in various departments, where we place emphasis on providing quality service. In order to continue to meet the high expectations of our customers, our employment policies are designed to attract and retain exceptional talent. These policies cover many aspects of employment, including recruitment, career development, work hours, rest periods, benefits, termination, equal opportunity and non-discrimination, in compliance with all applicable laws and regulations. In line with our ongoing strategy to maintain and further strengthen our market presence, we continue to seek and develop potential candidates who are interested in pursuing careers in the gaming and hospitality industry.

In order to attract and retain quality employees, we offer competitive benefits packages that include above-average wages, incentive bonuses, complimentary meals, company transportation and accommodation options. Our employees' wages are determined based on, among other things, their individual qualifications, position and job performance. We also offer an extra week of leave beyond the applicable laws and regulations in our areas of operation, including sick leave, paternity/maternity leave and parental leave, which helps our employees balance their work and personal commitments. We are continuously innovating and refining our compensation and benefits processes to further motivate our employees to perform at their best. Long term employees are rewarded for their years of service, promoting loyalty within our workforce. Most importantly the Group cares about equality and fairness in the workplace, which is why the Group has provided a whistle blowing process and ethics hotline.

We provide all employees with a free work uniform, clothing and equipment for safe working in the workplace with the option of having them cleaned and laundered by the employer. Employees are kept up to date with all the latest information, Group events and news through our quarterly NEWSLETTER, which is sent to each employee's email.

Training and development

We place a strong emphasis on the personal and professional development of our employees, who are our most important asset. To help them thrive and advance with the Group, we offer all employees a wide range of training and career development opportunities.

We are committed to the continued professional growth and personal well-being of our employees, with our main objective being to help our employees reach their full potential in a safe and sustainable manner. To protect the health, safety and regulatory compliance of our employees and the Group, we provide mandatory training programmes. These programmes cover data protection and security, as well as GDPR compliance, anti-money laundering procedures and other topics related to our business. These training programs are delivered through a variety of formats: online, offline and in-person, offering employees a rich and diverse learning experience. Our online training courses are managed through a learning management system allowing our Human Resources department to allocate, track and manage all mandatory and optional training. A monthly audit of completed and incomplete training is conducted, making it easier to identify and address any training-related deficiencies.

It is important for the Group to ensure continued employee satisfaction therefore we provide numerous opportunities for personal and professional development to enhance the competitiveness of our employees. We recognize that employee development positively impacts not only individuals but also their families, and we are committed to fostering their growth through quality training programs.



Career development

We have a comprehensive career development system that empowers our employees to grow and advance their careers. We care about our employees' career ambitions and support them to reach their full potential. Our management team conducts an annual performance and behaviour assessments, setting clear goals for the coming year. We also regularly review salary structures and promotion opportunities to ensure the retention of talented employees.



Code of conduct, diversity, equality and integration

The Group promotes integration and equality among employees from all backgrounds, regardless of gender, age, ethnicity, nationality, marital status or religion or other personal characteristics. Promoting diversity, including but not limited to gender diversity, is important to the success and growth of the Group.

We promote diversity and equal employment opportunities within our Group. Gender equality in our work environment and equal pay are important issues, with these factors taken into account in all decision-making processes. In the Czech Republic, the gender pay gap has historically hovered around 20%. In 2020, the average gender pay gap was 16.4%. The Group recognizes that unequal pay has an impact on the living standards of families and the quality of life of women and single mothers. We also understand that some job roles may traditionally be more challenging for men or women, but we are dedicated to ensuring equal opportunities for all employees, regardless of gender. Currently, there is no need to approve emergency strategies dealing with gender equality within our Group. Our previous efforts have been focused on achieving gender equality in both employment opportunities and remuneration. These efforts are reflected in our calculated PAY-GAP index, which measures the gender pay gap within the Group.

Table of employee distribution by country of operation of the Group

PAY GAP = 9,3 %

Employees	Czech Republic	Germany	Austria	TOTAL
Men	268	70	17	355
Women	262	61	23	346
Total employees	530	131	40	701

In accordance with the principle of equal opportunities, we make recruitment decisions based on the experience, skills and qualifications of the applicant. All job applicants are also required to provide information and data as a means of ensuring compliance with all applicable laws and regulations for our industry. Our Code of Conduct and Employment Policies clearly define the terms and conditions of employment, expectations for employee conduct and behaviour, and employee rights and benefits in complying with the principles of decent behaviour. The policy also includes mechanisms for the employment termination or retirement process. New employees are introduced to our employment policies as part of a new employee orientation programme.

The Group's commitment to fairness and equal opportunity helps eliminate discrimination and abuse in the workplace. We strive to create a fair and inclusive workplace where the rights and unique characteristics of each employee are respected, including during the recruitment process. The Group promotes equal opportunity and diversity, does not tolerate any form of discrimination and expects all team members to act with respect at all times. Our equality and diversity policy ensures fair treatment based on merit, without prejudice. Because every employee matters.

7. WE ARE RESPONSIBLE TO COMMUNITIES

We strive to establish meaningful relationships with local communities in our areas of operation and contribute to their health, well-being and satisfaction through various activities and programmes. These include community outreach and volunteer initiatives, donations, sports and culture, support for local employment and our significant tax contributions.



Donation

The Group provides financial support to charities in the regions where we operate, giving back to the communities that we impact. The organization strive to work together over long term on projects that benefit local communities. In this financial year, nearly CZK 1 million was donated to support these communities.

Good Angel

The Group is proud to be a partner and sponsor of the Good Angel Foundation. Good Angel provides a platform for companies and individuals to provide targeted financial support to families of seriously ill children. The Good Angel Foundation assists families facing financial hardships due to illness. The condition is that the patient must be a dependent child or a parent caring for at least one dependent child. The aim of the Good Angel Foundation's system is for the families of patients to receive regular monthly financial assistance of several thousand crowns. Through Good Angel's system, families receive regular monthly financial assistance, increasing their income by an average of 20%. These contributions help cover medical expenses and support the families' overall financial well-being.

This year , a donation of CZK 300,00 was made to support the important work of Good Angel.

Drug prevention event “In the right direction“

In this financial year, the Group was the general sponsor of a drug prevention event called “In the right direction”. The event, organised by the National Drug Prevention Centre of the Criminal Police and Investigation Service of the Police of the Czech Republic, included a drug prevention poster competition for primary and secondary school students. The best posters were awarded and displayed in a travelling exhibition promoting the themes of the event across the country.

Selected employees of the Group were chosen as judges for the “Palasino Group General Sponsor Award”, awarding the prestigious prize to the winning poster. We will continue to support initiatives aimed at improving social welfare in our areas of operation and behave responsibly towards local communities.

Para Hockey Club - SKV Sharks

Supporting people with disabilities is a key priority for the Group. To this end, the Group strongly supports the SKV Sharks, which provides an opportunity for club members to participate in para ice hockey, the official paralympic version of ice hockey. Players sit on special sledges and manoeuvre and control the puck using two sticks, resulting in a fast and exciting game.

Since its founding in 2003, SKV Sharks has become one of the most successful paralympic sports clubs in the Czech Republic, winning the Czech Para Hockey League six times with several players regularly representing the Czech Republic at international para hockey tournaments. The Group is proud that its donations contribute to the dreams of athletes with disabilities and looks forward to continuing cooperation with the SKV Sharks in the future.



Taekwon-do club, NARAMA Pilsen

Palasino is a long-time partner and sponsor of the Taekwondo club NARAMA in Pilsen. The club, which has been operating since 1993, is a member of the International Taekwondo Federation (ITF).

Financial support is provided to the NARAMA club for its activities, which consist mainly in teaching practical and moral principles of Taekwondo to children. In addition, the club is promoted internally, which has led to the children of some employees joining the NARAMA club, which has improved their health and contributed to the club's growth.



IRIS magazine

The Group has been a partner of IRIS, the official magazine of the Zoological and Botanical Garden of Pilsen in the Czech Republic, since its first issue in 1998. The magazine provides general information about the ZOO, including detailed information about the animals found there, as well as special events and activities. IRIS is also a source of natural history news for children and encourages them to learn about the natural world and animal conservation.

Pride is taken in supporting this important publication and the Pilsen ZOO as a whole. In addition to monetary and promotional support, educational trips to the ZOO are regularly organized for the children of employees, helping to strengthen the strong partnership with this organisation.



Nová Ves Children's Home

Since 1996, the Group has been a partner of the Nová Ves Children's Home in the Czech Republic, supporting its work with children in need who depend on the help of the Children's Home. The Children's Home provides care and accommodation for children who cannot be brought into their own families and serves as an alternative educational institute for children and young people.

Each year a visit to the home is made to collect Christmas wishes from the children. Efforts are made to purchase these gifts and distribute them at the home's annual Christmas party. In 2024, a donation of almost CZK 50,000 was made by buying gifts for 39 children of the home. This annual tradition holds great significance for the Group, and there is a commitment to continuing this partnership.



Supporting local employment

As part of our commitment to supporting local communities and developing talent, prioritizing the employment of local workers is essential. This practice provides new job opportunities for the people of our regions and helps to foster local professional and personal development. The Group offers above-average wages for the regions in which it operates, resulting in positive local impacts as a result of increased investment and support for regional businesses and development by its employees. As at 31 March 2024, more than 65% of employees come from local communities.

Tax rates

As an operator of casino games, the Group makes a significant contribution to the Czech National Budget. As part of the redistribution of taxes paid by Palasino Group, a.s. the state directly allocates a portion of the levied gaming tax to the municipalities and towns where it operates. These large sums to local municipal budgets enable the implementation of investment projects and initiatives that would not be possible without these contributions.

Thanks to our tax contributions, local governments are able to provide improved services and support to their citizens, including discounted utilities and services, subsidised water rates, free garbage collection, home repair grants, free internet, contributions for pupils and students, and support for education, culture and sports.

8. WE FACE RISKS IN LEGISLATION

Gambling regulation in Central Europe is constantly evolving and governments are promoting responsible gambling environments and tools for responsible gambling and, as a result of these requirements, tightening legislation and requirements for operators. The Group is committed to meeting the challenge and mitigating the risks associated with these legislative changes by, among other things, introducing additional measures to protect gamblers, increasing investment in infrastructure and allocating capital to security measures.

Anti-money laundering measures

As a gambling operator in the Czech Republic, the Group is obliged to comply with the anti-money laundering (AML) regulations in the Czech Republic, which impose strict obligations, in addition to conditions set out in the Czech Gambling Act. The rules and requirements related to AML are defined in Czech Act No. 253/2008 Sb. on Selected Measures Against the Legitimation of Proceeds of Crime and Terrorist Financing (the "Czech Anti-Money Laundering Act").

In accordance with these regulations, the Group has put in place appropriate procedures and control measures to comply with our obligations against money laundering and the financing of criminal activities and to comply in all material respects with the laws and regulations of the Czech Republic. These measures are set out in our anti-money laundering policy.

All of our employees receive AML training upon hire and at least once every 12 months of employment to the extent required for their position and job classification. In 2024, each employee received an average of six hours of AML training. Beyond this training, audit reviews of the procedures and activities set out in our internal policies are conducted on a regular basis. We regularly review and update our database of sanctioned individuals and conduct "Politically Exposed Persons" (PEP) checks to prevent potential issues. In the future, we intend to focus on improving our PEP checks and on checks related to the process of proving the origin of funds used for gambling.

Whistleblowing, ethics hotline

The Group has a whistleblowing procedure in place that allows employees to report any actual or suspected misconduct within the company without fear of retaliation. In the Czech Republic, this procedure is implemented through an "Ethics Hotline" application, which provides a platform for employees and all other persons not employed by the Group to anonymously report violations of our policies or misconduct. Any issues reported through the ethics hotline platform are dealt with in a responsible manner in accordance with the relevant policies.

Fighting corruption and bribery

The Group has a zero tolerance policy towards any form of fraud or bribery and is committed to the prevention, deterrence, detection and investigation of all forms of fraud and bribery. These expectations and practices are described in our Code of Conduct for Employees (the "Code").

The Code defines the standards of integrity and transparency to which our employees at all levels of the Group must adhere. All employees must comply with all applicable laws, external and internal regulations and the Code's guidelines, while making a personal and non-transferable commitment to honesty, loyalty to the Group and transparency in all work-related activities. Employees are provided with relevant anti-corruption and anti-bribery training to help protect our operations.

The Group prides itself on the quality, loyalty, transparency and integrity of its people, who have built a strong reputation and standing in the communities in which the organization operates, with business partners and with government representatives. The way business is conducted is a testament to the values represented and it is essential that all employees uphold the highest standards of the Code.

For subcontractors and suppliers, recommendations have been established within supplier-customer relationships in the format of the "Code of Conduct for Suppliers." When beginning work with partners, the aim is to familiarize them with this Code and ask for their compliance.

Privacy and data security

Ensuring the protection of data collected from clients and employees is a high priority for the Group. All possible measures have been taken and will continue to be taken to prevent any possible leakage or misuse of data. To this end, the Group invests in, among other things, operational security, player account security, CCTV systems, backup systems and other privacy and data protection procedures.

Measures have been implemented to ensure compliance with the requirements and procedures of the European Union's General Data Protection Regulation (GDPR), including but not limited to::

- ▶ Preparing and updating privacy policies for our customers and employees;
- ▶ Providing mandatory data protection and data security training to our employees;
- ▶ Establishing internal procedures and standards governing GDPR, data security, password request security, access security, data collection and backup, disaster recovery, and mobile device use and security;
- ▶ Appointing a Data Protection Officer to ensure compliance with the GDPR.



All possible and effective measures have been taken and will continue to be taken to prevent possible leakage or misuse of data. This year the Group successfully renewed the ISO27001:2014 certification for the security of information systems and processes.

The Group complies with all relevant laws and regulations relating to data privacy and security in the Czech Republic, Austria, Germany, Malta, throughout the European Union and Hong Kong. During the year, the Group did not experience any instances of non-compliance with relevant data protection laws and regulations that had a material adverse effect on our business and financial performance.

The Group does not currently have a specific policy on intellectual property rights and copyright as we do not expect intellectual property related issues to be material to the Group. However, we have included guidance in our Code of Conduct for employees related thereto.

Human rights

Reducing the risks to which employees are exposed that could lead to human rights issues, child and forced labour, injuries, illnesses and fatalities in our operations is of paramount importance to the Group. To control and eliminate these risks, thorough safety measures are ensured that comply with industry standards, policies and applicable laws and regulations.

In addition to these issues, there is a commitment to creating a positive work environment that promotes respect and courtesy. All employees are treated equally regardless of gender, sexual orientation, racial or ethnic origin, national origin, language, age, religion, and marital or family status or other personal characteristics. Policies on equal treatment and non-discrimination, as well as workplace etiquette and conduct, are set forth in the Work Ethics and Conduct Policy.



The Group's operations fully comply with all European Union labour laws, which have strict requirements regarding modern slavery, child labour and human rights. The Labour Law within the Czech Republic and the European Union has a high level of protection for employee rights, ensuring legal, health and social protection for all employees. If any issues arise, the Group addresses them in strict accordance with all applicable European Union and Czech Republic labour laws, as detailed in the Code.

9. WE FACE RISKS ASSOCIATED WITH GAMBLING ADDICTION

In its very principle, gambling is not harmful to people. It is rather a type of entertainment that people have always sought and will continue to seek. Entertainment combined with some form of risk has captivated society. The conclusion of all studies that the level of supply is always directly proportional to the level of demand should be emphasised here. The phrase *„bread and games“*; *panem et circenses*, which dates back to the late Roman Empire, is still valid and people will always seek some form of entertainment that offers excitement and the thrill of risk.

According to annually published studies (NATIONAL MONITORING CENTRE FOR DRUG AND ADDICTIONS SECRETARIAT OF THE COUNCIL OF GOVERNMENT FOR COORDINATION OF POLICY IN THE AREA OF ADDICTIONS, THE OFFICE OF THE GOVERNMENT OF THE CZECH REPUBLIC), which assess the prevalence of gambling within the population and in the Czech Republic historically since 2015, the following gambling data were statistically published: In 2022, 44–56% of people aged 15 years and older reported participation in gambling (including lotteries) in the past 12 months, 16–25% of the adult population played games of chance without lotteries, and 17–18% played online. Lotteries are the most frequently reported games (38–49% in the past 12 months according to the study). Excluding lotteries, participation in fixed-odds betting in brick-and-mortar establishments (8–20%) and online, including live betting (12%), is the most frequently reported long-term activity, followed by playing technical games in establishments (3–7%).

Following the rules

The Group implements the compliance policy under the Gambling Act in its entirety and implements the AML policy in accordance with the guidelines approved by the Financial Analytical Office. It also implements responsible gaming programmes under the Gambling Act rules and provides opportunities for self-limitation and self-exclusion for clients.

Responsibility

The Group provides extensive training for staff to recognise and manage problem gambling and continues to work with organisations such as Lending Hands which provide support to pathological gamblers in order for Group staff to better understand the way and options of dealing with these clients. Through this approach, the Group demonstrates to clients and the community that social and corporate responsibility for any negative phenomena associated with gambling is an important issue for the Group and not just empty words.

Cooperation

By working seamlessly and fairly with each other, the Group is gaining allies in local communities for the potential re-evaluation of local ordinances for the purpose of continuing to permit gaming venues. It also gains a positive view of gambling operators from the perspective of these communities, as long as they operate with consideration for the surrounding area and with minimal impact on their safety. The revenue to municipal coffers from the reallocation of taxes makes for an economically beneficial partnership. The Group has the opportunity in the future to further focus on directly supporting the communities in the locations where it operates, thereby increasing positive perceptions of casino and gambling operations.

Unfortunately, this positive reputation has not yet influenced national and state policy. The view of gambling operations is skewed by politicians' view of some historical operators who disregarded social responsibility and the need for responsible operating policies and impact on neighbourhoods and communities.

The Group is aware that the issue of gambling and possible addiction of players is a negative effect that affects the personal lives of clients, but also has a negative effect on the PR of our type of business. Over the last five years, our Group has implemented, in accordance with and also over and above the legal requirements, resources for players to enable them to engage in various types and kinds of self-limitation and possible self-exclusion from the game. In collaboration with the “Lending Hands” foundation, which provides interventions for people suffering from gambling problems, we organise training for our senior staff. These training sessions focus on identifying problem gambling and how to communicate with these people. The Group is looking for an appropriate way to find the operator’s communication level with these problem gamblers. Information leaflets have been created to help players identify if they have problems with controlling their gambling and there is also a focus on expanding the competencies of the senior staff to provide assistance should players feel they are encountering problems with their gambling. The Group intends to continue and improve this work.



10. WE ARE A GOOD MANAGER

As a casino, hotel and leisure operator, The Group fully recognizes and respects the responsibility held in managing the Group and thereby influencing the management of environmental, social and governance issues related to its operations. In this regard, there is a commitment to being a responsible manager and applying a comprehensive ESG management system that guides actions in its areas of operation, but always with a sense of the economic impact on the Group's performance. The Group prides itself on being a good manager, valuing strong relationships with business partners and building the reliability of its services through their cooperation. In establishing business relationships, care is taken to ensure fairness in pricing policies and service delivery, the speed of which plays an important role. In return, fair behaviour and timely and unconditional payment of obligations are always offered.

The Management Board and Board of Directors



PALASINO HOLDINGS LIMITED

The Board of Directors of Palasino Holdings Limited (the "Board") as at 31 March 2024 comprised six directors, including one executive director, two non-executive directors and three independent non-executive directors. The following table sets out the roles and responsibilities of each director.

Name	Position	Responsibilities
Tan Sri Dato' David Chiu	Non-executive director and Chairman of the Board	Providing strategic advice in the formulation of business plans and fundamental decisions of the Group
Cheong Thard Hoong	Non-Executive Director	Providing strategic advice in formulating the Group
Pavel Maršík	Executive Director	Day-to-day management and strategic planning of the Group
Ngai Wing Liu	Independent Non-Executive Director	Providing oversight of the Board of Directors and independent advice on the Group's operations and management
Kam Choi Rox Lam	Independent Non-Executive Director	Ensuring supervision of the board of directors and independent consultancy in the field of operation and management of the Group
Sin Kiu Ng	Independent Non-Executive Director	Providing oversight of the Board of Directors and independent advice on the Group's operations and management



PALASINO GROUP, A.S.

The Board of Directors of Palasino Group a.s. consists of three directors, one of whom is elected to the position of the Chairman of the Board. Each director has the authority to act on behalf of the company and sign documents independently within the scope of their responsibilities.

Name	Position	Responsibilities
Pavel Maršík	Chairman of the Board	Overall group management and leadership, strategy, finance and human resources
	Chief Executive Officer, CEO	Group
Colin Chapman Stewart	Director	Day-to-day management of operations, marketing and strategic development and the online division
	Chief Operating Officer, COO	Group
Tomáš Kment	Director	Administration, building and asset management, AML, license management and information technology and is the Group's IT security manager, ESG coordinator and MLRO (money laundering reporting officer)
	Admin & Facilities Director	Group

The functions and duties of our Board of Directors include convening shareholder meetings, reporting to shareholders at shareholder meetings, implementing shareholder resolutions, determining our business and investment plans, preparing our annual budget and final financial statements,

formulating proposals to pay dividends and bonuses and to increase or decrease capital, and exercising such other powers, functions and duties as are permitted by our Articles. The Board meets at the highest level once a quarter. Relevant Board Committees have also been established within

Palasino Holding Limited to manage the functions and responsibilities of the Board, including the Audit Committee, Remuneration Committee, Nomination Committee and Executive Committee. The Board of Directors of Palasino Group, a.s. meets regularly, at least once a month.

Diversity of Directors

The Board adopts a Board Diversity Policy to enhance the effectiveness of our Board and maintain a high standard of corporate governance. The Board Diversity Policy sets out criteria for the selection of candidates for the Board, including, but not limited to, gender, age, cultural background, education, professional experience, skills, knowledge and/or length of service. The final decision on Board appointments will be based on merit and the contribution that the selected candidates bring to our Board.

The Group's directors have a balanced mix of knowledge and skills, including business management, finance, accounting and legal expertise. They have earned degrees in a variety of disciplines, including hotel and tourism management, law, international trade, accounting, business administration, economics and engineering. Board members cover a wide age range from 51 to 73 years old.

Understanding that gender diversity on the Board is an area for improvement as the majority of our Directors are male. The Group therefore plans to identify and select women with diverse skills and experience who may be suitable candidates for Board membership. This list will be reviewed regularly by the Nomination Committee to promote gender diversity and to develop a pool of potential female successors to the Board. In addition to Board level, the Group is committed to promoting gender diversity at senior management level and at all other levels by providing career development opportunities, knowledge and skills training and succession planning support for women. The Board will also ensure that an appropriate balance of gender diversity is achieved, taking into account the expectations of our investors as well as international and local best practice.

The Nomination Committee is responsible for reviewing diversity on the Board and regularly evaluating the effectiveness of the diversity policy. It will also provide a summary of the policy, including the objectives set and progress against them, in subsequent annual reports. The Board believes that current Board meets the requirements set out in our Board Diversity Policy.

Management of sustainability

The Board is responsible for setting, adopting and reviewing our ESG goals, strategies, priorities, initiatives and objectives, as well as reviewing and approving our annual sustainability report. The Board also determines the key performance indicators (KPIs) and other relevant measurements that are used to assess and address our ESG-related risks in accordance with the European Sustainability Reporting Standards (ESRS). These risks are assessed according to their materiality to the Group.

Senior management oversees all sustainability-related matters and is responsible for driving the Group's sustainability policies and strategies, including setting and monitoring targets, key initiatives, sustainability reporting, associated risks and opportunities and other material matters.

The Board closely monitors the Group's compliance with ESG rules and regulations based on materiality assessments. The commitment has been made to establish an ESG Committee within one year of the public listing to assist the Board in overseeing ESG governance, ensuring the implementation of ESG policies, monitoring ESG-related performance and targets, adjusting ESG strategies and preparing the Group's sustainability report. The ESG Committee is expected to report regularly to the Board on the Group's ESG performance and the effectiveness of our ESG systems.

During the first year after going public, training and education on relevant ESG-related market trends will be provided to the Board and the ESG Committee. The ESG Committee will work to assist the Board in keeping abreast of HKEX's reporting mandates and related listing regulations.

The Group does not currently have an environmental policy. Once established, the ESG Committee will identify areas of environmental focus for the Group and explore the possibility of establishing formal environmental targets.



ESG



Report of compiled requirements according to the European Sustainability Reporting Standards (ESRS)

Palasino Group a.s.
For the period
of 04/2023 – 03/2024

Some of the requirements in the report have not yet been compiled and will be added in the coming years



How to read this report

The table presents the requirements developed according to the European Sustainability Reporting Standards (ESRS). It is divided into three columns. In the first column (*DR*) you will find the numerical designation of the requirement, in the second column (*Paragraph*) the paragraph of the specific ESRS data point. The response or addition to the individual requirement is listed in the third column (Completion of the requirement).

This non-financial report is prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

Table ESRS 2 - General information

DR	Paragraph	Completion of the request
BP-1 GENERAL BASIS FOR THE PREPARATION OF THE SUSTAINABILITY STATEMENT		
BP-1	5 a	The statement is prepared on the Group's consolidated basis.
	5 b) i.	The scope of consolidation is not the same as the scope of the accounts. Palasino Group, TWHA, and TWHG's results are included. Palasino Poland and Palasino Malta's results are not included, but they are included for the purposes of the accounts.
	5 c)	The sustainability statement considered risks, opportunities, and impacts related to upstream and downstream parts of the value chain. However, specific data collection from these parts of the value chain was not undertaken for this year.
	5 e)	The opportunity to omit disclosure of impending developments or matters in the course of negotiations in connection with the publication of the management report was not taken.
BP-2 DISCLOSURE OF INFORMATION IN RELATION TO SPECIFIC CIRCUMSTANCES		
BP-2	AR 2	The Group follows the ISO 27001:14 standard (System acquisition, development and maintenance) standard, certified by EZU.
	17	The Group did not exceed the average number of employees of 750 at the balance sheet date but has chosen not to omit any information E4, S1, S2, S3, S4.
GOV-1 ROLE OF ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES		
GOV-1	21 a)	The number of executive members in the Group is 3.
	21 a)	The number of non-executive members in the Group is 3.
	21 b)	One employee is elected to the Supervisory Board on behalf of the employees.
	21 c)	All members of the Management Board and Supervisory Board, including senior management positions, have a broad range of professional and practical knowledge and skills related to their area of focus within the organisational structure.
	21 d)	The administrative, management and supervisory body members are 100% male.
	21 d)	Male representation on the Board of Directors is 100%.
	21 e)	The percentage of independent directors is 33%.
	22 a)	Oversight of the impacts, risks and opportunities is the responsibility of the individual Directors of Operations for their respective areas. The CEO is briefed on the most significant issues.
	22 b)	An internal document describes the responsibility of individual bodies or individuals for impacts, risks, and opportunities in specific areas. The next requirement describes an extract from the internal document.
	22 c)	The members of the Board of Directors have divided roles within their respective responsibilities within the Group structure and also have joint responsibility as members of the Board of Directors. CEO Pavel Maršík is responsible for the financial and economic part, including personnel management, auditing and general responsibility for the divisions of the individual subsidiaries in Germany and Austria. Mr. Colin Stewart is responsible for all operational parts, as well as development, marketing and the Malta and Poland divisions. Mr. Tomas Kment is accountable for the administrative part, including permitting processes and management, property and facilities management, IT management, security and legal division and AML and is a member of the Board of Directors of the Polish company. Mr. John Friar is responsible for auditing and compliance with the entire group, including the Malta AML division.

DR	Paragraph	Completion of the request
	22 c) i.	No committee has been established to oversee the review process; it is delegated to specific positions. The Executive Board and the Supervisory Board then exercise overall supervision.
	22 c) ii.	The Board of Directors holds regular Board meetings, during which individual members report on their section and propose solutions to systematic actions for approval. In addition, a meeting of the wider management is organized at least once a month, during which individual members of the wider management report on the activities of their department and make proposals for resolution and approval. The Supervisory Board holds a meeting once a year after the financial year's end and the consolidated audit's completion.
	22 c) iii.	Standard control procedures are integrated for impact management, for which individual board members are responsible. Based on the results, they then report to the other members and, where appropriate, propose changes and solutions.
	22 d)	Targets are set based on the determination of projected sales and targets agreed by shareholders. Periodic monthly reconciliations are carried out with a breakdown of costs and revenues to individual centres and the progress and achievement of the targets set are monitored and action is taken to address certain indicators from the development where appropriate.
	23 a)	The governing bodies have a broad knowledge of economic, management, technical, legal and compliance issues, as well as a background in ESG management. Combining individual knowledge and personalities creates a perfect model for setting objective goals and how to achieve them.
	23 b)	The Group's expertise, skills and, in particular, many years of experience in the Group's business enable it to react to the market and competitive environment in a timely and sufficiently decisive manner. The Group has been and continues to be a market leader and a trend setter in the locations where it operates, thanks to its experience and ability to make timely and quick decisions and to have sufficient quality and competent employees in each position.
GOV-2 INFORMATION PROVIDED TO THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE ENTERPRISE AND THE SUSTAINABILITY ISSUES ADDRESSED BY THESE BODIES		
GOV-2	26 a)	The administrative, management, and supervisory bodies are informed of significant impacts, risks, and opportunities on a daily basis and at least monthly at meetings. They are informed daily because they are involved in the operation's processes and are not detached from the individual sites and their daily problems.
	26 b)	The governing bodies' consideration of risks and impacts shall be based on a thorough analysis of the situation and facts and on the general consensus of all members. In the case of major decisions, the shareholder is also involved in the decision-making process, and shareholder approval is sought for the proposed decision and its handling.
	26 c)	A list of significant impacts, risks and opportunities addressed by the administrative, management and supervisory bodies or their respective committees during the reporting period: Sale of the shareholding in HKEX and the Company's preparation for such sale. Obtaining and renewing the gaming license for the next six years and subsequently obtaining the gaming premises permit from the municipalities. Acquisition of Retail Park Mikulov. Establishment of the subsidiary Palasino Poland. We are starting the process of delivering the application for the initial permit and increasing the gaming principal from 30 mil to 150 mil CZK. Defending ISO 27001:14 certification.
GOV-4 DUE DILIGENCE STATEMENT		
GOV-4	30, 32	The Group responsibly implements a due diligence process on sustainability issues. The main elements of this process are: - Identifying relevant sustainability impacts, risks and opportunities - Assessing and prioritising these impacts, risks and opportunities - Implementing mitigating and improving actions related to these impacts, risks and opportunities - Monitoring and reviewing the effectiveness of these actions - Reporting and communicating the results of these actions to stakeholders . In the Sustainability Report, more space is given to each element across the report. The process for identifying relevant and significant impacts, risks and opportunities is explained in more detail in the general section of ESRS 2, the IRO-1 disclosure requirement, and subsequently in the topic areas, where individual measures of significant impacts are more fully developed.
SBM-1 STRATEGY, BUSINESS MODEL AND VALUE CHAIN		
SBM-1	40 (a) i.	Significant groups of services (products) offered in the reporting period were: Operation of gambling in the Czech Republic, live games and technical games. Operation of foreign exchange activities. Operation of restaurant and catering services. Operation of gambling over the Internet. Operation of hotel services. Operation of SPA. Operation of conference services.

DR	Paragraph	Completion of the request
	40(a)(ii).	Major markets (customer groups) served include the Czech Republic, Austria and Germany.
	40(a)(iii).	Number of employees per country: the Czech Republic 530; Germany 131; Austria 40.
	40(a)(iv).	The operation of gambling services in Austria and Germany is subject to obtaining a gambling licence. Advertising on the territory of Austria for the operation of gambling from the territory of the Czech Republic is subject to obtaining a permit.
	40 b)	Total income from operating activities amounts to CZK 1 405 767 000.
	40 e)	<p>The Group has sought to prepare for the future by ensuring that sustainability is at the heart of the corporate strategy. A business model has been developed to balance profitability and investor value with environmental, social and governance (ESG) considerations. This commitment to sustainability is also driven by legislation changes, which incentivise the Group to go beyond compliance and embrace and embody new changes in responsible behaviour.</p> <p>This year has served as a return to normality following the challenges of the COVID-19 pandemic and it is great to see the Group's activities returning to its pre-pandemic status as the market leader in the casino industry in the country. However, these positives are overshadowed by the impact of global conflicts and the increased impact of climate change on energy prices and consumer spending. These issues, along with other changes in global supply chain dynamics, present significant challenges in the future. The Group is committed to working with stakeholders, organisations and governments to address these multifaceted challenges through sustainability, innovation and responsible business practices.</p> <p>As part of its commitment to sustainability, the group has focused on energy and environmental initiatives that help reduce energy consumption. Photovoltaic power plants are now installed at all plants to increase efficiency and reduce greenhouse gas emissions. To further reduce its dependence on natural resources, the Group plans to renew its vehicle fleet, with priority given to the purchase of hybrid or electric vehicles and trucks.</p> <p>The Group continues to be a highly valued employer in the areas in which it operates. Its employment policies, working environment, financial and non-financial rewards and provision of growth opportunities make it an employer of choice locally and in the national gaming industry. It works to develop leaders who are committed to sustainable development and dedicated to creating a corporate culture of responsibility and accountability; these employees are the future of the Group.</p> <p>The Group's business and stakeholder relationships are changing. Increasingly, the communities in which the Group operates - neighbourhoods, villages, cities, and regions - provide feedback on the Group's activities and seek to incorporate their views into future plans. This year, the intention was to emphasise responsible gaming practices that help protect valued customers. In this regard, ISO 27001 certification was achieved in the current financial year, further evidence of the high security and client protection standards. There is a growing commitment by the Group to improve responsible practices further and also to create a positive social impact through employee volunteering, charitable donations and other social activities.</p> <p>In the coming years, following the flotation, the management and the entire Group will be at the forefront of profound transformation. Understanding and embodying the principles associated with ESG factors is key to the Group, enabling it to achieve ever greater heights in a sustainable manner. Acting sustainably provides more than just a competitive advantage; it is key to building for the future, creating positive impact, and ensuring continued success in a complex and interconnected global marketplace in this industry.</p>
	40 g)	<p>To strengthen its market position, the Group intends to implement the following strategies:</p> <ul style="list-style-type: none"> * Maintain and further strengthen its market position in the Czech Republic and Central Europe gaming industry through new acquisitions and investments in existing facilities. * To take advantage of the positive growth trajectory of the gaming industry and to maintain and further strengthen its market presence, the Group plans to rejuvenate its assets, in particular Palasino Savannah Resort and Palasino Dolní Dvořiště. The asset refurbishment and development plan is to (i) acquire and lease slot machines and (ii) overhaul the gaming facilities, back-of-house facilities, guest rooms and other hospitality offerings tailored to the different operating conditions of each property. * Continue to expand its gaming business in the Czech Republic, Central Europe or other markets through the acquisition of a business or property and/or by bidding for a new gaming license.
	42	<p>Palasino Holdings Limited ("Palasino" or the "Company", together with its subsidiaries, the "Group") is a gaming and entertainment group with a significant presence in Europe. The Group's operations are primarily carried out by Palasino Group, a.s., which comprises one integrated brick-and-mortar casino and resort and two full-service brick-and-mortar casinos operating in the Czech Republic, primarily offering slot machines and table games. Expansion into online gaming is planned for the first half of 2024. In addition, three hotels in Germany and one hotel in Austria are owned and operated, offering accommodation, catering, conference and leisure services. In all these countries, the Group is subject to the relevant laws and regulations.</p> <p>With more than 25 years of operating experience in the gaming industry under senior management, the Group is well positioned to take advantage of market opportunities due to its operating experience and strong industry knowledge accumulated over a quarter of a century of operations. The long history of operations in Central Europe dates back to the founding of Palasino Furth im Wald (formerly known as Česká Kubice) in 1995. Since then, the casino portfolio has been actively expanded with the establishment of Palasino Excalibur City (formerly known as Route 59) in 1999 and Palasino Wullowitz (formerly known as Route 55) in 2004.</p> <p>The slogan "at the heart of the game" captures the essence of Palasino Group casinos. Leveraging its market position, the Group strives to provide a unique casino environment that fully embodies their slogan. Palasino Group's established position in the Czech gaming industry is supported by its ability to cater to all types of players with different gaming preferences,</p>

DR	Paragraph	Completion of the request
		<p>thanks to its wide range of games and slot machines from multiple manufacturers. To create a fun and memorable gaming experience, a wide range of live casino gaming options are also offered, including all types of classic games such as Roulette, Black Jack, all variants of Poker, Let it Ride and other Poker tournaments. These games are housed in modern, well-furnished casinos.</p> <p>In 2008, the 4* SPA Savannah hotel resort was launched, which together with the interconnected Palasino Excalibur City hotel forms the landmark Palasino Savannah resort. Palasino Savannah offers a range of integrated gaming, hospitality and dining services, including spa and wellness facilities, accommodation, conference and banqueting services, and catering facilities, enabling it to cater not only to gaming visitors but also to serve as a destination for friends and families. Over the years, a portfolio of hotels in Germany and Austria has been built up through acquisitions, namely Hotel Columbus, Hotel Auefeld and Hotel Kranichhöhe in Germany and Hotel Donauwelle in Austria. The hotels in Germany and Austria are primarily profiled as business and leisure hotels catering to individuals and corporate clients hosting business conferences. The hotels offer various types of accommodation, quality food and beverages and various meeting and conference rooms.</p> <p>The Group is committed to being a responsible entity and delivering sustainable value to stakeholders through significant environmental, social and governance efforts. Since its inception, it has been guided by sustainability principles to achieve operational excellence. It considers the synergy between sustainability and business as a key factor for development and a major driver of value.</p> <p>The Group's casinos and hotels are fully independently operated and managed, which ensures consistency, guest satisfaction and low implementation and maintenance costs. This approach provides significant benefits from an improving market, as well as flexibility and resilience in the event of potential downside scenarios. Unlike competing operating models such as management contracts, where the management company assumes responsibility for the operation and management of the casino or hotel on behalf of the owners, this operating model provides full control of the entire operating process without a revenue or profit-sharing component against a backdrop of a stable and predictable cost structure.</p> <p>By having direct control over operations, the Group has a more personal and tailored approach to customer service as it receives constant customer feedback. This allows the Group to respond promptly to their needs and preferences, increasing customer satisfaction and strengthening their long-term loyalty.</p> <p>In addition, opportunities for expansion in the Czech Republic, Central Europe and other markets will be actively pursued by acquiring businesses and assets, while fully respecting ESG strategies and the Code of Conduct. Asset acquisitions provide immediate access to built properties and/or available gaming facilities, while business acquisitions provide casino licenses and an existing customer base, allowing for a larger market share. Bids are also being considered for the acquisition of new gaming licences to establish new gaming operations in order to expand the geographic footprint.</p>
	42 a)	<p>The inputs to the business model have been identified and include, in particular, the customers using the services provided. Another input that limits the service offer is the legal regulations and provisions due to the obligation to obtain a gambling licence from the Ministry of Finance. Another limiting input is the municipalities in the locations where gambling is operated due to the need to comply with municipal ordinances.</p> <p>Another input is the technology supplier that operates the casino and gaming system. Suppliers of technical equipment who lease or sell technical equipment for operation are also key inputs. Employees who provide customer service are another important input.</p> <p>Other inputs are the provider of data lines for systems operations, the system for hotel operations, and the service organisations providing service and maintenance for the technology in all buildings. The technology provider for CCTV, its service and data archiving are also important inputs. A program to provide accounting and payroll processing is also essential.</p> <p>Service contracts are in place for all of these systems and services with defined SLAs so that operations can be 24/7/365.</p>
	42 b)	<p>In terms of outputs, the aim was to prepare the Group for the future by ensuring sustainability was at the core of the corporate strategy. A business model was developed that combines profitability and investor value with environmental, social and governance (ESG) considerations. This commitment to sustainability is also significantly driven by changes in legislation, which provide an incentive for the Group to go beyond compliance and to embrace and embody new changes in responsible behaviour.</p> <p>The Group is committed to being a responsible entity and delivering sustainable value to stakeholders through significant environmental, social, governance and management efforts. Since its inception, it has been guided by sustainability principles to achieve operational excellence. It considers the synergy between sustainability and business as a key factor for development and a major driver of value.</p>
	42 c)	<p>The basic materialities that characterise the basic value chains in terms of the main elements have been identified. The first main value chain is the customer and the pursuit of sufficient emphasis on customer satisfaction and sufficient protection. Entertainment services are not only offered but also meant to protect the customer if their level of self-reflection exceeds the limits of self-control. The group is a good steward, values good relations with its business partners and builds the reliability of its services on their cooperation. In establishing business</p>

DR	Paragraph	Completion of the request
		relationships, fairness in pricing policies and service delivery is ensured and speed plays an important role. In return, fair behaviour and timely and unconditional payment of obligations are always offered. The Group is also aware of the risk from regulators and authorities in relation to the business and the ability to regulate it. Therefore, efforts are made to be part of associations and interest groups that lobby for business interests in this area. The Group is a good employer and values and invests in its employees. It is responsible to its communities and seeks to work with and contribute to them. Last but not least, it is a responsible steward of the environment and seeks to invest in its development where this investment makes sense and delivers results.
SBM-2 STAKEHOLDER INTERESTS AND VIEWS		
SBM-2	45	The Group's stakeholders are: the Group's employees, direct business partners, suppliers, city representatives and the residents of the region where the Group operates. More requirement 53
SBM-3 SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERRELATIONSHIP WITH STRATEGY AND BUSINESS MODEL		
SBM-3	48 a)	See Annexes 1, 2, 3 below
	48 b)	Further opportunities are currently being awaited from the regulation of gambling operations by the government or municipalities. Due to the increased number of amendments to zero tolerance municipal ordinances, there may be pressure from increased competition at the Group's locations. Another risk is the possible further manifestations of global epidemics (such as COVID), which may again block social life in general. The Group's strategy for government regulation is to participate in interest groups and associations and to seek to clarify the current situation and publish studies on gambling in the country. At the municipal level, to continue the years of positive and mutually beneficial cooperation and to establish further closer relations with local associations and organisations to make citizens aware of the Group's cooperative activities. In the area of client protection, the identification of clients with problematic behaviours indicating addiction will be more extensively carried out and the possibility of self-regulation and self-limitation will be offered. Investments in current assets will be made to improve guest comfort and satisfaction in order to ensure that guests are interested in the Group's services and thus generate sufficient income for future development.
	48 c) i.	Individual impacts are addressed in specific topics E, S, G.
	48 c) ii.	Impacts arise from and respond directly to the company's strategy. Due to the significant constraints from the legislative and legal level for the operating conditions, the model is set up to be able to respond to these regulations and to guarantee sustainability. Efforts are also being made to expand the service portfolio and diversify service delivery channels. Investments are being made to expand the online gambling operations not only abroad but also in the Czech Republic in accordance with local legislation. The strategy is to develop and expand not only in the Czech Republic but also in other countries where this market is open.
	48 c) iii.	The time horizons for impacts range from one to three years. Impacts depend on the degree of regulation proposed. Another horizon for the Group's impacts is the level of employment and the ability to ensure sufficient professional staff to provide services.
	48 c) iv.	In terms of regulation and restrictions, the Group is an association that communicates with all stakeholders at the ministerial and government levels and tries to use its influence to reach the level of legislative proposals for the regulation of our type of business. It is also the official commenting point for draft laws. In terms of diversification, it seeks to provide another channel for online gaming activity. It has set up an office in Malta to handle the activities related to obtaining licences to operate in the online environment in accordance with the legislation. From a local regulatory perspective, it seeks to build on its long-standing good and beneficial relationships with local authorities as well as with local communities to ensure that there is sufficient support for future sustainability in the current business locations. In terms of securing qualified staff, the Group ensures sufficiently favourable conditions for current employees and recruits professional staff not only in the Czech Republic but also abroad (Ukraine, Serbia, Philippines, Slovakia). It fosters professional development and career progression which it promotes within the entire Group.
	48 d)	The increase in the gaming tax for 2024 and the new methodology for calculating the gaming tax has a significant impact on the costs associated with the reported economic result. Due to the high inflation rate, a further impact is the increase in the cost of services of external service organisations who have used inflation clauses in their contracts. The increase in energy prices did not represent a significant item for our costs, due to the sufficient and long-term fixation of energy prices from 2020 to 2023, the change only became apparent from January 2024, when energy costs increased. Another significant item for cost increases is the provision of digital security for our systems and IT equipment. Due to the change in the market, there have been up to 200% increases in the cost of technology that secures the operation of IT systems. Another item was the impact of inflation and the pressure for higher employee pay increases and tax changes for benefit programs were also significant.
	48 f)	Based on historical experience, it can be stated that unless there is a catastrophic situation such as a war, pandemic or fatal intervention of the state power (ban or sectoral tax of 50% and above), the financial impact will be directly proportional to the multi-costs (risks) or multi-benefits (opportunities) caused, in units or tens of millions of CZK per year in both directions. The company's strategy, or business model, has a long-proven track record of resilience to these impacts.
IRO-1 DESCRIPTION OF PROCEDURES FOR IDENTIFYING AND ASSESSING SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES		
IRO-1	53	1. Identification of appropriate stakeholders capable of covering all environmental, social and corporate governance issues. The first step prior to the identification of significant risks, opportunities and impacts was the identification of responsible persons on the business side. The responsible persons were selected from among the professional and experienced staff of the company, taking into account the coverage of all ERS topics and key areas for the company. These internal

DR	Paragraph	Completion of the request
		<p>stakeholders, mandated by the enterprise's management, could also cover the external stakeholder parts (reflecting their perspective). In total, 18 responsible persons were selected for the dual materiality assessment.</p> <p>2. Familiarisation of stakeholders with the CSRD and the double materiality assessment process according to ESRB standards The second step prior to the identification of significant risks, opportunities and impacts was to familiarise the selected internal stakeholders with the CSRD and the double materiality assessment process in an introductory workshop. During the workshop, all requirements and the whole process of the double materiality assessment process were explained to the stakeholders so that the subsequent interviews could take place without much confusion.</p> <p>3. Conducting dialogues and identifying risks, opportunities and impacts The dialogues with the responsible persons took place over a period of 4 weeks, where all topics within the ESRB standards were considered. All themes, sub-themes and sub-sub-themes were assessed for impact and financial significance. Impact materiality referred to the positive and negative (potential and actual) impacts of the enterprise on the environment and society. Financial materiality included the opportunities and risks for the enterprise from each theme. All impacts, risks and opportunities relevant to the enterprise were rated on a four-level significance scale. The impact part was assessed in terms of severity and likelihood of occurrence. Severity included the scale, scope, and remediation of the impact. The financial part was assessed in terms of the likelihood of occurrence and the potential financial magnitude. The dual materiality assessment considered the inherent risks, i.e. the potential risks that the company would face if no measures were set up to prevent these risks from materialising. To ensure a sufficient degree of objectivity, the last interviews were conducted with the finance department's responsible persons and the company's management. Thus, the company's management reviewed all the previously identified topics. Revision of the outputs of the client-side dialogues (spreadsheet) - elaboration of the spreadsheet, explanation, review by stakeholders. Division of risks, opportunities and impacts into thematic units.</p> <p>4. After completing the stakeholder interviews, a comprehensive table was prepared containing all the impacts, risks and opportunities the company had defined. The enterprise identified a total of 47 impacts, risks and opportunities as part of the process. The spreadsheet included the reasoning for the degree, magnitude, remediation and likelihood and a rating of these parameters on a four-point scale - low, medium, high and very high severity/probability. This table was shared with all responsible persons so that they could review it again, revise the rating if necessary, or add to the reasoning and implemented measures. The impacts, risks and opportunities in the table have been categorised into those relating only to casino or hotel operations or both. Based on the enterprise's most recent review, significant impacts, risks, and opportunities were identified that the enterprise should report on in the non-financial report.</p> <p>5. Validation workshop The dual materiality assessment included a validation workshop during which the enterprise validated all impacts, risks, and opportunities that were identified as material. The enterprise selected 6 significant themes and identified 22 impacts, risks, and opportunities within them.</p> <p>6. Final adjustments and output of the significant themes Based on the validation workshop, the final input from the enterprise was incorporated and a final list of significant impacts, risks and opportunities was produced. Specific data collection requirements will be selected for the selected significant themes. The enterprise will then complete them using a checklist to prepare the non-financial report.</p>
	53 c) iii.	The method of risk assessment is shown on the overall assessment scale. Where risks are assessed as having a direct impact on the functionality and operations of the operational part of the financial stability of the company, the statutory body shall take immediate steps to mitigate the risk unless there is no possibility of its complete elimination. The Group invests significant resources in risk elimination to ensure that the 24/7/365 operation is always fully operational.
	53 d)	<p>Internal Audit conducts regular audits, and any findings and results that affect risks are immediately escalated to the responsible persons and the statutory body with recommendations for resolution. Another way of dealing with the situation is the so-called "lessons learned from the crisis situation". If, during the course of an activity, a fact is identified that has not been assessed as a risk, measures are immediately taken to eliminate it in the future in all operations.</p> <p>As part of the development action plans, the statutory body approves investments within the long-term CAPEX plan that are linked to the elimination of risks. However, some risks are very difficult to eliminate, especially those related to the legislative process and regulation of the gambling market within the Czech Republic and the EU.</p>
	53 e)	<p>Internal Audit conducts regular audits and any findings and results that affect risks are immediately escalated to the responsible persons and the statutory body with recommendations for resolution. Another way of dealing with the situation is the so-called "lessons learned from the crisis situation". If, during the course of operations, a fact is identified that has not been assessed as a risk, measures are immediately taken to eliminate it in the future in all our operations.</p> <p>As part of the development action plans, the statutory body approves investments within the long-term CAPEX plan that are linked to the elimination of risks. However, some risks are very difficult to eliminate, especially those related to the legislative process and regulation of the gambling market within the Czech Republic and the EU.</p>
	53 f)	Opportunities are evaluated in the context of proposals by individual members of the statutory body and, after careful consideration, are presented to shareholders for their approval and allocation of resources to realise those opportunities. If approved, project development or a detailed feasibility study follows. A project manager is then appointed to form a team for the entire implementation process.
	53 g)	The input parameters used were identified, which include the development of economic activity over the past periods and a thorough knowledge of the markets in which the Group operates. Other inputs are published studies on macroeconomic developments in the Czech and EU markets, as well as studies by the Government of the Czech Republic for the regulation of dependencies.
IRO-2 DISCLOSURE REQUIREMENTS IN ESRB COVERED BY THE COMPANY'S SUSTAINABILITY STATEMENT		
IRO-2	59	Relevant information was assessed based on sector expertise and requirements and then individual risks, opportunities, impacts were linked to individual requirements.

Table - E1 Climate change

DR	Paragraph	Completion of the request
GOV-3 INTEGRATING SUSTAINABILITY-RELATED PERFORMANCE INTO THE INCENTIVE SYSTEM		
GOV-3	13	Evaluation based on the achievement of GHG reduction targets has not yet been introduced in the remuneration of Board members.
E1-1 CLIMATE CHANGE MITIGATION TRANSITION PLAN		
E1-1	16 b)	As part of its commitment to decarbonisation, the Group has identified investment in technologies that will help reduce energy intensity and use renewable energy sources, increasing energy efficiency, reducing fuel burn and reducing demands on supply and demand relationships as key levers. The Group plans to complete projects aimed at reducing energy intensity through the use of renewable resources and investment in equipment and technology to reduce emissions in its services. A further focus will be to identify in more detail the supply and demand chain practices in the delivery of services, products and servicing. The Group is also committed to working with its value chain partners to work together to reduce its overall climate impact.
	16 h)	The Group's climate change mitigation plan is integrated into the overall business strategy and financial planning, with the key factor being the cost-effectiveness of the investment relative to the savings. Reducing emissions is one of several critical factors in decision making and investment. This approach includes allocating financial resources to renewable energy projects, energy efficiency technologies and energy reduction technologies, which supports long-term financial stability, cost reduction and business growth in line with global climate goals. The Group's commitment to sustainability is continually assessed and updated to ensure that business models and investment decisions are fully aligned with the latest trends and regulations in climate change mitigation.
	17	Currently, the Group does not have a formalised climate change mitigation transition plan. The Group is aware of its importance, but also wants to evaluate the investments made against the effectiveness of the resources invested in terms of overall cost-effectiveness. It is working on formalising the plan, but given the high demands on the S and G side, there is a need to assess the level of effectiveness for the commitment made properly. It is anticipated that the plan will be adopted and launched within the next year, enabling the Group to systematically address and reduce GHG emissions and align business operations with global climate targets. The Group's sustainability and climate impact reduction commitments will be continuously evaluated as part of the development of technologies and their effectiveness.
E1 SBM-3	19 a)	The analysis of the resilience of the Group's strategy and business model in relation to climate change, with the predominance of business activity in the provision of services to clients, includes in particular an assessment of the energy intensity of the different types of services provided and their impact on climate change in the short, medium and long term. The scope of the analysis focuses in particular on the impacts on operating costs, the supply chain and market demand for the Group's services. This analysis enables the Group to identify key targets for improving resilience and adaptation, while also identifying strategies to mitigate risks and exploit opportunities associated with the transition to a low carbon economy.
	AR 8 b)	The company has demonstrated its ability to adapt effectively to changing efficiency demands and their impact on the global climate through flexible management, strategy and an adaptable business model. In the short term, the Group is focused on optimising existing services and cost efficiencies associated with improving energy efficiency and pricing in the upstream and downstream raw material supply chain for service and maintenance. In the medium and long term, the Group plans to continue to invest in more sustainable technologies to reduce energy consumption. This strategy, together with active risk management and the pursuit of innovative technology solutions, enables the Group to maintain access to financing at an affordable cost of capital and ensures resilience and competitiveness in a changing climate and economic environment.
E1-2 POLICIES ON CLIMATE CHANGE MITIGATION AND ADAPTATION		
E1-2 ESRS 2	62	The Group does not yet have policies in place for the transition to managing significant impacts, risks and opportunities in relation to climate change mitigation and adaptation. Given the number of regulatory measures to ensure operations, the Group has to invest heavily in systems and processes to ensure compliance with regulatory measures to ensure sustainability of operations. The Group plans to implement these policies but has not yet set a firm date.
E1-3 ACTIONS AND RESOURCES IN THE CONTEXT OF CLIMATE CHANGE POLICIES		
E1-3	26	The Group has put in place the following action steps: a project for the use of alternative energy PV within the plants and their gradual implementation to provide at least 20% of the electricity source within their consumption requirements. Promotion of community energy sharing within the plants to ensure a further increase in the use of alternative energy. Investment in technology change to reduce energy consumption (LED lighting, heat pumps, cogeneration). Evaluating the possibility of EV vehicles for our operations and their possible phasing in or the use of hybrid technology for the fleet. Activities related to the evaluation of the efficiency and intensity of supplier-customer relations. Activities to reduce the intensity of service provision by involving customers in the decision to provide the service or by providing a contribution to neutralise the carbon footprint (entitlements to change linen and towels, contribution to neutralise the carbon footprint of hotel stays).

DR	Paragraph	Completion of the request
E1-3 ESRS 2	62	The Group has measures in place to reduce and adapt to climate change. The measures are not formally reflected in the Group's strategy and targets. The Group plans to set explicit targets in this area, no fixed date has been set.
E1-4 CLIMATE CHANGE MITIGATION AND ADAPTATION OBJECTIVES		
E1-4	81	The Group does not yet have climate change targets. It will evaluate the way forward based on the results of the carbon footprint calculation and legislation.
E1-5 ENERGY CONSUMPTION AND ENERGY MIX		
E1-5	37 a) 37 b) 37 c) 37 c) i. 37. c) ii. 37 c) iii.	*table 4 below
E1-6 GROSS SCOPE 1, 2, 3 AND TOTAL GREENHOUSE GAS EMISSIONS		
E1-6	44 48 a), b) 49 a), b) 51 52	*see table 5 below
	50 a)	The gross greenhouse gas emissions under Scope 1 and Scope 2 from the consolidated accounting group only are 3,350.7 tCO ₂ e.
	50 b)	Allocation of gross greenhouse gas emissions under Scope 1 and Scope 2 originating only from investee enterprises is not applicable. Such enterprises have not been included in the calculation.
	47	This is the first reporting year, so changes could not have occurred.
	53 +AR 53 b)	*see table 6 below
	55	*see table 7 below
	AR 39 b)	The carbon footprint calculation was performed based on the GHG Corporate Standard and Corporate Value Chain (Scope 3) Standard (https://ghgprotocol.org/) methodology using primary data in Scope 1 and 2. In Scope 3, secondary data with the spend-based method and the respective emission factors from internationally recognised, validated sources, mostly available from the GHG Protocol recommendations, i.e. the US EPA and UK DEFRA databases (https://ghgprotocol.org/), were mostly used.
	AR 41	The company does not carry out activities that would require an allocation of total greenhouse gas emissions.
	AR 43 c)	Not all of the emission factors used separate out non-CO ₂ emissions, so it is not possible to calculate non-CO ₂ GHG emissions as part of a company's total gross emissions.
	AR 45 d)	Zero market-based Scope 2 GHG emissions to gross Scope 2 GHG emissions.
	AR 45 e)	Not all of the emission factors used separate out non-CO ₂ emissions, so it is not possible to calculate non-CO ₂ GHG emissions as part of a company's total gross emissions.
	AR 46 g)	2.85% of Scope 3 gross emissions were calculated based on primary data from suppliers and other partners in the value chain.
	AR 46 h)	<i>Purchased goods and services</i> - Calculation boundary: Includes all direct and indirect emissions associated with the production and supply of materials and services from our suppliers. Calculation method: calculation of emissions using the spend based method and assignment of emission factors. <i>Capital Assets</i> -

DR	Paragraph	Completion of the request
		<p>Calculation Boundary: Includes emissions associated with the production and supply of capital goods such as machinery and equipment. Calculation method: Calculation of emissions using the spend based method and allocation and emission factors.</p> <p><i>Fuel and energy related activities (not included in scope 1 or 2) -</i> Calculation boundary: Includes emissions from extraction, production and transport of fuels and energy consumed by our facilities. Calculation method: Use of specific emission factors for different types of fuels and energy sources.</p> <p><i>Waste -</i> Calculation boundary: Includes the amount of waste generated by the companies. Calculation method: (Average-data method), waste quantity data obtained from the waste collection company.</p> <p><i>Business trips -</i> Calculation boundary: includes all trips that had to be made as part of the work activity. Calculation method: Distance-based method, which involves determining the distance and mode of business trips and then applying the method with the appropriate emission factor for the mode of transport used.</p> <p><i>Employee commuting -</i> Calculation boundary: includes all journeys made by employees to get to their workplace. Calculation method: Distance-based method, which involves determining the distance and mode of business travel and then applying the method with the appropriate emission factor for the mode of transport used. This information was obtained from a questionnaire survey.</p> <p><i>Lease -</i> Boundary of calculation: lease of two parcels of land. Calculation method: Calculation of emissions using the spend based method and assignment of emission factors.</p>
	AR 46(i)	<p><i>Pre-production distribution and transport -</i> The company does not carry out activities requiring this category.</p> <p><i>Post-production distribution and transport -</i> The firm does not carry out activities requiring this category.</p> <p><i>Processing of product sold -</i> The firm does not carry out activities requiring this category.</p> <p><i>Use of product sold -</i> The firm does not carry out activities requiring this category.</p> <p><i>End-of-life treatment of product -</i> The firm does not perform activities requiring this category.</p> <p><i>Rental -</i> The firm does not perform activities requiring this category.</p> <p><i>Franchises -</i> The firm does not perform activities requiring this category.</p> <p><i>Investment -</i> The firm does not carry out activities requiring this category</p>
	AR 46(j)	Not all of the emission factors used separate out non-CO2 emissions, so it is not possible to calculate non-CO2 GHG emissions as part of a company's total gross emissions.

Table E3 - Measures and resources related to water and marine resources

DR	Paragraph	Completion of the request
E3-1 POLICIES ON WATER AND MARINE RESOURCES		
E3-1	11	The Group does not have a formalised policy on the management of water resources. Statutory provisions and local ordinances govern the Group's operations. The Group is a non-manufacturing company and is therefore not a significant consumer of water resources. Where there is a public water source at the sites, it is used. Where possible, an on-site water supply with boreholes and potable water storage tanks for operations has been established. As a good housekeeper, the Group has sought to reduce the amount of water used through activities within the hotel rooms, for example, by introducing more economical laundry facilities and activities regarding the washing of linen or towels.
	12(a)(iii).	The Group has installed LAPOL wastewater systems at each site to separate fats and oils from waste that could enter the wastewater. The Group regularly services and professionally cleans these systems. The Group captures rainwater where permitted and uses it for green space maintenance. A waste shredder is installed in the kitchens.
	12 c)	The Group has potable water tanks at two sites to help spread the load on the water source.
	13	There is an increased drought risk at the Haté site and limited flow and capacity from the public water source. The groundwater here is at depths below 100 m, so it is not possible to implement its own water management. The Group compensates for this risk by installing a compensatory retention tank for drinking water and fire resource purposes. It is not possible to implement a rainwater retention system here due to intermittent heavy rainfall and the inability to keep the catchment tank safe without the presence of insect hatchlings dangerous to the surrounding area.
	AR 18	The Group uses grease and oil separation units to reduce wastewater pollution to keep grease and oil out of the wastewater. The Group consistently segregates restaurant leftovers as bio-waste. These collection facilities are regularly tested and cleaned to statutory standards. Where possible, the Group has separate sewage and storm water drains.
E3-2 MEASURES AND RESOURCES RELATED TO WATER AND MARINE RESOURCES		
E3-2	17	Where a public water supply exists, it is used. In places where it has been made possible, a private water supply has been established with boreholes and drinking water storage tanks for operation. As a good steward, the Group tries to reduce the amount of water consumed through activities within the hotel rooms by introducing more economical faucet aerator systems, activities regarding the washing of linen and towels, etc.
	18	The Group will implement reservoirs for rainwater use in places where it can be used. In hotels, the Group installs touchless faucet aerators to reduce water use. The Group also encourages guest activity to reduce laundry, thereby reducing water consumption.
	19	The Group has measures in place regarding water risk areas. One measure is the implementation of a potable water reservoir, which will enable the Group to address shortages and increased abstraction requirements.
E3-3 WATER AND WATER RESOURCES OBJECTIVES		
E3-3	22	The Group's objective is to increase the responsibility of employees and guests for their overall drinking water consumption and their relationship with drinking water consumption in the Group's operations. The measurement of water consumption per guest is a metric for benchmarking. The Group aims to reduce consumption by at least 5% each year to the current level of 60% of total consumption per guest.
	23 a)	The Group's objectives (regarding water resources) do not relate to the management of significant impacts, risks and opportunities associated with water risk areas, including water quality improvement.
	23 c)	The Group's objectives (relating to water resources) relate to reducing water consumption.
E3-4 WATER CONSUMPTION		
E3-4	28 a)	Total water consumption is 22 212 m3.
	28 b)	At the Hata and Savannah water risk sites, total consumption is 16548 m3.
	28 d)	The total supply is between 20 and 80 m3 of drinking water and 50 and 250 m3 in fire-fighting tanks year-round.
	28 e)	28(a) and 28(b) are based on the readings taken from the calibrated water meters, and readings are taken at the beginning of each month. 28(d) is an estimate based on the tanks' maximum possible capacity and use.
	29	The total water consumption per million EUR is 401 m3.

Table E5 - Resource use and circular economy

DR	Paragraph	Completion of the request
E5 - 1 POLICIES ON RESOURCE USE AND CIRCULAR ECONOMY		
E5-1	14	The statutory requirements for waste management govern all rules and policies on waste management. They fully comply with the Municipal Ordinance and other conditions set by the relevant public authorities when making decisions. A waste management policy is in place, which is not formalised into procedures and directives in this regard. The Group handles waste management in accordance with best practice and with respect for the environment and the surroundings in which it operates. All sites are connected to a central wastewater collection system with a public sewage treatment plant.
	AR 9 a)	As part of the Group's established waste management processes, the Group aims to minimise the amount of municipal waste and maximise waste segregation on site. Within the operations, the collection of sortable and compostable waste is set up directly at the sources of waste generation to minimise the amount of municipal waste. Employees and operations have limited access to bins for unsorted waste. This has enabled the Group to achieve a significant reduction in municipal waste. Naturally, there has been an increase in the proportion of separated waste, such as paper and plastic packaging and compostable waste. For sorted paper waste and cartons, the Group has acquired a baler for this waste, which reduces the volume of waste in the container and thus reduces the requirements for transporting waste for recycling.
	AR 9 b)	The primary inputs for waste generation are food and beverages, conventional wastewater, and associated processes. In terms of waste prevention, the Group is dependent on the supply of products in packaging from wholesalers. It seeks to order wholesale products. In the area of cleaning and janitorial chemicals, the Group mainly purchases bulk concentrates, which it dilutes locally in the prescribed manner. It does not use PET bottles to distribute beverages, but only serves its own tap water pre-treated with the PUREZZA system in reusable glass bottles or uses beverages in returnable glass containers or POSTMIX beverages. In this way, packaging waste can be avoided. Where technically possible, we try to use reusable packaging. A typical example is beer and beer kegs.
ESRS 2	62	The policy on waste management has not been formalized.
E5-2 MEASURES AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY		
E5-2	19	The Group is not a manufacturing company, thus its product is not associated with any waste that is further generated for circulation to customers. In terms of the circular economy, the Group identifies opportunities to reduce the amount of packaging material used. Examples include presses for cardboard packaging, not using drinks in PET bottles but only tap water using a water filtration system, and composting compostable waste.
	20 f)	Waste generation is not a priority issue for the Group in addressing cost optimisation. However, it is a way to show employees and customers that we are responsible for the environment. Currently, the concentration is on the possibility of maximising recycling and sorting waste and reducing the volume of waste sorted to influence the number of collections of this waste. The resources to cover these tasks are covered.
E5-3 TARGETS FOR THE USE OF MACHINERY AND THE CIRCULAR ECONOMY		
E5-3	23	The Group's resource use and waste management objectives are based on four priorities: 1- not producing waste in the first place 2- consistent sorting 3- minimising municipal waste 4- ensuring that waste can be composted
	25	The Group's main objective is waste prevention and subsequent sorting.
	27	The Group's objective is to unconditionally comply with all statutory rules and regulations for our sector in the field of waste management. Beyond compliance, we have set a policy of reducing municipal waste in favour of sorted and recycled waste, to reduce the volume of recycled waste and the number of container collections of this waste.
E5-5 RESOURCE SHIFT		
E5-5	37 a)	Total amount of waste generated: 310.7 t of waste.
	37 c) i.	Waste incineration quantity: 0.3 kg/t waste.
	37 c) ii.	Waste to landfill: 441.2 kg/t of waste.
	37 c) iii.	Amount of waste disposed of by other means: 558.5 kg/t waste.
	37 d)	Total amount and percentage of non-recycled waste: 258.2 t of waste, 83.09 %.

DR	Paragraph	Completion of the request
	38 b)	The materials present in the waste are: Sorted by quantity, most to least, from left to right. Municipal waste, kitchen bio-waste, paper, glass, plastics, electrical waste, and paint, batteries, and fluorescent lamps.
	39	Quantity of dangerous impact: 2.6 t.
	40	Due to the nature of the business and industry, the Group's waste management does not generate a high amount of waste. For all types of waste, the Group has contracts for waste removal and disposal with external companies that provide waste disposal services according to type. In the Czech Republic, data was available accurately based on regular reporting. In Austria, it is not possible to collect accurate data and therefore estimates based on experience from Czech operations have been used for disclosure.

Table S1 - Own workforce

DR	Paragraph	Completion of the request
SMB-3 SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERRELATIONSHIP WITH STRATEGY AND BUSINESS MODEL		
SBM-3	14 a	The Group uses only its own workforce, either directly employed or under a temporary or permanent contract, to carry out its business activities. It does not use agency or self-employed workers. The Group has a significant impact on all its employees.
	14 b	The leakage of personal data may negatively impact the group's employees. Therefore, these are individual incidents that may cause a negative impact. There are no systemic negative impacts in the workforce context.
	14 c	The following 3 positive impacts on employees have been identified in the Group. 1. Employee satisfaction: a high level of employee benefits, a high standard of employee care (communication, addressing employee requests, the Group's empathetic approach to employees' challenging life situations), and employer stability as a significant positive impact 2. The Group's uniform approach to employees + equal availability of information for employees, equal principles in the area of remuneration 3. Combination of alignment of development with corporate objectives and individual employee interest and potential.
	14 d)	The Group has identified the risk of a lack of a sufficiently skilled workforce and the opportunity through a highly skilled workforce to have a competitive advantage, opportunity and support for career growth within the Group.
	15	The double materiality assessment identified no actual or potential negative impacts on the actual workforce. At the same time, no specific group within the own workforce is more at risk than another.
S1-1 POLICIES ON OWN WORKFORCE		
S1-1	19	Key policies: the Work Rules, Code of Ethics, Wage and Benefits Guidelines, Safety and Working Conditions, Employee Evaluation - transparent and accessible procedures for all employees - equal access to information, information and clear rules as a factor of employee satisfaction and stabilisation and compliance with legislative requirements and occupational hygiene.
	AR10	During the reporting period, the Group adopted new policies and procedures in connection with its parent company's listing on the HKEX. Other new principles include the risk management approach and the quantification and qualification of risk management within the Group's services and due diligence.
	20	It is the Group's policy to maintain compliance in accordance with human rights and to comply with legal rules and regulations. Internal policies are transparent and accessible to every employee through the intranet Sharepoint site. However, the Group also requires all employees, according to their job classification, to be familiar with and comply with these policies. The Internal Audit Department then monitors compliance with the procedures set and informs the Group of any breaches detected, leading to corrective action. At the same time, the Group regularly reviews these procedures and informs employees of any changes. Individual training sessions on the established processes are then conducted both online and in person.
	21	The Group's policies are fully consistent with internationally recognised instruments and the UN Guiding Principles on Business and Human Rights.
	22	The Group has policies that explicitly state zero tolerance for human trafficking, forced labour, compulsory labour and child labour in all aspects of its business.
	24 a)	The Group's procedures apply non-discriminatory parameters and principles of equal treatment of employees in all HR processes.
	24 b)	The procedure prohibits discrimination based on sex, sexual orientation, racial or ethnic origin, nationality, citizenship, social origin, gender, language, health, age, religion or belief, property, marital or family status, political affiliation, trade union or employers' organisation membership, or pregnancy, maternity, paternity, or sexual identification.
	24 d)	The duty of all employees to behave in a non-discriminatory manner is crucial and consistently required. To prevent discrimination, the Group has in place regular training for employees, highlighting this issue and ensuring compliance in daily practice. Where an incident is identified, it is dealt with through disciplinary action with the employee who breached the policy. The promotion of diversity and inclusion is implemented in particular through a multicultural environment (employment of foreigners), diversity in the age structure of employees, respect for differences, etc. Another aspect is the exemplary behaviour of management and supervisors as a demonstrable implementation of the declared policy in company practice.
	AR 14	All employees have access to information through the company's SHP, employer notifications, email newsletters, internal training via online applications, and attendance.
	AR 17 a)	The Group's policies and procedures reflect the selection of candidates based on the match between the candidate's knowledge and experience and the professional requirements of the position. For each position, a job description is created that also describes the basic prerequisites and qualifications for the position. Training and career advancement are available to all employees, considering company needs and individual employee needs.
AR 17 b)	Equal treatment and equal opportunities in employment are declared and promoted by the Group's management in both its attitudes and company-wide policies. Presentation of these core values on the Group's website and in individual policies. E.g. HRD 35 Principles of Work Ethics and Appearance; Code of Conduct, HRD 01 Recruitment. Non-discriminatory nature of posting of vacancies. Equal career advancement opportunities for all employees.	

DR	Paragraph	Completion of the request
	AR 17 c)	Staff receive training on the non-discrimination policy. This induction is part of the initial training when the employee starts work. There is also an obligation for all employees to familiarise themselves with and follow the relevant procedures for all employees.
	AR 17 d)	The Group regularly makes adjustments to the physical environment to ensure the safety and health of employees, customers and other visitors with disabilities, such as barrier-free access. Employee protection is ensured through OHS standards for individual workplaces and operations in accordance with legislation. In addition, regular medical aid training and the installation of AEDs in all premises are carried out.
	AR 17 e)	Job requirements are always formulated in a non-discriminatory manner. They are part of the defined and agreed job descriptions for each position.
	AR 17 f)	A system of regular employee evaluations monitors employees' potential for career or professional growth. A record of the periodic appraisal or an exceptional appraisal upon change of job is included in the employee's file.
	AR 17 g)	The Group has a grievance procedure in place to deal with complaints under the Work Rules or the Ethics Hotline. At the same time, each employee has the possibility to send a complaint to his or her supervisor or directly to the Group's management.
	AR 17 h)	The Group supports continuous training and development of employees at all levels. For specific job groups (e.g. croupier), the Group organises its own retraining courses.
S1-2 PROCEDURES FOR WORKING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES WITH REGARD TO IMPACTS		
S1-2	27	As part of the first assessment of significant topics under the CSRD Directive in 2024, the Group engaged selected staff for each topic area. Their views were key to the selection of significant themes based on the identified impacts, risks and opportunities.
	27 a)	Cooperation with the Group's employees and staff takes place through a combination of several forms of communication. Direct communication with employees, communication with representatives of individual departments according to professional focus, communication at the level of department heads, management and top management. Communication is conducted across the Group and also reflects the local aspect (individual sites).
	27 b)	Cooperation takes place at regular intervals, usually quarterly, in the form of group meetings, workshops, and face-to-face meetings. Individual issues are analysed, needs are identified, proposals for solutions are made, priorities are established, implementation is implemented, and evaluation is conducted.
	27 c)	The most senior function and responsibility for staff engagement in the processes taking place within the Group is the ESG Coordinator position of Director of Facility & Administration.
	27 d)	The Group has no Global Framework Agreements or other human rights agreements.
	27 e)	The Group evaluates effectiveness by analysing feedback from the employees involved and monitoring the activities carried out under the individual measures.
	28	Feedback from vulnerable groups is evaluated together with others in a non-discriminatory approach. All results are reported at regular meetings.
	AR 25 a)	The Group has historically employed candidates from all over the world and from all religious and cultural minorities. Corporate policy has been set in this way since the company's inception.
	AR 25 b)	The group reflects the special needs of multicultural teams. It promotes language learning, good workplace relations and respects cultural specificities. It helps the integration of employees from third countries with different cultural and social practices.
	AR 25 c)	The channels of communication are the same for all employees. Emails, newsletters, bulletin boards, meetings, daily kitchen talks. Team meetings.
	AR 25 d)	The Group resolves potential conflicts internally through mediation in an effort to promote agreement and a conflict-free working environment.
	AR 25 e)	The Group promotes respect for the human rights of all employees as a core value in accordance with national legislation and corporate culture.
	AR 26	Regular feedback sought through HOD meetings / all staff meetings / management meetings / board meetings.
	S1-3 PROCEDURES FOR REMEDIYING NEGATIVE IMPACTS AND CHANNELS FOR OWN STAFF TO RAISE CONCERNS	
S1-3	32 a)	The Group has not identified a need to remediate negative impacts on its own employees. It has only put in place a process to regularly measure and monitor the lighting intensity on the gaming tables, which is why the croupier and inspector positions were included in KZAM 2.
	32 b)	Employees have the option of using an ethics hotline, whistleblowing system or direct communication with their supervisors to raise concerns. This system combines both internal and external channels, including email, personal communication, or submitting a complaint by mail.
	32 c)	The Group has a formalised process for making and resolving complaints that is easily accessible to all staff.
	AR 29	The Group has not established third party mechanisms as they are not included except in the Ethics Hotline procedure where notifications are received by a third party.

DR	Paragraph	Completion of the request
	32 d)	The Group promotes the availability of channels through training of managers and awareness campaigns among staff on available resources.
	32 e)	All cases of problems solved and channel effectiveness are tracked and monitored by the HR department, which evaluates everything, incorporates employee feedback and periodically reviews channel effectiveness.
	33	Staff surveys are conducted on an irregular basis to ensure that they are aware of the channels available and that they trust them.
	33	It is the Group's policy to establish protection against retaliation and to investigate all complaints made thoroughly, ensuring anonymity and respecting the presumption of innocence.
S1-4 THE ADOPTION AND EFFECTIVENESS OF MEASURES RELATING TO SIGNIFICANT IMPACTS ON OWN WORKFORCE AND APPROACHES TO MITIGATING SIGNIFICANT RISKS AND EXPLOITING SIGNIFICANT OPPORTUNITIES RELATED TO OWN WORKFORCE		
S1-4	37	The group monitors the work environment and responds to the needs of employees as appropriate. Within the casino professions, the focus is on taking sufficient breaks between mentally demanding phases of work. It carries out regular and planned monitoring of lighting intensity in the workplace. Other focuses include employee education in customer service, IT security training and language skills.
	38 a)	No negative impact on employees has been identified in the Group, but the Group is nevertheless addressing this area. A reduced working time of 37.5 hours has been introduced for employees working non-stop shifts. Additionally, all employees receive an extra 5 days of leave, and part-time working hours are also available. Employees are provided with benefit programs to encourage non-work activities.
	38 c)	In order to create a positive impact on employees, the Group has launched mentoring programmes to support career growth and skills development within the organisation.
	38 d)	Regular monitoring of progress and feedback from staff through anonymous questionnaires and appraisal meetings.
	39	Internal reports and feedback from plant managers and operational units are regularly analysed to quickly identify and address potential problems. This process would identify actions in response to negative impacts.
	40 a)	Regular training and development programmes are conducted to ensure workforce adaptability and resilience.
	40 b)	The Group develops initiatives for the personal and professional development of employees to enable them to better realise their potential within the organisation.
	41	The Group has implemented ethical guidelines and procedures to ensure that business practices respect the rights and well-being of their employees.
	43	Significant financial and human resources are allocated to occupational health and safety programmes, including investment in safety technology and training in negative impact management.
	AR 33 a)	The Group's general and specific approaches to addressing negative impacts include the implementation of a risk-based strategy to identify and prioritise negative impacts in order to address them effectively.
	AR 33 b)	The Group pursues various initiatives to help develop further positive impacts on its employees. It has implemented programmes to improve the working conditions of employees, particularly with regard to the number of employees, the non-stop operation and the complexity of the professions. In addition, it introduces career development programmes aimed primarily at the growth of employees within the Group, and personal development programmes for employees. The Group has introduced the principle of tagging all HR documents and restricting access to these documents.
	AR 33 c)	During the reporting period, the Group made significant progress in improving customer satisfaction, which is linked to a higher level of focus on service delivery. Positive results were achieved in relation to training and the promotion of career development within the Group.
	AR 33 d)	The Group's goal is to continuously improve working conditions, increase the quality of services provided, maintain compliance and reduce negative impacts on employees.
	AR 35	The negative impact for the Group is the leakage of employees' personal data. The Group addresses this risk in business relationships through data protection and NDAs with suppliers, including ensuring access rights to employee data both at the data level and in document form in the HR department. These filing cabinets are secured against unauthorised access.
	AR 36	The Group carries out regular checks under its internal audit programme and ISO27001:14 to ensure that data and documents in files are adequately secured against leakage.
	AR 40 a)	The Group obtains feedback from employees, on the basis of which it evaluates the individually set parameters and then adjusts or expands them with regard to the company's performance and possibilities.
	AR 40 b)	All employee programmes have led to increased employee satisfaction, improved working conditions and the promotion of professional development.
	AR 41	Regular assessments and reviews of the Group's procedures are carried out to avoid any negative impact on the workforce. This is done by obtaining feedback from department heads and by direct interviews with employees.
	AR 48	The Human Resources department and the site managers, are key to managing impact and supporting positive initiatives.

DR	Paragraph	Completion of the request
S1-5 OBJECTIVES RELATING TO MANAGING SIGNIFICANT NEGATIVE IMPACTS, PROMOTING POSITIVE IMPACTS AND MANAGING SIGNIFICANT RISKS AND OPPORTUNITIES		
S1-5	46	The Group has set targets to improve working conditions and increase employee satisfaction by 20% by 2025.
	47 a)	The targets were set by working with the heads of each operational unit and department heads to set targets through meetings.
	47 b)	Employees and their representatives are regularly informed about the progress and participation in the meetings through direct communication, email newsletters sent to all employees' emails, and employee bulletin boards at all sites.
	47 c)	Employees directly contribute their ideas and feedback through an internal idea box.
	AR 49 c)	Our objectives are based on country labour standards and internal Code of Conduct, ensuring their relevance and credibility.
S1-6 CHARACTERISTICS OF THE COMPANY'S EMPLOYEES		
S1-6	50 a)	*See Table 8 below
	51	*see table 8 below
	50 b) + 51	*see table 9 below
	50 b) + 51	The average number of employees is 701.
	50 c)	*see table 12 below
	50 c)	During the period under review, the Group employed 701 employees on an ongoing basis, of which 140 terminated their employment during the period under review and 188 were new hires. It should be noted that this number includes FTEs and FTEs, which are seasonal employees.
	50 d) i.	The Group uses the standard definitions for full-time and part-time under local legislation.
	50 d) ii.	The Group uses data from an internal HR database system that has defined reporting for similar requirements.
	50 e)	The number of female staff at the management level reflects the needs of staff in management positions, regardless of shift patterns. The increase in the turnover of staff joining and leaving reflects the demanding nature of some professions and only practical experience will determine whether an employee is suited to the profession. Regarding the larger number of temporary employees, the necessity to enter into an HPP for a period of one year in the first year of employment reflects the traditional probationary period to know an employee's suitability for the position is short.
	50 f)	The methodology for employees in the financial statements is different from the methodology for ESRS. The financial statements use the average restatement, compared to ESRS, where the figure is as of 31 March 2024.
	52	*see table 13 below
	52 a)	*see table 13 below
52 b)	*see table 13 below	
S1-9 DIVERSITY INDICATORS		
S1-9	48	The majority of employees work in the customer service area, which the Group provides on a non-stop basis, which determines the needs and requirements of these employees. High demands are placed on employees to behave professionally towards customers and to be able to communicate in international languages. Some employees are required to be competent in the use of PCs and programs. Direct customer contact positions must have a high degree of communication intelligence and the ability to respond to and resolve customer requests. Employees in premises management must have a long level of experience in the field combined with a degree in career development, be able to communicate in at least two foreign languages, namely English and German, have a high level of communication intelligence with customers, and be able to identify and respond to their needs and requirements. Back office and regional office staff must have a high level of expertise, multifunctionality, education and qualifications to perform their profession, combined with knowledge of at least one EN foreign language. These employees have a relatively high burden of driving company cars to visit each site.
	64	*see table 11 below

DR	Paragraph	Completion of the request
	66 a	The number of employees in top management is 21.
	66 a)	The percentage of employees in top management is 2.9%
	66 b)	The number of employees under the age of 30 is 194.
	66 b)	The percentage of employees under 30 is 27.6%.
	66 b)	The number of employees between the ages of 30 and 50 is 363.
	66 b)	The percentage of employees aged between 30 and 50 is 51.7%.
	66 b)	The number of employees over 50 is 144.
	66 b)	The percentage of employees over 50 years of age is 20.5%.
	AR 71	The Group has a matrix organizational structure rather than a classical organizational structure. Senior management is defined at the B+1 to B-1 level.
S1-10 REASONABLE WAGES		
S1-10	69	No employee shall be paid less than the reference appropriate wage.
S1-11 SOCIAL PROTECTION		
S1-11	74 a)	All employees are covered by social insurance against loss of earnings due to sickness in accordance with the laws of the country concerned.
	74 b)	All employees are covered by social insurance against loss of income due to unemployment in accordance with the laws of the country.
	74 c)	All employees are covered by social insurance against loss of income due to work-related injury and disability in accordance with the laws of the country concerned.
	74 d)	All employees are covered by social insurance against loss of income during parental leave in accordance with the laws of the country concerned.
	74 e)	All employees are protected by social security against loss of income in retirement in accordance with the laws of their country.
S1-13 TRAINING AND SKILLS DEVELOPMENT INDICATORS		
13		The Group carries out regular employee appraisals at an annual interval, and after a probationary period, appraisals by the immediate supervisor take place. Extraordinary employee appraisals are conducted outside these intervals following a change in job position or promotion.
S1-13	83 a)	100% of employees (male and female) participate in regular performance reviews and career development. Every employee is required to undergo this evaluation at least once a year.
S1-13	83 b)	In the reporting period, the average number of hours of training was 12.14 hours for men and 12.5 hours for women.
S1-13	83 b)	The average number of training hours per employee was 13.82 hours during the reporting period.
S1-13	84	100% of employees participate in regular performance and career development.
S1-13	84	During the reporting period, an average of 701 employees participated in performance and career development.
S1-15 WORK-LIFE BALANCE INDICATORS		
S1-15		Employees are entitled to take leave to the extent provided by the relevant laws. The entitlement shall be increased by one week of additional leave, five working days, i.e. 40 hours. The employee shall always be allowed to take such leave.
	93 a)	Entitlement to family leave is based on statutory entitlements as laid down by law.

DR	Paragraph	Completion of the request
	93 b)	During the period under review, 33 employees took maternity or parental leave out of a total of 701 employees, which is 4.71%.
	93 b)	A total of 33 employees took maternity, parental and paternity leave, of whom 28 women took maternity and parental leave (84.8%) and 5 men took paternity leave (15.2%). A total of 12 employees took paid leave for funerals, of whom 16.7% were women and 83.3% were men. A total of 13 employees took paid leave for weddings, of whom 61.5% were women and 38.5% were men. A total of 4 women took unpaid leave for childcare (100% compared to men).
	94	Employees are entitled to take leave to the extent provided by relevant laws. They shall always be allowed to take such leave.
S1-16 REMUNERATION INDICATORS (PAY GAP AND TOTAL REMUNERATION)		
S1-16	97 a)	*See Table 10 below
	97 a)	The gender pay gap is 9.3%.
	97 b)	The proportion of total annual remuneration by gender is sensitive information for the Group and cannot be disclosed.
P1-17 INCIDENTS, COMPLAINTS AND SERIOUS HUMAN RIGHTS IMPACTS		
S1-17	103 a)	No work-related incidents and/or complaints were identified, reported or sanctioned during the reporting period, and no serious human rights impacts were reported.
	103 a)	No incidents of discrimination, including harassment, were identified or reported during the reporting period.
	103 b)	Employees made no complaints through the concern channels during the reporting period.
	103 b)	No complaints were filed with the OECD National Contact Points for Multinational Enterprises during the reporting period.
	103 c)	There were no fines, penalties or awards of compensation for damages due to violations of social or human rights factors issued during the reporting period.
	104 a)	No serious human rights violations were identified during the reporting period, and there were no cases of non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Table S3 - Affected communities

DR	Paragraph	Completion of the request
SBM-3 SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERRELATIONSHIP WITH STRATEGY AND BUSINESS MODEL		
SBM-3	9	The Group has included all available information relating to the affected communities in the materiality assessment and disclosures.
	9 a)	The Group has identified the affected communities as citizens of the Czech Republic or citizens living in the regions where the Group operates. These are therefore communities that live or work in the vicinity of the Group's operations.
	9 c)	The Group is a stable and profitable company and therefore its activities have a positive impact on the communities concerned. The Group makes a significant contribution to the national and municipal budgets through significant tax payments, thereby supporting the lives of its citizens. The Group also supports employment in the regions where it operates.
	9 d)	*See Annexes 1, 2, 3 below
	10	*See ESRS 2 above
	11	*See ESRS 2
S3 - 1 POLICIES RELATING TO AFFECTED COMMUNITIES		
S3-1	12	The Group seeks to establish beneficial relationships with local communities in its areas of operation and contribute to their health, welfare and well-being through various activities and programmes. These include community outreach and volunteering initiatives, donations, local employment support and the Group's significant tax contributions. The Group financially supports charities in its operating regions, giving back to the communities it values. In the current financial year, the Group donated almost £1 million to support communities. The Group prioritises employing local people as part of a concerted effort to support local communities and develop talent. This practice provides new job opportunities for local residents and supports both professional and personal development within the region. The Group offers above-average wages for the regions in which it operates, resulting in positive local impacts as a result of increased investment and support for regional businesses and development by Group employees. As at 31 March 2024, more than 65% of employees come from local communities. As a gambling operator, the Group significantly contributes to the Exchequer through its activities. As part of the redistribution of taxes paid by the Group, the State directly allocates a portion of its gaming tax to the municipalities and cities where it operates. In 2024, tax levies accounted for 35% of the state budget revenue and 65% of municipal budget revenue.
	14	The Group seeks to establish beneficial relationships, particularly with local communities in its areas of operation, and to contribute to their health, welfare and well-being.
	16 b)	As part of its efforts to support local communities and develop talent, the Group prefers to employ local workers. This approach creates new job opportunities for local residents and fosters both professional and personal growth within the region. The Group offers above-average wages for the regions in which it operates, resulting in positive local impacts as a result of increased investment and support for regional businesses and development by Group employees. As at 31 March 2024, more than 65% of employees come from local communities.
	16 c)	The leadership is fully prepared to address any potential human rights violations and take immediate action when necessary.
	AR 11	The Group uses all possible and available channels for communication: employees: regular newsletter distributed to employees' e-mails, employee FCB, Intranet, Sharepoint, company e-mails, employee bulletin boards, regular meetings. Entities and groups outside the company: Website, FCB page, LinkedIn page, Data boxes, Emails, telephone communication, meetings via MS Teams, face-to-face meetings.
S3-2 PROCEDURES FOR WORKING WITH AFFECTED COMMUNITIES TO ADDRESS IMPACTS		
S3-2	21	The group emphasises engagement with the communities in which it operates. Decision-making processes and activities are designed to take into account these communities' needs and expectations. In the future, the Group sees the opportunity to better communicate these benefits to the community through regular meetings and, where appropriate, analyse community awareness through surveys and polls. Currently, it already supports employment within the local communities where it operates.
	21 a)	Communication occurs at several levels, both with management, agents and leaders, and directly with supported community members.
	21 b)	Collaboration with affected communities and organisations is intuitive and based on current needs. The cooperation includes different types of activities. Specific examples of cooperation are given below: <u>Charitable contributions.</u> <u>Ecological initiatives:</u> the Group introduces and supports ecological projects and programmes (Hotels for Trees - support for tree planting).

DR	Paragraph	Completion of the request
		<u>Sports and social events</u> : the Group's employees participate in and the Group sponsors various events that have a positive impact on the community (support for the Sharks para hockey organisation, Takewon-do nakarama Plzeň Children's Sports Club).
	21 c)	The most senior positions in the company that have operational responsibility for ensuring that engagement with communities is reflected in the company's progress are Tomáš Kment (Member of the Board of Directors, Director of Asset Management) / Pavel Maršík (Managing Director and Chief Executive Officer of the Company) / Colin Chapman Stewart (Member of the Board of Directors, Chief Operating Officer) / Marek Sedláček (Member of the Supervisory Board, Director of Casino Operations).
	21 d)	The Group collects feedback from community members and their representatives as well as from publicly available sources. This feedback provides it with information on how its initiatives are perceived and what impact they are having. Examples: The effectiveness of environmental initiatives is evaluated by measuring reductions in energy consumption and waste production. The effectiveness of participation in charitable projects is measured by the amount of money raised, the number of people helped. <u>Hotels for Trees</u> : The effectiveness of this initiative is measured by the number of guests who choose to forgo room cleaning in favour of planting trees.
	22	Monitor community views on the operation and influence the views of local communities.
	24	The Group does not currently have a formal general procedure for working with communities. Requests for cooperation from communities and organisations that approach the Group are responded to, and cooperation is also initiated with those deemed necessary and appropriate from the Group's perspective. In the future, the Group plans to establish formal procedures and processes for <u>engaging with affected communities</u> . This will ensure a systematic and consistent approach to these activities.
	24	The Group intends to implement this procedure by the end of this financial year.
S3-3 PROCEDURES FOR REMEDYING NEGATIVE IMPACTS AND CHANNELS FOR AFFECTED COMMUNITIES TO RAISE CONCERNS		
S3-3	28	Reference to G1-1 requirement 10(c).
	AR 21	The principle is always to respect the right to privacy and the protection of personal data, thereby ensuring that individuals are protected from retaliation.
	AR 21	Complaint mechanisms can be used anonymously, but dealing with these cases then prevents more detailed checks being carried out to address any reported problems.
S3-4 ADOPTION OF MEASURES RELATING TO SIGNIFICANT IMPACTS AND APPROACHES TO MITIGATE SIGNIFICANT RISKS AND EXPLOIT SIGNIFICANT OPPORTUNITIES RELATED TO AFFECTED COMMUNITIES AND THE EFFECTIVENESS OF THESE MEASURES AND APPROACHES		
S3-4		<p>The Group financially supports charities in the regions where it operates, giving back to the communities it values. In the current financial year, almost CZK 1 million was donated to support communities.</p> <p>As part of its efforts to support local communities and develop talent, priority is given to employing local staff. This practice provides new job opportunities for the region's citizens and supports local professional and personal development. As at 31 March 2024, more than 65% of the Group's employees come from local communities.</p> <p>The Group offers above average wages for the regions in which it operates, resulting in positive local impacts as a result of increased investment and support for regional businesses and development by Group employees.</p> <p>As a gaming operator, the Group's activities significantly contribute to the state and municipal budgets through tax redistribution. As part of this redistribution, the State directly allocates a portion of its gaming tax to the municipalities and cities where it operates. In 2024, the Group's tax levies accounted for 35% of the state budget revenues and 65% of municipal budget revenues.</p> <p>Opportunities: The Group transparently communicates its activities within the localities where it operates. It regularly attends meetings of municipal councils and informs the Group of potential developments and their progress.</p>
	32 c)	The Group supports the employment of people from local communities, provides internships for students from local schools, offers internships to school students according to their possibilities and needs, and provides practical training for <u>gastronomy students in their establishments</u> .
	32 d)	To evaluate the initiatives in place, the Group monitors the number of students wishing to establish HPP, FTE or FTE with the Group. It monitors students' reactions to the internship on social media and from their feedback.
	33 b)	The new measures are being implemented by the Group following recommendations and approval by the wider management team and discussion at the Regional MNG meeting.
	33 c)	The Group ensures that the measures set are effective and do not cause negative impacts through practice and feedback from local communities.
	34 b)	The Group plans to implement activities at the level of direct cooperation and support to local communities so that mutual benefit and even closer cooperation is further promoted. The activities will be implemented in the form of direct support to local associations such as DHZS, sports clubs, schools, children's activities, small investment projects, etc. In this way the Group wants to avoid any negative impact from extreme alternative groups fighting against gambling and influencing public opinion.

DR	Paragraph	Completion of the request
	36	There are no serious human rights issues and incidents reported in the group related to the affected communities.
	38	Annually, CZK 1 million has been directly allocated to positively impact local communities, with several hundred million CZK allocated indirectly from tax redistribution.
	AR 25 a)	In the form of monitoring public and council views and media, soliciting input from staff, and monitoring and responding to FCB public information channels and emails.
	AR 25 b)	Other projects that focus on significant positive impacts include investments and support for community service activities, support for student education in the Group's business areas, and employment of foreigners with refugee status.
	AR 25 c)	The Group was successful in implementing its intended support across all defined objectives.
	AR 25 d)	Identification of other specific objectives focused on communities and support for non-profit organisations dealing with citizens' crisis situations, support for education.
	AR 34 a)	The group seeks the views and insights of local communities on the support needs of their activities. The Group seeks to take these views into account in the implementation of its objectives.
	AR 34 b)	Positive results that the Group can publish are Good Angel, support for the IRIS ZOO Pilsen magazine, support for youth sports activities, support for activities to prevent and prevent juvenile addiction.
	AR 34 c)	The selected communities were chosen to support youth in particular and eliminate negative impacts on people's and youth's lives.
	AR 35	Reinforcement of the negative effects of addictions and negative impacts on people's lives.
	AR 43	The wider group management, in collaboration with the marketing department, is responsible for allocating resources to manage significant impacts.
S3-5 OBJECTIVES RELATING TO MANAGING SIGNIFICANT NEGATIVE IMPACTS, PROMOTING POSITIVE IMPACTS AND MANAGING SIGNIFICANT RISKS AND OPPORTUNITIES		
S3-5	41	<p>The Group recognizes the risk associated with the issuance of permits for gaming spaces, which is dependent on local ordinances. Therefore, it seeks to establish mutually beneficial relationships with the local communities in its areas of operation and contribute to their health, welfare and satisfaction through various activities and programmes. These activities include community outreach and volunteering initiatives, donations, local employment support and the Group's significant tax contributions.</p> <p>The Group financially supports charities in the regions where it operates, giving back to the communities it values. As part of its commitment to supporting local communities and developing talent, the Group prioritizes hiring local people. This approach creates new job opportunities for residents and promotes both professional and personal growth within the region. Employing employees from the local communities where the Group operates leads to positive impacts on local citizens through increased disposable income. As at 31 March 2024, over 65% of the Group's employees were from local communities.</p> <p>As a gambling operator, the Group significantly contributes to the Exchequer. As part of the redistribution of taxes paid by the Group, the State directly allocates a portion of the gaming tax to the municipalities and cities where the Group operates. In 2024, the Group's tax levies accounted for 35% of the state budget revenue and 65% of the municipal budget revenue.</p>
	42 a)	The Group's objectives were set on the basis of its long-standing practical and professional knowledge, experience and reactions to current development trends.
	42 b)	The Group's objectives are directly linked to the performance of the business and are key in determining the economic performance of the company and its operations.
	42 c)	The Group's objectives were set through regular feedback, evaluation and response to changes or improvements.
	AR 44 a)	The intended outcomes of the Group are to provide a positive view of the whole Group and to ensure mutual benefit to people and communities.
	AR 44(b)	The goal is stable long-term cooperation in the set areas and conceptual support.

Table 4 S4 - Consumers and end users

DR	Paragraph	Completion of the request
SMB-3 SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERRELATIONSHIP WITH STRATEGY AND BUSINESS MODEL		
SBM-3	10	The scope of the disclosures shall include all potentially affected consumers and end-users who could be significantly affected by the undertaking.
	10 a)	<p>CASH:</p> <p>These are the following types of domestic and foreign customers and end-users who are willing and able to meet the conditions for registration and entry into the premises (valid document, proof of origin of funds, age over 18 years, not excluded from gambling), namely:</p> <ul style="list-style-type: none"> a) Leisure customers and travellers who use the service on a very occasional basis solely for entertainment b) regular customers who use the service on a regular basis c) customers who want to try something new and experience something new d) professional gamblers who incorporate gambling into their lifestyle e) customers who visit the premises for entertainment at special events and high level catering services f) customers who visit the premises for a different gaming offer from competing premises g) visitors who seek our professional service and live game management <p>HOTELS:</p> <p>For hotel operations, customers can be allocated as follows:</p> <ul style="list-style-type: none"> a) regular guests of the casino who come at regular intervals for entertainment at the casino and also use the accommodation and other services of the hotel. b) Guests who come for relaxation and wellness purposes, who make much use of the wellness services but also of the catering services c) 'out of town' employees and partners of local companies in the area who will only use the bed and breakfast d) companies organising conferences, team building and training e) travel agencies from abroad who take guests on "tours" and use the hotel for overnight stays with dinner if necessary f) non-accommodated guests who only come for lunch, dinner, afternoon coffee or a one-time access to the spa
	10(a)(i)-(iv).	<p>KASINA:</p> <p>In its very principle, gambling is not harmful to humans. It is only a kind of entertainment. According to studies published annually (NATIONAL MONITORING CENTRE FOR DRUG AND ADDICTION SECRETARIAT OF THE COUNCIL OF GOVERNMENT FOR COORDINATION OF POLICY IN THE AREA OF ADDICTIONS OF THE OFFICES OF THE GOVERNMENT OF THE CZECH REPUBLIC), which assess the prevalence of HH within the population and in the Czech Republic historically since 2015. In 2022, 44-56% of persons aged 15 and older reported participating in HH (including lotteries) in the preceding 12 months, 16-25% of the adult population played HH without lotteries, and 17-18% played HH online. According to the study, lotteries are the most frequently reported games (38-49% in the last 12 months). Excluding lotteries, participation in land-based (8-20%) and online betting, including live betting (12%), is the most commonly reported over the long term, followed by playing land-based technical games (3-7%). Over the long term, a several times higher prevalence can be observed among males and among young adults in the 15-34 age group.</p> <p>The prevalence of non-lottery HH gambling declined slightly in 2020-2021, probably connected to the measures related to COVID-19. In 2022, HH prevalence rates in the adult population returned to 2019 values and even to significantly higher values in the case of online HH. According to the Lie/bet scale, 2.5% of adults fell into the problem gambling risk category. Extrapolating the results to the population of the Czech Republic, the number of persons at risk of problem gambling was approximately 140-250 thousand, of which approximately 60-110 thousand were at high risk. Estimates of problem gambling based on the PGSI scale amount to 400-500 thousand persons at risk, of which 50-120 thousand were at high risk.</p> <p>Across studies, it has long been shown that the highest representation of players at risk of developing problem gambling is among land-based technical gamblers and online sports betting players (including live betting). The Physicians CR 2022 study suggests a median prevalence estimate of 1.3% for problem gambling. In absolute numbers, this is approximately 113,000, of which approximately 10,000 are under 18 years of age. The prevalence of HH gambling is higher in some population groups. In a study among prisoners in 2022, the prevalence of land-based TH gambling in the preceding 12 months (before the onset of sentence) was 32% and among residents of socially excluded localities 15%, which is approximately 10 and 5 times higher than in the general population, respectively.</p> <p>In the different waves of the study, the same pattern of development of problem gambling is repeated, with respondents starting HH gambling on average around 20-24 years of age, regular gambling starting at 25-27 years, problem control of gambling occurring at 28-30 years, and seeking professional help on average at 32-34 years. Currently, thanks to the amendment of the HHH as an operator, the Group offers gamblers a sufficient number of ways to reduce possible changes in gambling behaviour. These include a wide range of self-limiting measures, setting limits on visits and logins to the player's user account, setting a limit on the funds used to play, the possibility of self-exclusion and inclusion in the exclusion register.</p>

DR	Paragraph	Completion of the request
		<p>HOTELS: For hotel guests, end-users are included in the category who depend on accurate and accessible information about the services provided at hotels.</p> <p>10 b) Negative impacts in your Society are: 1. Gaming addiction, "irresponsible" gaming. The Group tries to counteract this phenomenon responsibly and to offer self-limitation options, including information on self-limitation and self-exclusion options for gamers. Leakage of personal customer (and employee) data and the subsequent impact on customers (employees) which the Group prevents by sufficient systems protection (ISO27001:14) 3. Marketing is generally aimed at the wider population, but information on the harms of gambling and the risk of addiction is mandatorily used in all marketing tools.</p> <p>10 d) KASINA: a) Problem gambling and gambling addiction: the risk: Increased incidence of problem gambling among customers may lead to negative public opinion and stricter regulation by the government. Measures: Planning for the introduction of responsible gambling programmes, training staff to recognise and manage problem gambling and working with organisations providing support to addicts, actively offering self-restraint or self-exclusion. b) Regulatory changes: Risk: Changes in legislation may increase the cost of compliance or limit operational options or availability. Action: Active monitoring of the regulatory environment, participation in industry associations and dialogue with regulators. c) Security and privacy: Risk: Security breaches and leakage of customer personal data can lead to sanctions and fines, loss of customer trust and reputational damage. Measures: investment in modern security systems, regular audits and staff training in data protection. Implementation of ISO27001:14 d) Changes in customer preferences: risk: Changes in customer preferences and behaviour can lead to a decline in footfall and sales. Measures. Opportunities: e) Promotion of responsible gaming: Risk: Inadequate promotion of player awareness may lead to lawsuits for lack of player protection, especially by foreign nationals, and claims for compensation for financial losses. Opportunity: Supporting and promoting responsible gaming can increase customer trust and loyalty and improve the Group's image. Action: Establishing and promoting responsible gaming programmes, working with non-profit organisations and educating the public. f) Improving the customer experience: Opportunity: Improving services and offerings can attract new customers and increase the satisfaction of existing customers . Action: Innovation in the gaming environment, offering new games and services, personalising the experience based on feedback and data analysis. g) Social responsibility and sustainability: Opportunity: Investing in socially responsible and sustainable initiatives can improve a company's reputation and attract customers who prefer ethical businesses. Measures: Supporting local communities, reducing the environmental footprint, transparent communication and stakeholder engagement. h) Digital transformation: Opportunity: Adopting new technologies and digitalisation can streamline operations, improve safety and offer customers new entertainment options . Action: Invest in digital platforms, online gaming and security technologies, regularly innovate and adapt to new trends.</p> <p>HOTELS: Security and data protection When operating hotel services, despite software safeguards, there may be a risk of leakage of customers' personal data within the reception and back office. However, this would mostly be a failure of individuals, not the system. The SW system is designed within a high level of security. Action: investment in modern security systems, regular audits and training of staff in data protection. Implementation of ISO 27001:14 d) Changes in customer preferences: risk: Changes in customer preferences and behaviour may lead to a decline in traffic and sales. Measures. Opportunities: e) Investing in new products and new services, using local trends for promotion: Opportunity: Investing in new parts of hotels such as SPA, wine culture, cycling, tourism, conferences, will help to develop the number of customers seeking these hotel services. It is necessary to follow the trends and to promote</p>

DR	Paragraph	Completion of the request
		these trends more in the locations where the hotels operate by investing in products supporting these services.
	11	The Group obtains information from studies (for example: National Monitoring Centre for Drugs and Addictions, Reports on Gambling in the Czech Republic), customer surveys and daily contact with customers. This includes an annual study on the extent and importance of addiction and its prevalence in the population. Compared to previous years, there has been a change in the behaviour and prevalence of the population due to the increased supply and availability of gambling on the Internet. Protecting adolescents from the possibility of taking advantage of the gaming offer is therefore important. Any client wishing to gamble in the Czech Republic is obliged to register with the operator and create a gambling account. The establishment of such a player account is linked to proof of identity of the natural person and an AML check. If there is no physical check or the use of one of the digital identification tools (bank identity, Czech point e-document), the person cannot be granted a player account without which they cannot log in to the game or enter the premises. As part of the creation of a player account, the player is obligatorily offered the opportunity to set their self-limitation measures. The player must individually reject or accept these self-limiting measures. At the same time, there is the possibility of being registered in the register of persons excluded from gambling in the territory of the Czech Republic. In the registration process, it is checked whether the natural person applying for registration is not already registered in this register. By law, the state places on the registry all individuals who are in foreclosure or have had a personal bankruptcy declared against them or are in any way restricted by the state from using these services.
S4-1 CONSUMER AND END-USER POLICIES		
S4-1	15	<p>CASH: The Group implements the compliance policy under the ZHH in its entirety and implements the AML policy in accordance with the guidelines approved by the FAU. It also implements responsible gaming programmes under the ZHH Rules and provides opportunities for self-limitation and self-exclusion for clients. The Group provides staff training to identify and manage problem gambling and continues to work with organizations such as Lending Hands that provide support to addicts to help staff better understand how to deal with these clients. Through this approach, the Group demonstrates to clients and the community that social and corporate responsibility for any negative phenomena associated with gambling is an important issue for the Group and not just empty words.</p> <p>Opportunity: by working seamlessly and fairly with each other, the Group is gaining allies in local communities for the potential re-evaluation of local ordinances for the purpose of continuing to permit gaming premises. It also gains a positive view of gambling operators from the perspective of these communities, as long as they operate with respect for their surroundings and with minimal impact on their safety. The revenue to municipal coffers from the redistribution of taxes makes for an economically beneficial partnership. The Group has an opportunity in the future to further focus on directly supporting the communities in the locations where it operates, thereby increasing positive perceptions of casino and gambling operations.</p> <p>Risks: unfortunately, this positive perception has not been taken to the level of national and state policy. The view of gambling operations is skewed by politicians' view of some historical operators who have disregarded social responsibility and the need for responsible operating policies and impact on neighbourhoods and communities.</p> <p>HOTELS: Protection and prevention of leakage of personal data: only the front desk, hotel manager, front office manager and hotel operations manager have access to the reservation system with personal data and customer data. Hard copy documents are securely stored in lockable areas and then securely archived. After the legal deadline, documents are shredded by a professional company with whom the Group has a contract for the shredding of sensitive data.</p>
	16 a)	The human rights of consumers are fully respected in accordance with the law and obligations. The operation of gambling is fully supervised and subject to the licensing process of the MoF and the Gambling Act, which sets out the conditions and their compliance to customers and the conditions for their participation in HH. At the same time, customers must also comply with these conditions and without compliance, the Group cannot register them and allow them to enter the premises. The Group respects GDPR protection and at the same time invests significant costs in securing systems against data leakage. However, at the same time, clients must be willing to hand over this data to enable them to comply with their legal obligations.
	17	<p>This policy aims to ensure consumer rights in relation to traders and to provide increased protection for disadvantaged consumers so that they have better information with which to make informed choices. Based on this policy, the Group provides clear and correct information for clients to decide whether to use the service. The Group does not use unfair internet business practices, respects consumers' right to make informed choices, does not abuse consumer behaviour patterns and does not interfere with consumers' decision-making processes. It always places mandatory information on the harmfulness of gambling in its advertising. The Group ensures that consumers over the age of 18 have access to information and to gambling.</p>
	AR 9	Implementation of the new conditions according to the adopted amendment to the ZHH, changes to the permitting process, changes to the gaming principal conditions, changes to the taxation conditions, changes to the self-limitation and self-exclusion conditions, changes to the conditions for granting a gaming permit and implementation of the new conditions in the gaming plans. Other measures include, thanks to the new IPO process, further investment in modern security systems, regular audits and staff training in data protection.
	AR 13	Communicating policies to employees, suppliers, public: internal communication: communicating policies to employees through internal communication channels such as emails, intranet sites, company meetings or FCB bulletin boards,

DR	Paragraph	Completion of the request
		<p>Newsletter. It is important to the Group that this information is accessible and understandable to all employees. In all cases of information dissemination, the Group uses at least CZ, EN and GE translated versions depending on the country where the information is disseminated.</p> <p>Written form: Policies are published in the form of written documents such as manuals, rules and guidelines as required. These documents are available on the internal SHP in the CZ/EN/GE language versions and are updated regularly.</p> <p>Training and workshops: The group organises training and workshops to inform staff about new or updated policies. This form of communication allows for interactive discussion and question-and-answer sessions.</p> <p>Websites and portals: Create a special section of the Group's FCB website where policies are posted.</p> <p>Sharing with suppliers and contractors: If policies are relevant to suppliers or contractors, they must be communicated. This can be done through emails, contracts or face-to-face meetings.</p>
ESRS 2	62	<p>The reason is that the group operates according to the ZHH and that the EU Commission on Consumer Protection must authorise this law. The Group is governed by its legislative obligations.</p> <p>BDO's SUGGESTION: Beyond the legislative framework, the Group does not have formalised documents set up to address individual impacts, risks and opportunities.</p>
<p>S4-2 PROCEDURES FOR ENGAGEMENT WITH CONSUMERS AND END-USERS WITH REGARD TO IMPACTS</p>		
S4-2	20	<p>Opportunity: implementation of a project on an internal communication tool for clients</p> <ul style="list-style-type: none"> - Regular feedback collection: - Methods: the Group uses various methods to collect feedback from their customers, including questionnaires, satisfaction surveys, possible online reviews and direct communication with customers in casinos - Methods: the Group regularly analyses data and customer behaviour, trends and preferences using advanced analytical tools (NEON / BI) <p>Methods: The Group regularly analyses data and customer behaviour, trends and preferences using advanced analytical tools (NEON/BI).</p> <p>Purpose: These analyses help to identify new opportunities and risks and to adapt services (gaming offers, layout of gaming equipment) to current customer needs and expectations.</p> <p>2) Improving customer service: Feedback: Customers desire faster and more efficient service at our gaming areas (e.g. bar service). Action: Based on this feedback, the Group has invested in staff training to improve customer service and increase staffing during busy times.</p> <p>3) Expanding the gaming offer: Feedback: Some customers expressed interest in a wider range of games, including new and innovative slots and table games. Action: Based on this feedback, the Group has expanded the range of gaming machines and table games to include new titles and innovative gaming experiences.</p> <p>4) Introduction of a responsible gaming programme: Feedback: Customers and the community expressed concerns about problem gaming and its impact on individuals and families</p> <p>Actions: In response to these concerns, the Group has implemented a responsible gaming programme that includes staff training, informing customers about the risks associated with gaming, and working with organisations that provide support to addicts.</p> <p>Negative impact and risk: - Leakage of personal customer data and subsequent impact on customers - Improved security and privacy: - Feedback: Some customers have expressed concerns about the security of their personal data - Action: the Group has implemented a data protection system (request for statements) and regularly audits and tests security systems (ISO).</p> <p>This ensures that the views of consumers and end users are systematically taken into account in strategic decisions and day-to-day operations. The Group aims to continuously improve the customer experience and contribute to the Group's sustainability and social responsibility.</p>
	20 a)	<p>Regular collection of customer feedback Goal: Analyse trends and adapt the offer and services.</p> <p>Internal auditors and consumer protection lawyers. Purpose: To provide valuable information and recommendations on how to better protect and support customers.</p> <p>Partnerships with non-profit organisations Interviewees: Non-profit organisations specialising in gambling addiction.</p>

DR	Paragraph	Completion of the request
		<p>Purpose: To help establish effective, responsible gambling programmes and support customers who need help.</p> <p>Cybersecurity experts and data protection organisations. Purpose: To implement new security protocols and technologies that protect customers' personal data and increase their trust in our services.</p>
	20 b)	The Group regularly collects customer feedback, analyses trends and competitors and adapts its offerings and services.
	20 c)	The analysis and collection of customer feedback is the responsibility of the "Casino Manager", who then passes the analysed data to the Operations Director in cooperation with the Marketing Department. The Operations Manager takes responsibility for subsequent communication and consultation with the Board of Directors and presents programmes and plans to meet the requirements for improvement of all services. This includes regular internal briefing meetings between departments, communication with each other and the development of training plans and training sessions.
	20 d)	Evaluating the effectiveness of the Group's engagement with consumers and end users is a key element of its approach to continuous improvement. The Group uses a combination of quantitative and qualitative methods, including satisfaction surveys, key performance indicators, feedback analysis and external audits. Based on these assessments, the Group has implemented a number of specific measures that have led to tangible improvements in its service and overall customer experience.
	21	<p>KASINA: Customer base analysis: Methods: the Group regularly analyses its customer base to identify groups that may be particularly vulnerable or marginalised. These groups may include people with disabilities, the elderly, people under 18 (registration), people addicted to gambling. Purpose: This analysis enables the Group to better understand the specific needs and risks of these groups and to focus its efforts on protecting and supporting them.</p> <p>Methods: The Group conducts targeted surveys and interviews focusing on vulnerable and marginalised groups of customers to gain insight into their financial and life situation. Purpose: Supporting and promoting responsible gaming can increase customer trust and loyalty and improve the Group's image.</p> <p>Improving accessibility of services: Methods: the Group is implementing measures to improve the accessibility of its services for people with disabilities, including physical adaptations to premises and the provision of special support services. Purpose: To ensure that the Group's services are accessible and convenient for all customers, including those with special needs.</p> <p>Responsible Gaming Programmes: Methods: the Group implements responsible gaming programmes which include informing customers about the risks associated with gaming, providing support and counselling for people with gaming problems. Purpose: To protect vulnerable groups from the negative effects of gambling and to provide those in need with the necessary information on where to go for professional help.</p> <p>HOTELS: The group participates in the CE-Spaces4all project, which is specifically aimed at making hotels accessible to people with disabilities (physical, visual, hearing) from across the EU (borderless travel). The group also provides special facilities for children, such as a play area and a playground.</p>
	AR 15	<p>CASINO: The analysis and collection of customer feedback is the responsibility of the "Casino Manager" position, who then passes the analysed data to the Operations Manager in collaboration with the Marketing Department, who takes responsibility for subsequent communication and consultation with the Board of Directors and presents programs and plans for fulfilment to improve all services, including regular internal informational meetings between departments and communication with each other, including the development of training plans and training sessions.</p> <p>HOTELS: The analysis and collection of customer feedback is the responsibility of the Front Office Manager, Hotel Operations Manager as well as the entire front desk where guests very often communicate their impressions, comments and suggestions upon check-out. These are then consulted with the Hotel Manager (Hotel Director) and action is taken.</p>
S4-3 PROCEDURES FOR REMEDYING NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS		

DR	Paragraph	Completion of the request
S4-3	25 b)	<p>CASINO: Internal channels set up by the company itself: - Customer service: channel: the casino reception telephone line. Function: Customers can contact the front desk directly to express their concerns, needs or complaints. Availability: Function: Customers can send their questions and concerns to a dedicated email address where messages are processed and answers provided as quickly as possible. Availability: Function: Customers can visit casinos in person and interact directly with front desk staff or local management. Availability: Reception and casino management are available during casino operating hours. - Customer surveys: Channel: Organised surveys and questionnaires. Function: Customers are invited to participate in surveys and questionnaires to anonymously express their opinions, concerns and suggestions for improvement. Availability: Surveys are conducted on purpose and results are analysed to improve services.</p> <p>HOTELS: Communication with guests is most often via email, telephone at the hotel reception, via the website (booking engine, AI chatbot - questions, comments or complaints are then responded to by the hotel reception), social media (comments and direct messages), Booking, Tripadvisor or face-to-face meetings at the hotel.</p>
	25 c)	<p>CASINOS: The Group's corporate social responsibility and sustainability includes regular checks on the functionality and availability of all communication channels, regular training of personnel for personal contact with customers and setting up contractual relationships with suppliers.</p> <p>HOTELS: The Group's contractual relationships include ensuring the functionality of the website and AI chatbots. The Group's receptionist job description includes face-to-face meetings, handling emails and phone calls. The Group's contractual relationships include ensuring the functionality of the website and AI chatbots. The Group receptionist's job description includes face-to-face meetings, handling emails and phone calls.</p>
	25 d)	Through established methods and processes, the Group actively monitors and tracks issues and the effectiveness of its communication channels to ensure that it is able to respond to the needs and expectations of its customers and end users.
	26	The Group regularly responds to all end-user concerns and needs within 3 days. The channel is directly accessible on the Group's website and its functionality is confirmed by consumer communications. Where information is submitted via the Ethics Line, third party communication is provided.
	26	The Ethics Hotline's internal policy ensures that individuals are protected from retaliation. The recipient of the report is an independent third party who does not disclose information about the whistleblower, only information for investigation.
	AR 20	Ways in which consumers have the opportunity to inform themselves: email communication, FCB communication, Chatbot, written communication, ethical line, data box, telephone communication.
	AR 21	All channels are accessible to all parties.
	AR 22	<p>CASINOS: The Group treats complaints confidentially. Only the internal audit department and the Group's senior management have complete personal data.</p> <p>HOTELS: Complete personal data is only available to users with access to the reservation system.</p>
	AR 22	The group allows complaints to be sent anonymously, but this limits the ability to investigate the whole case and the details of the complaint in detail.
	AR 23	The resolution of cases through complaints is functional. The exact number of complaints within the reporting period can be determined.
S4-4 TAKING ACTION ON SIGNIFICANT IMPACTS ON CONSUMERS AND END-USERS AND APPROACHES TO MANAGING SIGNIFICANT RISKS AND EXPLOITING SIGNIFICANT OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS AND THE EFFECTIVENESS OF THESE ACTIONS		
S4-4		<p>CASINOS: The Group takes a systematic approach to ensure that the actions taken to address significant impacts, risks and opportunities are effective and deliver positive outcomes for consumers and end users. These measures include addressing significant impacts and risks through regular analysis and evaluation.</p>

DR	Paragraph	Completion of the request
		<p>Methods: The Group regularly conducts analysis and evaluation to help identify significant impacts on consumers and end-users, including risks and opportunities. Tools: the Group uses customer feedback, satisfaction surveys, internal audits and external audits.</p> <p>HOTELS: To minimise the risk of leakage of personal customer data, the Group has sought to minimise the printing of documents (printing only when necessary) and has also reviewed document archiving and shredding procedures. Among other things, the recommended retention period for documents by our corporate auditors has been reduced. Another important point is secure shredding in accordance with GDPR and ISO rules.</p>
	31 a)	<p>Improved customer support: measure: the Group strengthened customer service by expanding working hours, training staff and introducing modern technology to resolve problems more quickly and efficiently. Effectiveness: The group regularly monitors response time and customer satisfaction with problem resolution, which indicates increased efficiency and satisfaction.</p> <p>Responsible gaming programmes: Measure: The Group has established and promotes responsible gaming programmes which include informing customers about the risks associated with gaming, providing advice and implementing measures to prevent problem gaming. Effectiveness: Monitoring of problem gambling incidents and customer feedback shows reduced risks and increased awareness of responsible gambling.</p> <p>Improving accessibility: Measure: The Group makes physical adaptations to the premises and ensures accessibility for people with disabilities, including installing ramps, wide doors, and special support services. Effectiveness: Increased satisfaction of customers with disabilities and reduced number of complaints regarding accessibility.</p>
	31 b)	<p>Regular staff training and awareness: Measure: Regular staff training on identifying and managing risks related to security, data protection and responsible gaming. Effectiveness: Increased staff preparedness to deal with crisis situations and an improved ability to identify and prevent risks.</p> <p>Technology improvements: Measure: Investment in advanced security technologies for data protection and fraud prevention. Effectiveness: reduced the number of security incidents and increased customer confidence in the Group's ability to protect their personal data.</p>
	31 c)	<p>Innovation and new services: Measure: The Group develops and introduces new services and products that meet customer needs and expectations, such as mobile applications and security measures (ISO). Effectiveness: increased number of users of new services and positive feedback from customers</p> <p>Marketing campaigns: Measure: The Group produces targeted marketing materials focused on responsible gaming and new services that highlight the Group's commitment to consumer protection. Effectiveness: Increased public awareness of the Group's initiatives and increased the number of responsible gamers.</p>
	31 d)	<p>Feedback and adjustments: Methods: Based on customer feedback and monitoring results, the Group continuously adjusts and improves its measures. Tools: a flexible approach to managing risks and opportunities, regular updates of procedures and staff training.</p> <p>Internal corporate auditors check compliance with these newly established and agreed procedures described above during regular visits to branches.</p>
	32 a)	<p>The Group chooses the appropriate measures based on the data collected from its customer feedback, satisfaction surveys, and internal and external audits. The tools used by the Group are marketing tools, questionnaires, personal interviews, and analysis of complaints and incidents.</p> <p>HOTELS: A negative impact on the end customer of a hotel can be the leakage of personal data and we combat this by minimising the risk of leakage of personal customer data. The Group is trying to minimise the printing of documents (printing only when necessary) and there has also been a review of procedures on document archiving and shredding. Among other things, the recommended retention period for documents by corporate auditors has been reduced. Another important point is secure shredding in accordance with GDPR and ISO rules.</p>

DR	Paragraph	Completion of the request
	32 b)	<p>Categorisation of impacts: Methods: the Group categorises impacts according to whether they are caused by the entity, contributed to by the entity or directly related to its operations, products or services through a business relationship. Tools: internal guidelines</p> <p>Methods: the Group assesses the responsibility of the business for specific impacts and prioritises corrective actions. Tools: legal and ethical analysis, consultation with experts and lawyers.</p>
	32 c)	<p>Corrective Action: procedures In cases where the Group directly causes a negative impact, it takes immediate corrective action, such as technical adjustments, changes in processes or additional training of employees. Tools: project management, facility management, regular executive committee meetings, rapid response teams.</p> <p>Mitigation measures: Procedures: where impacts are contributed to or linked to the Group's business relationships, the Group implements mitigation measures such as adjustments to supplier contracts, increased control of the supply chain and strengthening of partner collaboration. Tools: contractual amendments, supplier audits, cooperation with NGOs.</p> <p>Preventive Measures: Procedures: To prevent potential negative impacts, the Group implements preventive measures such as employee training programs, product and service improvements and technology innovations. Tools: training and workshops, investment in research and development.</p> <p>Remediation of negative impacts is possible because internal guidelines are published on the company sharepoint, where all responsible employees have access.</p>
	33 a)	<p>Identification of significant risks Regular risk assessment: systematic identification and assessment of risks that may have significant impacts on consumers and end-users. Stakeholder engagement: Consultation with stakeholders, including customers, employees and regulators, to identify potential risks.</p>
	33 b)	<p>Privacy and security: measures: the Group implements advanced security technologies such as data encryption, two-factor authentication and regular security audits. Effectiveness: the Group regularly tests and updates security systems, monitors the number of security incidents and the speed of their resolution (Help Desk).</p> <p>Responsible Gaming: Measure: The Group operates a responsible gaming programme which includes self-restraint measures and access to information and advice for players at the casino reception. Effectiveness: the Group monitors all players with a self-restraint requirement.</p> <p>Accessibility and Inclusion: Measure: The Group ensures accessibility for all customers, including those with disabilities, through adaptations to the premises and the provision of support services. Effectiveness: The Group monitors feedback from customers with disabilities, responds to and addresses any complaints.</p> <p>Transparent and fair terms and conditions: Measure: The Group ensures transparent and fair terms and conditions for all customers, including clear information on terms and conditions of services such as marketing promotions, GTCs and game plans. Effectiveness: the Group regularly reviews and updates terms and conditions, monitors customer feedback and complaints regarding terms and conditions of service.</p>
	34	<p>The Group designs its marketing and sales practices to be ethical and transparent. The Group ensures that all advertising and promotional materials are truthful and not misleading. The Group implements strict customer privacy standards to ensure that data is only used in accordance with applicable laws and internal policies. The Group uses customer data solely to provide and improve its services and never shares it with third parties without the customer's express consent. The Group's decision-making is guided by a code of ethics that emphasises preventing and mitigating negative impacts on consumers over commercial pressures. The Group always considers potential impacts on consumers and end users when deciding on business strategies and practices. The Group solely uses customer data to provide and improve its services and never shares it with third parties without the customer's consent.</p>
	37	<p>The group has a dedicated regular committee meeting that, among other things, communicates consumer and end-user issues. The Group provides regular training sessions for staff to keep them up to date with the latest regulations, policies and best practices relating to consumer protection. The Group allocates a specific budget for risk management and</p>

DR	Paragraph	Completion of the request
		compliance activities, including investment in technology and professional services. The Group funds initiatives to improve the customer experience and address customer concerns. The Group implements and maintains advanced data protection and data security systems.
	AR 25 a)	General procedures after addressing significant negative impacts: ISO, Procedures, GTC, transparent documents (game plans), training, CMS, Help desk, MKT materials, promotion of responsible gaming, training to identify problem gamblers, AML procedures and AML-related training, support to surrounding communities.
	AR 25 c)	During the reporting period, the Group defended its ISO 27001:14 certification, successfully renewed its basic gaming licence for a further 6 years and renewed its gaming premises licence for a further 3 years. The Group has conducted training to identify problem gambling for staff and actively participates in industry associations and associations to promote gambling related activities. The group is further implementing systems security and data security training for staff. The Group also conducts training and audits focused on customer safety while staying at its hotels.
	AR 25 d)	KASINA: The Group's objectives are to further develop employee training processes, build on the safety standards set, and create new measures, such as cooperation with non-profit associations in the responsible gaming programme. HOTELS: Changing the CMS of the hotel system. Developing training for staff and investing in data protection training.
	AR 27	The Group enforces contractual requirements in business relationships, in particular on the level of SLA quality for the products provided for the game and other equipment for 24/7/365 operation. Within marketing, the Group enforces obligations related to promotion for the gaming industry. The Group engages in activities related to regulation and the impact on the gambling industry through the Association of Casino Operators in the Czech Republic and the IPRH Association. The Group communicates directly with the Ministry of Finance, expert groups under the Government of the Czech Republic and addictionologists. The group provides work experience for catering students, imparting practical experience and skills that will contribute to future quality service delivery.
	AR 28	The group focuses on collecting data for studies on the impact of gambling and contributes to the production of studies and research on the impact of gambling on the economy and the population, including studies on the positive impact of gambling on the economy.
	AR 33 a)	Consumers cannot participate in the implementation because most of the processes are made up of legal regulations and decrees of the MoF and other regulators.
	AR 41	The following internal functions are involved in impact management: the board of directors, senior management and the internal audit department. Based on the adopted changes to the law and decrees, a legal assessment and solution is being developed through the CARCOM Group and processes for implementation and roll-out are being designed. Procedures are also proposed for further forms of training and putting into practice the various procedures, responsible AML play.
P4-5 OBJECTIVES RELATING TO MANAGING SIGNIFICANT NEGATIVE IMPACTS, PROMOTING POSITIVE IMPACTS AND MANAGING SIGNIFICANT RISKS AND OPPORTUNITIES		
S4-5	41	The Group actively engages consumers in the goal-setting process through various communication channels.
	41 a)	In setting objectives, the Group identifies key areas that have the greatest impact on consumers and end users to ensure that the objectives are relevant and focused on real needs.
	41 b)	Results tracking is not communicated to end users, except for actionable responses to their requests and reactions.
	41 c)	The Group ensures the security of personal data when it becomes aware of any findings, provides information when requested and responds promptly to suggestions.
	AR 42 a)	The Group aims to improve the following areas: improving security and privacy, security of financial transactions, increasing transparency and awareness, clear and understandable contractual terms and conditions, promoting healthy and responsible gaming, high quality service and support, accessibility and inclusion
	AR 42(b)	In the nature of the Group's business, these objectives are long-term and cannot be precisely defined due to other influences such as the development of the economic situation, the legislative environment and regulation. However, consumers will have greater confidence in the Group due to its transparent and responsible business practices. The Group's activities will lead to building long-term relationships with consumers, which will contribute to their loyalty and satisfaction.

Table: G - Corporate behaviour

DR	Paragraph	Completion of the request
GOV-1 ROLE OF ADMINISTRATIVE MANAGEMENT AND SUPERVISORY BODIES		
GOV-1	5 a)	The administrative and management bodies are mainly composed of individuals who also hold senior management and director positions in the Group. The Group has a Code of Conduct and a Conflict of Interest Directive in place and all employees, as well as management, are subject to it. The interconnection of these positions and functions ensures a set continuity of business conduct.
	5 b)	Members of the board and management bodies have extensive experience (15 to 20 years) in corporate governance. Each member of the board is responsible for a specific area of corporate governance. All members have a wide range of backgrounds, depending on their area of expertise: economic, legal, compliance, AML, GDPR, IT, gaming law, HR, casino operations, live or technical gaming, internet business, marketing, hotel operations.
G1-1 POLICIES ON CORPORATE BEHAVIOUR AND CORPORATE CULTURE		
G1-1	7	The Group has in place the following policies relating to corporate conduct issues and how it promotes corporate culture: Code of Conduct, Conflict of interest, Code of Conduct for suppliers, Internal policies and procedures.
	9	The Group's management supports an open management system and a matrix management system is fully implemented at all levels. The Group's representatives ensure that all employees are kept generally informed of what is happening in the Group. The Group implements this strategy through regular meetings, regular email newsletters and information posted on the employee FCB channel, holding meetings at all levels with the participation of senior management, holding joint meetings with employees and management, holding staff parties, use of a notice board, external and internal training, opportunities for rotation within the operations to other positions, as well as opportunities for rotation to other operations, and priority promotion of career development of employees within the Group.
	10 a)	Employees and external contractors can report misconduct and other potential conflicts through the Ethics Hotline. The Ethics Hotline has several reporting channels, namely an application with a link on the website, an email sent to a third independent person, or a telephone notification to a third independent person.
	10 b)	An anti-corruption and anti-bribery policy is in place and is part of the Code of Conduct and Conflict of Interest policy. The Internal Audit Department immediately investigates any suspicions and the Group's management takes uncompromising action in cases where suspicions are confirmed. The internal management system is also set up in terms of a minimum of two signatures and four eyes for approving transactions and contracts.
	10 c)	Should a notification be made via the Ethics Hotline, the Group will ensure protection by delivering the information to a third party. The third party is the Group's lawyer, who guarantees, in accordance with his position as the Group's lawyer, confidentiality and discretion. Suppose a report is made directly by an employee to a member of management. In that case, instructions are given immediately to ensure that the situation is investigated without passing on information about the source. If it is determined that the information and complaint is justified, the management will immediately take appropriate steps in the direction of correction without compromise.
	10 e)	The Group has routine procedures in place to investigate incidents of corporate conduct (including corruption) through internal audit staff.
	10 g)	The Group has policies in place regarding business conduct. The cornerstone of the Group's business conduct is the good behaviour of each employee. The Group prides itself on the quality, loyalty, transparency and moral integrity of its employees. Over the decades, little by little, it has built its reputation and its position in its places of operation. The Group enjoys strong ties with its business partners, as well as with government officials and municipal representatives at all levels, from the civil service to every single client and employee. How the Group's management and all employees conduct themselves and conduct their business speaks volumes about the shared values they represent. It is essential that they uphold even the highest standards of the set code of ethics. The Group is aware of its individual responsibility to work in accordance with the Group's values, as well as in accordance with the law. It is therefore imperative that all employees are made aware of this Code of Conduct in detail and understand how it applies to all employees of the Group. This Code defines the principles and standards of moral integrity and transparency that must be observed by all employees at all levels of the organisational structure. However, neither this nor any other code can cover all possible situations, nor can it replace the common sense and judgment of employees. When in doubt, a staff member may seek advice from his/her immediate supervisor, the head of department or senior management, as appropriate. Each jointly-owned company or similar organisation controlled by the Group should adopt a code of conduct that is consistent with the principles described in this document. For businesses where the Group is part of a jointly owned entity or other legal entity, but not the controlling entity, the Group will seek to lead the business or legal entity to comply with the requirements of this Code. As part of their employment relationship with the Group, all employees are obliged to comply with all applicable laws, external and internal regulations, and the principles of this Code, and accept a personal, non-transferable commitment to honesty, loyalty to the Group, and transparency in all actions related to the performance of their work.
	10 h)	The positions most susceptible to corruption or bribery in the Group are senior management and directors of the Group.
G1-2 SUPPLIER RELATIONSHIP MANAGEMENT		
G1-2	14	The Group negotiates invoice due dates with its suppliers and does not introduce unworkable terms that would disadvantage SMEs. The majority of revenue is collected in cash at the time of service (as a result of the nature of gaming), thus the risk of secondary insolvency is substantially eliminated. The Group pays its liabilities on time, following the due dates stated on the invoices. The Group follows the directive on the management of receivables from accommodation activities.

	15 a)	The Group has a procedure for the selection of suppliers set out in the Purchasing Policy. Several attributes are evaluated when evaluating a supplier for a service or good and establishing a new business relationship. In addition to price as the main attribute for selection, other criteria include quality, delivery terms, supplier reliability, references, SLA. The principle of a minimum of two offers is always practiced for supplier selection. The decision on the winning bid and the approval and confirmation of the order is always made by at least two, in most cases three, members of the Group's senior management. Review bids from other suppliers are made every two years for companies with a longer-term relationship. The Group also seeks to diversify risk so that it is not solely dependent on supplies/services from one supplier. During emergencies, such as the COVID-19 pandemic, management worked closely with all suppliers and communicated early delays in payments or negotiated, for example, for TZ leases, reductions (waivers) in rents for periods when casinos were forced to close operations.
G1-3 PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY		
G1-3	18 a)	The Group has an established internal audit department that conducts regular semi-annual reviews and audits of the facilities and individual departments. As part of the audit activity plan, they focus on agreed areas within the proposed control, in addition to the core areas related to revenue and its recording processes. The Internal Audit Department considers fraud risks, including possible corruption and bribery, in all audits in accordance with international standards. Another audit body is the CARCOM Panel, which addresses compliance processes, including addressing non-compliance and proposing actions to address deficiencies. If a decision of the Board members is required to agree on a proposed solution, this decision escalates to a meeting of the Board members. Another surveillance system is the CCTV department, which operates independently of the operations department. The Group has a legal obligation to monitor the gambling process, including the taking of audio recordings, and to retain these recordings for 24 months. The purpose of the monitoring is to be able to detect and document possible illegal conduct, including possible fraud, corruption or bribery cases.
	18 b)	The Commission of Inquiry is not separate from the chain of proceedings involved in the matter of dealing with a corruption or bribery case.
	18 c)	The Supervisory Board meets at least once a year. The members of the Supervisory Board are regularly invited to the meetings of the Management Board. The Management Board takes minutes of its meetings with decisions and reports to the owners, which it forwards to the Supervisory Board for consideration. The Supervisory Board takes minutes of their meetings on the basis of these documents. The Audit Department prepares a report on its activities every six months and submits it to the Management Board and to the individual managers for their comments. Measures and actions are then proposed to remedy the deficiencies. The CARCOM committees of both sections meet as and when required and minutes of their meetings are taken and subsequently forwarded to the management. The IT Security Manager takes minutes for ISO 27001:14 management and communicates the findings to management. He then proposes objectives and actions for approval. Minutes are taken of the monthly Board and Management meetings with specific tasks and deadlines for completion.
	20	The Board of Directors immediately reports all cases related to employees' criminal activities to the law enforcement authorities. It shall also file a report with subsequent steps to seek a fair punishment through a plea of guilty or a lawsuit.
G1-4 CONFIRMED CASES OF CORRUPTION OR BRIBERY		
G1-4		During the reporting period, the Group did not encounter any cases of corruption or bribery.
G1-5 POLITICAL INFLUENCE AND LOBBYING ACTIVITIES		
G1-5	29	The Group is a member of two professional associations and the Chamber of Commerce of the Czech Republic. The Group is a cooperating organisation within the Association of Casino Companies in the Czech Republic within the Institute for Gambling Regulation. The Association of Casino Operators in the Czech Republic is also a member of the European Casino Association (ECA). Membership of these organisations is aimed at combining the common interest of gambling and hotel operators in influencing the decision-making of state and local authorities in the regulation of the gambling industry. In pursuing these interests, the Group is always guided by the set Code of Conduct and the following basic principles: Lobbying and advocacy: the Group uses lobbying and advocacy companies to promote its interests. This includes communication with politicians, officials and other relevant stakeholders. Representation in bodies: the Group and its members seek to be represented in various bodies such as government commissions, advisory bodies or professional associations. Expertise: the Group seeks to provide expertise and analysis that can influence government decision-making through membership of associations. The Group considers its cooperation with other members of the Association of Casino Companies in the Czech Republic to be important, where it shares information and coordinates joint events. One of the members of the Group's management is also the President of the Association of Casino Companies in the Czech Republic and is a representative in the ECA. The Group shall always ensure that the above activities and conduct are transparent and in compliance with legal and ethical standards. Companies and associations ensure that their influence is not inappropriate or undue.
	AR13	The Group is not required to be a member of the Chamber of Commerce. It is a voluntary member of the Chamber of Commerce, a member of the Association of Hotels and Restaurants and the Association of Companies Operating Casinos in the Czech Republic.
G1-6 PAYMENT PRACTICES		
G1-6	33 a)	The Group settles its supplier liabilities according to the due dates stated on the invoices from suppliers. Some suppliers have a specified amount of interest on late payment on their invoices (or in their contract). In FY23-24, the Group did not pay a penalty relating to late payment interest on supplier invoices. Generally, the due date is calculated from the date of service, delivery of goods and is 14 days. This period may be adjusted differently on the basis of the sales contract.



	33 b)	The Group has negotiated contractual maturities with higher volume suppliers according to the commercial contract. These maturities generally range between 14 days and 21 days. These major suppliers include TS lessors (Apex gaming Europe, a.s., American game s.r.o.), and energy suppliers (E.ON Energie), and wholesale food suppliers (Eiserberg, a.s, Bidfood). The Group has adopted as standard a payment policy of 14 days.
	33 b	Standard payment terms apply to about 97% of payments made.

I. ATTACHMENTS

Here will be tables detailing the answers to some of the requirements.

ESRS 2 tables

Table 1

Topic	Impact assessment of significance		Financial assessment of materiality	
	Positive impacts +	Negative impacts -	Opportunities +	Risks -
We are environmentally responsible.	X	X	Spreading awareness of sustainable activities	X

Table 2

Topic	Impact assessment of significance		Financial assessment of materiality	
	Positive impacts +	Negative impacts -	Opportunities +	Risks -
We are a good employer.	Employee satisfaction due to high level of employee benefits compared to competitors and employer stability		Equal access communication for all employees	Labour shortage
	Uniform treatment of all employees across the Company and equal pay	X		
	Professional and personal development of employees			
We are accountable to our communities.	The Group makes a significant contribution to the state and municipal budgets through significant tax payments, thus supporting the lives of its citizens.	X	We communicate our activities transparently	X
	Supporting employment in the regions where the Group operates			
We value our clients.	X	Gaming addiction, "irresponsible" gaming Leakage of personal data of customers (and employees) and subsequent impact on customers (employees)	Implementation of a project for an internal communication tool for clients	Leakage of personal data about customers (and employees)

Table 3

	Impact assessment of significance		Financial assessment of materiality	
Topic	Positive impacts +	Negative impacts -	Opportunities +	Risks -
We face risks in legislation	X	X	<p>Collaboration across our business sector</p> <p>Lobbying</p>	<p>Legislation restricting marketing communications</p> <p>Legislative changes in connection with the tightening of the gambling law (risk from the state)</p> <p>Dependence on the decisions of the municipal council where the casino operates</p> <p>Level of compliance with set changes in legislation across the market</p>
We are a good steward	Reliable and trustworthy partner	X	Due to the high demands on operational activity, the maturity and reliability of the technology ensures 365/24 operation in all conditions	Financially and operationally demanding running, operation and servicing of systems in the plants

Tables E1

Table 4

Energy consumption and energy mix	Year N
Total fossil energy consumption [in MWh] (calculated as the sum of rows 1 to 5)	2574,792
Share of fossil fuels in total energy consumption [%]	53,84
Total energy consumption from nuclear sources [in MWh]	1864,889
Share of total energy consumption from nuclear sources in total energy consumption [%]	39,00
Consumption of fuels from renewable sources, including biomass (also including industrial and municipal bio-waste, biogas, renewable hydrogen, etc.) [in MWh]	0
Consumption of electricity, heat, steam and cold purchased or obtained from renewable sources [in MWh]	278,731
Energy consumption from non-fuel renewable sources produced by the company itself [in MWh]	63,769
Total renewable energy consumption [in MWh]	342,5
Share of renewables in total energy consumption [%]	7,16
Total energy consumption [in MWh]	4782,181

Table 5

	Retrospective		Milestones and target years			
	Starting year	N	2025	2030	2050	Annual % target/benchmark target
Greenhouse gas emissions - Scope 1						
Gross greenhouse gas emissions [in t CO ₂ e]	4/2023-3/2024	1331,82				
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes	4/2023-3/2024	0				
Greenhouse gas emissions - Scope 2						
Gross GHG emissions based on location [in t CO ₂ e]	4/2023-3/2024	2018,84				
Market-based gross greenhouse gas emissions [in t CO ₂ e]	4/2023-3/2024	0				
Greenhouse gas emissions - Scope 3						
Purchased goods and services [in t CO ₂ e]	4/2023-3/2024	3089,12				
Tangible assets [in t CO ₂ e]	4/2023-3/2024	531,01				
Fuel and energy related activities (not included in scope 1 or 2) [in t CO ₂ e]	4/2023-3/2024	516,56				

	Retrospective		Milestones and target years			
	Starting year	N	2025	2030	2050	Annual % target/benchmark target
Waste [in t CO2e]	4/2023-3/2024	115,59				
Business trips [in t CO2e]	4/2023-3/2024	7,12				
Employee commuting [in t CO2e]	4/2023-3/2024	174,01				
Rent [in t CO2e]	4/2023-3/2024	1,85				
Total greenhouse gas emissions						
Total greenhouse gas emissions (site-based) [t CO2e]	4/2023-3/2024	7785,92				
Total greenhouse gas emissions (market based) [t CO2e]	4/2023-3/2024	5767,08				

Table 6

Intensity of greenhouse gases to net revenue	N
Total greenhouse gas emissions (site based) per net revenue (t CO2e / 1 million EUR)	140,2
Total greenhouse gas emissions (market based) per net revenue (t CO2e / 1 million EUR)	103,8

Table 7

Net yields used to calculate the intensity of e greenhouse gas emissions	EUR 55 552 934
--	----------------

TABLES S1

Table 8

	EN	GE	AT	TOTAL
	Number of employees (number of persons)			
Men	268	70	17	355
Women	262	61	23	346
Other				
N/A				
Total employees	530	131	40	701

Table 9

Category	WOMAN	MAN	OTHER	NOT SHARED	TOTAL
Number of employees (number of persons or full-time equivalents)	346	355	0	0	701
Number of permanent staff (number of persons or full-time equivalents)	237	248	0	0	485
Number of temporary staff (number of persons or full-time equivalents)	72	63	0	0	135
Number of employees with non-guaranteed working time (number of persons or full-time equivalents)	37	44	0	0	81
Number of full-time employees (number of persons or full-time equivalents)	258	294	0	0	552
Number of part-time employees (number of persons or full-time equivalents)	104	45	0	0	149

Table 10

	EN	GE	AT	TOTAL
Gender				
Men	325,93 CZK	15,23 €	14,41 €	
Women	251,37 CZK	16,16 €	12,79 €	
PAY GAP	22,9 %	-6,1 %	11,2 %	9,3 %

Table 11

Location	Gender / Employee category	Senior Management
Czech Republic	Male	14
Germany	Male	0
Austria	Male	1
Czech Republic	Female	4
Germany	Female	1
Austria	Female	0
	Male TOTAL	15
	Female TOTAL	5

Table 12

Location	Gender/Age	30 or below	31-40	41-50	51 or above
Czech Republic	Male	17	14	12	2
Germany	Male	8	1	4	1
Austria	Male	3	0	0	1
Czech Republic	Female	19	20	10	9
Germany	Female	3	1	5	4
Austria	Female	2	0	2	0
	Male TOTAL	28	15	16	4
	Female TOTAL	24	21	17	13



Table 13

Location	Gender / Employee type	Full-time	Part-time
Czech Republic	Male	236	18
Germany	Male	43	24
Austria	Male	14	3
Czech Republic	Female	199	76
Germany	Female	42	22
Austria	Female	17	6
	Male TOTAL	293	45
	Female TOTAL	258	104



The table below shows the data points in ESRS 2 and thematic ESRSs that are based on other EU legislation. This table is based on ESRS standards and must be included in your ESG report.

In the table, add the page numbers in this document where the relevant disclosure requirements and data points can be found (first column of the table). For example, the first row contains the ESRS 2 GOV-1 disclosure requirement, data point 21(d), which can be found, for example, on page 1 of ESRS 2. There is no need to complete any other column in the table. If the requirements and data points listed are not part of this report, "immaterial" is added in the last column by the BDO.

Table 14

Disclosure requirement and related data point	Link1 to the Sustainable Finance Disclosure Regulation	Link to Pillar 32	Reference to the Benchmark Regulation ³	Link on the European climate legal framework ⁴	Page in the report
ESRS 2 GOV-1 Gender diversity on the Board of Directors point 21(d)	Indicator 13, Table 1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 ⁵ , Annex II		
ESRS 2 GOV-1 Share of independent directors, point 21(e)			Delegated Regulation (EU) 2020/1816, Annex II		
ESRS 2 GOV-4 Declaration of due diligence care point 30	Indicator No 10, Table 3 of Annex 1				
ESRS 2 SBM-1 Involvement in activities	Indicator 4, table No 1 of Annex 1	Article 449a of Regulation (EU) No 575/2013	Delegated Regulation (EU) 2020/1816, Annex II		Intangibles

¹ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosure Regulation) (OJ L 317, 9.12.2019, p. 1).

² Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation, "CRR") (OJ L 176, 27.6.2013, p. 1).

³ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

⁴ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing a framework for the achievement of climate neutrality and amending Regulation (EC) No 401/2009 and Regulation (EU) 2018/1999 (European Climate Legal Framework) (OJ L 243, 9.7.2021, p. 1).

⁵ Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the clarification in the benchmark statement on how environmental, social and governance factors are taken into account in the different benchmarks provided and published (OJ L 406, 3.12.2020, p. 1).

related to fossil fuels point 40(d)(i)		Commission Implementing Regulation (EU) 2022/2453 ⁶ , Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk			
ESRS 2 SBM-1 Involvement in activities related to chemical products point 40(d)(ii)	Indicator No 9, Table 2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		
ESRS 2 SBM-1 Involvement in activities related to controversial with weapons point 40(d)(iii)	Indicator No 14, Table 1 of Annex 1		Delegated Regulation (EU) 2020/1818 ⁷ , Article 12(1) of Delegated Regulation (EU) 2020/1816, Annex II		
ESRS 2 SBM-1 Involvement in activities related to cultivation and productions Tobacco point 40(d)(iv)			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		
ESRS E1-1 Roadmap to climate neutrality by 2050 point 14				Regulation (EU) 2021/1119, Article 2(1)	X
ESRS E1-1 Excluded enterprises from the reference values established to the Paris Agreement point 16(g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking portfolio - Climate change transition risk: credit quality of exposures by sector, issue and residual maturity	Delegated Regulation (EU) 2020/1818, Articles 12(1)(d) to (g) and 12(2)		Intangibles

⁶ Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards disclosure of information on environmental, social and governance risks (OJ L 324, 19.12.2022, p.1).

⁷ Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards

ESRS E1-4 Reduction targets greenhouse gas emissions point 34	Indicator 4, Table 2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking portfolio - Climate change transition risk: compliance indicators	Article 6 of Delegated Regulation (EU) 2020/1818		X
ESRS E1-5 Fossil energy consumption resources broken down by source (sectors only) with high climate impact) point 38	Indicator 5, Table 1 and Indicator 5, Table 2 of Annex 1				Intangibles
ESRS E1-5 Consumption energy and energy mix, point 37	Indicator 5, Table 1 of Annex 1				
ESRS E1-5 Energy intensity associated with the activity in sectors with high impact on the climate points 40 to 43	Indicator 6, Table 1 of Annex 1				Intangibles
ESRS E1-6 Gross emissions of frames 1, 2, 3 and total emissions greenhouse gases point 44	Indicators 1 and 2, Table 1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking portfolio - Climate change transition risk: credit quality of exposures by sector, issue and residual maturity	Delegated Regulation (EU) 2020/1818, Articles 5(1), 6 and 8(1)		see Table 5 in the Annex
ESRS E1-6 Gross emission intensity greenhouse gases points 53 to 55	Indicator 3, table No 1 of Annex 1	Article 449a of Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking portfolio - Climate	Delegated Regulation (EU) 2020/1818, Article 8(1)		

		change transition risk: compliance indicators			
ESRS E1-7 Greenhouse gas absorption and carbon credits point 56				Regulation (EU) 2021/1119, Article 2(1)	Intangibles
ESRS E1-9 Exposure portfolio benchmarks against the physical risks involved with climate point 66			Delegated Regulation (EU) 2020/1818, Annex II; Delegated Regulation (EU) 2020/1816, Annex II		Intangibles
ESRS E1-9 Allocation of monetary amounts according to acute and chronic physical risk point 66(a) ESRS E1-9 Location of significant assets in a significant physical risk point 66(c).		Article 449a of Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453, points 46 and 47; Template 5: Banking portfolio - physical risk related to climate change: exposures subject to physical risk			Intangibles
ESRS E1-9 Distribution book values real estate by energy efficiency point 67(c).		Article 449a of Regulation (EU) No 575/2013 Commission Implementing Regulation (EU) 2022/2453, point 34; Template 2: Banking portfolio - climate change transition risk: loans secured by real estate assets - energy efficiency of collateral			Intangibles
ESRS E1-9 Degree of exposure portfolios against opportunities climate-related point 69			Delegated Regulation (EU) 2020/1818, Annex II		Intangibles
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and	Indicator No 8, Annex 1, Table 1 Indicator No 2, Annex 1, Table 2				Intangibles

land, point 28	Indicator No 1, Annex 1, Table 2, Indicator No 3, Annex 1, Table 2				
ESRS E3-1 Water and marine resources point 9	Indicator 7, Table 2 of Annex 1				Intangibles
ESRS E3-1 Specific policy point 13	Indicator No 8, Table 2 of Annex 1				
ESRS E3-1 Sustainable oceans and seas point 14	Indicator No 12, Table 2 of Annex 1				Intangibles
ESRS E3-4 Total recycled and reused water, point 28(c)	Indicator 6.2, Table 2 of Annex 1				X
ESRS E3-4 Total water consumption in m ³ per net revenue from own operating activities point 29	Indicator 6.1, Table 2 of Annex 1				
ESRS 2 - IRO-1 - E4 point 16(a)(i)	Indicator 7, Table 1 of Annex 1				Intangibles
ESRS 2 - IRO-1 - E4 point 16(b)	Indicator No 10, Table 2 of Annex 1				Intangibles
ESRS 2 - IRO-1 - E4 point 16(c)	Indicator No 14, Table 2 of Annex 1				Intangibles
ESRS E4-2 Sustainable land/agricultural practices or policies point 24(b)	Indicator 11, Table 2 of Annex 1				Intangibles
ESRS E4-2 Sustainable ocean/marine practices or policies point 24(c)	Indicator No 12, Table 2 of Annex 1				Intangibles
ESRS E4-2 Policies to address deforestation paragraph 24(d)	Indicator 15, Table 2 of Annex 1				Intangibles
ESRS E5-5 Non-recycled waste point 37(d)	Indicator 13, Table 2 of Annex 1				

ESRS E5-5 Hazardous waste and radioactive waste point 39	Indicator No 9, Table 1 of Annex 1				
ESRS 2 - SBM3 - S1 Risk of forced labour cases point 14(f)	Indicator 13, Table 3 of Annex I				Intangibles
ESRS 2 - SBM3 - S1 Risk of child labour cases point 14(g)	Indicator No 12, Table 3 of Annex I				Intangibles
ESRS S1-1 Political commitments on human rights point 20	Indicator 9, Table 3 and Indicator 11, Table 1 of Annex I				
ESRS S1-1 Due diligence policies on matters covered by ILO Core Conventions Nos. 1 to 8, point 21			Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S1-1 Procedures and measures to prevent trafficking in human beings point 22	Indicator 11, Table 3 of Annex I				
ESRS S1-1 Accident prevention policy or management system point 23	Indicator 1, Table 3 of Annex I				Intangibles
ESRS S1-3 Complaints mechanisms point 32(c)	Indicator 5, Table 3 of Annex I				
ESRS S1-14 Number of fatal accidents and number and rate of accidents at work paragraph 88(b) and (c)	Indicator 2, Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Intangibles
ESRS S1-14 Number of days of incapacity for work due to injury, accident, fatal accident or illness point 88(e)	Indicator 3, Table 3 of Annex I				Intangibles
ESRS S1-16 Unadjusted gender pay gap point 97(a)	Indicator No 12, Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		
ESRS S1-16 Excessive remuneration ratio for executive directors point 97(b)	Indicator 8, Table 3 of Annex I				

ESRS S1-17 Cases of discrimination paragraph 103(a)	Indicator 7, Table 3 of Annex I				
ESRS S1-17 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD point 104(a)	Indicator 10, Table 1 and Indicator 14, Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818 Article 12(1)		
ESRS 2 - SBM3 - S2 Significant risk of child or forced labour in the value chain point 11(b)	Indicators 12 and 13, Table 3 of Annex I				Intangibles
ESRS S2-1 Political commitments on human rights point 17	Indicator 9, Table 3 and Indicator 11, Table 1 of Annex 1				Intangibles
ESRS S2-1 Policies concerning workers in the value chain point 18	Indicators 11 and 4, Table 3 of Annex 1				Intangibles
ESRS S2-1 Failure to comply with the UN Guiding Principles on Business and Human Rights and OECD Guidelines point 19	Indicator No 10, Table 1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12(1)		Intangibles
ESRS S2-1 Due diligence policies on matters covered by ILO Core Conventions Nos. 1 to 8, point 19			Delegated Regulation (EU) 2020/1816, Annex II		Intangibles
ESRS S2-4 Human rights issues and incidents related to upstream and downstream parts of the value chain point 36	Indicator No 14, Table 3 of Annex 1				Intangibles
ESRS S3-1 Human rights policy commitments, paragraph 16	Indicator No 9, Table 3 of Annex 1 and Indicator No 11, Table 1 of Annex 1				
ESRS S3-1 Failure to comply with UN Guiding Principles on Business and Human Rights, ILO principles and OECD guidelines point 17	Indicator No 10, Table 1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12(1)		Intangibles
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator No 14, Table 3 of Annex 1				

ESRS S4-1 Policies relating to consumers and end-users paragraph 16	Indicator 9, Table 3 and Indicator 11, Table 1 of Annex 1				
ESRS S4-1 Failure to comply with the UN Guiding Principles on Business and Human Rights and OECD guidelines point 17	Indicator No 10, Table 1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12(1)		
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator No 14, Table 3 of Annex 1				X
ESRS G1-1 UN Convention against Corruption, paragraph 10(b)	Indicator No 15, Table 3 of Annex 1				
ESRS G1-1 Whistleblower protection point 10(d)	Indicator 6, Table 3 of Annex 1				Intangibles
ESRS G1-4 Fines for violation of anti-bribery and corruption laws, point 24(a)	Indicator No 17, Table 3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		X
ESRS G1-4 Standards relating to the fight against corruption and bribery point 24(b)	Indicator No 16, Table 3 of Annex 1				X



Table 15

Fill in the second column under "Page in report" where the relevant application requirement can be found. For example, requirement BP-1 can be found in ESRS Table 2 on page 1à add page number 1. This table is based on ESRS standards and must be included in your ESG report.

Requirement to apply	Page in the report
BP-1	41
BP-2	41
GOV-1	41-42
GOV-2	42
GOV-4	42
SBM-1	42-45
SBM-2	45
SBM-3	45
IRO-1	45-46
IRO-2	46
E1-1	47
E1-GOV-3	47
E1.SBM-3	47
E1-2	47
E1-3	47
E1-4	48
E1-5	48
E1-6	48-49
E1-8	-----
E3-1	50

E3-2	50
E3-3	50
E3-4	50
E5-1	51
E5-2	51
E5-3	51
E5-5	51-52
S1. SBM-3	53
S1-1	53
S1-2	54
S1-3	54-55
S1-4	55-56
S1-5	56
S1-6	56
S1-9	56-57
S1-10	57
S1-11	57
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S1-15	57-58
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S1-17	58
S3.SBM-3	59
S3-1	59
S3-2	59-60
S3-3	60
S3-4	60-61
S3-5	61
S4. SBM-3	62-64
S4-1	64
S4-2	65-66
S4-3	66-67
S4-4	67-70
S4-5	70
G1.GOV-1	71
G1-1	71
G1-2	71-72
G1-3	72
G1-4	72
G1-5	72
G1-6	72

An aerial photograph of a two-lane asphalt road winding through a dense forest. The trees are in various shades of green and yellow, suggesting an autumn setting. A white truck is visible on the road, moving away from the viewer. The road has white lane markings and a shoulder on the right side.

**Final report
of the carbon
footprint calculation**

Palasino Group a.s.
For the period
of 04/2023 – 03/2024

BDO Audit s r.o.

Table of Contents

Structure of the report

- ▶ **Managerial summary**
 - Assignment
 - Evaluation
 - Determination of boundaries
- ▶ **SCOPE 1**
 - Methodology
 - Resulting emissions
- ▶ **SCOPE 2**
 - Methodology
 - Resulting emissions
- ▶ **SCOPE 3**
 - Methodology
 - Resulting emissions
- ▶ **Final recommendations**
- ▶ **Annex**
 - Emission databases used



Managerial summary

Assignment

In connection with the start of reporting of non-financial data according to ESRS standards and the identification of the significant topic Climate Change, the carbon footprint of the company was calculated according to the GHG Standard.

The resulting carbon footprint calculations are reported in the ESG Report: 2023 Sustainability Report.

The company's main motivation is to be able to compare its impacts and find possible optimizations for reducing greenhouse gas emissions.

The calculation period chosen is fiscal year 2023: 1.4.2023- 31.3.2024.

Managerial summary

Evaluation

- ▶ The GHG methodology was chosen to calculate the carbon footprint:

The company has produced in:

Scope 1: 1 331,8 t CO₂e

Scope 2: 2 018,8 t CO₂e

according to the GHG Corporate Standard.

Scope 3: 4 435,27 t CO₂e

according to the GHG Corporate Value Chain (Scope 3) Supplementary Standard.

Issue intensity is relative to the value of the Company's net income

TOTAL EMISSIONS PRODUCED	7 785,93 t CO₂e
Emission intensity	140,2 t CO ₂ e/ 1 mil. €
THE MOST IMPORTANT SOURCES	
Scope 3	
Purchased goods and services	3 081,7 t CO ₂ e
Scope 2	
Purchased electricity	1 969,9 t CO ₂ e
Scope 1	
Stationary combustion	1 148,1 t CO ₂ e

Company description

Determination of boundaries

Palasino Group a.s includes legal entities from the Czech Republic, Austria and Germany in the calculation of the carbon footprint for the reporting year 04/2023- 03/2024 based on the application of operational control:

- Palasino Česká Kubice (CZ)
- Palasino Dolní Dvořiště (CZ)
- Palasino Excalibur City (CZ)
- Hotel Savannah and the Spa (CZ)
- Hotel Donauwelle (AU)
- Trans World Hotel Kranichhöhe (DE)
- Trans World Hotel Columbus (DE)
- Trans World Hotel Auefeld (DE)

The organisational boundary is consistent with the 2023 non-financial data reporting boundary determination

Methodology for calculating the carbon footprint

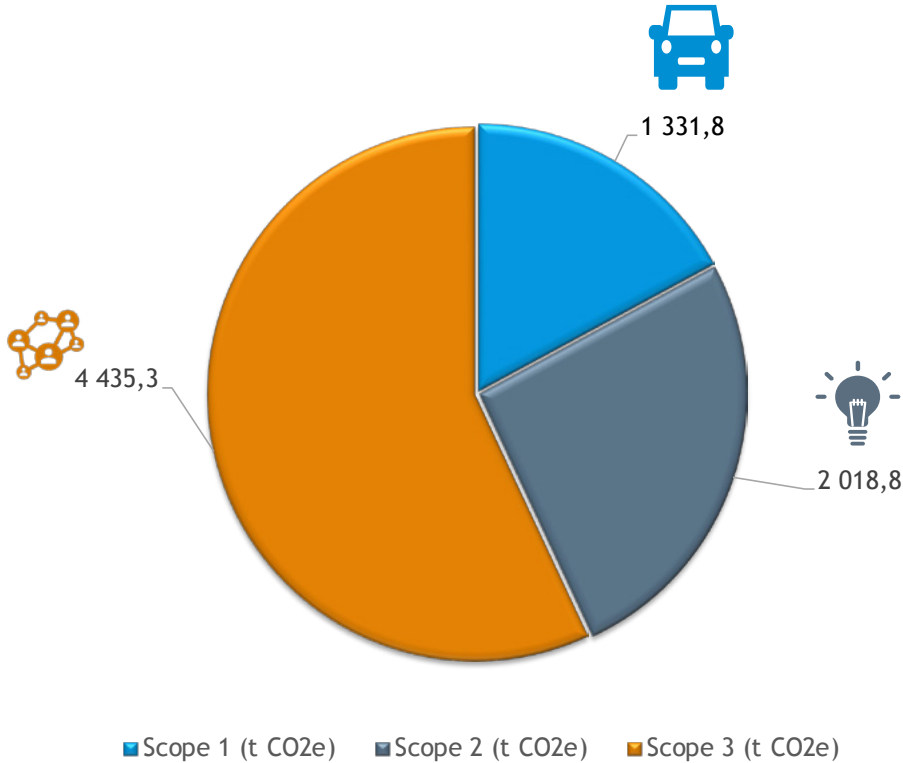
Computational standard

Reporting period: from 1.4.2023 to 31.3.2024

To calculate the company's carbon footprint, the standards according to the GHG pro methodology were used:



Overview of emissions in each scope

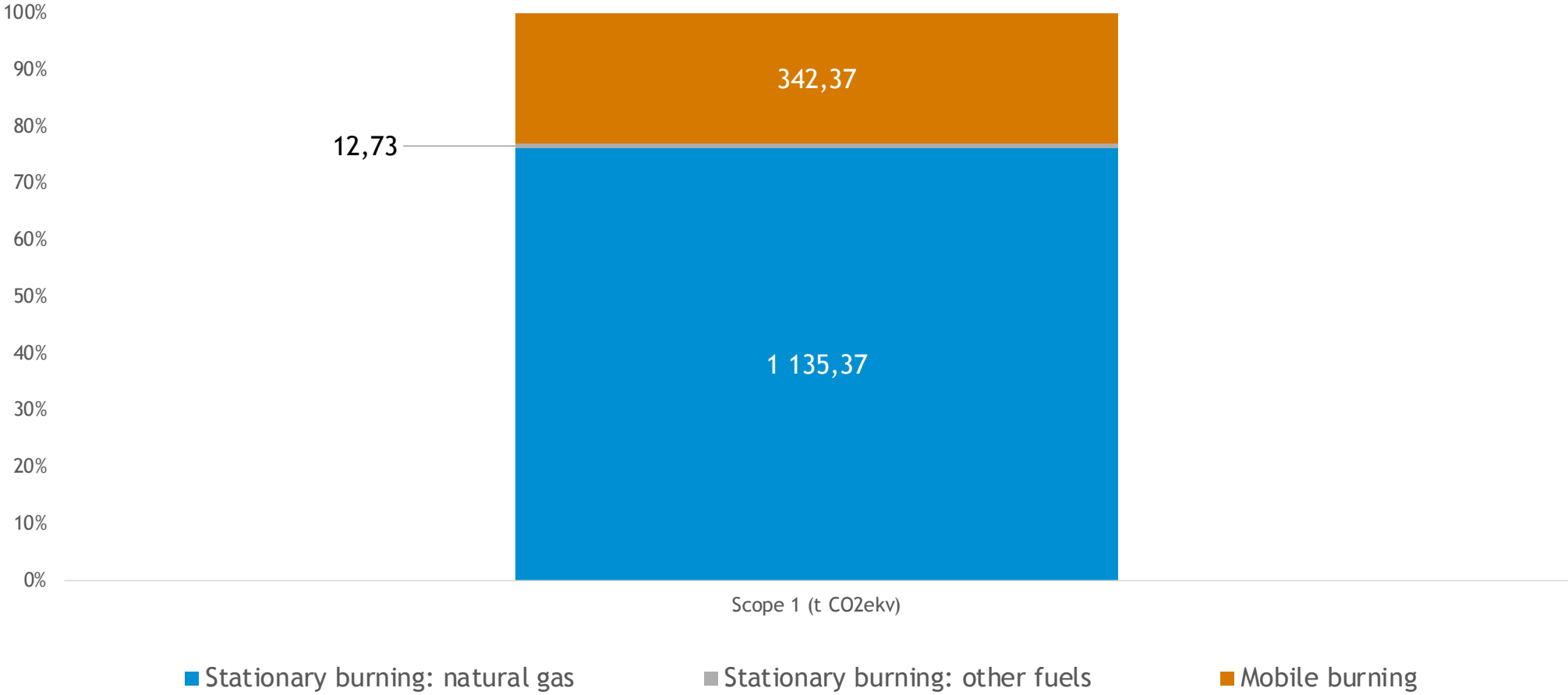


- SCOPE 1: Direct greenhouse gas emissions**
- Fuel combustion (e.g. energy sources for own consumption)
 - Emissions from company-owned mobile devices (e.g. company vehicles and mobile machines)

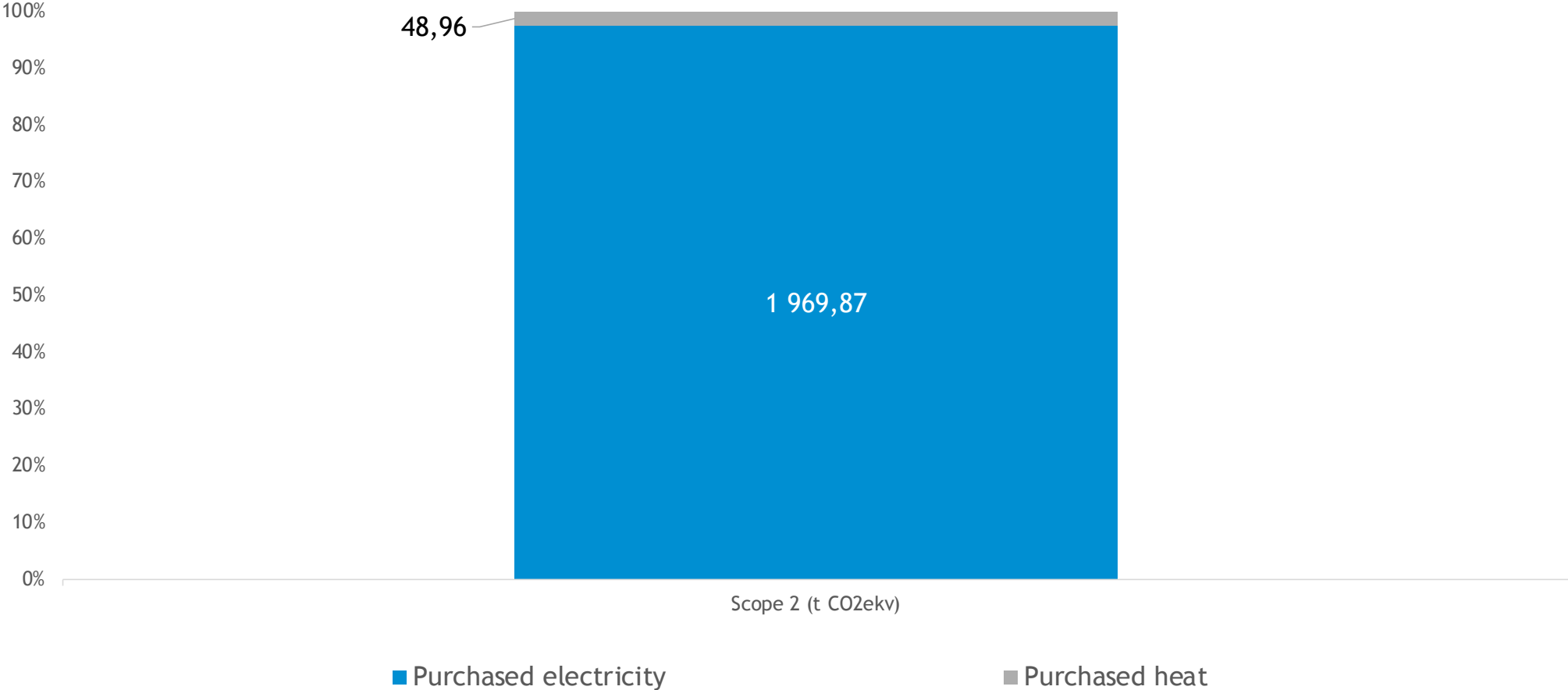
- SCOPE 2: Indirect greenhouse gas emissions**
Emissions from purchased energy consumption
- Electricity, heat consumption

- SCOPE 3: Other indirect greenhouse gas emissions**
Issues typically outside the company's control
- Emissions from subcontractor supply chains
 - Transport emissions - business travel and commuting
 - Waste management emissions (e.g. landfilling, recycling, energy recovery)

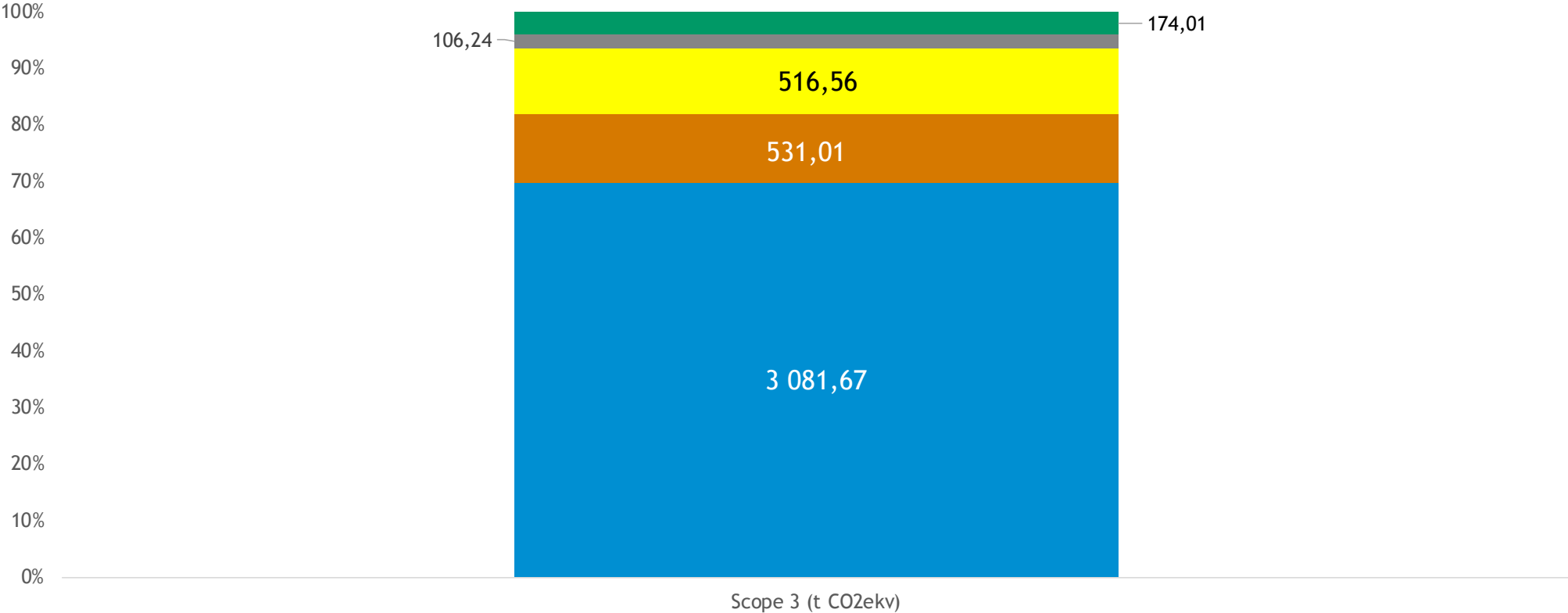
Overview of emission categories in Scope 1



Overview of emission categories in Scope 2



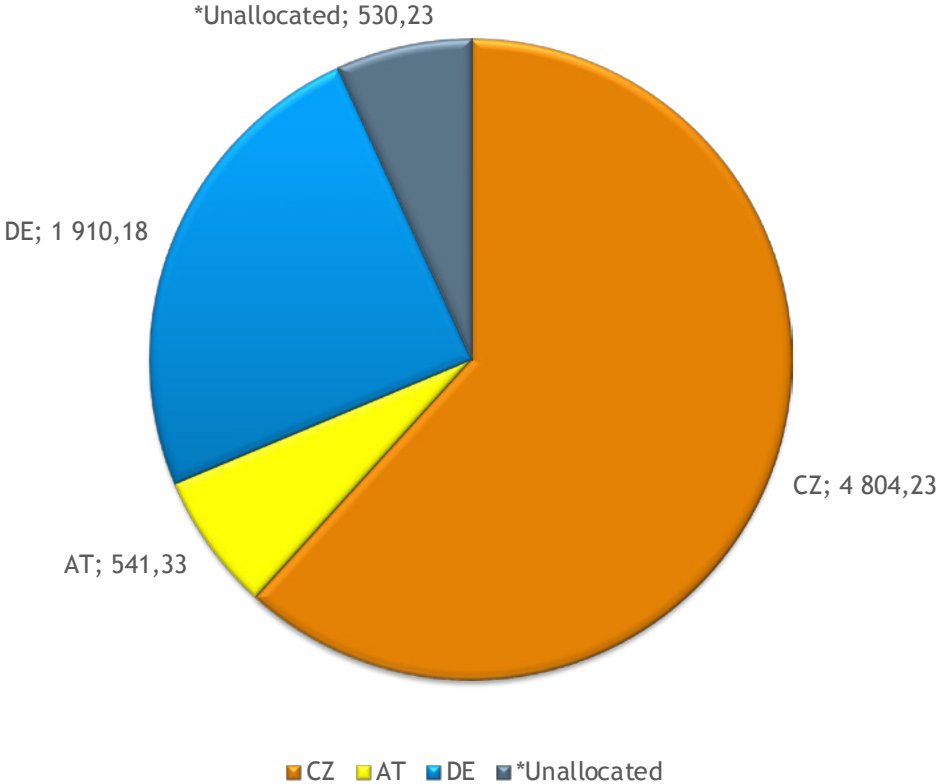
Overview of emission categories in Scope 3



■ Purchased goods and services ■ Tangible assets ■ Activities related to fuels and minerals ■ Waste ■ Employee commuting

Overview of emissions by country

Emission share by country (CZ, AT, DE)



*Unallocated - includes all issues that cannot be unambiguously assigned to branches in the Czech Republic, DE or AT

An aerial photograph of a two-lane asphalt road winding through a dense forest. The trees show a mix of green and autumnal yellow and orange colors. A white semi-truck is driving on the road. A dark, semi-transparent triangular overlay covers the top right portion of the image, containing the text 'SCOPE 1' in white, bold, sans-serif font.

SCOPE 1

List of emission sources:SCOPE 1

GHG categories	Category description	Does the greenhouse gas category apply to society? yes/no
Scope 1		
Natural gas	Combustion of natural gas in a stationary installation	Yes
Other fuels	Burning other fuels such as CNG, LNG, LPG, fuel oil or gas oil on site.	Yes
Refrigerants and other fugitive emissions	Intentional and unintentional leaks, such as equipment leaks from joints, gaskets, seals, gaskets, as well as fugitive emissions from coal piles, sewage treatment plants, pits, cooling towers, gas processing equipment, etc.	No
Emissions from processes	Emissions from physical or chemical processes such as CO2 from calcination in cement production, CO2 from catalytic cracking in petrochemical processing, PFC emissions from aluminium smelting.	No
Mobile combustion	Combustion of fuels in transport vehicles such as cars, trucks and other company-owned vehicles	Yes

SCOPE 1 – Stationary combustion: natural gas

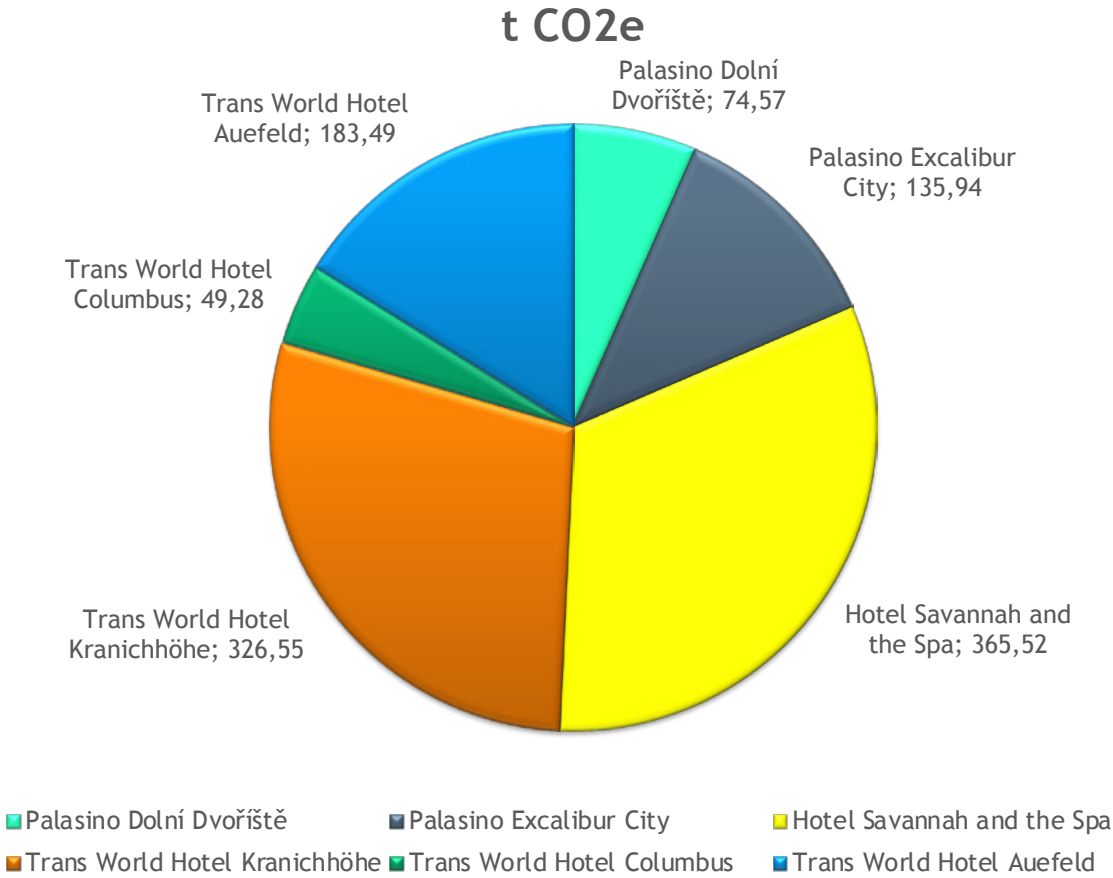
Description of the resource and methodological procedure

- ▶ Natural gas is used in six plants
- ▶ Natural gas consumption is shown for each site according to actual consumption in kWh
- ▶ In the Trans World Hotel Kranichhöhe this is the consumption of the CHP unit
- ▶ The Savannah Hotel and the Spa also uses a cogeneration unit. However, gas consumption outside the CHP unit is also included in the consumption. For next year, the data may be separate.
- ▶ Total consumption: 6 264 634 kWh/Y
 - Supplier: EoN, RWE, Energie Allianz Linz

Website	Consumption kWh	CO2e (tonnes)
Palasino Dolní Dvořiště	411 450	74,57
Palasino Excalibur City	750 105	135,94
Hotel Savannah and the Spa	2 016 949	365,52
Trans World Hotel Kranichhöhe	1 801 810	326,55
Trans World Hotel Columbus	271 890	49,28
Trans World Hotel Auefeld	1 012 430	183,49

SCOPE 1 - Stationary combustion: natural gas

Total emissions produced in Palasino group a.s. by natural gas consumption: 1 135,37 t CO2e



SCOPE 1 - Stationary combustion: other fuels

Description of the source and methodological procedure

- ▶ Backup diesel generators are tested in the Czech operations during the year, with an average consumption of 200 litres per branch, for a total of 800 litres of diesel.
- ▶ In Česká Kubice, 26 tonnes of LPG and 15 tonnes of fuel oil were used for heating and cooking
 - Emissions
 - **Total: 12,73 t CO₂e**

Fuel	Consumption	CO ₂ e (tonnes)
Diesel	800 l	2,16
LPG	26 tonnes	6,15
Heating oil	15 tonnes	4,42

SCOPE 1 - Stationary combustion

Input data - choice of calculation method

Categories	Data type	Quality data	Calculation method
Scope 1			
Natural gas	Consumption in kWh/Y	Primary data	Calculation method based on primary data and relevant emission factors
Other fuels	Consumption in litres, tonnes/Y	Primary data	Calculation method based on primary data and relevant emission factors

SCOPE 1 - Mobile combustion

Description of the resource and methodological approach

Categories	Data type	Quality data	Calculation method
Scope 1			
Mobile combustion	Consumption in l	Primary data	Calculation method based on primary data and relevant emission factors.

The company offsets a portion of the fuel purchase from the dealer through a certified offset. This emission offset is shown graphically in the results section.

SCOPE 1 - Mobile combustion

Resulting values (rounded to 2 decimal places)

▶ Hybrid petrol passenger cars

- Consumption: 24 382 l
- Emissions
- Total: 56,492 t CO2e



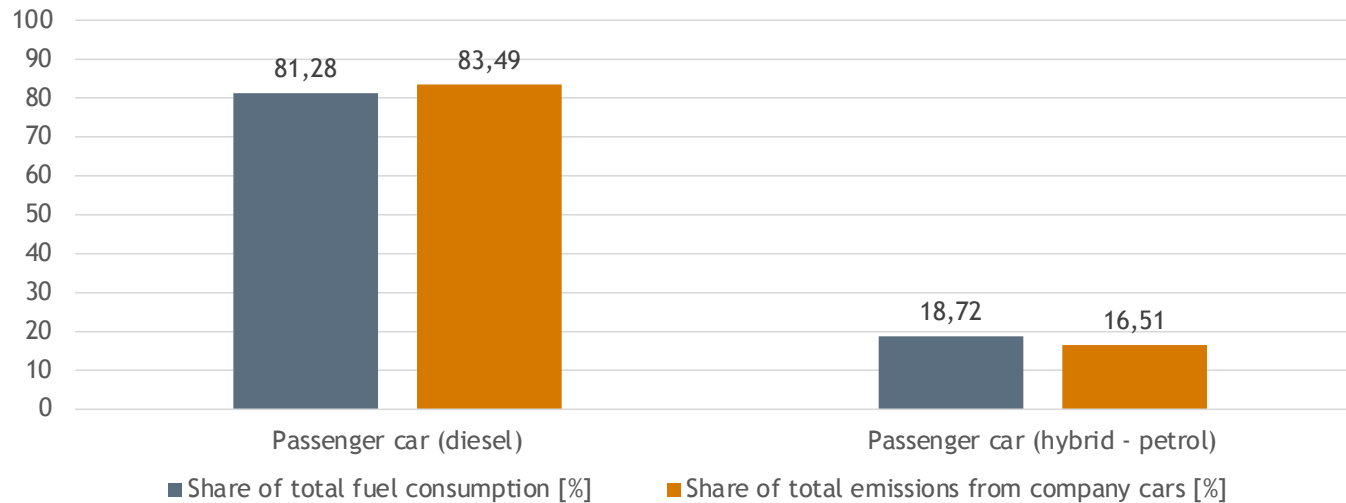
▶ Diesel passenger cars

- Consumption: 105 869 l
- Emissions
- Total: 285,715 t CO2e



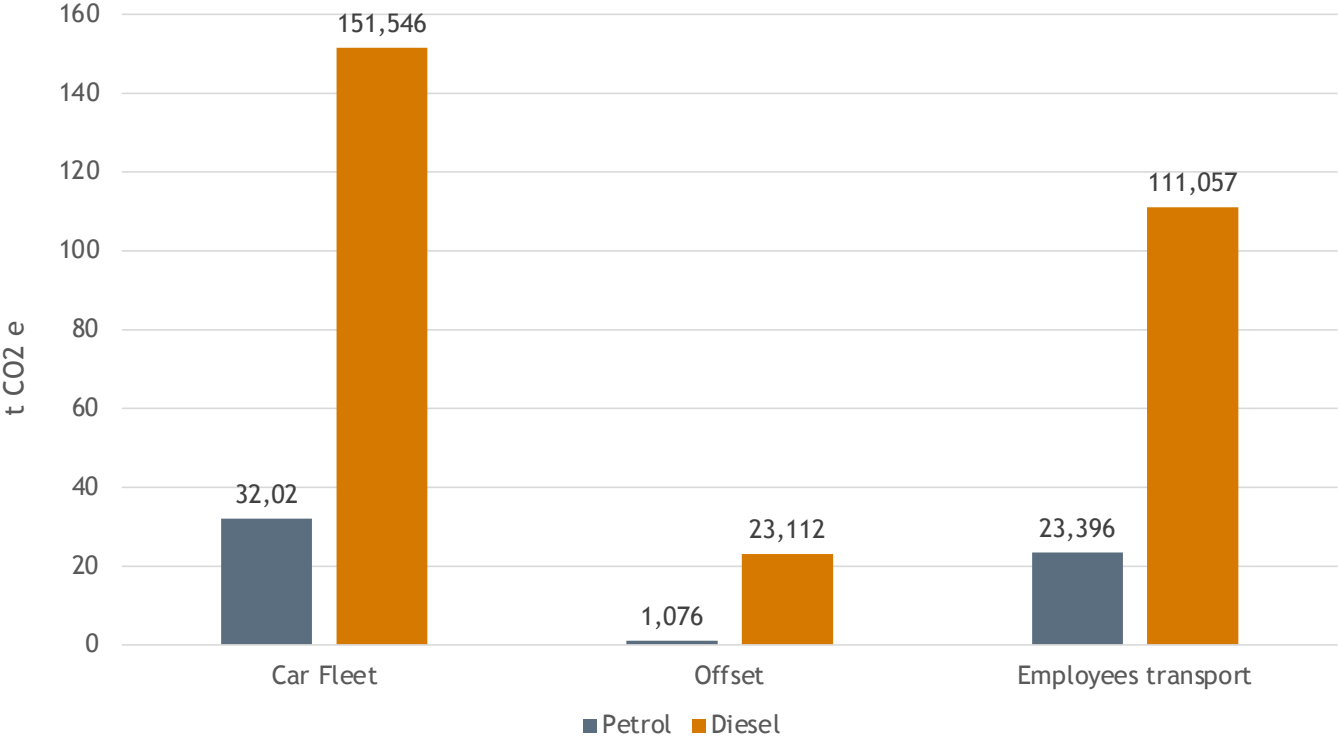
▶ Tractor

- Consumption: 57 l
- Emissions
- Total: 0,16 t CO2e



SCOPE 1 - Mobile combustion

Resulting emissions from mobile combustion (rounded to 3 decimal places)





SCOPE 2

List of emission sources:SCOPE 2

Sources of emissions

GHG categories	Category description	Does the greenhouse gas category apply to society? yes/no
Scope 2		
Purchased electricity	Buying electricity from standard sources	Yes
Purchased heat/steam	Purchased heat from the grid	Yes

SCOPE 2 - Purchased electricity

*total consumption in kWh, i.e. including cogeneration + PV
 **without PV and without cogeneration

Description of the source and methodological procedure

Palasino Group a.s. records electricity consumption according to actual consumption in eight plants. Palasino Group a.s. did not purchase any amount of renewable energy in the reporting year. It produced a total of **63 769 kWh** for its own consumption at its Czech sites using photovoltaic power plants.

- ▶ Total consumption excluding electricity from CHP units: 5 956 460 kWh/Y
- ▶ Total consumption including electricity from CHP units: 6 405 691 kWh/Y
- ▶ Supplier: E-On, own PV, cogeneration

Race	Consumption in kWh*	Purchased**	Own PV plant	Cogeneration
Palasino Česká Kubice	775 151	754 251	20 900	x
Palasino Dolní Dvořiště	1 141 074	1 132 564	8 510	x
Palasino Excalibur City	1 227 358	1 193 658	33 700	x
Hotel Savannah and the Spa	1 382 155	1 261 265	659	120 231
Hotel Donauwelle	667 646	667 646	x	x
Trans World Hotel Kranichhöhe	640 085	311 085	x	329 000
Trans World Hotel Columbus	294 824	294 824	x	x
Trans World Hotel Auefeld	277 398	277 398	x	x

SCOPE 2 - Purchased electricity

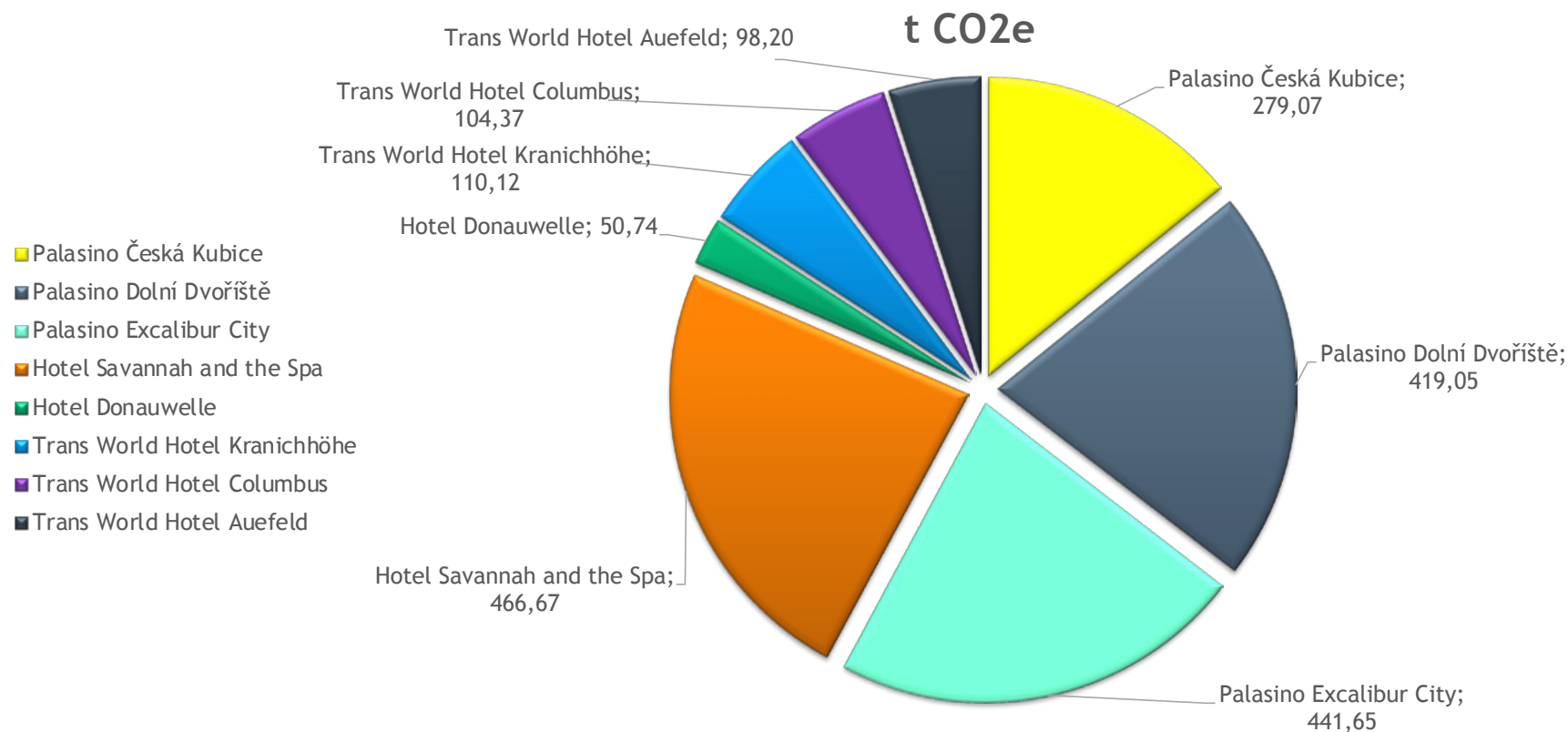
Input data - choice of calculation method

Categories	Data type	Quality data	Calculation method
Scope 2			
Purchased electricity	Consumption in kWh/Y	Primary data	Calculation method based on primary data and relevant location-based GHG emissions using an emission factor (Location Based) according to the energy mix of CR, DE, AT for the year 2023

SCOPE 2 - Purchased electricity

Total emissions produced by Palasino Group a.s. through the consumption of purchased electricity: **1 969,87 t CO₂e**

Total emissions saved through own electricity production from PV: **23,59 t CO₂e**



SCOPE 2 - Purchased heat

Total emissions produced in Palasino group a.s. by heat purchase: **48,96 t CO2e**

Palasino Group a.s. takes its heat from the Austrian branch of Donauwell and records the actual consumption in GJ.

- ▶ Total heat purchased: 778 GJ
- ▶ Supplier: Energie Alianz Linz

Input data - choice of calculation method

Categories	Data type	Quality data	Calculation method
Scope 2			
Purchased heat	Consumption in GJ	Primary data	Calculation method based on primary data and relevant GHG emissions for 2023



SCOPE 3

List of emission sources:SCOPE 3

GHG categories	Category description	Does the greenhouse gas category apply to society? yes/no
Scope 3 - pre-production emissions Part 1		
Purchased goods and services	The extraction, production and transport of goods and services purchased or acquired by the reporting company in the reporting year (not otherwise included in categories 2 to 8).	Yes
Tangible assets	Extraction, production and transport of capital goods purchased or acquired by the reporting company in the reporting year.	Yes
Fuel and energy related activities (not included in scope 1 or 2)	Extraction, production and transportation of fuels and energy purchased or acquired by the reporting company in the reporting year and not already included in scope 1 or 2, including: <ul style="list-style-type: none"> a. Emissions from purchased fuels (extraction, production and transport of fuels consumed by the reporting company). b. Pre-production emissions of purchased electricity (extraction, production and transport of fuels consumed in the production of electricity, steam, heat and cold consumed by the reporting company). c. Transmission and distribution losses (generation of electricity, steam, heat and cold that is consumed (i.e. lost) in the transmission and distribution system) - reported by end-users. d. Production of purchased electricity that is sold to end-users (production of electricity, steam, heat and cold that is purchased by the reporting company and sold to end-users) - reported only by the energy company or energy retailer 	Yes

List of emission sources:SCOPE 3

GHG categories	Category description	Does the greenhouse gas category apply to society? yes/no
Scope 3 - pre-production emissions Part 2		
Pre-production transport and distribution	<p>Transportation and distribution of products purchased by the reporting company in the reporting year between the reporting company's tier 1 suppliers and its own operations (in vehicles and equipment not owned or controlled by the reporting company).</p> <p>Transportation and distribution services purchased by the reporting company in the reporting year, including inbound logistics, outbound logistics (e.g., products sold), and transportation and distribution between the company's own facilities (in vehicles and facilities not owned or controlled by the reporting company).</p> <p>Outbound logistics services purchased by the reporting enterprise are classified as upstream services because they are purchased services. Transportation between tier 1 and tier 2 suppliers is charged to products.</p>	<p>Yes (NOT COUNTED)</p> <p>NOTE: Shipping is included in the price of the purchased goods. Relevant data for the calculation is not available therefore the category cannot be calculated at this time.</p>
Waste	Disposal and treatment of waste generated by the reporting company in the reporting year (in facilities not owned or controlled by the reporting company - WASTE TREATED BY THE WASTE MANAGEMENT COMPANY).	Yes

List of emission sources:SCOPE 3

GHG categories	Category description	Does the greenhouse gas category apply to society? yes/no
Scope 3 - pre-production emissions Part 3		
Business trips	<p>Transportation of employees in business-related activities during the reporting year (in vehicles not owned or operated by the reporting company)'. Leased vehicles must be included in fixed assets.</p> <p>Companies may optionally include emissions from business travellers staying in hotels.</p>	Yes
Employee travel to work	<p>Transportation of employees between their residence and workplace during the reporting year (in vehicles not owned or operated by the reporting company)'. Although employee commuting is not always purchased or paid for by the reporting company, it is included in the previous category of scope 3 because it is a service that enables the company to operate, similar to the goods and services purchased or acquired. Companies may also include emissions from telework (i.e. telework by employees) in this category.</p>	Yes
Pre-production leased assets	Operation of assets leased by the reporting company (lessee) in the reporting year and not included in scope 1 and scope 2 - reported by the lessee.	Yes

List of emission sources:SCOPE 3

GHG categories	Category description	Does the greenhouse gas category apply to society? yes/no
Scope 3 - Post-production emissions Part 1		
Post-production transport and distribution	<p>Transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's premises and the final consumer (if not paid for by the reporting company), including retail sales and storage (in vehicles and facilities not owned or controlled by the reporting company).</p> <p>Category 9 includes only transport and distribution-related emissions that arise after the reporting company pays for the production and distribution of its products</p>	No
Processing of sold products	Processing of intermediate products sold in the reporting year by downstream companies (e.g. manufacturers)	No
Use of sold products	End use of goods and services sold by the reporting company in the reporting year	No

List of emission sources:SCOPE 3

GHG categories	Category description	Does the greenhouse gas category apply to society? yes/no
Scope 3 - Post-production emissions Part 2		
End of life cycle of products sold	Disposal and treatment of waste from products sold by the reporting company (in the reporting year) at the end of their useful life. Packaging should be included. Food waste to include typical quantities of discarded food.	No
Post-production leased property	The operation of assets owned by the reporting company (lessor) and leased to other entities in the reporting year that are not included in scope 1 and scope 2 - reported by the lessor.	No
Franchises	Franchise operations in the reporting year not included in scope 1 and scope 2 - reported by the franchisor	No
Investments	Operation of investments (including equity and debt investments and project financing) in the reporting year that are not included in scope 1 or 2	No

SCOPE 3 - Purchased goods and services



Description of the source

- ▶ The individual items of purchased services and goods were grouped according to NAICS codes that correspond to the nature of the items and reflect their specifics
- ▶ The basis of the breakdown was to distinguish whether the item was a purchase:

A. Product

- Intermediate
- The final product

B. Services

11	Agriculture, Forestry, Fishing, Hunting	53	Real Estate, Rental, Leasing
21	Mining, Quarrying, Oil, Gas Extraction	54	Professional, Scientific, Tech. Services
22	Utilities	55	Mgmt. of Companies & Enterprises
23	Construction	56	Administrative, Support, Waste Mgmt., Remediation Services
31-33	Manufacturing	61	Educational Services
42	Wholesale Trade	62	Health Care and Social Assistance
44-45	Retail Trade	71	Arts, Entertainment, Recreation
48-49	Transportation and Warehousing	72	Accommodation and Food Services
51	Information	81	Other Services (except Public Administration)
52	Finance and Insurance	92	Public Administration

SCOPE 3 - Purchased goods and services

Methodological procedure

- ▶ **Methodological limitation:** given the number of items recorded, a significance-based approach was used to ensure both the efficiency of the procedure and the appropriateness of the output. Not all items could be assigned a specific emission factor. The procedure for calculating the total emissions, which includes the materiality approach, consists of the following steps:
 1. Conversion of the currency of the expenditure - due to inflation and exchange rate factors, in order to be further processed in accordance with the emissions database, which is in units of kg tCO₂e/USD(see identical to the Tangible Assets category below);
 2. Sort all items by USD (\$) value, from largest to smallest USD value;
 3. Calculation of the cumulative total of items (values in USD);
 4. A 90% threshold was calculated from the total of the values, which includes items that make up 90% of the total expenditure in a given FY (2023) for purchased goods and services;
 5. All items falling within the 90% significance level were individually reviewed and specific emission factors were assigned to those deemed most relevant;
 6. The items making up the remaining 10 % of the total value of goods and services purchased were grouped together in groups of similar importance and assigned a corresponding emission factor.



SCOPE 3 - Purchased goods and services

Input data - choice of calculation method

Category - group	Data type	Quality data	Calculation method
Scope 3			
Purchased goods and services	Expenditure - CZK, € (converted to \$)	Secondary data	<p>Spend-based method.</p> <p>The calculation is based on the economic value of goods and services purchased in original monetary units, which are then converted to dollars (\$) due to the application of the available emissions database.</p> <p>The conversion to dollars takes into account the exchange rate on the last day of the year under analysis. The conversion also takes inflation into account due to the different year of the emission factor database and reporting period.</p> <p>These converted economic values (in \$) are then multiplied by the respective emission factors. The appropriate emission factor is assigned according to the nature of the good or service purchased. The emission factors are drawn from EPA's "Supply Chain Factors Dataset v1.2" database, the nature of the emission factors is secondary (reflecting the industry average).</p>

SCOPE 3 - Purchased goods and services

Total emissions produced by Palasino group a.s. through the purchase of goods and services: **3 081,665 t CO₂e**

Share of expenditure by country (CZ, AT, DE)

Resulting values

► Expenditure on purchased goods and services

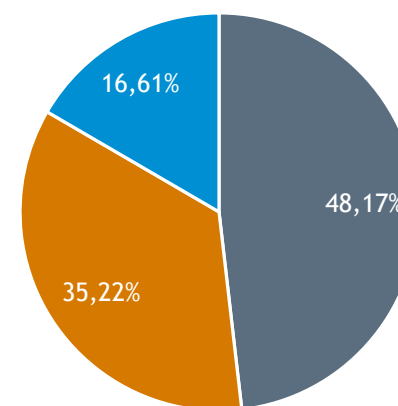
- 273 673 059,627 CZK (131 828 745,39 CZK + 5 736 878,23 €*)
- \$12 167 495,793**

► Emissions from purchased goods and services

- 3 081,665 t CO₂e

► Recalculation of emissions

- 28% of all items (most significant by value): corresponding to 90% of expenditure => 2 914,849 t CO₂e
- 1 million CZK (or \$ 44 538 668) = represents 11,260 t CO₂e



■ Total CZ ■ Total DE ■ Total AT

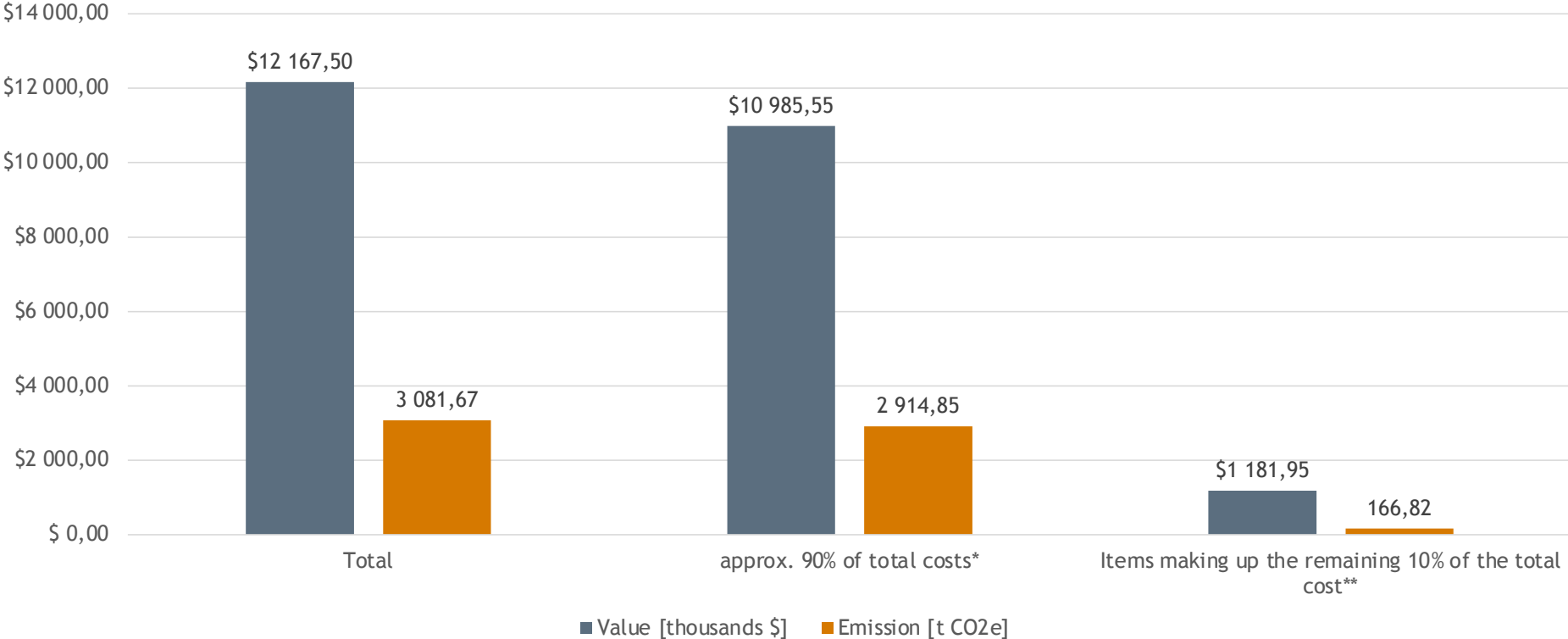
*conversion according to the CNB exchange rate as of 31.12.2023

** value given for the purpose of subsequent graphical display

SCOPE 3 - Purchased goods and services

The resulting values are graphically represented

Structure of emissions by significance (relative to the cost of the category)



*created approx. 28% of the most valuable items
 **about 72% of all items created

SCOPE 3 - Purchased goods and services

Resulting emissions from purchased goods and services (rounded to 3 decimal places)

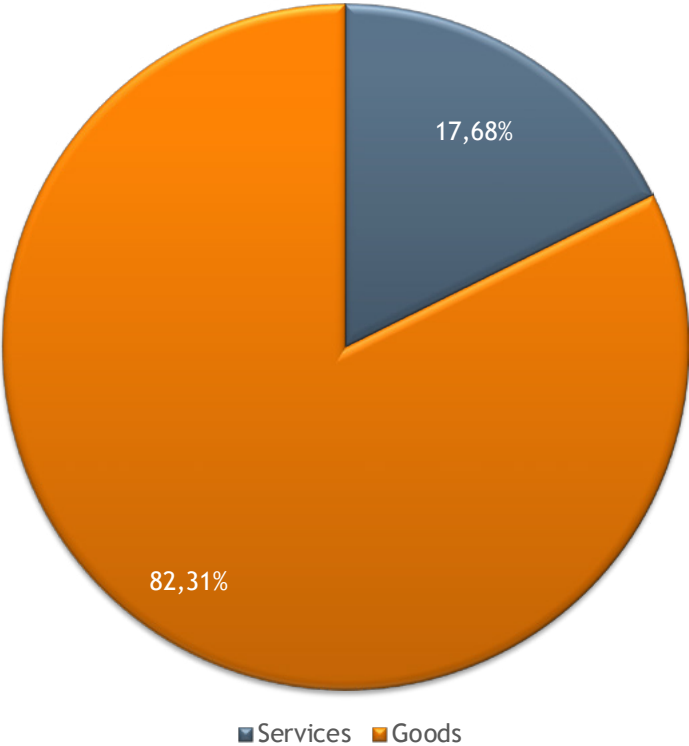
Groups	Emissions (t CO ₂ e)
Food (311xxx)	1 742,940
Administrative and support services (561xxx) (room maintenance, market research, sales support, recruitment, cleaning)	308,457
Beverages (312xxx)	287,857
Cleaning products (325xxx)	116,696
Professional, scientific and technical services (541xxx)	94,530
Repair and maintenance services (811xxx)	88,225
Laundry services (812xxx)	72,971
Plastics, glass, crockery, pots, ... (326xxx, 327xxx)	71,072
Arts, entertainment, recreation (711xxx, 712xxx)	52,404
Miscellaneous manufacturing materials (339xxx)	45,332
Social expenditure, shared expenditure	44,305
Paper + printing and related supporting documents (322xxx, 323xxx)	42,025
Next*	151,932

*E.g. leasing 0,239 t CO₂e, el. equipment, appliances 1,581 t CO₂e
 Note: NAICS codes at sub-sector level are in parentheses

SCOPE 3 - Purchased goods and services

The resulting values are graphically represented

Structure of issues according to the nature of the purchased item



SCOPE 3 - Purchased goods and services – Purchased water

Input data - choice of calculation method

Total emissions produced by Palasino group a.s. through the purchase of water: **7,46 t CO2e**

Category - group	Data type	Quality data	Calculation method
Scope 3			
Purchased goods and services - purchased water	Cubic metre	Primary data	Average data method

Water supply	m3	Emissions t CO2e
HOTEL SAVANAH (4)	15 232	2,691
ČESKÁ KUBICE (1)	1 100	0,194
HATĚ CASINO (3)	3 856	0,681
OFFICE OF THE CZECH REPUBLIC	220	0,039
(AT) Hotel Donauwelle	6 864	1,213
(DE) (1) Trans World Hotel Kranichhöhe	7 618	1,346
(DE) (2) Trans World Hotel Columbus	4 213	0,744
(DE) (3) Trans World Hotel Auefeld	3 099	0,548

SCOPE 3 - Tangible assets

Source description and data preparation for the application of the computational method



- ▶ The most significant investments made by the Company in FY* 2023 are recorded under the identification PROJECT 052304, PROJECT 032314 and the acquisition of a HW server cluster including network infrastructure.
- ▶ Total expenditure (converted to CZK): **CZK 56 448 199,42 [100%]**
 - ▶ of which: **49 039 743,58 CZK** (CZ) (86,88 %)
 - 7 408 455,84 CZK (DE, AT) (13,12 %) = **299 634,21 €** [100 %]
 - of which: € 154 583,80 (DE) (51,59 %)
 - 145 050,41 € (AT) (48,41 %)
- ▶ Tangible assets were classified, by nature of acquisition, into two sector categories (defined by the NAICS classification system) of construction and manufacturing, which were further specified by their respective subsectors. Acquisitions that correspond in nature to the construction sector are entirely, in the 2023 reporting period, concentrated in the territory of the CR. Acquisitions of assets of a manufacturing nature took place in all three included geographic territories (i.e. CR, DE, AT).
- ▶ The processing of the collected data involves two recalculations. The database of emission factors used is up-to-date as of 2021. Therefore, the effect of inflation (in 2021, 2022 and 2023) has been taken into account in the emission factor values. At the same time, the economic values in CZK and € are converted to values in \$ according to the exchange rate at the end of 2023.

* Fiscal year

SCOPE 3 - Tangible assets

Input data - choice of calculation method

Category - group	Data type	Quality data	Calculation method
Scope 3			
Tangible assets	Expenditure - CZK, € (converted to \$)	Secondary data	<p>Spend-based method</p> <p>The calculation is based on the economic value of the purchased assets in original monetary units, which are then converted to dollars (\$) due to the availability of the issuance database.</p> <p>The conversion to dollars takes into account the exchange rate on the last day of the year under analysis. The conversion also takes inflation into account due to the different year of the emission factor database and reporting period.</p> <p>These recalculated economic asset values (\$) are then multiplied by the appropriate emission factors. The relevant emission factor is assigned according to the nature of the asset purchased. The emission factors are drawn from EPA's "Supply Chain Factors Dataset v1.2" database, the nature of the emission factors is secondary (reflecting the industry average).</p>

SCOPE 3 - Tangible assets

Total emissions produced by Palasino group a.s. capital assets: 531,01 t CO₂e

Resulting values

► Expenditure on tangible assets

- 56 448 199,42 CZK (49 039 743,58 CZK + 299 634,21 €*)
- \$ 2 509 287,396**

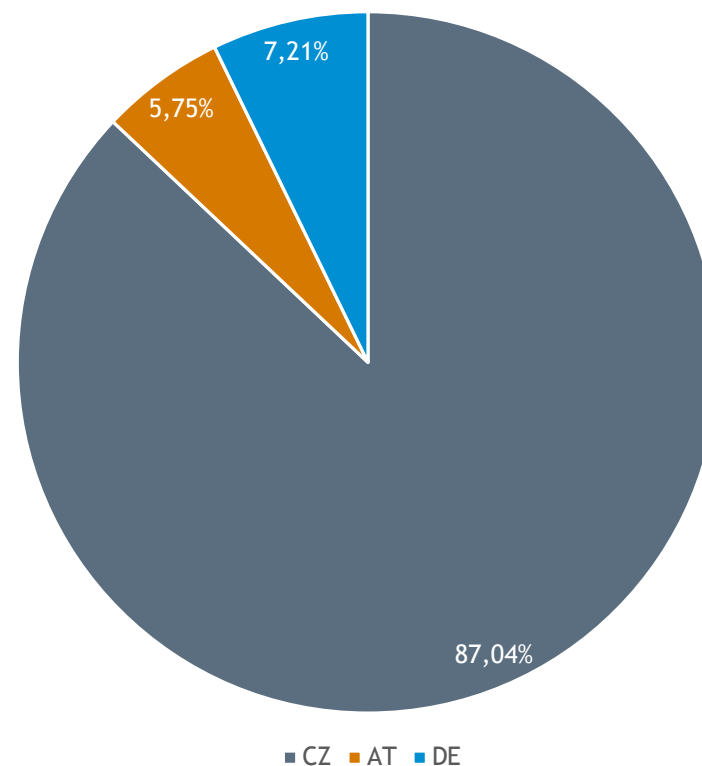
► Emissions from tangible assets

- 531,01 t CO₂e

► Recalculation of emissions

- 1 million CZK represents 9,474 t CO₂e

Share of investment by country

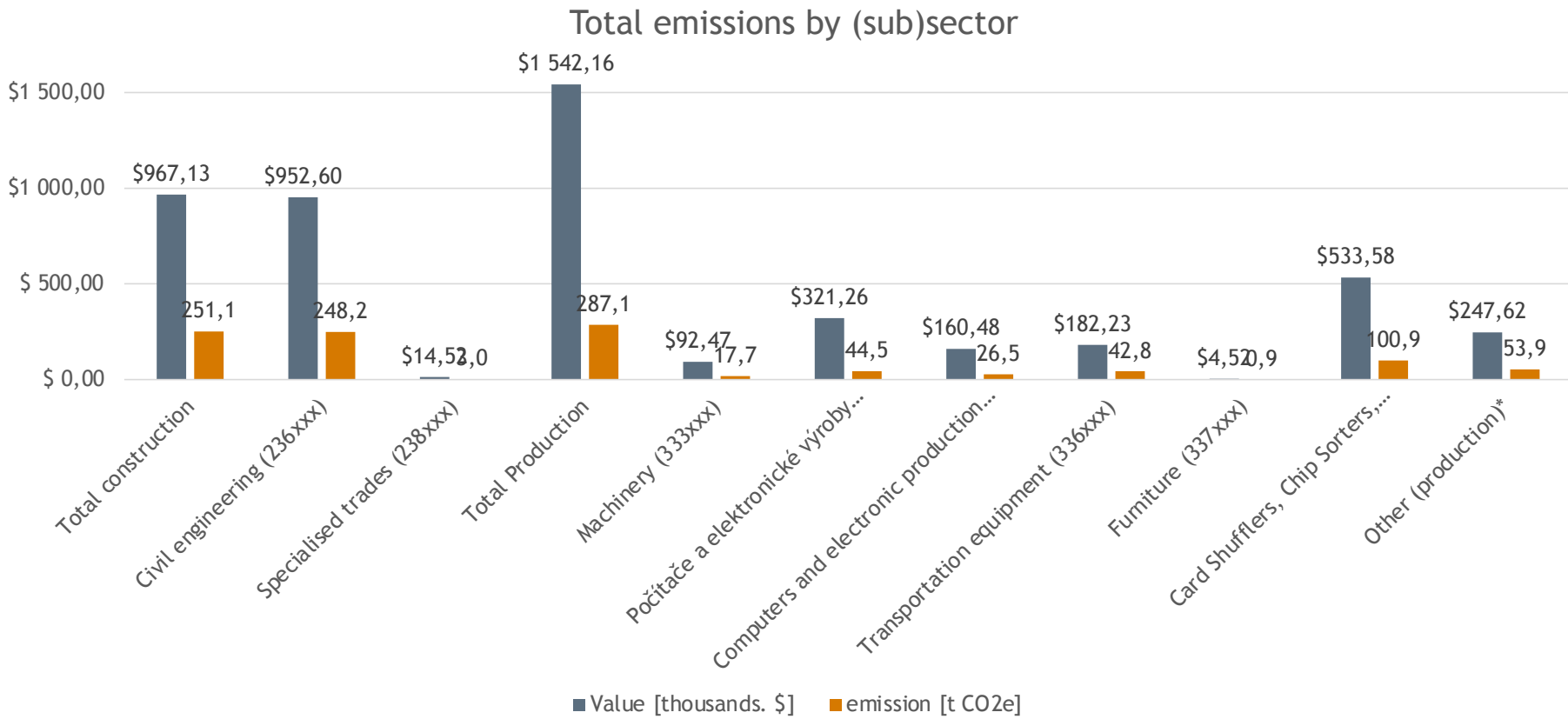


*conversion according to the CNB exchange rate as of 31.12.2023

**relevant for graphical calculation and graphical display

SCOPE 3 - Tangible assets

The resulting values are graphically represented

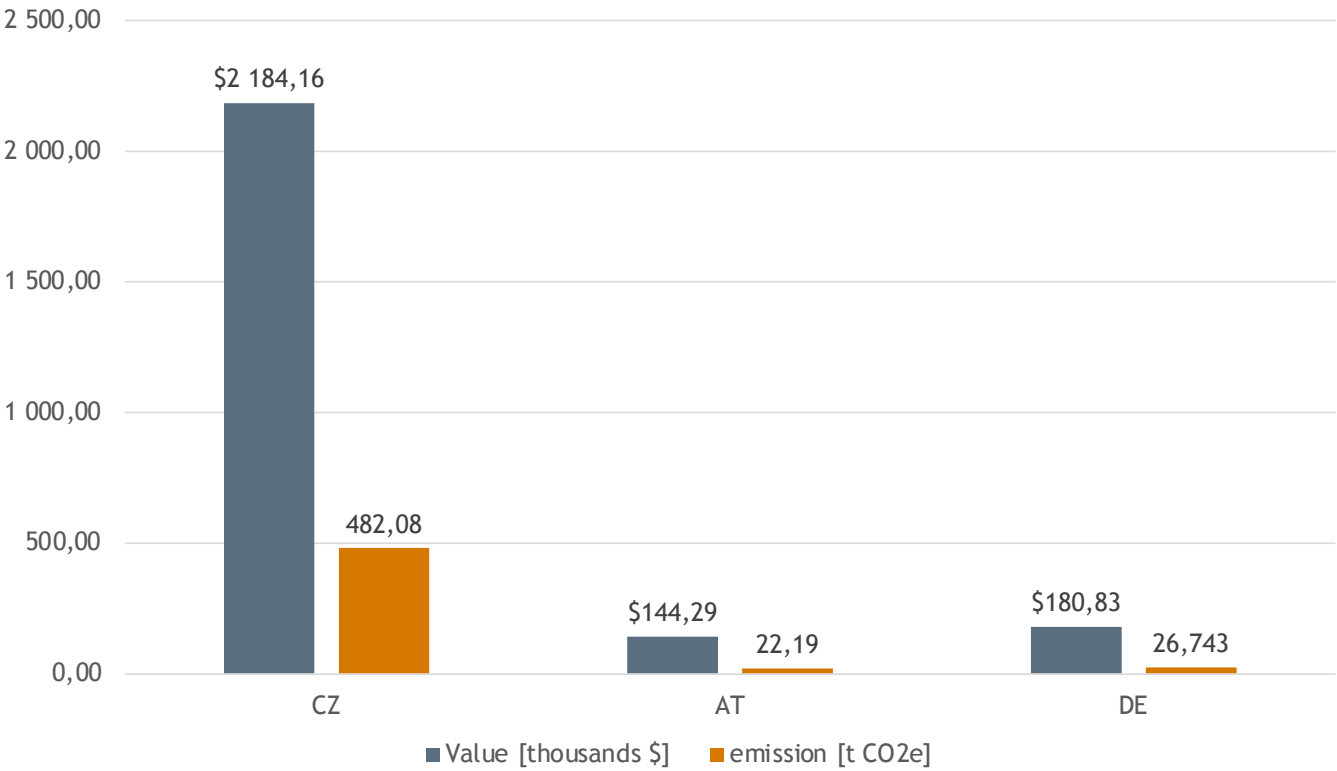


*HW, commercial printing (323xxx, 332x

SCOPE 3 - Tangible assets

The resulting values are graphically represented

Total emissions [t CO₂ e] and investments by country (CZ, AT, DE)



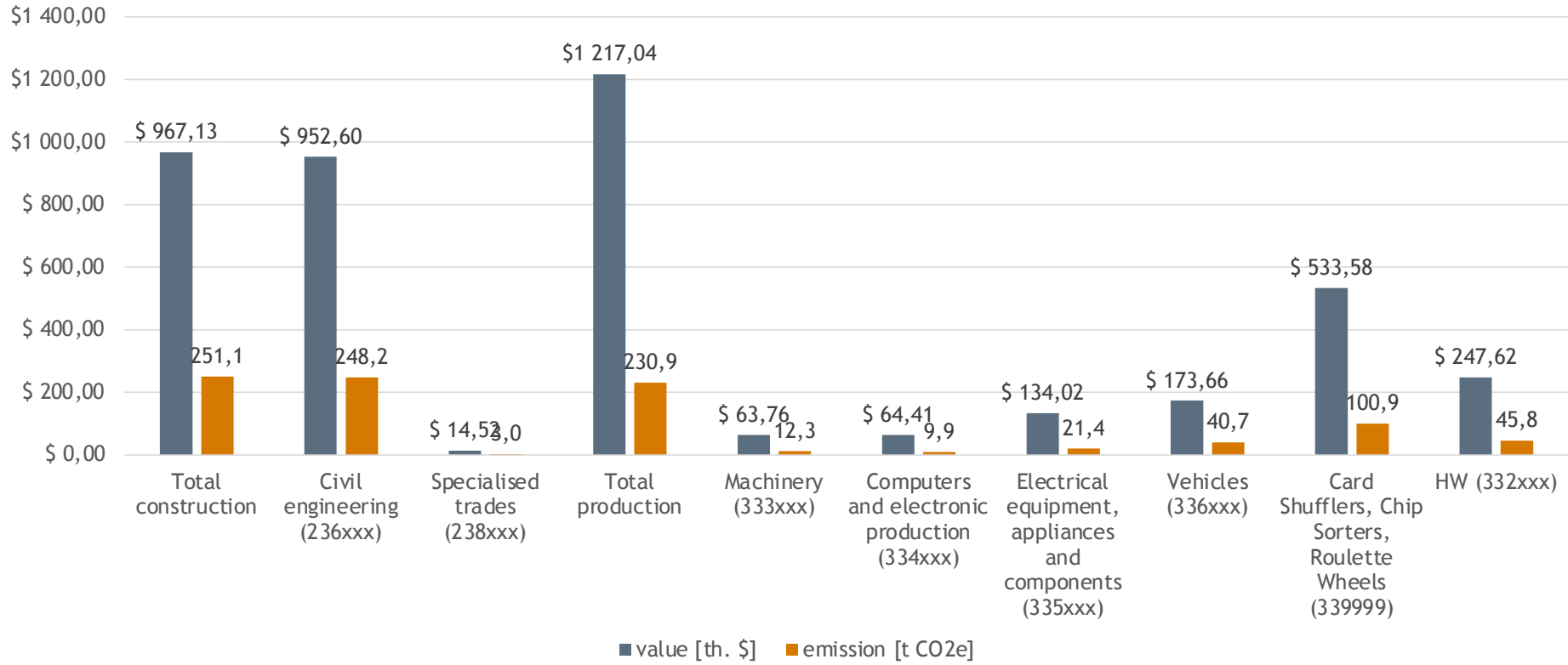
Share of emissions by country



SCOPE 3 - Tangible assets

The resulting values are graphically represented

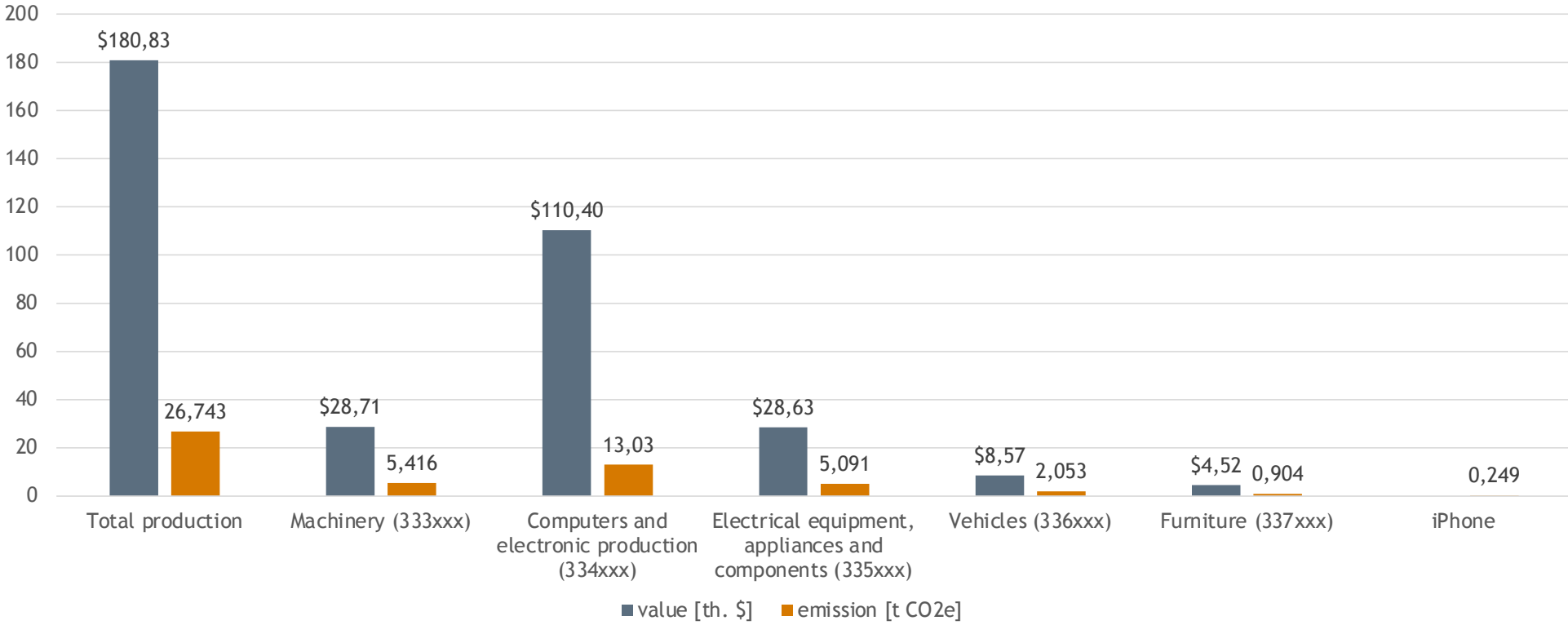
Structure of emissions by country:
CZECH REPUBLIC



SCOPE 3 - Tangible assets

The resulting values are graphically represented

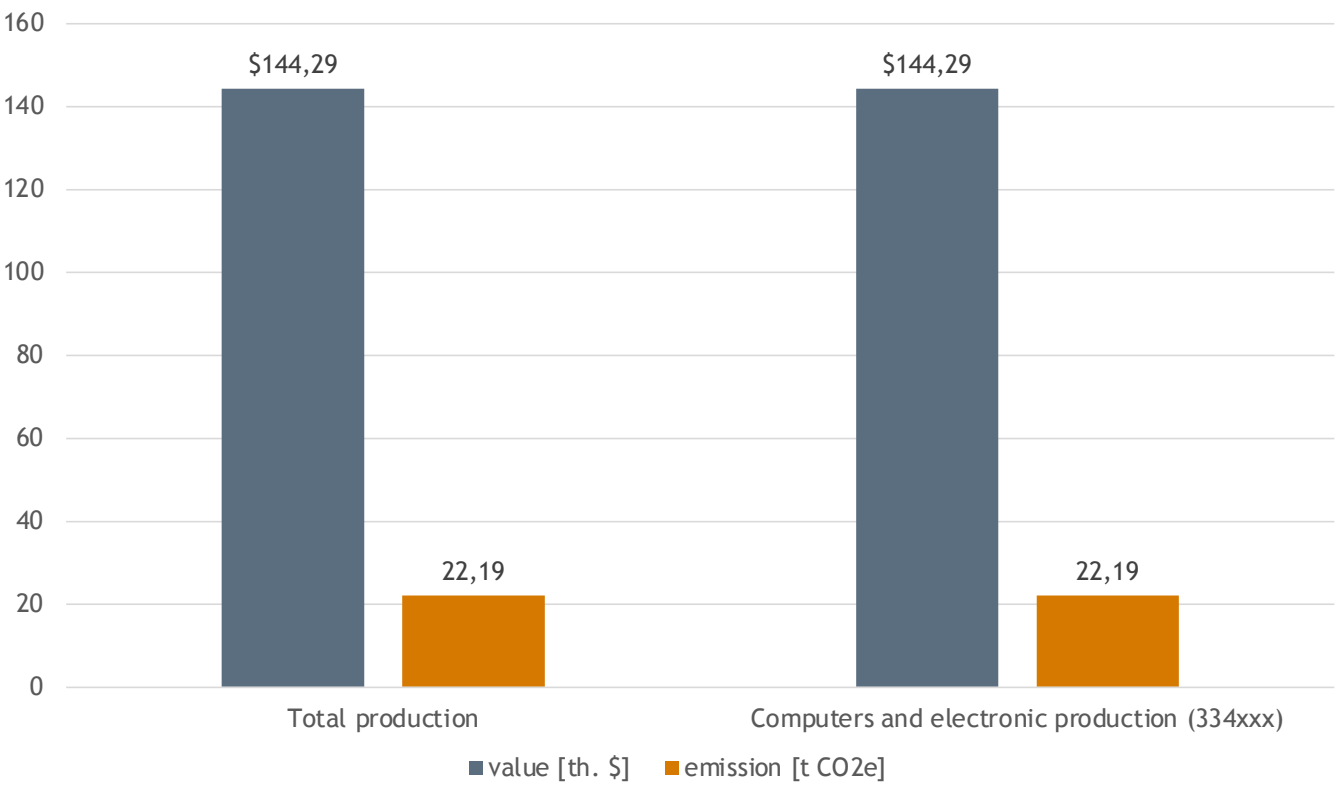
Structure of emissions by country:
DE



SCOPE 3 - Tangible assets

The resulting values are graphically represented

Structure of emissions by country:
AT



SCOPE 3 - Activities related to the purchase of electricity and fuels not included in Scope 1 and 2

Description of the source and methodological procedure

- ▶ Categories relating to end users of fuels and electricity and excluding combustion emissions already accounted for in Scope 1 and 2
- ▶ Relevant calculation groups:
 - **Emissions of purchased fuels**
 - Diesel consumption: 57 011 l
 - Petrol consumption: 13 805 l
 - Natural gas consumption: 6 264 634 kWh
 - LPG consumption: 26 t
 - Fuel oil consumption: 15 t
 - **Emissions from purchased electricity**
 - Consumption: 4 405 507 kWh
 - **T&D transport and distribution, network losses**
 - Consumption: 4 405 507 kWh
- ▶ The category includes:
 - Mining
 - Production
 - Transmission
 - Distribution and transport

SCOPE 3 - Activities related to the purchase of electricity and fuels not included in Scope 1 and 2

Input data - choice of calculation method

Category - group	Data type	Quality data	Calculation method
Scope 3			
Activities related to the purchase of electricity and fuels not included in Scope 1 and 2:	Consumption (kWh /l)	Secondary data	Average data method

SCOPE 3 - Activities related to the purchase of electricity and fuels not included in Scope 1 and 2

Total emissions produced by Palasino group a.s. through the purchase of electricity and fuels: **516,56 t CO₂e**
Resulting values (rounded to three decimal places)

► Electricity

- **Total emissions: 243,123 t CO₂e**

► Natural gas

- **Total emissions: 209,677 t CO₂e**

► Oil

- **Total emissions: 35,580 t CO₂e**

► Heating oil

- **Total emissions: 10,723 t CO₂e**

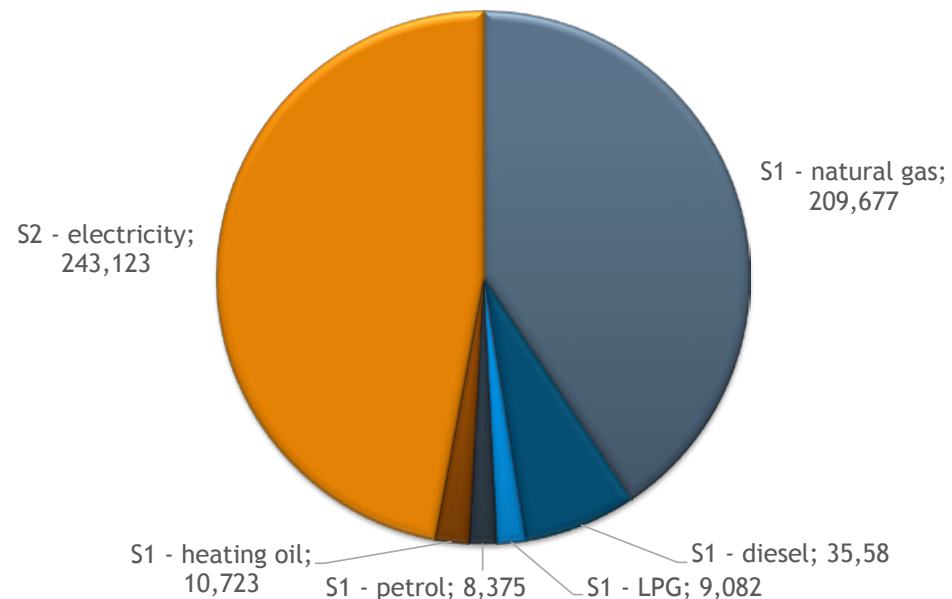
► LPG

- **Total emissions: 9,082 t CO₂e**

► Petrol

- **Total emissions: 8,375 t CO₂e**

Resulting emission values [t CO₂e]



SCOPE 3 - Operational waste

- ▶ The calculation included the following types of waste:
 - **Waste for recycling:**
 - Unspecified plastics, unspecified paper, unspecified glass - category OO*
 - E-waste (computers, LCD displays, gaming equipment, appliances) - category NO**
 - **Waste destined for landfill or incineration:**
 - Mixed municipal waste - category OO*
 - Unspecified hazardous waste (e.g. fluorescent lamps) - category NO**
 - **Waste for composting:**
 - Compostable bio-waste - category OO*
 - **Waste destined for further treatment:**
 - Kitchen bio-waste - category OO*

*OO other waste

**NO hazardous waste

SCOPE 3 - Operational waste

Description of the resource and methodological approach

Category - group	Data type	Quality data	Calculation method
Scope 3			
Waste generated during operation	Weight in t Weight in "short t" ("small tuna" = £2 000)	Secondary data	Waste-specific method. The calculation is based on the type of waste, its quantity and how it is treated. The treatment method of a specific waste type corresponds to the relevant emission factor (EF). This EF is then multiplied by the quantity of the specific waste type. In the case of EFs that are bound to the unit "short t", the data recorded in "t" is converted by the relation: 1 t = 1.10231 short t.

SCOPE 3 - Operational waste

Total emissions produced at Palasino group a.s. by hazardous waste: 0,258 t CO₂e

Resulting values (rounded to 3 decimal places)

► Hazardous waste:

- E-waste (computers, LCD displays, gaming equipment, appliances) - category NO**
 - Quantity: 2,5 t
 - Resulting emission values: 0,055 t CO₂e
- Unspecified hazardous waste (e.g. fluorescent lamps) - category NO**
 - Quantity: 0,1 t
 - Resulting emission values: 0,203 t CO₂e



SCOPE 3 - Operational waste

Total emissions produced at Palasino group a.s. by municipal waste: 93,228 t CO₂e

Resulting values (rounded to 3 decimal places)

► Municipal waste:

– Plastics

- Quantity: 12,300 t 
- Resulting emission values: 2,983 t CO₂e₂


– Glass

- Quantity: 14,530 t 
- Resulting emission values: 0,801 t CO₂e₂

– Paper

- Quantity: 23,210 t 
- Resulting emission values: 1,791 t CO₂e₂

– Mixed municipal waste

- Quantity: 137,100 t 
- Resulting emission values: 87,653 t CO₂e₂

SCOPE 3 - Operational waste

Total emissions produced at Palasino group a.s. by bio-waste: 12,754 t CO₂e

Resulting values (rounded to 3 decimal places)

► Bio-waste:

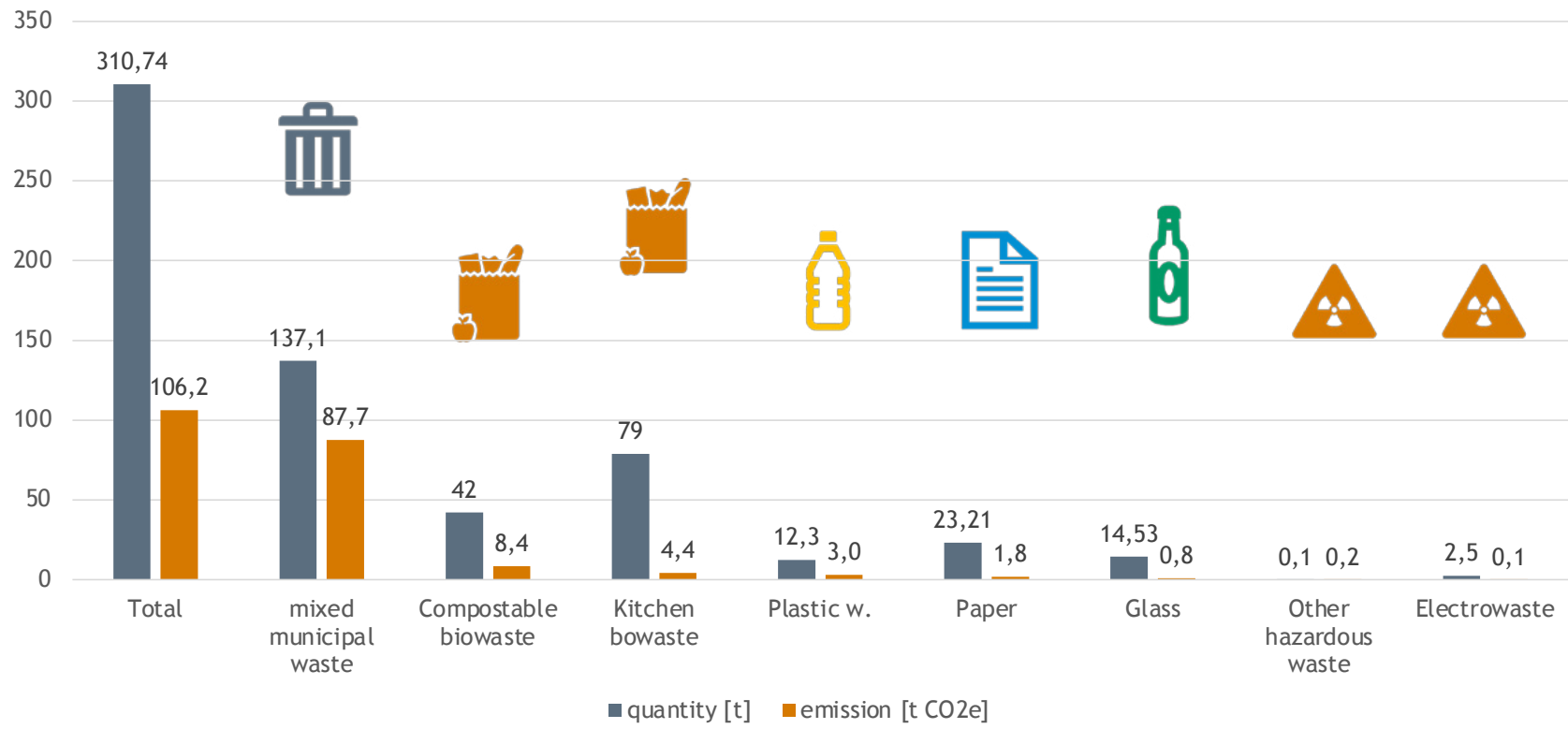
- Compostable bio-waste - category 00*
 - Quantity: 42 t
 - Resulting emissions: 8,400 t CO e₂
- Kitchen bio-waste - category 00*
 - Quantity: 79 t
 - Resulting emissions: 4,354 t CO e₂



SCOPE 3 - Operational waste

The resulting values are graphically represented

Total emissions by waste type (from largest to smallest)



SCOPE 3 - Wastewater

Input data - choice of calculation method

Total emissions produced by Palasino group a.s. through the discharge of wastewater: **9,35 t CO2e**

Category - group	Data type	Quality data	Calculation method
Scope 3			
Waste water	Cubic metre	Primary data	Average data method

Waste water	m3	Emissions t CO2e
HOTEL SAVANAH (4)	15 232	3,061632
ČESKÁ KUBICE (1)	1 100	0,2211
LOWER YARD (2)	4 332	0,870732
HATĚ CASINO (3)	3 856	0,775056
OFFICE OF THE CZECH REPUBLIC	220	0,04422
(AT) Hotel Donauwelle	6 864	1,379664
(DE) (1) Trans World Hotel Kranichhöhe	7 618	1,531218
(DE) (2) Trans World Hotel Columbus	4 213	0,846813
(DE) (3) Trans World Hotel Auefeld	3 099	0,622899

SCOPE 3 - Business trips

Description of the resource and methodological approach

Category - group	Data type	Quality data	Calculation method
Scope 3			
Business trips - outside official cars	Mileage in km, passenger-km (converted to mi, person-mi - due to the use of a database that is designed in miles)	Secondary data	Distance-based method. The distance travelled by each mode of transport in the reporting period was used for the calculation. <u>Specifically, only air transport was considered.</u> Air transport was then divided into three categories (according to the number of km), namely short flight, medium flight or long flight. Each category is then assigned the appropriate emission factor values. This results in the calculation of the individual GHG emissions in tonnes* and subsequent conversion to a CO2 equivalent value.

*CO2, CH4, N2O, which reflect the number of km (or mi) and type of flight (short, medium, long)

SCOPE 3 - Business trips

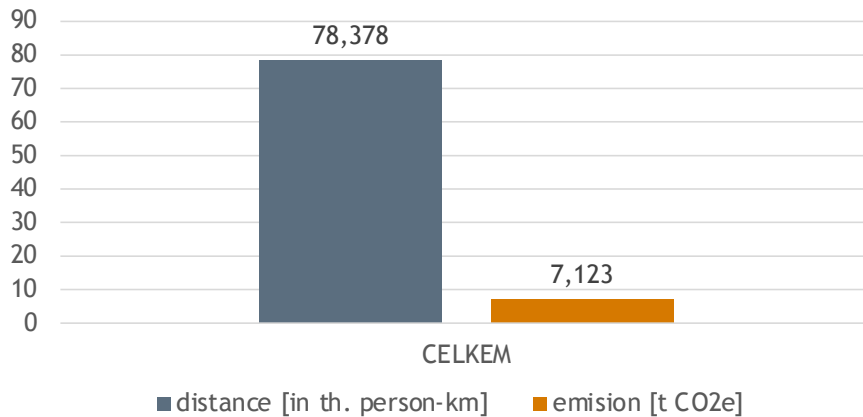
Total emissions produced in Palasino group a.s. by business trips: 7,123 t CO₂e
 Resulting values (rounded to 3 decimal places)

► Air transport

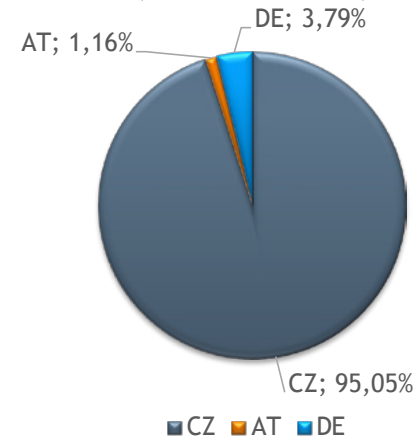
- Distance
 - Total: 78 378 passenger-km (48 701,822 passenger-mi)
- Emissions
 - **Total: 7,123 t CO₂e**



CO₂e business travel emissions - air transport



Percentage of person-km by country (CZ, AT, DE)



SCOPE 3 - Commuting

Description of the resource and methodological approach

Category - group	Data type	Quality data	Calculation method
Scope 3			
Employee commuting	Average mileage in km, (or passenger-km)	Secondary data (estimated values)	<p>Distance-based method.</p> <p>The following were used for the calculation:</p> <ul style="list-style-type: none"> • average distance travelled by employees (to work and back home) over the reporting period • and the type of commuter*. <p>According to the type of vehicle, the corresponding emission factor (EF) values are assigned. This results in the calculation of individual greenhouse gas emissions in tonnes** and subsequent conversion to a CO2 equivalent value.</p>
	Hours - if home office (HO) is included	Secondary data (estimated values)	<p>Under this method, HO is treated in such a way that only the additional emissions resulting from working from home (energy consumed when working on a PC) are taken into account.</p> <p>The calculation is based on the summation of the number of working days in HO and the type of time worked. It is then converted into hours, which are multiplied by the appropriate EF.</p>

*examples: train, metro, bus, trolleybus, car, bicycle, on foot, scooter, ...

**CO2, CH4, N2O, reflecting the number of km and type of vehicle

SCOPE 3 - Commuting

Total emissions produced in Palasino group a.s. due to employee commuting: **174,008 t CO₂e**

Resulting values (rounded to 3 decimal places)

▶ Car transport

- Vehicle type: average car - unknown engine size
- Distance: 1 003 567 km
- Emissions
 - **Total: 166,326 t CO₂e**



▶ Mass transit

- Vehicle type: bus
- Distance: 136 200 person-km
- Emissions
 - **Total: 6,056 t CO₂e**

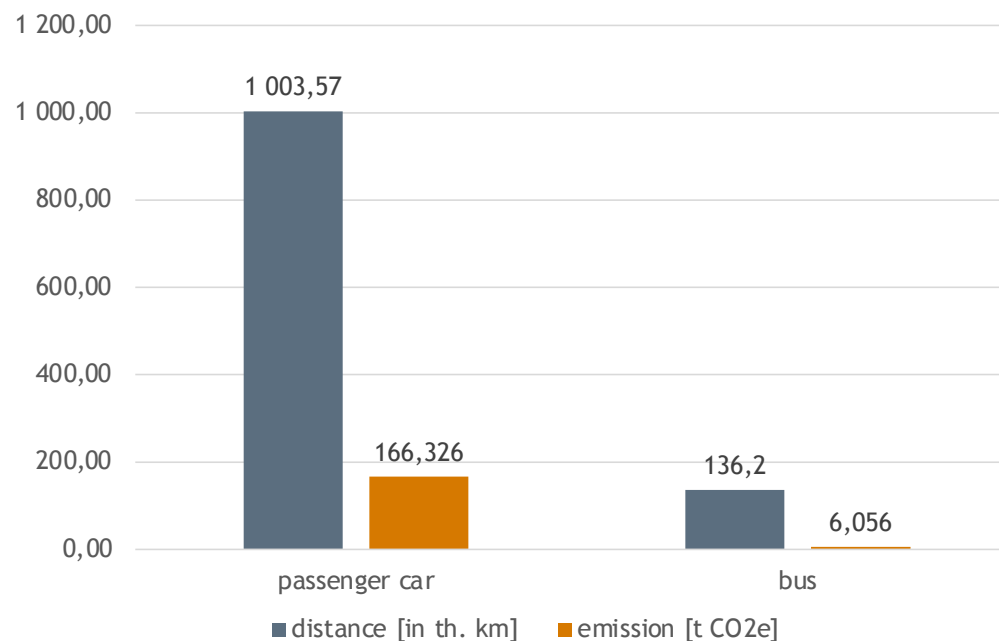


▶ Work from home

- Time: 4 872 FTE hours
- Emissions
 - **Total: 1,626 t CO₂e**



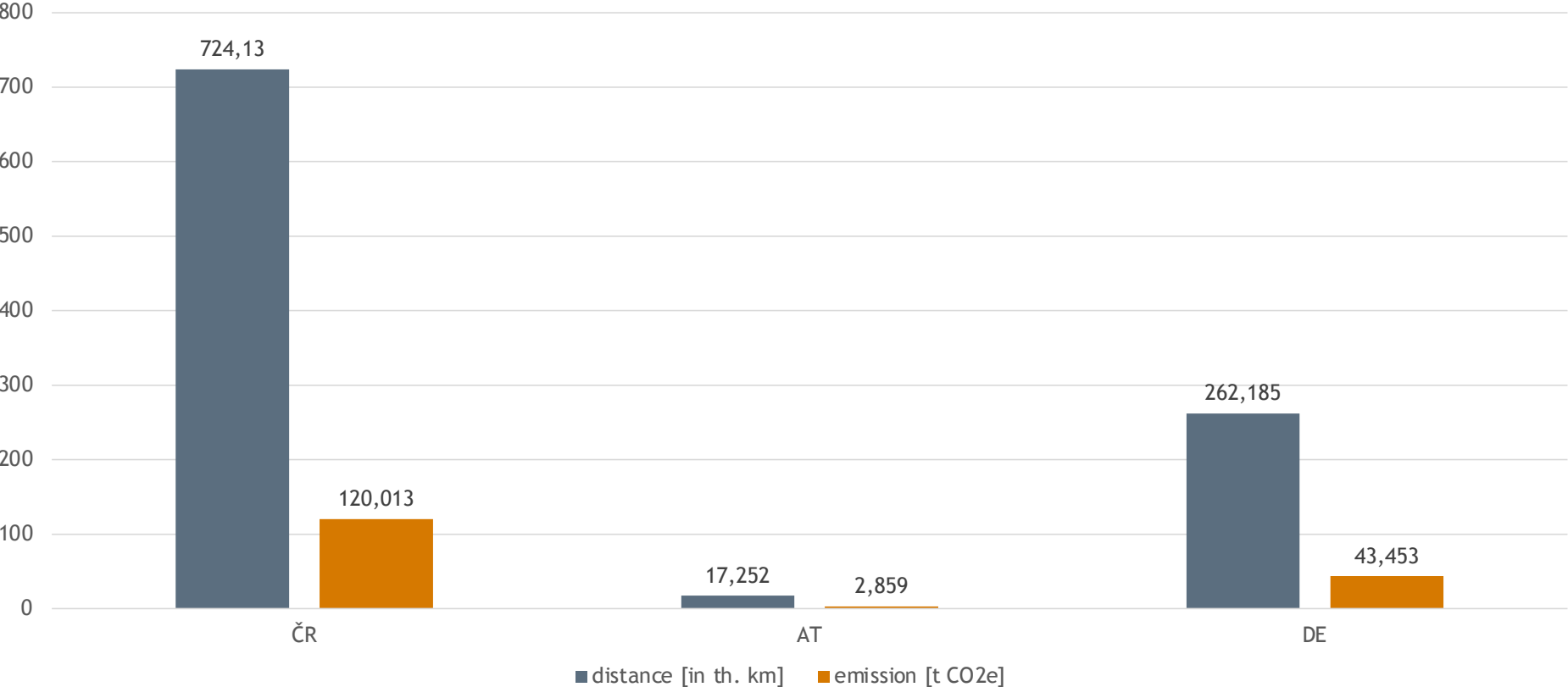
Structure of total emissions [t CO₂e] from employee commuting



SCOPE 3 - Employee commuting

Graphical representation of the resulting values - car transport

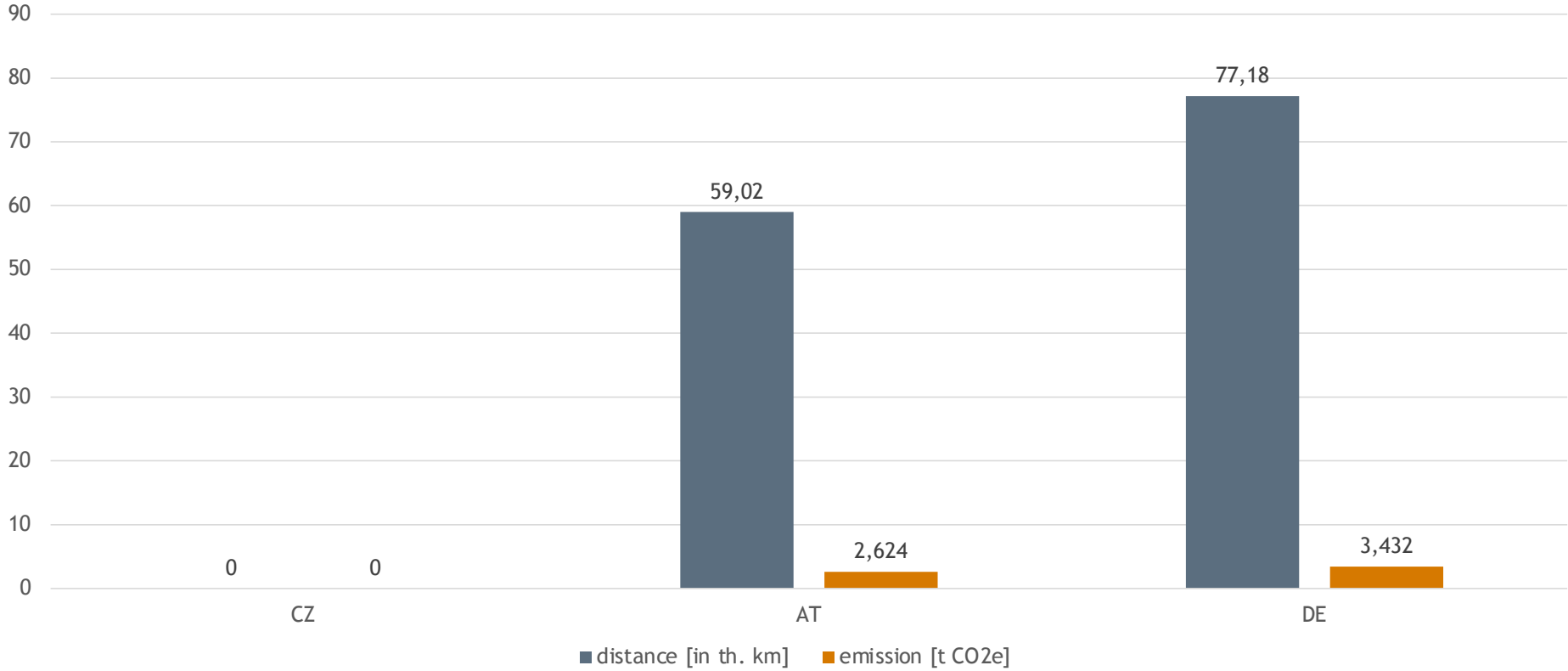
Emissions from car transport by country (CZ, AT, DE)



SCOPE 3 - Commuting

Resulting values graphically represented - bus

Emissions from public transport by country (CZ, AT, DE)

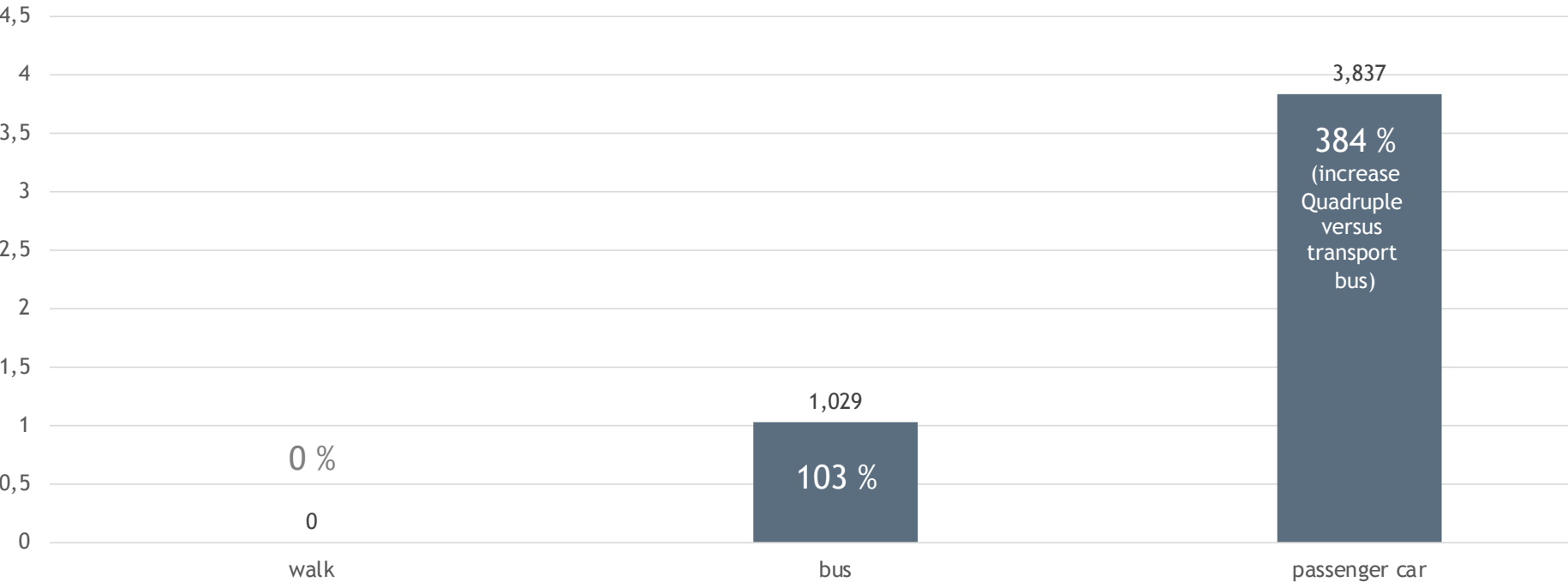


SCOPE 3 - Commuting

Graphical representation of "saved" emissions* - from walking**

Comparison of emissions [t CO2e] assuming:

Employees (CZ, AT, DE) instead of walking - using another mode of transport



*other options if necessary, e.g. from cycling, scooter

**per 1 km of travel (total round trip) /employee/day

SCOPE 3 - Pre-production leased assets

Description of the resource and methodological approach

Category - group	Data type	Quality data	Calculation method
Scope 3			
Pre-production leased assets	Expenditure - CZK (converted to \$)	Secondary data	<p>Spend-based method</p> <p>The calculation is based on the economic value of the leased property in original monetary units, which are then converted to dollars (\$) to use the issue database.</p> <p>The conversion to dollars takes into account the exchange rate on the last day of the year under analysis. The conversion also takes inflation into account due to the different year of the emission factor database and reporting period.</p> <p>These recalculated economic asset values (\$) are then multiplied by the appropriate emission factors. The appropriate emission factor is assigned according to the nature of the leased property. The emission factors are drawn from EPA's "Supply Chain Factors Dataset v1.2" database, the nature of the emission factors are secondary (reflecting the industry average).</p>

Resulting values

CK lease of land parc. no. 357,369	163 615,52 CZK	1,854 [t CO ₂ e]
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SCOPE 3 - Pre-production transport and distribution

Description of the source and methodological procedure

▶ **The category includes**

- Emissions from the distribution of purchased material between the supplier and the company in vehicles not owned and operated by the reporting company
- Third party transportation services purchased by the company for product distribution

▶ **Methodological limitations**

- No data available for calculation. Shipping costs are currently included in the price of purchased goods and cannot be separated.
- In the coming years, Palasino Group a.s. plans to identify significant suppliers and items for which it will start collecting relevant data for the calculation of this category

RECOMMENDATIONS

Scope 3

▶ Purchased goods and services

- The most significant category in Scope 3 in terms of emissions is caused by the purchase of the "food" group. This group was collectively calculated by the average emission factor. In future years, we recommend breaking down the nature of significant items to more accurately assign emission factors (meat, vegetables, industrially produced food/refrigerated food). Alternatively, for significant items (weight/output), request primary data in future years - product carbon footprint/exact emission factor for the product being purchased.

▶ Pre-production transport

- This category was not counted due to unavailability of data. We recommend identifying the main suppliers and describing their mode of transport, or requesting data from the identified suppliers (emission footprint/distances, type of transport, weight of cargo)

▶ Waste

- We recommend focusing on obtaining accurate data on the production and subsequent treatment of waste to accurately assign Emission Factors

SOURCES OF EMISSION DATABASES

EPA database (updated as of 05.06.2024):

[ghg-emission-factors-hub-2024.pdf \(epa.gov\)](#)

UK GOV database (updated for 2023, next update 10.06.2024):

[ghg-conversion-factors-2023-condensed-set-update.xlsx \(live.com\)](#)

Supply Chain GHG Emission Factors database (update 20.4.2023):

[Supply Chain Greenhouse Gas Emission Factors v1.2 by NAICS-6 - Catalog \(data.gov\)](#)

Database of the Czech Hydrometeorological Institute (UK)

[methodology_us_web-1.pdf \(ci2.co.cz\)](#)



ESG Report

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Palasino Holdings Limited
Palasino Group, a.s.