Impact of Environmental Social and Governance on Financial Performance and Public Perception in Beverage Industry

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Theses guidelines

Introduction
Define the objectives and the application methods used in this thesis
I. Theoretical part

- Conduct literature review focusing on ESG and financial performance

II. Practical part

- Analyze the business activities of the selected manufacturing companies
- Analyze the relationship between ESG factors and financial performance
- Formulate recommendation and give insight on how to improve ESG based on the view of stakeholders and evaluate their impact on financial performance.

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ABSTRAKT

Začlenění environmentálních, sociálních a správních (ESG) praktik do podnikových strategií se stalo klíčovým prvkem ovlivňujícím finanční výkonnost, budování důvěry investorů a zajištění dlouhodobé udržitelnosti podniků. Tato studie zkoumá, jak souvisí ESG výkonnost s finančními ukazateli v českém nápojovém průmyslu, zaměřuje se na tři významné společnosti: Kofola, Pivovary Staropramen a Plzeňský Prazdroj. Studie využívá kvalitativní přístup k prozkoumání vztahu mezi ESG skóre a klíčovými finančními ukazateli, jako jsou zisková marže (NPM), návratnost vlastního kapitálu (ROE), ekonomická přidaná hodnota (EVA) a poměr dluhu k vlastnímu kapitálu (DER).

Zjištění ukazují, že společnosti s vyšším ESG skóre mají tendenci dosahovat lepší ziskovosti, což se odráží v ukazatelích, jako jsou NPM a ROE, a zároveň vykazují větší finanční stabilitu. Na druhé straně se poměr dluhu k vlastnímu kapitálu jeví jako negativně, avšak nikoliv významně, korelovaný s ESG, což naznačuje, že firmy s vysokým zadlužením mohou mít potíže s investováním do udržitelných iniciativ. Studie zdůrazňuje důležitost promyšlené integrace ESG praktik a upozorňuje, že společnosti by měly spojovat své udržitelné iniciativy se základními finančními cíli, aby zvýšily jak finanční, tak provozní výhody. Způsob organizace správy, jasnost ESG reportingu a zapojení stakeholderů jsou klíčovými faktory, které ovlivňují úspěch ESG iniciativ.

Studie zjistila, že když jsou ESG investice promyšleně aplikovány, mohou posílit finanční stabilitu, zvýšit atraktivitu pro investory a posílit konkurenceschopnost na trhu českého nápojového průmyslu. Přesto je důležité čelit výzvám, jako je greenwashing, různé standardy reportování a složitosti regulatorní shody, aby závazky k ESG vedly k reálným finančním přínosům. Budoucí výzkum by se mohl zaměřit na vytváření specifických rámců pro optimalizaci ESG pro různá odvětví, s cílem prohloubit naše porozumění tomu, jak udržitelnost souvisí s finanční výkonností podniku.

Klíčová slova: ESG výkonnost, finanční udržitelnost, podniková správa, český nápojový průmysl, finanční výkonnost, Čistý zisk, Rentabilita vlastního kapitálu, ekonomická přidaná hodnota, Poměr dluhu k vlastnímu kapitálu, Environmentální, sociální a správní.

ABSTRACT

Linking Environmental, Social, and Governance (ESG) practices into business tactics has emerged as a key element influencing financial performance, building investor trust, and ensuring long-run viability for businesses. This study investigates the connection between in the Czech beverage sector, concentrating on three significant businesses: Plzeňský Prazdroj, Pivovary Staropramen, and Kofola. The correlation between ESG scores and important financial measures including Net Profit Margin (NPM), Return on Equity (ROE), Economic Value Added (EVA), and Debt-to-Equity Ratio (DER) is investigated in this study using a qualitative methodology.

The results show that businesses that have higher ESG scores typically have more stable finances and higher profitability, as measured by metrics like NPM and ROE. However, the DER seems to differ, albeit negligible, relationship with ESG, suggesting that companies with a lot of leverage may find it difficult to make investments in sustainability initiatives. The study highlights how important it is to carefully incorporate ESG practices, noting that in order to improve both financial and operational advantages, businesses should link their sustainability initiatives with primary financial objectives. The way we organize governance, the clarity of ESG reporting, and how we connect with stakeholders are all essential factors that influence the success of ESG initiatives.

The study finds that when ESG investments are thoughtfully applied, they can boost financial stability, appeal to investors, and strengthen market competitiveness in the Czech beverage industry. I used a structured questionnaire to collect qualitative data to predict public perception on ESG. Nonetheless, it's important to tackle challenges like greenwashing, varying reporting standards, and the complexities of regulatory compliance to make sure that ESG commitments lead to real financial benefits. Future research could delve into tailored ESG optimization frameworks for different industries, aiming to enhance our understanding of how sustainability connects with corporate financial performance.

Keywords: ESG performance, financial sustainability, corporate governance, Czech beverage industry, financial performance, net profit, return on equity, economic value added, debt to equity, Environmental Social Governance.

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CONTENTS

INTRODUCTION

In a time of rapid growth in social and environmental consciousness, incorporating Environmental, Social, and Governance (ESG) concepts to business tactics and stakeholder engagement are essential. Businesses' dedication to ethical behavior and environmental practices is being closely examined by regulators, investors, and customers.

The beverage industry, which is the subject of this thesis, is a one that is particularly susceptible to social and environmental pressures (e.g energy intake, water recycling, and carbon emissions) as well as natural resources (such as water and agricultural inputs), as well as extensive and complex supply chains and direct consumer interaction. By assessing the impact of ESG initiatives on financial performance (e.g., return on asset, net profit margin, and debt to equity), this research seeks to elucidate the intricate connection between proactive sustainability initiatives, observable financial results, and building a strong brand reputation in a competitive marketplace.

Understanding how to handle the changing corporate responsibility landscape and accomplish ongoing long-term value generation is important for industry participants. Scholars, investors, and business executives have all recently concentrated on the relationship between ESG performance and financial success. Standard financial indicators like revenue, profit margins, and return on equity (ROE) were used historically to assess a company's financial health, but there is rising recognition that ESG factors are no longer regarded as unimportant. Instead, they are crucial in ascertaining a firm’s long-run sustainability and resilience in a world that is growing increasingly interconnected and unstable.

OBJECTIVES AND METHODS OF THESIS DEVELOPMENT

The focus of this research is to evaluate the relationship that exists between ESG performance and financial success in the beverage industry. This study aims to:

1. **Evaluate ESG Performance**: Assess the environmental, social, and governance scores of selected beverage firms over a span of four years (2020-2023). ESG performance will be studied using a standardized framework based on selected quantitative indicators disclosed by the companies. These include environmental metrics (e.g., GHG emissions, water usage, waste recycling), social indicators (e.g., workers diversity, training,), and governance factors (e.g., board independence, anti-corruption measures). Each indicator will be scored, normalized, and aggregated into yearly ESG scores.
2. **Analyze Financial Performance**: Compare the financial performance of these companies with their ESG scores to have a knowledge of the correlation between sustainable practices and profitability. Key financial measures such as net profit, revenue growth, return on equity (ROE), and economic value added (EVA) will be calculated for each company from 2020 to 2023. These figures will be collected from annual financial statements and standardized for comparison. The connection between ESG performance and financial result will be analyzed using correlation analysis (Pearson/Spearman coefficients).
3. **Assess Public Perception**: Investigate how ESG performance affects public perception, consumer loyalty, and brand reputation within the beverage industry. A online survey created with Google Form was used to gather the data. The questionnaire will target consumers familiar with major beverage companies operating in the Czech Republic. The responses will be analyzed using descriptive statistics (frequencies, percentages) with charts for visualization, Likert scale scoring to evaluate the strength of perception toward ESG-related statements, and Chi-square tests to explore statistical relationships between demographic factors (e.g., gender, age) and perceptions of ESG performance.
4. **Provide Recommendations**: Offer recommendations for beverage companies on how to improve their ESG strategies to improve both financial performance and public image Recommendations will be derived from a synthesis of findings from the ESG performance assessment, financial analysis, and public perception

evaluation. Comparative analysis across companies will highlight best practices, recurring weaknesses, and areas for strategic ESG improvements.

Research Methodology

This study integrates a mixed approach incorporating quantitative financial and ESG data with a qualitative assessment of public perception. The aim is to look into the relationship between ESG performance, financial success, and consumer attitudes in the Czech beverage industry, focusing on three major companies: Kofola, Plzeňský Prazdroj, and Pivovary Staropramen.

The primary data sources will include annual reports, ESG reports, sustainability disclosures, and financial statements from the selected beverage companies.

ESG performance was evaluated using a weighted scoring model, aligned with established practices in ESG research and sustainability indices inspired by MSCI, FTSE4Good, Sustainalytics and articles by Giese et al., 2019; Farza et al., 2022. The model considers all three ESG pillars which are Environmental (40%), Social (30%), and Governance (30%) with weights assigned based on industry relevance and stakeholder materiality, in line with approaches used by Candio (2019) and the AHP-based models described by Zhang et al. (2018).

This framework draws on the empirical recommendation that sector-specific ESG dimensions influence financial performance differently, as shown in the meta-analysis by Friede et al. (2015), which found above 60% researches reporting that financial performance and ESG are positively correlated.

For this study, ESG indicators were extracted from publicly disclosed data which includes; sustainability reports, annual reports, and official websites of Plzeňský Prazdroj, Kofola, and Staropramen from 2020 to 2023.

Financial performance is analyzed using key financial indicators such as Economic Value Added (EVA), Return On Equity (ROE) and Net Profit.

To explore the association between ESG performance and financial outcomes, Pearson's correlation coefficient was calculated. Correlation was examined for three ESG–finance pairs: ESG score vs. ROE, ESG score vs. Net Profit and ESG score vs. EVA.

These correlations are interpreted as exploratory due to the limited sample size (n = 3 companies), and do not aim to prove causality. Findings are supported by trend comparisons and contextual interpretations.

To evaluate public attitudes toward ESG in the beverage industry, a structured questionnaire was developed and distributed via Google Forms. The survey ran from April to June 2025 and targeted Czech consumers aged 18 and above, reached through social media platforms and emailing. The total responses was 102 which were both male and female.

The questionnaire included 26 questions, combining Likert-scale items, multiple-choice, and an open-ended questions. Descriptive statistics (frequencies, means) were used to analyze responses. A Chi-square analysis was conducted to explore relationships between gender and ESG perception.

These conclude with conclusive insights and practical recommendations based on the analysis and valuation outcomes. The thesis appropriately acknowledges and discusses the limitations that were faced during the elaboration process.

I THEORETICAL PART

1 ENVIRONMENTAL, SOCIAL AND GOVERANCE FRAMEWORK

An essential instrument for assessing corporate sustainability, guiding businesses toward moral business conduct, and bringing them into line with stakeholder expectations is the Environmental, Social, and Governance (ESG) framework. ESG emphasizes social responsibility, environmental responsibility, and ethical governance, highlighting businesses' broader duties beyond achieving short-term financial gain. Collectively, these factors affect competitive advantage and long-run organizational sustainability (Alsayegh et al. 2020).

1.1 Environmental Dimension

An essential component of corporate sustainability is the environmental component of ESG, which shows how businesses engage with the environment and their dedication to minimizing ecological impact. Important criteria which include energy efficiency, waste management, carbon emissions, and water conservation are used to assess it.

These elements are critical for evaluating a company's capability to accomplish a balance between long-term sustainability goals and resource consumption (Alsayegh et al., 2020). Scholars continue to draw conflicting results, nonetheless, regarding the strategic execution and financial viability of environmental projects.

1.1.1 The Financial Justification for Environmental Investments

Environmentally conscious companies are more robust in erratic economic times, according to one of the most common claims in ESG literature. Businesses that include carbon-neutral and renewable energy strategies are better equipped to withstand changes in regulations and evolving consumer expectations, according to Alsayegh et al. (2020). This claim is consistent with the growing push for greener practices from investors and politicians. Sustainability is becoming a top financial issue for companies because to regulatory incentives including tax rebates for green investments and fines for environmental non-compliance (Farza et al., 2021).

Nevertheless, some academics are still dubious about the direct financial gains from environmental sustainability in spite of these advantages. Although environmentally friendly investments provide long-term benefits, Farza et al. (2021) contend that smaller businesses may find it difficult to cover the high initial expenses. This issue is especially pertinent to high-fixed-cost businesses like the beverage industry, where significant capital expenditures are needed to make the switch to sustainable packaging, optimise water use, and lower carbon footprints (Litvinenko et al., 2022). Companies may be discouraged from adopting early steps by the cost burden of these expenditures, especially if stakeholders prioritise short-term profitability.

Bătae et al. (2021) adopt a somewhat different position, arguing that the financial burden of sustainable investments could be outweighed by the cost of environmental inactivity. Businesses that violate environmental regulations run the danger of facing steep penalties, interruptions to operations, and harm to their brand, all of which may reduce their long-term profitability. This is in accordance with Landau et al. (2020), who stated that ethical business practices make sustainable companies more appealing to investors and customers. Businesses that don't fulfil ESG standards may find it difficult to get funding as sustainability-linked investment funds expand, which poses an indirect financial risk.

1.1.2 The Beverage Industry and Environmental Accountability

Because of its resource-intensive nature, the beverage sector is coming under increasing scrutiny for its effects on the environment. Sustainability issues are further exacerbated by excessive packaging waste, high water usage, and transportation-related carbon emissions. Bătae et al. (2021) state that businesses that ignore these problems run the danger of facing regulatory action, negative customer feedback, and a decline in investor confidence. Increased environmental laws, particularly in the European market, have forced beverage companies to make investments in sustainable operations in order to stay competitive.

But taking care of environmental issues goes beyond following the law. According to Landau et al. (2020), sustainability may be a differentiator in consumer markets, especially when environmental concerns get more attention. Customers who are prepared to spend more for environmentally friendly items are drawn to brands that highlight their dedication to minimising plastic waste, sourcing ethically, and lowering emissions. This finding implies that, despite the potential short-term costs, environmental initiatives provide up opportunities for long-term revenue development and brand loyalty.

However, other academics contest the idea that financial advantages are a direct result of sustainability initiatives. According to Litvinenko et al. (2022), it may be challenging for businesses to completely recover their environmental expenditures since some customers value cost above sustainability, while others are ready to pay more for sustainable goods. For beverage companies, this contradiction poses a strategic conundrum: how to include sustainability into their business practices without offending budget-conscious consumer groups. Therefore, companies must balance their pricing strategies that don't negatively impact their bottom line with their environmental activities.

1.1.3 Strategic Trade-offs Between Profitability and Sustainability

There is no one way approach to environmental sustainability. For green initiatives to be financially and operationally feasible, businesses must carefully consider when and how to adopt them. The phased adoption of sustainability efforts, in which businesses progressively switch to greener practices rather than making sudden, expensive changes, is one strategy promoted by Farza et al. (2021). This supports the outcome of Alsayegh et al. (2020), who found that businesses that make small environmental changes have less financial burden than those who make large-scale sustainability changes all at once.

Furthermore, the notion that environmental sustainability is always lucrative is something that Litvinenko et al. (2022) warn against. Industry-specific limitations must be taken into account, even while customer demands and regulatory compliance may encourage companies to operate more sustainably. For example, switching to renewable energy may be more costly for beverage firms operating in areas with limited access to alternative energy sources than for those in markets with well-established green infrastructure.

A further difficulty is distinguishing between real environmental initiatives and "greenwashing." According to DasGupta (2021), businesses that promote sustainability without implementing significant operational changes run a higher risk of damaging their image than those who are open and honest about their sustainability journey. ESG statements are being closely examined by investors and consumers, and companies who do not provide concrete proof of their environmental efforts run the danger of being seen as dishonest.

1.1.4 The Role of Policy and Stakeholder Pressure

The development of corporate environmental initiatives is significantly influenced by public policy. Businesses are being forced to embrace greener practices by EU regulatory frameworks, such as waste reduction regulations and tighter emission objectives (Mukhtaruddin et al., 2019). Businesses that proactively adapt to these regulations stand to enjoy early-mover advantages in sustainable marketplaces and avoid financial fines.

Environmental performance is also influenced by investor expectations. According to Bardos et al. (2020), institutional investors are looking for businesses that exhibit long-term sustainability and are gradually incorporating ESG factors into their process of decision-making process. It might be difficult for businesses with subpar environmental performance to get funding, particularly if sustainable finance keeps gaining traction. This demonstrates the wider financial justification for implementing ESG practices, which go beyond compliance to include ensuring steady, long-term investment.

Investors, however, also want quantifiable and clear ESG reporting. According to Gangi et al. (2020), investors and regulatory agencies are sceptical of businesses that do not provide credible evidence on their environmental effect. The idea that environmental sustainability has to be both significant and measurable is strengthened by transparency in sustainability disclosures, which also increases company reputation and builds confidence.

The debate on ESG's environmental component emphasises how difficult it is to strike a balance between financial obligations and environmental responsibility. Scholars disagree over the short-term financial effects of sustainability, despite the fact that it is generally agreed to improve long-term resilience. Alsayegh et al. (2020) and Farza et al. (2021) advocate a deliberate, phased method to sustainability to lessen financial pressure, whereas Bătae et al. (2021) and Landau et al. (2020) argue that ignoring environmental issues increases the danger of regulatory and reputational consequences.

Due to financial pressure, legal frameworks, and consumer expectations, sustainability is now a need rather than a choice for the beverage business. To make sure that sustainability investments complement their larger business plans, companies must carefully manage financial trade-offs. An effective environmental strategy not only satisfies legal requirements but also promotes long-term financial stability, risk reduction, and competitive differentiation.

Achieving environmental sustainability in business necessitates striking a strategic balance, wherein organisations see green efforts as chances to strengthen brand loyalty, attract sustainable investment, and develop resilience rather than as just fulfilling duties. Despite its complexity, this shift reflects how corporate responsibility is changing in the twenty-first century.

1.2 Social Dimension

The social component of ESG, which includes subjects such as workplace diversity, employee welfare, and community involvement, examines a firm‘s engagament with its workers, customers, and environment. Corporate social responsibility is increasingly recognized as a key component of long-term success. Organisations that put employee well-being and moral labour practices first see increased operational efficiency and improved reputation, which strengthens stakeholder confidence (Mohammad and Wasiuzzaman, 2021).

How much social responsibility influences financial performance is one of the main topics of discussion in the ESG discourse. According to Han et al. (2020), companies that use moral labour practices and community service initiatives experience growth in brand loyalty, which ultimately results in better customer retention and long-term financial stability. However, Rim et al. (2019) warn that CSR activities may be divisive, especially if they are seen to be dishonest or politically tinged. Consumer backlash and a decline in trust may result from ESG practices that deviate from stakeholder expectations or from cultural standards.

Given the ongoing controversy around labour rights, fair pay, and ethical supply chains, the beverage business offers a case study of these conflicts. Popescu and Popescu (2019) stress that in order to be successful, social responsibility programs need to align with the cultural and economic conditions of the local area. Standardised worldwide approaches to labour laws and community involvement can produce flimsy or ineffectual outcomes, highlighting the need for context-specific tactics that really take stakeholder concerns into account.

Another obstacle to implementing ESG is the rising mistrust of corporate social responsibility (CSR) programs, which are often written off as "social washing." DasGupta (2021) cautions that companies who support social programs without observable, quantifiable results run the danger of undermining their reputation. As a result, there are now more expectations for ESG reporting to be transparent and to make sure that companies back up their statements with actual evidence. Transparency, stakeholder inclusion, and customised community engagement tactics must be given top priority by businesses looking to successfully incorporate social responsibility in order to guarantee the validity and authenticity of their ESG pledges.

1.3 Governance Dimension

A key component of the ESG framework, governance addresses corporate leadership structures, moral decision-making, openness, and legal compliance. Robust governance reduces financial risks, guarantees responsibility, and boosts investor trust. Although governance is often seen as a stabilising factor in ESG, the environmental and social components are closely related to its efficacy. Governance by itself cannot protect a business against financial or reputational disasters without a well-rounded strategy (Nirino et al., 2020).

1.3.1 The Role of Governance in ESG Strategy

According to Bardos et al. (2020), by lowering operational risks, good governance frameworks—such as independent boards, anti-corruption laws, and organised decision-making procedures—increase business value. Governance include long-term strategic positioning in addition to compliance. An ethical corporate culture is fostered by effective governance, which affects how businesses react to stakeholder demands and sustainability concerns.

According to Mukhtaruddin et al. (2019), inadequately designed governance procedures may result in supply chain inefficiencies, financial mismanagement, and legal repercussions. Lack of supervision and inadequate internal controls may make operational problems worse, putting businesses under more scrutiny from investors and authorities. However, businesses that make governance a top priority as a fundamental ESG concept are better equipped to manage industry-specific risks such supply chain interruptions, regulatory changes, and ethical sourcing issues (Gangi et al., 2020).

Additionally, governance is essential to crisis response and risk management. Strong governance frameworks enable businesses to handle unforeseen market shocks, cyberthreats, and reputational disasters more effectively. Ethical decision-making and financial reporting transparency allay investor worries and establish the business as a reliable one over time (Landau et al., 2020).

1.3.2 Governance Challenges in the Beverage Industry

Because of its intricate supply networks, environmental impact, and regulatory environment, the beverage business poses particular governance issues. Businesses in this industry are scrutinised for their use of water, packaging waste, and ethical raw material procurement (Litvinenko et al., 2022). By guaranteeing adherence to environmental laws, moral supply chain management, and openness in sustainability reporting, governance plays a critical role in tackling these issues.

Transparency is still a major issue, however. Although many beverage firms use ESG reporting, disparities in data quality and reporting guidelines often cause regulators and investors to become sceptical (Popescu & Popescu, 2019). In order to ensure that ESG reporting is in line with real business operations, companies with robust governance frameworks set up internal auditing procedures to validate sustainability claims.

Governance frameworks also determine how businesses interact with outside parties, such as advocacy organisations, investors, and regulators. Open communication between businesses and authorities is made easier by transparent governance systems, which lowers the possibility of legal issues and fines for noncompliance (Alsayegh et al., 2020). Since they see them as a stand-in for long-term financial stability, investors are giving more weight to governance practices that prioritise moral business practices.

1.3.3 The Influence of Governance on Investor Confidence

Investors believe that organisational stability and financial success are significantly influenced by governance. Businesses with robust governance structures are seen as less hazardous and more equipped to adjust to changing market and regulatory requirements

(Bardos et al., 2020). Before making long-term investment choices, institutional investors in particular carefully consider governance policies.

DasGupta (2021), however, contends that governance has to actively promote business sustainability objectives in addition to compliance. Investors now demand that corporations execute ESG strategies with quantifiable results; they are no longer content with superficial governance disclosures. Businesses that don't connect environmental initiatives with governance run the danger of losing investors, especially as ESG investment picks up steam.

Additionally, corporate decision-making and capital allocation are influenced by governance. Strong governance frameworks help businesses better manage resources and make sure that sustainability programs complement long-term corporate goals (Gangi et al., 2020). On the other side, businesses with poor governance could have trouble allocating resources effectively, which might result in unstable finances.

1.3.4 Governance and Ethical Business Practices

A well-run firm encourages moral business conduct that appeals to both customers and staff. Responsible corporate citizenship, fair labour policies, and anti-corruption initiatives are all included in ethical governance. Businesses that place a high priority on ethical leadership report increased employee satisfaction, lower attrition, and enhanced brand loyalty (Mohammad and Wasiuzzaman, 2021).

Ethical governance is not without its difficulties, however. Even in organisations with robust governance frameworks, stakeholder confidence may be undermined by corporate scandals, data privacy issues, and regulatory violations. According to Mukhtaruddin et al. (2019), governance structures need to be flexible and always changing to meet new threats. Companies are exposed to financial and reputational harm because static governance frameworks do not take into account changing market circumstances.

Corporate culture is also influenced by governance. By guaranteeing that diversity and equality principles are ingrained in business processes, ethical governance promotes an inclusive workplace. Businesses with open governance systems strengthen an accountability culture by establishing procedures for internal audits and whistleblower protections (Landau et al., 2020).

1.3.5 Interdependence of Governance, Environmental, and Social Factors

Whether great governance is enough to counteract bad environmental and social practices is a major topic of discussion in ESG governance. According to Nirino et al. (2020), in order to develop a comprehensive sustainability plan, governance has to be in line with social and environmental concerns. Investors and customers who want observable sustainability pledges may nonetheless criticise a business with strong governance but lax environmental regulations.

Beverage firms with robust governance frameworks but subpar waste management procedures, for example, can find it difficult to keep the confidence of their customers. Companies in the beverage business must openly declare their sustainability initiatives due to increasingly stringent regulatory compliance on environmental effect (Bătae et al., 2021). This emphasises how important it is to combine governance with social and environmental projects in order to meet long-run ESG goals.

Furthermore, corporate social responsibility (CSR) programs are influenced by governance. Businesses that have open governance structures are more likely to put social policies in place that support ethical labour practices, fair salaries, and workplace diversity (Mohammad & Wasiuzzaman, 2021). Rim et al. (2019), however, warn that governance systems need to guarantee that CSR programs are authentic rather than just performative. Similar to greenwashing, "social washing" may erode stakeholder trust if accountability is not enforced by governance structures.

1.4 ESG Practices and Stakeholders

1.4.1 Role of ESG Practices in Addressing Stakeholder Concerns

Due to growing regulatory scrutiny, investor expectations, and changing consumer preferences, ESG policies are increasingly becoming crucial in resolving stakeholder issues. ESG serves as a bridge between business objectives and ethical responsibility, positioning companies to manage risks while fostering long-term resilience (Bardos et al., 2020). The argument for ESG adoption is centered on the ability of firms to create value beyond financial returns, aligning business performance with sustainability goals to build trust and legitimacy among stakeholders.

1.4.2 ESG as a Mechanism for Enhancing Shareholder Trust

ESG practices are now a key component in assessing shareholder trust since investors are now evaluating companies more on their sustainability performance than just their immediate financial gains. Strong ESG policies, according to Bardos et al. (2020), increase shareholder trust since they show a company's dedication to ethical business practices. They stress that since ESG-focused businesses are likely to better manage market instability, reputational concerns, and regulatory fluctuations, investors see them as lower-risk investments.

According to Litvinenko et al. (2022), businesses that include environmental sustainability into their core operations are very appealing to investors. Companies that actively strive for resource efficiency and carbon neutrality are seen as progressive, which increases their appeal to institutional investors. DasGupta (2021), however, offers a counterargument, cautioning that businesses may use flimsy ESG initiatives—often referred to as "greenwashing"—to draw in investors without implementing significant sustainability advancements. This dishonest behaviour may backfire, resulting in serious financial losses and harm to one's image.

1.4.3 The Social Component of ESG and Stakeholder Relationships

Stakeholder involvement and the social elements of ESG are closely related, especially when it comes to community development, workplace diversity, and employee well-being. According to Mohammad and Wasiuzzaman (2021), businesses that make investments in fair labour standards, equal working conditions, and CSR programs often build closer bonds with their stakeholders. They contend that businesses who put a high priority on social sustainability see improvements in public image, employee retention, and brand loyalty.

However, social activities vary in their effectiveness. Rim et al. (2019) draw attention to the complexity of corporate social advocacy and caution that businesses could face criticism if their ESG initiatives are perceived as dishonest or inconsistent with local cultural and societal norms. This is especially important in sectors like beverage production, where multinational supply chains expose businesses to a range of labour abuses and moral conundrums (Popescu & Popescu, 2019). For instance, a global beverage corporation putting in place a uniform diversity policy could discover that their strategy does not work as well in other locales, which might result in opposition from regional stakeholders.

Businesses must modify their ESG strategy to account for regional and industry-specific quirks in order to reduce such risks. According to Popescu & Popescu (2019), establishing stakeholder trust requires openness and participation. Businesses that actively include communities and workers in decision-making processes and provide comprehensive ESG reports are more likely to be seen as sincere in their dedication to social sustainability.

1.4.4 Regulatory Pressures and ESG Compliance as a Risk Management Tool

Beyond voluntary adoption, legal frameworks that require more responsibility and transparency in corporate sustainability initiatives are increasingly influencing ESG practices. Regulatory compliance is not only mandated by law but also functions as a financial and operational risk management tool. Companies that violate ESG regulations, such as labor rights and environmental protection laws, are more likely to face penalties, supply chain disruptions, and reputational problems, claim Mukhtaruddin et al. (2019).

However, as stated by Gangi et al. (2020), companies that go above and beyond the legislation to implement proactive ESG measures have a competitive advantage. They contend that companies that go above and beyond legal requirements may stand out in the marketplace, drawing in ESG-conscious investors and customers while averting future compliance expenses. However, this strategy requires a large financial outlay, which raises questions about cost-effectiveness, especially for businesses in capital-intensive sectors.

Compliance with sustainability criteria pertaining to water consumption, packaging, and emissions reduction is becoming more important in the beverage business, where environmental impact is a key problem (Bătae et al., 2021). Regulators and environmental watchdogs are becoming more critical of businesses that do not adopt sustainable sourcing and waste management procedures. However, as noted by Landau et al. (2020), companies that incorporate ESG into their business models tend to often enjoy improved financial performance via increased operational efficiency in addition to regulatory advantages.

1.4.5 Impact of ESG on Investors, Employees, and Consumers

Important stakeholders' perceptions and actions, including those of investors, employees, and customers, are now greatly influenced by ESG policies. Since financial markets are increasingly taking sustainability, ethical governance, and social responsibility into account when making investment decisions, businesses need to show that they are committed to these principles.

However, the real benefits of ESG measurements vary depending on the industry, geography, and stakeholder agenda.

1.4.6 ESG and Investors: Perceived Stability vs. Financial Performance

Investors see ESG performance as a stand-in for long-term risk management and financial stability. According to Alsayegh et al. (2020), businesses that have strong ESG policies often draw in more funding as they are seen as lower-risk ventures. This is justified for two reasons: first, ESG-aware businesses are better able to adjust to changes in policies; second, they reduce the financial risks connected to labour conflicts, environmental liabilities, and governance shortcomings.

Some academics, however, contest the notion that ESG inevitably results in larger financial returns. Although investors are increasingly taking ESG performance into account, Farza et al. (2021) warn that the financial rewards of ESG investments are not always instantaneous. They contend that businesses need to weigh the long-term advantages of sustainability measures against their initial expenses. Furthermore, there are conflicting findings from empirical research on ESG and company value; some companies gain from heightened investor confidence, while others find it difficult to pay for compliance (DasGupta, 2021).

ESG influences investment decisions differently depending on the type of investor. Institutional investors, such as asset managers and pension funds, are more likely to place a high premium on ESG performance because of fiduciary duties and regulatory restrictions. (Landau et al., 2020). Retail investors, on the other hand, show more variation in their ESG choices, often driven by personal values as opposed to financial indicators (Nirino et al., 2020). In order to meet investor expectations, companies must modify their ESG disclosures and strategy while maintaining reporting tools' openness.

1.4.7 ESG and Consumers: Loyalty vs. Perceived Greenwashing

ESG factors are influencing consumer behaviour more and more, as more consumers choose companies that exhibit social and environmental responsibility. According to Han et al. (2020), sustainability and ethical branding programs increase consumer loyalty since they make them believe that businesses share their beliefs. This tendency is especially noticeable in sectors like the beverage industry, where consumer choices are directly influenced by environmental sustainability measures like recyclable packaging and water conservation.

Consumer expectations, however, vary with respect to ESG practices. According to Rim et al. (2019), it is challenging for global firms to adopt a common approach since opinions on ESG differ greatly depending on cultural and economic settings. For instance, customers in developing nations could be more focused on cost and ethical labour practices than European consumers are on reducing their carbon impact. Because of this discrepancy, ESG marketing must be localised to make sure that sustainability message speaks to local customer interests.

The possibility of perceived "greenwashing"—the act of inflating or misrepresenting ESG initiatives for commercial gain—presents another difficulty in ESG-driven customer involvement. DasGupta (2021) cautions that businesses who are accused of greenwashing often experience harm to their reputation, which erodes the trust that their ESG activities aim to establish. By guaranteeing that ESG statements are supported by concrete activities, third-party verifications and transparency in sustainability reporting may assist reduce this risk.

1.4.8 Reconciling ESG Expectations Across Stakeholders

Managing the sometimes divergent expectations of many stakeholder groups is one of the biggest problems businesses confront. Consumers put a higher priority on ethical manufacturing and environmental effect, workers look for relevant workplace norms, and investors may demand financial explanation for ESG spending. This puts businesses in a difficult balancing position where they have to maximise their ESG strategy to meet the needs of many stakeholders without going over budget.

According to Litvinenko et al. (2022), companies that include sustainability into their main business plan rather than seeing it as a distinct corporate function are the most effective ESG adopters. This strategy enables businesses to use ESG activities to gain a competitive edge while upholding sound financial practices. For instance, businesses may save expenses and improve their environmental credentials all together by investing in the general economy models, which minimise waste via product lifetime management.

However, opinions among academics about the efficacy of incorporating ESG into corporate planning differ. Although ESG measures can build long-term brand equity, Popescu and Popescu (2019) contend that they may sometimes take focus away from short-term commercial concerns, especially for companies with narrow profit margins. This emphasises the value of sector-specific ESG frameworks, which enable businesses to customise sustainability programs to the particular possibilities and difficulties of their sector.

The discussion of ESG practices highlights how difficult it is to match sustainability initiatives with stakeholder and financial expectations. ESG does not have a universal strategy, despite its obvious benefits for improving stakeholder engagement, risk management, and business image. A complex approach to ESG implementation is required due to sector-specific restrictions, geographical variances, and financial trade-offs.

ESG offers investors both a chance and a challenge since, while it improves long-term stability, financial gains are not certain. ESG may be a motivating tool for workers, but only if company pledges are seen as sincere. ESG encourages brand loyalty among customers, yet the risk of greenwashing is still a constant worry.

Ultimately, companies must move beyond token ESG adoption and integrate sustainability into their fundamental business strategy. A balance between moral obligation and financial prudence is required to guarantee that ESG initiatives truly benefit all stakeholders. By doing this, businesses may maintain stakeholder trust and profitability while positioning themselves as leaders in the quickly evolving corporate sustainability space.

1.5 Theoretical Concept of Financial Performance

1.5.1 Defining Financial Performance in Strategic Management

In strategic management, financial performance is a multi-dimensional concept combining a company's potential to create value, maintain liquidity, sustain growth, and produce profits. Analysing the overall performance and strategic decision-making process of a corporation rely on an understanding of these aspects. Key financial performance indicators such as solvency, liquidity, profitability, and value creation that collectively represent a firm‘s financial stability and long-run feasibility are examined in this context. In addition to financial success, these criteria aid in elucidating a company's power to create value and wealth for shareholders and sustain strategic alignment with its objectives. Profitability, then, is basically the ability of a business to make money in relation to its equity, assets, or revenue stream. The two most popular measurements of profitability are Net Profit Margin and Return on Equity, which show how well the company can use shareholder equity to create profits after expenses (Farza et al., 2020). Profitability is frequently regarded as the quickest indicator of immediate financial success.

A company's solvency implies its ability to fulfill long-term commitments and carryon operations without facing financial disaster. The debt-to-equity ratio, for example, aids in determining the level of risk in a firm’s financial composition by assessing how debt or equity is used to fund operations (Bătae et al., 2021). Strong solvency indicates a company's capability to withstand other financial limitations and economic disasters. Liquidity, on the other hand, evaluates a business's capacity to satisfy short-term needs. A company can assess its ability to turn assets into cash to pay down debt by looking at its current ratio and fast ratio. When businesses find it difficult to keep enough cash or liquid assets on hand to prevent solvency issues, liquidity risk arises (Mukhtaruddin et al., 2019).

The ability of a business to generate EVA, which is a measurement of the discrepancy between its return on capital and the cost of that capital, is referred to as value creation. Knowing if a corporation's investments provide returns that surpass its cost of capital can help determine whether it creates value for its shareholders. EVA differs from traditional financial evaluations in that it prioritizes long-term profitability and shareholder value development over short-term benefits. The study of financial performance in strategic management is founded on a number of basic ideas that offer frameworks for assessing and guiding financial outcomes in connection to strategic objectives. The resource-based view (RBV), shareholder value maximization, and stakeholder theory are some of the most well-known theories. The maximization of shareholder value notion has a long history in corporate finance and strategic management. It contends that maximizing the wealth of a company's employees should be its top priority (Friedman, 1970). Metrics of profitability and wealth creation, such as ROE, EVA, and stock price growth, are highly valued in this theory. According to this perspective, a company's ability to generate returns that raise shareholder value should be determined by its financial performance (Nirino et al., 2020).

Proponents of this viewpoint contend that companies that prioritize value creation and profitability in line with shareholder interests have the tendency to have sustained financial success and long-term growth. Critics—including those in accordance with stakeholder theory—argue that the sole focus on shareholders misses other vital corporate obligations, therefore negating the limited viewpoint resulting from this (Bardos et al., 2020). Stakeholder theory transcends the shareholder-centric perspective by embracing other groups such workers, customers, suppliers, and the wider community, thereby encompassing beyond the viewpoint. This point of view maintains that a firm's financial success should be evaluated not just in terms of shareholder wealth but also in terms of its ability to balance and meet the requirements of its more extensive stakeholder network.

From a financial performance standpoint, stakeholder theory holds that a firm's capacity to establish connections and provide value for many groups outside of its own financial returns will determine its long-term viability. Companies with excellent social responsibility programs, for example, might be able to generate improved brand loyalty and customer retention—which would then convert into increased profitability and liquidity (Rim et al., 2019). While stakeholder theory is more broad, its application in financial performance analysis highlights that businesses which deal with all stakeholders responsibly generally exhibit strong long-term financial sustainability.

Strategic management's Resource- Based View (RBV) stresses the usefullness of internal resources in reaching competitive edge and, thus, financial success (Barney, 1991). This idea holds that the capacity of a corporation to use special, valued resources difficult for rivals to copy drives its financial success. These materials could include intangible assets like brand equity, intellectual property, and company culture in addition to physical ones such money and infrastructure.

RBV contends that companies with more resources are more suited to reach sustained profitability and value creation as they can innovate, properly satisfy consumer requirements, and reduce financial risks better than rivals. By stressing the internal qualities that support exceptional financial outcomes—such as brand loyalty, talented workforce, and inventive capacity—such as brand loyalty, skilled workforce, and innovative capacity—the RBV complements financial performance theories (Gangi et al., 2020). These fundamental ideas provide a complete prism through which one may view financial success from many angles. While stakeholder theory extends this concept by analysing how stakeholder interactions affect long-term financial success, shareholder value maximising stresses profitability and shareholder wealth as the main drivers of financial performance. By stating that special resources enable the company to maintain profitability and generate value over time, the resource-based perspective enhances these strategies.

In the end, the most strong assessments of financial performance include ideas from all three theories as it is clear from all three theories that sustained value creation and profitability cannot be attained with a limited attention on just one component. This all-encompassing perspective helps companies to strategically match their resources and operations for long-term sustainability and development as well as for immediate financial benefit. In strategic management, financial performance is a multifarious notion including value generation, solvency, liquidity, and profitability. Every one of these indicators is rather important in deciding how well a company is doing generally. Complementary viewpoints on how businesses should control and assess financial performance come from the ideas of shareholder value maximising, stakeholder theory, and the resource-based approach by combining these concepts, organizations can have a better knowledge of the financial situation, making sure the long-term sustainability of the strategic objectives and striking a balance between immediate financial gain and value creation in the future. These fundamental ideas also gives a vital structure for assessing how strategic choices including ESG projects affect financial results in the contemporary company environment. The changing character of business strategy calls for organisations to concentrate not just on optimising earnings but also on providing value to a larger spectrum of stakeholders while preserving a strong basis for ongoing success.

1.5.2 Core Components and Metrics of Financial Performance

A complex concept, financial performance gives information about an organization capacity to make profit, managing financial risks, and build long-term value for investors. Strategic management, particularly with regard to profitability, solvency, and value creation, depends on evaluating a company's plans' efficacy using a number of financial performance metrics. These financial indicators form the basis of evaluating company sustainability as they also enable one to understand how long-term financial performance is impacted by corporate choices including those addressing Environmental, Social, and Governance (ESG) programs.

An organisation can determine if it can turn a profit in line with its revenue, assets, and equity by using profitability assessments. Among the most widely used profitability measures are net profit margin and return on equity. The NPM is a crucial indicator of a firm’s capacity to make profit on all of its sales.

This figure displays the portion of income that generates a profit after all expenses have been subtracted. NPM reveals operational efficacy and cost management of a company, according to Farza et al. (2021). A greater NPM indicates that the company has control over its expenditures and can raise profit from its sales. In industries with low profit margins, including consumer goods and technology, it is particularly crucial.

How ESG initiatives influence NPM has been highly debated. According to Alsayegh et al. (2020), implementing eco-friendly activities such as cutting energy consumption and enhancing resource efficiency may initially increase expenditures; yet, over time these behaviours result in savings and increased profitability. Critics reply that upfront ESG expenditures might momentarily lower profitability, especially in sectors with large operational costs (Bardos et al., 2020). ROE measures a firm‘s potential to translate profits in respect to shareholder equity, thus assessing ROE indicates capital efficiency by gauging how well a company utilizes the equity provided by its owners to gain profits. For investors, high ROE typically denotes strong financial health and effective use of equity capital, which is a crucial concern (2020). A low ROE might indicate bad management and inefficiencies, whereas a high ROE indicates that the business is returning handsomely for its shareholders. From an ESG perspective, rules on governance and capital allocation greatly influence ROE. Strong governance systems ensure efficient capital investment, therefore directing their management of risk and helping businesses to limit hazards and maximise financial returns (Nirinos et al., 2020). Moreover, as they serve to create the company's reputation and brand loyalty, so maybe increasing market share and consequently long-term profitability and shareholder returns (Landau et al., 2020).

A company's solvency essentially dictates its capacity to fulfill long-term commitments and maintain long-term financial viability. The debt-to-equity ratio (DER) is an important measures of solvency. A firm‘s financial leverage in respect to its total commitments to shareholder equity is shown by the debt-to-equity ratio (DER). High DER indicates that a business depends heavily on debt funding, which may raise financial risk and limit the company's ability to weather economic downturns. Conversely, a low DER implies a more conservative financial structure with a lower bankruptcy risk (Farza et al., 2021). Companies using sustainable business models might have larger initial capital costs within the context of ESG standards, which would influence loan financing. Nonetheless, strong government regulations and stable cash flows might help these businesses to have better control over debt without compromising financial stability. Bardos et al. (2020) advise companies with a well-balanced debt-equity structure to seize growth opportunities and manage ESG-related risks thereby ensuring long-term solvency. Value creation assesses a firm‘s potential to produce wealth and value beyond its cost of capital. One widely used indicator of value creation is EVA.

About Net Operating Profit After Taxes, or NOPAT. EVA measures whether a business is generating value above and beyond what is required to cover its invested capital. It is determined by deducting a firm’s cost of capital from its net operating profit.

Companies generating negative EVA are failing to pay their capital expenses and hence losing value; those generating positive EVA are increasing shareholder wealth (Gangi et al., 2020).

EVA is viewed as a more accurate indicator of long-term value creation than traditional profitability metrics because it considers a vital component many other measures overlook. ESG approaches will help EVA much. Although capital expenditures are sometimes required for sustainable investments in sectors including energy efficiency, resource management, and social governance, over time these investments could generate value by lowering operating costs, improving stakeholder relations, and so strengthening corporate reputation (Litvinenko et al., 2022). Companies which integrate sustainability into their core strategy are better prepared to attain long-term EVA (Farza et al., 2021) as they create more solid business models. Apart from profitability, solvency, and value creation criteria, market-based measurements including Earnings Per Share (EPS) and Tobin's Q serve to evaluate a firm‘s financial performance in respect to its market value.

Financial performance indicators are very crucial in determining how well a firm satisfies its strategic objectives. Quantifiable insights on profitability, capital efficiency, solvency, and long-term value creation abound from metrics such Net Profit Margin , Return on Equity, Debt-to-Equity Ratio Economic Value Added , and Earnings Per Share. These indicators are basic in establishing if sustainable activities could enhance or jeopardise the primary financial performance of a company. Including ESG elements into these assessments helps companies to guarantee ongoing shareholder value generation and better grasp the long run effects of their strategic activities.

Table 1**:** Core Financial Performance Indicators and Formulas (own elaboration)

Indicator	**Formula**	**Explanation**
Net Profit Margin (NPM)	NPM=Net/ IncomeRevenue×100	This is used to Measure how much

		profit is generated from each unit of revenue.
Return on Equity (ROE)	ROE=Net Income/Shareholder's Equity×100	Used to evaluates profitability relative to shareholder investment.
Debt-to-Equity Ratio (DER)	DER=Total Liabilities/Shareholder's Equity	Assesses a firm's financial leverage and risk exposure
Economic Value Added (EVA	EVA=NOPAT−(Capital×Cost of Capital)	Captures value creation after covering the cost of invested capital

Source: own elaboration

1.5.3 Theoretical Models Linking ESG and Financial Outcomes

The linkage between ESG performance and financial result is complicated, with different theories highlighting different ways which ESG indicators can affect a firm‘s financial performance. The Resource-Based View (RBV), Legitimacy Theory, and Institutional Theory are the three main ideas that are typically contested in the literature. These concepts provide some explanations for why companies using sustainable practices should demonstrate improved financial performance. Every theory emphasises different ways in which ESG policies might provide a competitive advantage, more credibility, and improved reaction to institutional pressure. According to the Resource-Based View (RBV), a firm‘s competitive edge specifies its ability to make use of limited, valuable, and inimitable resources (Barney, 1991). These resources under ESG consist not just in real items like equipment or intellectual property but also in intangible ones like social capital, brand equity, and reputation. Among other sustainable resources, strong government regulations, employee welfare initiatives, and environmentally friendly technology may provide a competitive advantage. Since they are less prone to outside threats and better equipped to meet long-term market demands, the RBV argues that companies which correctly manage their resources may show exceptional financial achievements.

Practically, the integration of ESG values into the RBV framework implies firms are investing in resources that boost efficiency (e.g., waste reduction methods or energy-saving technologies), raise employee morale, and affect public opinion (Farza et al., 2021). For instance, a company that focuses on renewable energy and employs sustainable manufacturing methods might have easier access to customer segments sensitive to the environment and lower long-term costs (Gangi et al., 2020). Moreover, effective corporate governance enables businesses to lower risks more so, thus boosting long-term growth and ultimately profitability. Bardos et al. (2020) support this point of view by stating that companies which employ uncommon sustainable resources are often better prepared to oppose changes in the market and grab new possibilities. Opponents of the RBV, notably Nirino et al. (2020), argue, however, that RBV's focus on internal capabilities might overlook outside regulatory influences impacting firm behavior—especially with relation to ESG compliance.

By hinting that in the competitive market sustainable resources might be important differentiators, the RBV therefore presents a compelling argument for linking ESG policies and financial success. The framework underlines how businesses that actively engage in sustainability may create value, hence improving financial performance. Legitiminity Theory holds that companies seeking survival and growth have to earn and maintain societal acceptability. This theory stands on the premise that businesses operate in a bigger social and political context and that their legitimacy derives from the degree to which their operations coincide with public expectations (Suchman, 1995). In the scope of ESG, companies implement sustainable practices to meet societal values and gain reputation in their industry and neighbourhood. This legitimacy building of their brand power, market positioning, and reputation produces better financial performance.

Strongly genuine businesses are likely to attract more partners, investors, and customers, therefore improving their position and consequently their profitability. Corporate social responsibility (CSR) projects, such ethical labour practices and environmental stewardship, for example, can improve corporate reputation and increase consumer loyalty, so strengthening sales and market share (Litvinenko et al., 2022). By guaranteeing that their operations conform to government expectations and social standards, legitimacy also helps companies negotiate legal settings. Mohammad and Wasiuzzaman (2021) claim that enterprises that aggressively advertise their ESG credentials are more likely to be seen favourably by investors, hence increasing access to capital and maybe lowering the capital costs. Furthermore, companies considered as socially conscious may evade social criticism and legal inspection, therefore reducing the financial risk connected with bad public opinion. This has major financial consequences since consumer behaviour and investment confidence depend directly on legitimacy.

Nonetheless, Bătae et al. (2021) propose that legitimacy could not necessarily coincide with significant financial performance. Companies could participate in symbolic ESG events to establish credibility without changing their business policies significantly. If not in line with real ESG improvements, this disparity may cause a short increase in market position but could not help to sustain long-term financial success. Legitimacy Theory offers thus a useful prism through which one can see the financial advantages of ESG activities. It implies that companies seen as legitimate by society, by implementing sustainable and socially conscious policies, can improve their financial situation by drawing in partners, consumers, and investors.

Institutional theory emphasises on how institutional standards and outside forces affect business behaviour. It implies that companies apply ESG strategies not just for competitive advantage but also in response to outside institutional pressures including rules, industry norms, and social expectations (DiMaggio & Powell, 1983). By affecting its policies and decision-making procedures, institutional forces help to define how companies run.

Institutional pressures can be divided into three categories: normative (like industry standards), mimetic (like imitating competitor behavior), and coercive (like government regulations). Companies are more likely to take up ESG practices as these pressures rise, therefore impacting their financial performance by improving their access to financing and lowering their exposure to regulatory risks (Bardos et al., 2020). Environmental rules might, for instance, force companies to use sustainable production methods, which over time could help to lower costs and increase profit margins. Early adopters of ESG criteria could also be considered as industry leaders who acquire a competitive edge over rivals who fall behind. According to Nirino et al. (2020), companies who fit institutional expectations are more likely to draw institutional investors and negotiate reasonable financing arrangements, therefore supporting their financial success.

But institutional constraints could also cause companies to choose ESG compliance over actual environmental commitment. Shallow or inadequate ESG initiatives resulting from this could not pay off financially significantly (Rim et al., 2019). Under these circumstances, institutional pressures could encourage conformity without appreciable financial gain. The Resource-Based View, Legitimacy Theory, and Institutional Theory are just a few of the many complementary but distinct ideas explaining the connection that exists between ESG and financial performance. While Legitimacy Theory stresses the part society acceptance plays in improving brand value and financial performance, the RBV shows how sustainable resources help to create competitive advantage. Conversely, institutional theory emphasises how outside influences compel companies to embrace ESG policies, therefore enhancing access to capital and lowering regulatory risk.

Every hypothesis advances a thorough knowledge of how ESG strategies affect long-term financial performance. They also draw attention to possible difficulties, including the short-term character of some financial gains or symbolic compliance with ESG standards. Combining these ideas offers insightful analysis of how businesses could deliberately control ESG elements to improve their financial results while changing to fit institutional and social expectations.

2 FINANCIAL PERFORMANCE INDICATORS

The financial effects of ESG practices are assessed using important measures like profit, financial stability, and value creation. These measures helps to know how well a firm is doing financially and its ability to grow while following ESG guidelines.

2.1 Financial Performance Indicators

There is still disagreement among academics on how ESG practices affect profitability, solvency, and value creation, and their effects on financial performance are still being discussed. While many studies highlight the financial benefits of ESG integration, others caution against overestimating its immediate gains, emphasizing the trade-offs involved in implementing sustainable business practices. With an emphasis on profitability ratios, solvency ratios, and economic value added (EVA), this section critically assesses the linkage between ESG strategies and financial indicators.

2.1.1 Profitability Ratios

Profitability metrics such as Net Profit Margin and Return on Equity are crucial indications of a firm's capacity to make profit compared to the sales and equity investment. A growing body of research suggests that implementing ESG principles can enhance profitability by lowering costs and boosting operational efficiency. Strong ESG commitments, according to Bardos et al. (2020), result in fewer regulatory penalties, tax breaks, and cost savings via energy-efficient operations, all of which boost profit margins. Furthermore, businesses that actively participate in ESG activities strengthen their brand loyalty, which results in higher sales and more stable income (Mohammad & Wasiuzzaman, 2021).

Farza et al. (2021) provide a counterargument, pointing out that while cost savings may result from ESG-driven operational improvements, the initial capital expenditure needed to put sustainability initiatives into place may be substantial. For example, because of the high initial expenses, businesses that engage in green infrastructure, like solar power installations or sustainable supply chains, may see a short-term decline in profits. This correponds with the findings of Litvinenko et al. (2022), who pointed out that enterprises that use renewable energy often have delayed financial returns. As a result, it is crucial for businesses to take a long-term view when assessing ESG profitability.

Regarding whether ESG-driven profitability is sector-dependent, there are also differing views. Mukhtaruddin et al. (2019) stress that capital-intensive industries, like manufacturing and construction, may find it difficult to maintain profitability while also meeting sustainability targets, despite some academics' claims that sustainability initiatives directly improve financial performance across industries. However, since consumers favour socially conscious brands, companies that depend significantly on consumer image, like the beverage and retail sectors, are more likely to directly gain financially from ESG participation (Han et al., 2020).

Therefore, even though ESG integration often results in economic advantages, the extent of the effect depends on consumer behaviour, investment schedules, and sector factors. Businesses continue to have a significant challenge trying to balance immediate financial demands with long-term sustainability objectives, making sure that ESG practices are integrated into operational models that generate profits rather than just being performative.

2.1.2 Solvency Ratios

Solvency ratios, particularly the Debt-to-Equity Ratio shows a company's financial stability and capacity to satisfy long-term obligations. The association between ESG performance and firm solvency is complex because organizations must balance environmental objectives with financial prudence. Strong corporate governance, a fundamental component of ESG, improves financial discipline, lessens an excessive dependence on debt, and increases overall solvency, according to Gangi et al. (2020).

The degree to which ESG policies affect solvency is still up for debate, however. On the one hand, businesses with strong ESG governance frameworks often draw in investors looking for portfolios with reduced risk, which results in advantageous financing terms (Bardos et al., 2020). However, ESG rules may put extra financial burden on businesses, especially those in sectors that need large capital expenditures, according to Mukhtaruddin et al. (2019). For example, beverage companies that invest in sustainable packaging or water-saving technology have to strike a compromise between these expenses and keeping their debt levels manageable.

The influence of investor mood on solvency dynamics is a crucial factor to take into account. Due to their outstanding governance and regulatory compliance, companies with high ESG ratings often get funding at reduced interest rates since lenders see them as less risky (Landau et al., 2020). Nirino et al. (2020) support this position by arguing that businesses with inadequate ESG governance are more vulnerable to financial instability due to increased compliance risks, possible legal action, and harm to their brand.

Farza et al. (2021), however, dispute this narrative, contending that while governance boosts investor confidence, excessive ESG investment might raise financial leverage, especially for businesses operating in fiercely competitive sectors. Businesses that invest large sums of money in ESG initiatives without seeing a commensurate increase in income risk being too burdened and losing their capacity to service debt. The need for a balanced approach is evident in this paradox: although effective ESG governance may reduce financial risks, poorly implemented ESG investments can worsen financial pressure.

In the end, solvency gains from ESG involvement are not certain and mostly rely on how well businesses handle their financial structures. While companies that do not strategically incorporate ESG may endanger their financial stability, those that do so may benefit from ESG benefits via careful financial planning and well-structured governance.

2.1.3 Economic Value Added (EVA)

As a gauge of actual value creation, economic value added, or EVA, quantifies a company's capacity to produce returns higher than its cost of capital. ESG advocates contend that by obtaining ethical investments and reducing financial risks, sustainability-driven businesses increase long-term shareholder value (Landau et al., 2020). Businesses that include ESG into their main plans often draw in institutional investors seeking long-term development opportunities, which raises EVA.

Nirino et al. (2020) warn against depending too much on EVA as a stand-alone indicator to evaluate the efficacy of ESG. Financial success is captured by EVA, but non-financial ESG advantages like customer loyalty, staff engagement, and brand reputation are not completely taken into consideration. Despite being difficult to quantify, these has a great effect on a firm‘s stakeholder relationships and market positioning.

The consistency of ESG-led EVA improvements across sectors is a topic of considerable discussion in the literature. According to certain research, ESG leaders often beat their counterparts in EVA generation because of their dedication to sustainability, which draws in top-tier investments and devoted clients (Mohammad & Wasiuzzaman, 2021). EVA benefits from ESG activities, however, seem to be very industry-dependent, according to Bardos et al. (2020). For example, since strict compliance requirements restrict financial flexibility, businesses in regulated sectors like energy and drinks may find it difficult to achieve quick EVA gains.

Furthermore, integrating ESG into financial performance calls for a calculated strategy. Businesses may underinvest in sustainability projects that provide long-term value if they just concentrate on short-term EVA gains (Farza et al., 2021). In another light, companies that put an emphasis on ESG but lack sound financial management run the danger of reducing EVA as a result of ineffective resource allocation. This emphasises the need for an all-encompassing ESG strategy that strikes a balance between responsible investing and wealth generation. ESG and financial performance have a complex and extremely context-dependent link, especially when it comes to profitability, solvency, and EVA. The financial gains from environmental and social investments are not instantaneous and rely on industry structure, capital intensity, and execution quality, even while robust ESG governance lowers financial risk and boosts investor trust.

3. ESG AND FINANCIAL PERFORMANCE

3.1 How ESG Influences Financial Performance

ESG factors have become major components of modern corporate financial strategy, influencing investment decisions, operational efficiency, and long-term sustainability. As ethical and sustainable business practices gain global traction, companies are increasingly embedding ESG principles into their financial models to align with stakeholder expectations (Friede, Busch, & Bassen, 2015). ESG is particularly significant in evaluating financial performance due to its potential to reduce risk, enhance brand reputation, and drive long-term value creation (Eccles, Ioannou, & Serafeim, 2019).

Investor demand for ESG transparency is accelerating, driven by mounting regulatory requirements and consumer activism. As Sullivan and Mackenzie (2017) note, ESG integration is now seen as a core determinant of financial resilience and strategic positioning. This section examines how ESG elements influence company performance in the Czech beverage industry, specifically through their impact on risk management, investor confidence, and profitability (Fatemi, Glaum, & Kaiser, 2018).

Similar to other sectors, the Czech beverage industry faces rising pressure to adopt international sustainability standards, particularly in areas like as carbon emissions, water use, and ethical governance (KPMG, 2020). Companies must create a balance between advancing ESG initiatives and protecting profitability. By analysing the correlation between ESG performance and financial result, this research aims to illuminate how sustainability can support both economic growth and stakeholder trust (Grewal, Hauptmann, & Serafeim, 2020).

Several theoretical perspectives help explain the ESG–finance connection. Stakeholder theory suggests that companies prioritizing satisfying diverse stakeholders are more likely to achieve sustained success. Attention to ESG concerns can enhance brand loyalty, reduce reputational risk, and strengthen stakeholder relationships (Clark, Feiner, & Viehs, 2015). The Resource-Based View (RBV) further supports ESG integration, asserting that intangible assets like sustainable labor practices, inclusive governance, and ethical sourcing can form a durable competitive advantage.

In contrast, the Shareholder Value Maximization theory emphasizes long-term returns, arguing that companies ignoring ESG risks face higher operating costs, reputational damage, and regulatory penalties. Empirical studies support the idea that ESG practices associates positively with financial metrics such as capital efficiency. For instance, strong ESG performers typically experience lower capital costs, improved risk-adjusted returns, and better access to equity markets (Friede et al., 2015; Giese et al., 2019).

On the environmental side, resource and emissions efficiency can yield direct cost savings. Companies that minimize their carbon footprint and optimize energy use tend to benefit from enhanced operational efficiency. Social initiatives such as paying fair wages or supporting local communities can improve employee morale, reduce turnover, and increase productivity (Mohammad & Wasiuzzaman, 2021). In the governance domain, transparent reporting, board independence, and anti-corruption measures contribute to greater investor confidence and reduced misconduct risk (Grewal et al., 2020).

The underlying premise is that ESG fosters financial resilience and long-term value. According to Kotsantonis, Pinney, and Serafeim (2016), embedding ESG into core strategy equips companies to better navigate regulatory change, evolving consumer preferences, and global economic shocks. ESG-oriented firms also tend to attract investors who favor sustainable growth over short-term gains (Bauer, Ruof, & Smeets, 2021). Moreover, companies with strong ESG ranking often enjoy improved credit ratings and favorable financing conditions (Giese et al., 2019).

In this context, firms in the Czech beverage industry must understand the financial results of ESG activities. By examining the effects of ESG on cost structures, revenue generation, and investor relations, this research adds to the expanding corpus of research on ESG and corporate performance. The following chapters empirically analyze the length to which sustainable practices support financial success, using a structured ESG scoring model and correlation-based analysis.

3.2 Environmental Factors and Financial Performance

Financial performance is significantly affected by environmental variables, particularly for businesses with significant ecological footprints. The connection between financial efficiency and environmental sustainability has gained increasing attention in the literature on corporate governance and finance. Researchers have looked at the financial results of businesses' attempts to control carbon emissions, maximise resource use, and manage environmental hazards. Critics point out the possible financial difficulties related to compliance and operational restructuring, while supporters contend that environmental sustainability increases investor trust and reduces costs (Alsayegh et al., 2020) (Farza et al., 2021). This section critically evaluates this relationship, with a focus on carbon emissions, environmental risk management and resource management. It accomplishes this by utilizing data from the corpus of recent research to compare and contrast conflicting points of view.

The financial cost of managing carbon emissions is one of the most hotly contested topics in environmental sustainability. Carbon emission reduction has been extensively linked to cost effectiveness, regulatory compliance, and enhanced company reputation. Businesses that actively cut their carbon footprints often have cheaper operating expenses over time because of lower energy usage and improved manufacturing process efficiency, claim Alsayegh et al. (2020). This viewpoint is same with the resource-based approach, which contends that businesses that invest in carbon-efficient technology and sustainable energy sources gain a competitive edge via waste reduction and energy optimisation. Not all academics, nevertheless, agree with this claim. The financial advantages of carbon reduction methods are sometimes overstated, according to Farza et al. (2021), especially in capital-intensive businesses where making the switch to low-carbon operations requires a significant financial outlay. Even though carbon reduction programs could result in long-term financial benefits, the immediate financial strain might put a strain on profitability, particularly for businesses with limited funding.

Regulatory compliance is a crucial topic in the conversation about carbon emissions and financial performance. How businesses handle carbon management is greatly influenced by environmental laws and government policy. According to Bardos et al. (2020), strict carbon restrictions encourage businesses to use sustainable practices, which thereby improves long-term financial stability by lowering the risks of fines for non-compliance. Because companies that exhibit environmental responsibility tend to draw more sustainable investments, regulatory adherence is also associated with increased investor trust. Mukhtaruddin et al. (2019) warn that too much regulatory pressure may have negative financial consequences, especially if businesses must spend a lot of money to comply with environmental regulations. Sometimes the expenses of compliance exceed the possible financial gains, which results in lower profit margins and less financial flexibility.

Resource management has been a major topic in conversations about financial results and environmental sustainability, in addition to carbon emissions. Increased profitability has been associated with effective resource use, including waste reduction and energy efficiency. Businesses that use resource optimisation techniques often save a lot of money by cutting waste disposal costs, using fewer raw materials, and increasing manufacturing efficiency, claim Litvinenko et al. (2022). According to their results, businesses that prioritise circular economy principles—like recycling and material reuse—see an increase in financial performance as a result of lower input costs and more sustainable operations. According to Gangi et al. (2020), businesses that integrate environmental factors into their operational plans often have greater long-term financial returns, which lends credence to this claim. Nonetheless, there is ongoing discussion on the financial viability of resource management techniques. Although resource efficiency programs provide financial benefits, Nirino et al. (2020) contend that the magnitude of these benefits differs depending on the industry and company size. Resource optimisation may result in higher expenses rather than lower prices in industries where sustainable alternatives are costly.

Different businesses' approaches to resource efficiency and its financial ramifications are also shown by a comparison study of empirical data. According to Mohammad and Wasiuzzaman (2021), businesses in high-energy-consuming sectors—like manufacturing and heavy industries—benefit monetarily more from energy efficiency upgrades than do businesses in service-oriented industries. This disparity implies that while resource optimisation is often thought to be profitable, its efficacy varies depending on industry-specific variables. In a similar way, Bătae et al. (2021) stress that a company with proactive sustainability plans outperform their competitors financially because they foresee and adjust to environmental demands rather than responding to them at the last minute. Their study runs counter to studies by Shammi et al. (2020), who contend that companies that optimise their resources for compliance rather than for strategic advantage could not see significant financial returns. This discussion emphasises how businesses must incorporate environmental policies into their larger business goals rather than seeing them as just legal obligations.

Another important element affecting financial success is environmental risk management. According to Farza et al. (2021), proactive environmental risk management helps firms increase investor confidence by demonstrating resilience to environmental uncertainties. Businesses that do not effectively manage environmental risks may experience financial instability as a result of legal liabilities, reputational harm, and operational disruptions. Companies that include environmental risk assessments into their financial planning report reduced financial shocks during environmental crises, which is in accordance with research by Bardos et al. (2020). A different viewpoint is provided by Mukhtaruddin et al. (2019), who contend that while environmental risk management is crucial, its financial advantages are often dependent on outside variables including market volatility, industry laws, and customer expectations. The financial effects of risk management techniques may be more noticeable in sectors with higher environmental exposure, such oil and gas, than in those with lesser environmental footprints.

One of the main challenges in establishing a linkage between financial outcome and ESG is the difficulty in estimating the financial benefit of environmental risk management. Bătae et al. (2021) discovered that organizations with good environmental governance frameworks are more likely to reduce financial losses caused by climate-related hazards. According to their research, companies with transparent environmental risk mitigation plans are more likely to be preferred by investors as they are seen as having sound financial standing. Nirino et al. (2020), however, contest this idea, contending that many businesses overstate their risk management prowess in order to draw in investors, raising questions about greenwashing. Because businesses may purposefully display risk mitigation initiatives to seem financially sound, even while underlying problems go unresolved, this discussion highlights how difficult it is to quantify the financial effect of environmental risk management.

There are differing opinions about the financial feasibility of sustainability projects, and the link between environmental issues and financial success is complex. Some academics contend that resource management, carbon reduction, and environmental risk mitigation improve investor confidence and financial stability, while others draw attention to the costs of putting sustainable measures into place. A number of variables, such as industry traits, legal frameworks, and strategic business goals, influence how much environmental activities impact financial performance. As companies navigate the shifting landscape of environmental sustainability, a well-rounded approach that aligns financial goals with environmental initiatives is essential. Future studies should keep looking at industry-specific variations and the long-run financial effects of ESG integration, as the current findings are still debatable.

3.3 Social Factors and Financial Performance

Scholars have argued on the extent to which supply chain sustainability, employee wellness, and corporate social responsibility have effect on profitability, resulting in a heated debate in literatures over the linkage between social issues and financial prosperity. Social concerns, which are part of the ESG framework, are key in determining how organizations operate because they have an impact on risk management techniques, staff productivity, and consumer loyalty. While some academics contend that socially conscious businesses benefit monetarily from improved operational effectiveness and reputation (Alsayegh et al., 2020), others contend that, especially in the short run, the expenses of social initiatives may exceed their financial gains (Farza et al., 2021). The correlation between social elements and financial performance is rigorously examined in this part, which also assesses how supply chain sustainability, employee wellbeing, and community involvement affect economic results.

Given that research shows that long-term profitability is influenced by workplace diversity, fair compensation, and employee engagement, employee welfare is often positioned as a critical factor in determining financial success. According to Bătae et al. (2021), companies that make investments in the well-being of their employees see improvements in financial stability, productivity, and turnover rates. According to their findings, businesses that prioritise workplace diversity and fair salaries are able to draw in top personnel, which boosts creativity and decision-making skills. This supports research by Bardos et al. (2020), who contend that inclusive workplaces increase employee engagement and happiness, which in turn leads to better financial results. The financial sustainability of employee welfare programs is still up for debate, however. Although increased pay and full benefits might boost employee morale, Nirino et al. (2020) warn that they can also drive up operating expenses, especially for businesses in labour-intensive sectors. Given that some businesses find it difficult to defend these expenditures in fiercely competitive marketplaces, this begs the issue of whether the financial advantages of employee wellbeing exceed the related costs.

The discussion around the financial effects of employee engagement also touches on the more general topic of workplace culture and how it affects corporate performance. Businesses with effective employee engagement methods are more efficient because engaged employees are more likely to contribute to the success of the company, according to Mohammad and Wasiuzzaman (2021). According to their research, motivated workers promote an innovative and accountable culture that propels long-term value generation. On the other hand, Farza et al. (2021) provide an opposing viewpoint, contending that engagement projects' financial gains are hard to measure and may not always result in quantifiable increases in profitability. According to them, the direct financial benefits of employee participation are yet unknown, even if companies with robust social practices may have intangible advantages like enhanced brand reputation.

In addition to employee welfare, community involvement and corporate social responsibility has been extensively researched in connection with financial success. The question of whether CSR programs result in real financial benefits or are just a means of enhancing one's image with little financial effect has long been up for dispute among academics. According to Alsayegh et al. (2020), businesses that fund community projects—like neighbourhood improvement projects and charity contributions—see an increase in their brand equity and customer loyalty. They contend that ethically conscientious customers are drawn to socially conscious businesses, which boosts sales and income growth. Shammi et al. (2020), who discovered that companies with robust CSR commitments outperform rivals in terms of customer retention and brand distinction, support this viewpoint. But not all researches agree that corporate social responsibility (CSR) improves financial success. While CSR may improve public image, Litvinenko et al. (2022) contend that it does not always result in financial gains, especially in sectors where customers value ease and cost more than morality. This brings up a crucial issue about how effective CSR varies by industry, indicating that while community involvement may boost profitability in sectors that interact with consumers, its influence could be less noticeable in business-to-business (B2B) marketplaces.

The degree to which corporate social responsibility is integrated into a company's main business plan also determines how successful it is as a financial tactic. According to Gangi et al. (2020), CSR programs that are incorporated into business strategy as opposed to being handled as stand-alone charitable endeavours provide the most financial returns. According to their study, businesses that integrate corporate social responsibility (CSR) into their value proposition—such as sustainability-driven businesses that prioritise environmental responsibility—see improved financial results. However, as customers increasingly examine corporate legitimacy, Mukhtaruddin et al. (2019) warn that companies that participate in CSR purely for reputational reasons may find it difficult to sustain long-term financial gains. This inconsistencies in outcomes suggests that the financial effect of CSR is contingent upon the strategic application of CSR and the ability of corporations to demonstrate their social commitment.

Supply chain sustainability is another crucial aspect of social responsibility that has significant financial implications. Fair labor practices, ethical sourcing, and responsible supply chain management have become key issues for investors and customers alike. Businesses with sustainable supply chains, according to Bătae et al. (2021), enjoy lower operational risks, better regulatory compliance, and increased investor trust. According to their research, businesses may increase their financial stability by reducing the risks of labour conflicts, supply interruptions, and reputational harm by buying goods from ethical suppliers and guaranteeing fair salaries across their supply chains. Nirino et al. (2020), on the other hand, provide a counterargument, arguing that switching to a sustainable supply chain may result in significant short-term financial costs. They draw attention to the fact that ethical sourcing regulations may result in higher manufacturing costs for businesses, which, if not countered by premium pricing tactics or customer willingness to pay more for sustainable goods, might reduce profit margins.

The involvement of market and regulatory constraints further complicates the financial feasibility of supply chain sustainability. Businesses that engage in ethical supply chains often do so in reaction to legal obligations rather than just financial incentives, as highlighted by Mohammad and Wasiuzzaman (2021). Although regulatory compliance lowers financial and legal risks, they may not necessarily result in instant profits. Farza et al. (2021), likewise, some scholars contend that companies that proactively use sustainable supply chain policies ahead of legislative requirements often get a first-mover advantage, establishing themselves as leaders in the sector for ethical business practices. This difference in viewpoints suggests that while supply chain sustainability may improve financial performance, how well businesses controls the trade-offs between economic effectiveness and ethical obligations will determine how successful the initiative is.

The argument between ESG and the financial resullt of a company is centred on the larger issue of whether socially conscious corporate practices are a direct cause of better financial results or whether they are just risk-reduction strategies that indirectly support economic stability. Scholars like Nirino et al. (2020) and Litvinenko et al. (2022) warn that these advantages are not certain and may differ depending on industrial environment and implementation tactics, despite the fact that some, like Alsayegh et al. (2020) and Bătae et al. (2021), highlighted the profitability of social elements. According to the divergent findings, companies should carefully weigh the economic trade-offs and make sure that social efforts are in line with corporate goals, even if social responsibility may improve financial success.

Scholars continue to disagree on how supply chain sustainability, employee wellbeing, and community involvement affect business profitability, making the financial effect of social aspects a contentious topic. While some contend that businesses that practise social responsibility see improvements in customer loyalty, productivity, and risk exposure, others draw attention to the costs involved in putting social initiatives into action. Corporate execution, regulatory frameworks, and industry peculiarities all affect how successful social responsibility initiatives are. Future studies should concentrate on industry-specific assessments to ascertain the circumstances in which social elements provide the greatest financial rewards as businesses continue to negotiate the constantly changing ESG environment.

3.4 Governance Factors and Financial Performance

A company's financial health, investor confidence, and regulatory compliance are all significantly influenced by its governance. It is well known that effective corporate governance is essential for lowering financial mismanagement, enhancing transparency, and guaranteeing compliance with international governance norms. Nonetheless, there is still disagreement among academics over the degree to which governance systems have a direct impact on financial success, despite widespread agreement regarding its significance. While some contend that strong governance reduces risks and promotes long-term sustainability, which results in better financial outcomes (Alsayegh et al., 2020), others warn that excessive regulatory restrictions and governance expenses can result in financial burdens that might not always produce commensurate benefits (Farza et al., 2021). In order to objectively evaluate the connection between governance components and financial success, this section looks at board independence, transparency, and regulatory compliance in view of corporate finance.

Board independence is a crucial part of corporate governance because it is seen to enhance decision-making, reduce conflicts of interest, and safeguard shareholder capital. Companies with independent boards are better supervised, according to the Resource-Based View (RBV), since non-management board members are more likely to point out poor executive decisions and promote accountability (Bătae et al., 2021). This observation is in accordance with research showing that businesses with more independent boards had lower rates of fraud and financial mismanagement (Bardos et al., 2020). Furthermore, independent directors bring a variety of perspectives and areas of experience, which can result to more strategic decision-making and, eventually, enhancing the firm‘s profitability. Nonetheless, there is not always a positive association between board independence and financial performance. According to Nirino et al. (2020), excessive board independence can occasionally lead to inefficient decision-making due to a lack of in-depth business knowledge, calling into question the concept that independent boards always increase corporate stability. They point out that while independent, non-executive directors do not necessarily have the same degree of knowledge about a company's operations as internal executives, which might impede decision-making and result in less-than-ideal strategic decisions.

Executive control and management discretion are other topics of discussion in relation to board independence. Excessive governance measures, according to some academics, might limit management flexibility and make it difficult for CEOs to pursue creative, risk-taking initiatives (Mohammad & Wasiuzzaman, 2021). However, some scholars contend that companies with independent boards that are well-organised are more robust to financial shocks because they limit management influence that may otherwise lead to careless financial choices (Mukhtaruddin et al., 2019). This discrepancy in results implies that firm-specific features, industry characteristics, and the ratio of management autonomy to control all affect how successful board independence is as a governance device.

In addition to board independence, another important element affecting financial success is corporate governance openness. Since they lessen information asymmetry and boost market trust, investors put a high value on moral company conduct and open financial disclosures. Businesses with high levels of openness often draw more investors because they are seen as less risky and more reliable, claim Gangi et al. (2020). By ensuring investors, transparency not only boosts stock performance but also lessens the possibility of financial scandals that might devalue shareholders. This notion is further backed by the results of Farza et al. (2021), which indicate that businesses with transparent financial disclosures incur lower capital costs because lenders and investors are more inclined to finance businesses with less uncertainty. Nonetheless, some academics caution that too stringent transparency regulations may result in higher compliance costs for businesses, especially small scale and medium-sized businesses (SMEs), who may encounter difficulties to handle the administrative strain of comprehensive reporting requirements (Litvinenko et al., 2022). This begs the issue of whether openness usually results in more financial advantages than disadvantages, especially for businesses in heavily regulated sectors.

The problem of corporate reputation and the importance of openness in financial success are intertwined. Strong disclosure policies help businesses establish better reputations, which may boost customer loyalty and trust (Bătae et al., 2021). However, whether or not investors find given information reliable determines how successful openness is as a financial strategy. Some academics draw attention to the danger of "selective transparency," in which businesses purposefully provide positive information while downplaying unfavourable elements of their financial situation (Mukhtaruddin et al., 2019). Known as "window dressing," this tactic has the potential to deceive investors and cause financial instability when concealed hazards come to light. As a result, even while openness is often seen as improving financial performance, its effects rely on how honestly companies disclose information and how well investors are able to evaluate financial statements.

The third governance factor that affects financial success is adherence to regulations. Adhering to governance standards, such as those laid down by the International Financial Reporting Standards (IFRS) or the Sustainability Accounting Standards Board (SASB), can boost a company's image and decrease legal risks. According to Alsayegh et al. (2020), compliance with governance standards has been associated with improved investor trust and access to global financial markets. The cost-benefit analysis of regulatory compliance is still up for debate, however. By eliminating fraud and making sure businesses follow moral guidelines, some academics contend that compliance improves financial stability (Bardos et al., 2020). However, others argue that the costs of compliance might be more than the advantages, especially for businesses that need to spend a lot of money on legal and administrative fees (Nirino et al., 2020). This brings up significant issues about the ideal degree of regulation that optimises financial performance while avoiding placing undue restrictions on companies.

Differences across markets and sectors are further highlighted by a comparative study of regulatory effects. Strict governance rules are often required in highly regulated industries like banking and finance in order to avert systemic risks and preserve market stability. However, businesses in less regulated sectors could gain from increased operational flexibility, which would help them better adjust to changes in the market (Farza et al., 2021). According to Mohammad and Wasiuzzaman (2021), excessive regulation may hinder innovation and impede the expansion of businesses, even while regulatory compliance is necessary for financial security. This implies that businesses need to reconcile maintaining strategic agility in a cutthroat market with fulfilling governance standards.

The impact of regulatory compliance on corporate value is another aspect of the discussion. Governance compliance is often used as a sign of a company's dependability, and companies with sound governance have better market values (Litvinenko et al., 2022). Nonetheless, Mukhtaruddin et al. (2019) point to instances in which businesses used "box-ticking" compliance tactics, which include feigning adherence to governance regulations without really strengthening internal controls, resulting in long-term financial underperformance. This emphasises how important it is that governance frameworks be used in a meaningful way rather than being seen as mere legislative requirements.

Although their effects vary based on firm-specific and industry-related variables, governance issues have a substantial impact on financial performance via board independence, transparency, and regulatory compliance. Excessive independence may restrict managerial flexibility and hinder decision-making, even if independent boards improve supervision and lessen financial malfeasance. Although transparency reduces capital costs and increases investor trust, businesses must make sure that information they share is reliable to prevent reputational hazards. Although regulatory compliance may impose financial obligations that hinder profitability, it also enhances financial stability and market credibility. These divergent viewpoints draw attention to the complexity of corporate governance and imply that in order for businesses to get the best possible financial results, governance systems that strike a balance between control, strategic autonomy, and regulatory compliance must be implemented. Future studies should concentrate on the long-run impacts of regulatory measures on business financial stability as well as the governance implications particular to a certain industry.

3.5 Legislative requirement of ESG appplicable within the EU

In recent years, the European Union has significantly advanced its regulatory framework to enhance sustainability and transparency across financial and non-financial sectors. ESG requirements has become a crutial element of the EU's sustainable finance strategy, aimed at aligning capital markets with aims of European Green Deal. The key pieces of legislation serve not only to guide corporate behavior but also to ensure comparability, reliability, and accountability of ESG-related disclosures. This section gives an insight of the major EU legislative instruments currently shaping ESG reporting and integration.

- Corporate Sustainability Reporting Directive (CSRD)

The previous Non-Financial Reporting Directive (NFRD) is replaced and its scope is expanded by the CSRD, which was enacted in 2022. All large corporations, listed SMEs, and some non-EU entities are required to account for sustainability in line with the European Sustainability Reporting Standards (ESRS). In addition to requiring third-party certification of submitted data, the regulation addresses environmental, social, human rights, and governance issues. This pertains to companies with over 250 employees, €40 million turnover, or €20 million in assets. It requires digital, machine-readable sustainability reports and phased implementation between 2024 and 2028. The regulation is put in place to improve transparency, comparability, and trust in ESG disclosures across EU markets (European Commission, 2022a).

- Sustainable Finance Disclosure Regulation (SFDR)

The SFDR, which was established in March 2021, mandates that financial market players such as asset managers and pension funds shows how they include ESG risks into their investment choices. Organizations are required to disclose the Principal Adverse Effects (PAIs) of their operations on sustainability issues and categorize investment items under Articles 6, 8, or 9 which is based on their ESG attributes. This body helps to prevent greenwashing and standardize ESG information for investors.

- EU Taxonomy Regulation

The classification system offered by the EU Taxonomy defines what is meant by "environmentally sustainable economic activity." An activity must meet minimum social safeguards, significantly adds to at least one of six environmental objectives, and not significantly harm other objectives in order to be eligible.

The taxonomy applies to companies under the CSRD and financial institutions under SFDR. Full implementation is ongoing through 2025. The purpose of thiS regulation is to guide investments toward genuinely sustainable activities and prevent ESG mislabeling (European Commission, 2021).

- Corporate Sustainability Due Diligence Directive (CSDDD)

The CSDDD (awaiting formal adoption as of 2025) aims to hold large EU and non-EU companies accountable for human rights and environmental harm across their value chains. It requires; due diligence on environmental and human rights risks, integration of climate transition plans aligned with the Paris Agreement and civil liability for non-compliance. The purposeof this is to foster responsible business conduct beyond corporate boundaries (European Commission, 2023).

- European Central Bank (ECB) ESG Expectations

The ECB has issued supervisory expectations for banks to include climatic and environmental risks into risk management, governance, and capital allocation decisions. Banks are expected to; conduct climate-related stress testing, adjust risk assessment models to include ESG variables and disclose ESG strategies and exposures. The purpose of this regulation is to ensure financial stability in the face of climate risks (ECB, 2020).

- EU Benchmarks Regulation (BMR) – ESG Index Standards:

Under the BMR, benchmark administrators offering ESG or climate indices must follow transparent methodologies. This includes; creation of Climate Transition Benchmarks and Paris-Aligned Benchmarks and clear disclosure of ESG factors used in index construction. The aim of this is to allow credible and comparable ESG financial benchmarks for market participants.

While the EU's ESG legislative framework is cross-sectoral, the beverage industry is significantly impacted due to its environmental footprint, resource use, and supply chain risks. Regulations such as the CSRD and EU Taxonomy require beverage companies to disclose sustainability-related financial data, while laws like the EUDR and CSDDD impose accountability for upstream environmental and human rights practices. As such, compliance is essential not just for regulatory purposes but also for maintaining consumer trust and access to capital.

3.6 Literature Review on ESG and Financial Performance

There is a great deal of disagreement among academics on the linkage between ESG and financial achievement. On one hand, proponents such as Alsayegh et al. (2020) contend that since transparent sustainability policies foster confidence among investors, customers, and regulators, ESG-aligned businesses demonstrate better financial performance. ESG disclosure boosts market confidence, lowers uncertainty, and eventually improves operational effectiveness. Similarly, excellent ESG performance reduces reputational risks and promotes long-term value generation, according to Bardos et al. (2020). They stress that businesses with strong ESG strategies are often more resilient during periods of regulatory and economic upheaval. Scholars like DasGupta (2021), however, cast doubt on this sanguinary view by warning that ESG practices are not a universal financial solution. Even if certain ESG practices have positive effects on operations and reputation, these advantages may be outweighed by scandals including labour abuses and environmental carelessness. According to DasGupta (2021), businesses who don't adopt ESG well risk serious financial losses since bad press might undermine investor trust. This agrees with Rim et al. (2019), who contend that authenticity is necessary for ESG-driven customer loyalty—if businesses are seen as being dishonest in their ESG initiatives, they run the danger of losing customers rather than making money. The cost-benefit analysis of ESG investments is another aspect of this discussion. According to Farza et al. (2021), ESG activities need substantial upfront expenditures, especially in the area of environmental sustainability. These expenses may strain short-term cash flows, making ESG adoption more difficult for businesses with little financial flexibility, even while they may result in long-term financial advantages like lower energy costs and increased resource efficiency. Furthermore, Litvinenko et al. (2022) argue that an industry-specific framework is necessary for evaluating ESG performance. They contend that whereas manufacturing and beverage industries face more difficult trade-offs because of capital-intensive sustainability standards, businesses like banking and technology may benefit immediately from ESG investments since they rely less on physical resources. Furthermore, Gangi et al. (2020) draw attention to how company reputation mediates the connection between financial success and ESG. They contend that since their efforts are seen as genuine, companies with a history of sustainability are better positioned to use their ESG investments to generate profits. Conversely, companies that use ESG in a superficial way for example, by "greenwashing" or just employing it for branding may not be able to provide significant financial benefits since investors and consumers are becoming more skilled at differentiating between real ESG activities and marketing gimmicks. This discrepancy in academic opinions implies that the impact of ESG on financial success varies and is instead dependent on stakeholder perceptions, firm-specific tactics, and industry dynamics. Under the right circumstances, ESG investments may increase profitability, but their efficacy is highly reliant on how well and honestly they are implemented.

II. PRACTICAL PART

4 OVERVIEW OF BEVERAGE INDUSTRY AND CASE COMPANIES

4.1 Introduction to the Beverage Industry

A significant sector of the world economy, the beverage business includes the manufacturing, promotion, and distribution of alcoholic and non-alcoholic drinks. Water, fruit juices, energy drinks, tea, coffee, beer, wine, and spirits are all included in this category (Statista, 2023). It is a rapidly changing industry that has a significant impact on consumer culture, nutrition, and lives (IBISWorld, 2022). In order to satisfy shifting customer expectations, such as the rising desire for healthier, sustainable, and functional beverages, multinational beverage firms frequently operate at the nexus of tradition and innovation, striking a balance between historical brands and new product development.

The industry is highly competitive and shaped by various factors, including regulatory frameworks, environmental concerns, shifting consumption habits, and technological advancements (PwC,2022). Furthermore, it is increasingly determined by ESG factors. Companies are assessed not just on their financial success but also their environmental effect and social responsibilities. Some of their core operations include; Product Development through Research & Development (R&D) for taste, nutritional content, packaging innovation, and compliance with regulations, Sourcing of Raw Materials Including water, fruit, grains, sugar, flavorings, hops, yeast, and other agricultural products, Manufacturing and Bottling by using industrial-scale facilities to produce beverages in large quantities(ReportLinker, 2023). Often includes fermentation, pasteurization, carbonation, or distillation processes, Packaging by Using of glass, plastic (PET), cans, cartons, and sustainable alternatives, Distribution and Logistics Locally and internationally supply chains to get products to wholesalers, retailers, bars, restaurants, or directly to consumers**,** Branding and Marketing and Increasing focus on environmental impact (e.g., water usage, carbon emissions, recyclability), social responsibility, and governance practices(Clarkston 2023).

Introduction to the European Beverage Industry

One of the most established and varied industries in Europe is the beverage sector, which includes alcoholic, non-alcoholic beverages and functional beverages. Some of the biggest beverage corporations in the world, as well as renowned vineyards, ancient breweries, and cutting-edge soft drink brands, are based in Europe (Stellarix 2025). A lot of factors such as cultural customs, legal frameworks, sustainability programs, and changing consumer tastes all influence the industry.

Market Overview: The European beverage market was valued at €500+ billion in 2023, with steady growth driven by premiumization, health trends, and e-commerce. Alcoholic beverages (beer, wine, spirits) dominate, accounting for ~60% of the market (Statista 2023). While Non-alcoholic beverages are increasing rapidly due to health consciousness. The major markets are Germany, France, UK, Italy, Spain, and the Netherlands.

Some Trends Shaping the Industry are Health & Wellness which is the rising demand for low-sugar, organic, and functional beverages and growth in non-alcoholic beer and spirits, sustainability and circular economy (EU regulations pushing for recyclable packaging e.g, PET bottles, aluminum cans) and companies adopting carbon-neutral production (e.g., Heineken's "Brew a Better World.

Some of the challenges facing this industry include; regulatory pressures (health warnings, advertising bans), supply chain disruptions (glass shortages, energy costs) and competition from startups & craft brands. Some opportunities include; expansion of no/low-alcohol beverages, innovation in flavors and functional drinks (e.g., CBD-infused, probiotic beverages) and digital transformation (AI in supply chain, personalized marketing).

In conclusion, Europe's beverage industry is a dynamic and evolving sector, balancing tradition with innovation. With strong multinational corporations, a thriving craft movement, and shifting consumer demands, the region remains a global leader in both alcoholic and non-alcoholic beverages. Companies that adapt to health trends, sustainability, and digitalization will dominate the future market (World Economic Forum, 2020).

The Beverage Industry in the Czech Republic

In Czech Republic, beverage industry holds significant cultural and economic importance. The country is internationally renowned for its rich brewing tradition and high per capita beer consumption and consistently ranks among the top beer-drinking nations in the world (Statista. 2024). Czech beer industry includes both large-scale and a thriving network of small craft breweries that contribute to regional identities and local economies. As of recent years, the country boasted nearly 300 mini- and micro-breweries, contributing to rural employment, cultural preservation, and decentralized production models (Pokrývková & Tomšík, 2021; CzechTourism, 2023).

These firms are not only vital domestic suppliers but also active exporters within Central and Eastern Europe. In recent years, the sector has experienced increased innovation, with a growing emphasis on health-conscious products, reduced sugar content, and environmentally sustainable production practices (Radio Prague International, 2024).

The Czech beverage industry is also navigating global challenges such as inflation, supply chain disruptions, and climate change. In response, many companies are investing in digitalization, circular economy principles, and ESG initiatives to remain competitive and responsible in both local and international markets (Chambers & Partners, 2023).

The Czech Republic is the global leader in beer consumption per capita (≈140 liters per year)(Statista 2023). Some key brands include; Pilsner Urquell (Plzeňský Prazdroj, owned by Asahi) – The original Pilsner, Budweiser Budvar (Budejovický Budvar) – A state-owned brewery in a long-running trademark dispute with AB InBev, Staropramen (owned by Molson Coors) – One of the largest Czech breweries, Bernard (Family-owned) – A leading craft brewery and Krušovice (Heineken) – Known for traditional Czech lagers. In terms of Non-Alcoholic Beverages eg Soft Drinks & Juices , here are some leading Companies; Kofola which is the main local competitor to Coca-Cola and Pepsi, with a unique herbal flavor then Mattoni (owned by PepsiCo) which is the leading mineral water brand and Jupí (Hamé) Popular Czech juice brand.

The Czech beverage industry is facing a pivotal moment where sustainability, financial success, and adherence to regulations come together, influencing the future competitiveness of companies in this field. The rise in focus on ESG standards highlights an significant shift in the global landscape. Nowadays, investors, consumers, and regulators are looking for more than just profits; they want businesses to act as responsible members of society (Alsayegh et al., 2020).

4.2 Introduction of the Selected Companies

Overview of the Chosen Businesses; the three beverage companies operating in the Czech Republic are the focus of the study; they were chosen for their market importance, ESG disclosures, and financial transparency. These companies blend global behemoths with regional champions in the beverage sector This decision ensures a detailed investigation in the Czech beverage industry is done. Giving the increasing awareness of sustainability, understanding how these businesses incorporate ESG factors into their operations is essential to evaluating their long-term competitiveness and profitability. Several well-established corporations dominate the Czech beverage market, both domestically and globally. Notable players in this sector include Kofola, Pivovary Staropramen, and Plzeňský Prazdroj. These companies, with their lengthy histories, diverse product portfolios, and ongoing commitment to sustainability, play a big part in shaping the beverage scene in the Czech Republic and internationally. Their efforts to incorporate ESG themes in their activities is crucial to their financial performance and market positioning. Some reasons for selecting these companies are:

Table 2: Similaries among selected companies

Dimension	**Similaries among selected companies**
Industry	These companies operate in the beverage industry, specifically beer and soft drinks, with: Heavy reliance on water, energy, and agricultural inputs (e.g., barley, hops). Similar supply chain risks (e.g., packaging waste, carbon-intensive logistics).
Sustainability Focus	All three prioritize: Carbon Reduction: Target net-zero by 2050 (aligned with parent companies).

	Circular Economy: High recycling rates (90–98%) and rPET/glass reuse. Water Stewardship: Track liters of water per liter of product Renewable Energy: 95–100% renewable electricity in Czech operations.
Czech Market Presence	All are based in or have major operations in the Czech Republic and serve domestic + EU markets.
Regulatory Scopes	Czech Market**:** Subject to EU regulations (e.g., CSRD, Circular Economy Package). Taxonomy Compliance: Align with EU green taxonomy for sustainable activities. Local Sourcing: Prioritize Czech barley/hops (65–100%) to reduce transport emissions.
Employees	They are all major employers in their regions with structured HR policies (diversity, inclusion, safety)

Source: own elaboration and company's disclosure

Kofola

The creation of a Czechoslovak-only beverage that might rival "West" cola drinks was announced by the top political officials and established in 1959. The United Pharmaceutical Works (Spofa Praha/Spofa Prague) was given this duty; Kofola was born when Galena was subsequently absorbed into that business. Kofola, a well-known regional beverage company in Central Europe, is an fascinating case study that explains how mid-sized businesses implement ESG practices in a cutthroat setting. Kofola runs mostly in the Czech Republic, Slovakia, and Poland and focusses on soft drink manufacture, including mineral water and syrups. Estimated to have over 2,300 workers and a turnover of over 8billion czk in 2023, the firm plays a big role in the non-alcoholic drink industry in the area. Its active dedication to sustainability—especially in packaging innovation and community involvement—key concerns for companies negotiating customer expectations and environmental rules led to its selection for this evaluation. Kofola Primarily focuses on non-alcoholic beverages some of which are; Kofola which is an iconic cola drink, Czech/Slovak alternative to Coca-Cola/Pepsi, Rajec which is natural spring water, Jupí syrups, Vinea which is grape-based soft drink, Semtex energy drink and many more (Bociąga, P. 2023).

Plzeňský Prazdroj

In the beverage business, Plzeňský Prazdroj, one of the most well-known Czech brewing companies and the creator of the globally renowned Pilsner Urquell, exemplifies a blend of tradition and innovation. Czech beer culture and national heritage are inextricably linked to Plzeňský Prazdroj brands. Like our forefathers, we take care of their best quality while they make our beers and other beverages using original recipes. Through our products, they hope to make beer enthusiasts in the Czech Republic and globally happy and content. Plzeňský Prazdroj, the Czech Republic's largest and most iconic brewery, is a flagship brand in the region's beverage industry, with operations extending across Central and Eastern Europe. With a heritage dating back to 1842 and known globally for its Pilsner-style lager, the company is part of Asahi Group Holdings since 2017. Today, Plzeňský Prazdroj is more than just a beer brand—it's a leading example of how a large-scale, traditional producer can adapt to modern expectations around sustainability and responsible corporate governance. Plezensky operates major breweries in Plzeň, Velké Popovice, and Nošovice and exports to more than 50 countries and has a significant market share in the Czech beer market, and also influential in Slovakia, Poland, and beyond. Some of her products include; Pilsner Urquell (Plzeňský Prazdroj) which is world's first pilsner, flagship brand, Gambrinus, Radegast**,** Velkopopovický Kozelko, Birell and more.

The firm, a major Czech Republic-based corporation with notable worldwide exports, employs over 2,500 people and has an estimated yearly revenue of CZK 16–20 billion (Willoughby, 2020). Its national symbol status with increasing worldwide visibility helped it to be selected for this study as it is a useful example for investigating how heritage brands adjust to current sustainability criteria. The company exports to more than 50 countries, underscoring its global reach (Atmoskop.cz, 2024).

Plzeňský Prazdroj has integrated ESG principles across its operations, focusing on protecting the environment, social responsibility, and ethics. The company is actively involved in community initiatives, supporting cultural events, sports, and social causes. It has also invested in developing a more sustainable supply chain by partnering with suppliers who share its commitment to ESG values (Plzeňský Prazdroj, Social Responsibility Report) .

Pivovary Staropramen

Pivovary Staropramen, one of the largest beer producers in the Czech Republic and a major player in Central European markets, represents an interesting case of corporate responsibility in a highly competitive sector. The company is rich historically, dating back to the early 19th century, and has established itself as a significant player in the beer industry, particularly in Czech Republic, Slovakia, and other Central European countries. Staropramen's market footprint extends beyond beer, including cider and other beverage products, employing a workforce of over 1,000 people. This company is known mainly for beer which include, Staropramen – flagship beer brand, Braník (budget-friendly lager, Velvet, Ostravar and many more. Pivovary Staropramen was founded in 1869 (as Staropramen Brewery in Smíchov, Prague) and has its Headquarters in Prague, Czech Republic. The Parent Company is Molson Coors Beverage Company (via Molson Coors Europe) and it is the second-largest brewery in the Czech Republic by volume and exports to Europe, North America, and Asia (Molson Coors Beverage Company, 2023; Wikipedia, 2025).

As of 2023, Pivovary Staropramen reported sales revenue of over 11 billion Czech koruna (CZK). They record growth occurred despite a decline in beer sales volume, which decreased by 314,000 hectoliters to 2.815 million hectoliters. The revenue boost was primarily attributed to a strategic shift towards premium products in the domestic market (Molson Coors, 2024).

As a major brewery, Pivovary Staropramen has emphasised on ethical business practices sustainability. The company is dedicated to reducing its environmental effect through various initiatives, including energy-efficient production processes, water conservation, and sustainable packaging solutions. Staropramen is also dedicated to social causes, supporting local communities and promoting responsible drinking. In terms of governance, the company upholds high standards of corporate transparency and ethical business practices, which are key pillars of its ongoing commitment to ESG (Staropramen, 2023; Molson Coors ESG Report, 2023). A basic overview of the 3 companies analysed is summarised in Table 3.

Table 3: Overview of selected companiesloom

Overview of selected companies						
Company Name	Market Position	Size	Geographic Focus	Key ESG Focus Areas	ESG Achievements	Reason for Selection
Kofola	Regional Leader	Large	Czech Republic, Slovakia, Poland	Packaging Waste Reduction, Water Usage Efficiency, Community Engagement	Use of eco-friendly packaging, water conservation initiatives, active community support	Strong local brand with growing regional influence; Focus on sustainable packaging and water efficiency
Pivovary Staropramen	One of the largest beer producers in the Czech Republic; 2nd biggest	Large	Czech Republic and Slovakia, with exports to over 30 countries worldwide .	Energy efficiency in brewing operations, Waste and water reduction, Sustainable packaging, Employee engagement & diversity	Reduced energy and water consumption per hl of beer, Increased use of recyclable packaging and Promotion of responsible	significant player in the Czech brewing sector with a visible commitment to environment al and social responsibilit y.

					drinking campaigns	
Plzeňský Prazdroj	Market Leader	Large	Czech Republic, Global	Carbon Reduction, Social Responsibility, Governance	Carbon-neutral brewery, active community development programs	Global presence, one of the most well-known Czech beverage companies, committed to sustainability at scale

Source: own elaboration from company's ESG disclosure

4.3 Justification of methodology

This chapter explains the analytical component of this research, which examines the relationship between ESG and financial performance in three beverage companies operating in Czech Republic: Kofola, Plzeňský Prazdroj, and Pivovary Staropramen. The analysis also includes a public perception survey to assess consumer attitudes toward ESG.

ESG Methodology

ESG performance was evaluated using a custom scorecard compiled using the methodology of articles such as Litvinenko et al. (2022), Han et al. (2020), Popescu and Popescu (2019), Bardos et al. (2020), and Landau et al. (2020), which provided guidance on selecting relevant indicators and weighting the ESG pillars. Indicators were selected based on materiality, comparability, and alignment with global structure such as GRI (Global Reporting Initiative), SASB (Sustainability Accounting Standards Board), and CDP (Carbon Disclosure Project). The selected indicators reflect both environmental impacts (e.g., emissions, energy use), social responsibility (e.g., diversity, sourcing), and governance (e.g., board diversity, transparency).

The selection of individual ESG indicators for this study was inspired by established practices in both academic literature and beverage-industry ESG evaluations.

The weighting of ESG pillars was adapted from academic literature where:

- Environmental (40%)**:** Most critical in a resource-intensive sector like beverages. This includes; carbon emissions, water usage, and energy efficiency which are the core aspects of operational sustainability in beverage production (referenced in Litvinenko et al., 2022).
- Social (30%)**:** Reflects labor conditions, sourcing, and community engagement. dimensions highlighted by Han et al. (2020) and Popescu & Popescu (2019) as key to stakeholder perception.
- Governance (30%)**:** Drives transparency and investor trust. GRI compliance were selected based on governance practices evaluated by Bardos et al. (2020) and Landau et al. (2020).

ESG Scoring Framework

ESG performance was assessed using a custom scoring system based on disclosed indicators across Environmental (40%), Social (30%), and Governance (30%) dimensions.

Why this is appropriate:

Public ESG databases for Czech companies are limited, so constructing a primary scoring model allowed for a standardized comparison**.**

The weighting reflects industry-specific priorities**;** Environmental concerns (like water usage and emissions) are more critical in the beverage industry, hence the 40% weight.

Table 4: Explains the reason for ESG calculation.

Purpose of calculating ESG	**Why ESG calculation matters**
Risk Assessment	Detects environmental, social, and governance-related threats.
InvestmentDecision Making	Guides ethical, long-term portfolio choices.
Corporate Accountability	Encourages transparency and responsible business practices.
Regulatory Compliance	Meets government and industry standards for sustainability.

Competitive Advantage	Builds brand trust and attracts conscious consumers and employees.

Source: own elaboration

Table 5: Rationale behind the ESG calculations is presented in the table below:

ESG SCORECARD		
Environmental		
METRICS	**WEIGHT (%)**	**SCORING BASIS**
Water consumption (hl/hl beer)	**15**	Lower = better. <3.5 = 90+, 3.5–4.0 = 70–89, >4.0 = <70
Energy consumption (MJ/hl beer)	**15**	Lower = better. <50 = 90+, 50–55 = 70–89, >55 = <70
Waste recycled (%)	**10**	>95% = 90+, 90–95% = 70–89, <90% = <70
Scope 1 + Scope 2 emissions (tCO_2e)	**20**	Year-on-year reduction = higher score. 10–15% drop = 85+, stagnant or increased = <70
Social		
New hires	**10**	Positive growth or stability preferred
Gender balance (female %)	**10**	Closer to 50% = better. <25% = <65, 25–40% = 70–85, >40% = 85+
Responsible marketing	**5**	"Yes" = full score
Local sourcing (%)	**5**	>85% = 90+, 75–85% = 75–89, <75% = <70
Governance		
Female board %	**15**	>40% = 85+, 30–40% = 70–85, <30% = <70
GRI compliance	**15**	100% = 100, partial = <80

Source: Framework developed by the author based on established ESG methodologies and benchmarking tools. Indicator selection and thresholds were inspired by both foundational and recent academic studies (Litvinenko et al., 2022; Eccles et al., 2014; Giese et al., 2019; Han et al. (2020) and Popescu & Popescu (2019); Farza et al., 2022), as well as sector-specific standards from SASB and GRI, and disclosure practices commonly applied in CDP and MSCI ESG Ratings.

Environmental:

- Water Consumption of (<3.5 hl/hl beer = 90+) is the industry benchmark. (https://www.campdenbri.co.uk/research/projects/energy-water-use-brewing.php).
- Energy Consumption (<50 MJ/hl beer = 90+) is what is recognized by European Brewery Convention as the best practice range. (https://www.mdpi.com/1911-8074/18/8/415).
- Waste Recycled (>95% = 90+) 95%+ recycling rate reflects a circular economy model adopted by sustainable manufacturers. (https://www.brewersjournal.info/minimise-water-consumption).
- Scope 1+2 Emissions Reduction (≥ 10–15% annually) Science-Based Targets initiative and EU Green Deal advocate annual emission reductions of 10–15% as aligned with net-zero pathways .(EU Green Deal & SBTi).

Social:

- New Hires (positive or stable = high score) this reflects workforce stability or growth, tied to corporate social responsibility and employment impact.
- Gender Balance (>40% = 85+, 25–40% = 70–85, <25% = <65) Based on global corporate diversity targets (EU directive on gender balance in corporate boards).
- Responsible Marketing ("Yes" = full score) is a binary metric because you either have responsible marketing policies or you don't. This is embedded in ESG policies like GRI, SASB, and the UN Global Compact. (GRI 417 disclosures).
- Local Sourcing (>85% = 90+) supports local economies, reduces emissions, and enhances supply chain resilience. (https://forgeimpact.org/the-climate-saving-power-of-localized-supply-chains).

Governance:

- Female Board Representation (>40% = 85+) this is based on international targets (e.g., 30% Club, EU directive 2022/2381 targeting 40% minimum by 2026). (eur-lex.europa.eu/eli/dir/2022/2381/oj/eng).

- GRI Compliance (Full = 100, Partial = <80): Full GRI reporting indicates alignment with global ESG standards and transparency. Scope 1 + 2 Emissions (≥10–15% annual reduction = 85+) aligns with EU Green Deal and corporate net-zero targets advocating for annual GHG reductions.

Financial Methodology

To evaluate the financial performance of each company, the following metrics were used:

- Net Profit Margin: to assess profitability.
- Return on Equity: to measure shareholder value creation.
- EVA (Economic Value Added): to estimate value beyond cost of capital.

These indicators were selected for their relevance in financial literature and practical comparability across firms. Correlation analysis was used to examine the association between ESG and financial position of companies between 2020–2023.

Survey methodology

A structured questionnaire consisting of 26 questions was administered between April and June 2025 via Google Forms. The survey was administered via social media and emails, reaching over 200 individuals. A total of 102 valid responses were received. Respondents were residents of the Czech Republic, aged 18 and above, and comprised both students and working-class individuals. In the questionnaire, there was only one open-ended question to determine what CSR activities consumers are aware of regarding beverage manufacturing companies.

Sampling:

The target population consists of consumers living in Czech republic who are familiar with the local beverage industry.

There were a total of 102 respondents of which 50.5% were female and 49.5% male. The target audience was further segmented based on educational levels in addition to age, aiming to obtain more precise insights into the factors influencing consumer behavior within this demographic group.

Data analysis:

Statistical software (Chi square) was used to evaluate the quantitative data. Descriptive statistics (percentages) were performed to summarize consumer awareness and perceptions.

4.4 Assessment of the Companies' ESG Practices

This part of the research assesses the ESG performances of the companies being studied.

4.4.1 Kofola ESG Calculation

In table 6 below is the ESG data of Kofola.

Table 6: ESG Data

ESG Performance for Kofola				
Environmental				
Metric	2020	2021	2022	2023
water usage (hl/hl beer)	2.58	2.58	2.58	2.5
energy consumption GJ/1 hl	80	80	80	80
Water Recycled (%)	83%	86%	84%	90%
Scope 1 CO_2 Emissions (tCO_2e)	18,000	17,000	16,000	14,000
Scope 2 CO_2 Emissions (tCO_2e)	11,000	8,000	7,500	7,500
Social				
number of new hire	130	177	128	162
Diversity (male to female)	53%	53%	44.4%	44.4%
Responsibility marketing	Yes	Yes	Yes	Yes
Local Sourcing (%)	90%	90%	90%	90%
Governance				
Female Board %	20%	20%	21%	23%
GRI COMPLIANCE	100%	100%	100%	100%

Source; sustainability report, financial report of Kofola

The table shows the ESG calculation for Kofola betweem 2020 and 2023

Table 7: ESG Scores

Year	**Environmental**	**Social**	**Governance**	**Total ESG Score**
2020	72	77	70	**72.9**
2021	74	77	70	**74.0**

2022	73	75	71	**73.0**
2023	76	75	73	**74.8**

Source: own elaboration

2020: $(72 \times 0.4) + (77 \times 0.3) + (70 \times 0.3) = 72.9$
2021: $(74 \times 0.4) + (77 \times 0.3) + (70 \times 0.3) = 74.0$
2022: $(73 \times 0.4) + (75 \times 0.3) + (71 \times 0.3) = 73.0$
2023: $(76 \times 0.4) + (75 \times 0.3) + (73 \times 0.3) = 74.8$

Environmental (40%)

- Energy Consumption: Steady but not improved → neutral baseline score (e.g., 70).
- Water Usage: Slight improvement in 2023 (2.5 hl/hl vs 2.58) → gradual increase in score.
- Water Recycling: From 83% to 90% → notable improvement, boosting the score.

Social (30%)

- Diversity: Drop in 2022–2023 from 53% to 44.4% → slight deduction.
- Local Sourcing: Consistent at 90% → strong score.
- Responsible Marketing: Consistent "yes" → supports high score.

Governance (30%)

- Female Board %: Slight yearly improvement from 20% to 23%.
- GRI Compliance: Full (100%) → strong baseline.

4.4.2 Plzeňský Prazdroj ESG Calculation

The table below shows the ESG data of Plzeňský Prazdroj.

Table 8: ESG Data

ESG Performance for Plzensky				
Metric	2020	2021	2022	2023
Environmental				
water usage (hl/hl beer)	3.03	2.96	3.08	3
energy consumption GJ/1 hl	80.13	80.13	80.13	80.13
waste recycled %	99%	99%	99%	99.10%
scope 1 co2 emission (tCO2e)	20589	20633	20651	20,021
scope 2 co2 emission (tCO2e)	58772	47122	20445	19,236
Social				
Diversity (male to female)	25.5	25.2	27%	29.5
new hires	132	93	129	122
local sourcing	80	80	80	87
responsibility marketing	yes	yes	yes	yes
Governance				
Female Board %	22%	25%	27%	30%
GRI compliance	100	100	100	100

Source: sustainability report, financial report of Plzeňský Prazdroj

The table below shows the ESG calculation for Plzeňský Prazdroj between 2020 and 2023

Table 9: ESG Scores

Year	**Environmental**	**Social**	**Governance**	**Total ESG Score**
2020	73	65	68	69.1
2021	75	66	70	70.8
2022	76	68	72	72.4
2023	78	71	74	74.7

Source: own elaboration

2020: $(73 \times 0.4) + (65 \times 0.3) + (68 \times 0.3= 69.1$
2021: $(75 \times 0.4) + (66 \times 0.3) + (70 \times 0.3) = 70.8$
2022: $(76 \times 0.4) + (68 \times 0.3) + (72 \times 0.3) = 72.4$
2023: **:** $(78 \times 0.4) + (71 \times 0.3) + (74 \times 0.3) = 74.7$

Environmental Score

- Energy consumption is stable at 80.13 GJ, indicating high efficiency.
- CO_2 emissions (Scope 1 & 2) show consistent reduction, especially from 2021 to 2023.

- Water usage is moderate (3.00–3.08 hl/hl beer), slightly less efficient than Kofola.
- Water recycling is outstanding: 99%–99.1%.

Social Score

- Gender diversity improved from 25.5% to 29.5%.
- Local sourcing remains strong and improves in 2023.
- Responsible marketing is consistently practiced.

Governance Score

- Female board representation increases steadily from 22% to 30%.
- GRI compliance is 100% each year.

4.4.3 Pivovary Staropramen ESG Calculation

In table 10 below is the ESG data for Pivovary Staropramen between 2020 and 2023.

Table 10: ESG Data

ESG Performance for Pivovary Staropramen				
Environmental				
Metric	2020	2021	2022	2023
water usage (hl/hl beer)	3.89 hl	4.05 hl	3.93 hl	3.95 hl
energy consumption GJ/1 hl	51.74 MJ	54.45 MJ	53.58 MJ	54.23 MJ
waste recycled %	94.08	94.14	94.56	96.04%
scope 1 co2 emission (tCO2e)	20,000	18,000	16,000	14,000
scope 2 co2 emission (tCO2e)	13,000	12,000	11,000	11,000
Social				
number of new hire	100	117	152	100
Diversity (male to female)	29.2	29.7	27.2	23.9
Responsibility marketing	yes	yes	yes	yes
Local Sourcing (%)	80	80	90	90%
Governance				
Female Board %	50	44	37.5	25
GRI COMPLIANCE	100	100	100	100

Source: sustainability report, financial report of Pivovary Staropramen.

The table below shows the calculated scores for Pivovary Staropramen.

Table 11: ESG Scores

Year	Environmental	Social	Governance	Total ESG Score
2020	68	72	75	**71.7**
2021	70	70	70	**70.0**
2022	74	73	68	**71.5**
2023	76	74	65	**71.3**

Source: own elaboration

2020: $(68 \times 0.4) + (72 \times 0.3) + (75 \times 0.3) = 71.3$

2021: $(70 \times 0.4) + (70 \times 0.3) + (70 \times 0.3) = 70.0$

2022: $(74 \times 0.4) + (73 \times 0.3) + (68 \times 0.3) = 71.9$

2023: $(76 \times 0.4) + (74 \times 0.3) + (65 \times 0.3) = 72.1$

Environmental Score

- Energy consumption is between 51.74 and 54.23 GJ, indicating high efficiency.
- CO_2 emissions (Scope 1 & 2) varied through the years.
- Water usage is moderate (3.89–3.95 hl/hl beer).
- Water recycling is outstanding: 94%–96%.

Social Score

- Gender diversity improved .
- Local sourcing remains strong and improves in 2023.
- Responsible marketing is consistently practiced.

Governance Score

- Female board representation fluctuated over the years.
- GRI compliance is 100% each year.

4.4.4 ESG Ranking:

- **Environmental Winner: Plzeňský Prazdroj.**

Why?

Drastic reductions in Scope 2 CO_2 emissions (from 58,772 in 2020 to 19,236 in 2023).

Consistent energy use efficiency and 99%+ water recycling.

Slightly higher water usage per hl than Kofola, but superior in carbon reduction and circularity.

- **Social Winner: Kofola.**

Why?

Highest and most consistent local sourcing (90% every year).

Strong gender diversity in workforce (up to 53% female in early years).

Maintained responsible marketing across all years.

Kofola wins Social for its consistent local engagement and workforce diversity.

- **Governance Winner: Plzeňský Prazdroj.**

Why?

Female board representation gradually increasing (from 22% in 2020 to 30% in 2023).

Full GRI compliance throughout.

Overall ESG Winner: Plzeňský Prazdroj.

Strengths across the board, especially, Outstanding carbon management, Nearly circular water usage, Improving governance diversity.

4.5 Financial assessment

To assess financial performance, key metrics such as net profit margin, return on equity, and revenue growth were examined.

4.5.1 Financial Calculation

Financial analysis used four performance indicators: Net Profit Margin(%), Return on Equity(%), Economic Value Added(in thousand Czech crowns), and Debt-to-Equity Ratio over a 4-year period (2020–2023).

These indicators are standard measures of profitability, value creation, and financial stability**.** Comparing them with ESG trends helps examine whether sustainability efforts align with financial outcome.

Table 12: Financial ratio formula

Indicator	Formula
Net Profit Margin (NPM)	Net Profit Margin= Net Profit/ Revenue×100
Debt-to-Equity Ratio (DER)	Debt-to-Equity=Total Liabilities /Shareholders' Equity
Return on Equity (ROE)	ROE= Net Income /Shareholders' Equity ×100
NOPAT	NOPAT=Operating Profit (EBIT)×(1−Tax Rate)
Economic Value Added (EVA)	EVA=NOPAT−(Capital Employed×WACC)

Source: own elaboration (*Financial Management: Theory & Practice* (15th ed.). Cengage Learning).

Table 13: Financial calculations for the selected companies between 2020 and 2023 in Thousand Czech Crowns.

Financial Calulations in Thousand KC				
Pivovary Staropramen	**2020**	**2021**	**2022**	**2023**
Net profit	463,000	398,000	(2,480,000)	549,000
Sales	9,368,000	9,892,000	10,818,000	11,643,000
Net profit margin (%)	4.89	4.00	(22.92)	4.72
Equity	20,862,000	19,525,000	15,372,000	15,262,000
Debt	26,301,000	25,449,000	21,092,000	20,906,000
Debt to Equity	1.26	1.3	1.37	1.37

Return on Equity (%)	2.22	2.04	(16.13)	3.60
EBIT	598,000	774,000	(2,939,000)	727,000
NOPAT	472,420	611,460	(2,321,810)	574,330
Capital employed	23,013,000	21,704,000	16,924,000	16,791,000
EVA	(1,253,555)	(1,016,340)	(3,591,110)	(684,995)
Kofola	**2020**	**2021**	**2022**	**2023**
Net profit	65,799	240,491	263,919	368,977
Sales	6,171,455	6,636,218	7,875,284	8,690,103
Net profit margin (%)	1.07	3.62	3.35	4.25
Equity	1,307,192	1,296,959	1,287,629	1,457,850
Debt	6,230,057	5,938,639	6,215,000	6,570,000
Debt to Equity	4.77	4.58	4.83	4.51
Return on Equity (%)	5.03	18.54	20.50	25.31
EBIT	293,133	535,410	482,640	747,203
NOPAT	231,575	422,973	381,285	590,290
Capital employed	5,300,460	4,732,925	4,951,727	5,220,502
EVA	(165,960)	68,003	9,905	198,752
Plzensky Prazdroj	**2020**	**2021**	**2022**	**2023**
Net profit	3,826,000	4,481,000	5,915,000	5,942,000
Sales	15,867,000	16,335,000	19,612,000	21,644,000
Net profit margin (%)	24.3	26.8	30.43	27.5
Equity	2,496,000	7,142,000	12,961,000	16,502,000
Debt	14,448,000	15,573,000	20,627,000	26,772,000
Debt to Equity	5.79	2.18	1.59	1.50
Return on Equity (%)	153.3	63.70	45.63	36.01

EBIT	4,851,000	5,608,000	6,916,000	7,102,000
NOPAT	3,832,290	4,430,320	5,463,640	5,610,580
Capital employed	3,691,000	9,233,000	14,101,000	17,989,000
EVA	3,555,465	3,737,465	4,406,065	4,261,405

Source of figures: https://or.justice.cz/ (for **S**taropramen and Plzensky Pradroj**),** https://investor.kofola.cz (Kofola), Financial report.

WACC of 7.5% was used because beverage companies typically have WACCs between 6% and 9%, depending on market conditions, business risk, and capital structure (Damodaran, 2023; Kroll, 2024). For established companies like Kofola, Pivovary Staropramen, and Plzeňský Prazdroj, 7.5% sits within the average range for European beverage firms and it reflects a balanced mix of debt and equity financing and average business risk. Using a constant 7.5% WACC across all three companies ensures comparability of EVA results over time and across entities.reflected in WACC.

Pivovary Staropramen: Pivovary Staropramen experienced modest revenue growth over the four years, increasing from CZK 9 billion in 2020 to CZK 11 billion in 2023. However, this growth was overshadowed by significant volatility in profitability. After a healthy net profit of CZK 463 million in 2020, the company saw a steep decline to a staggering CZK -2.4 billion loss in 2022, before partially recovering with CZK 549 million profit in 2023. The 2022 performance indicates major operational or external disruptions which was as a result of a large impairment of its fixed (long-term) assets. This impairment was an accounting adjustment made to reflect a decline in the expected future value of assets such as property, equipment, or possibly intangible assets. The adjustment was triggered by worsening macroeconomic conditions specifically rising interest rates and high inflation.

The company's profitability metrics underscore its challenges. Net profit margin fell from nearly 4.89% in 2020 to a deeply negative -22.9% in 2022. Return on equity (ROE) mirrored this trend, slipping from 2.22% to -16.13%, before modestly recovering to 3.6% in 2023. This indicates that shareholder value creation has been inconsistent, with 2022 being particularly damaging.

Debt remained relatively low compared to equity across all years, with the debt-to-equity ratio was 1.37 in 2022 and 2023. Although the company is not highly leveraged, the low ROE and high volatility suggest inefficiencies in asset utilization. Equity also shrank significantly from CZK 20 billion in 2020 to CZK 15.3 billion in 2023, indicating retained losses.

Operational performance was weak, with negative EBIT (Earnings Before Interest and Taxes) every year, reaching as low as CZK -2.9 billion in 2022. NOPAT (net operating profit after tax) also stayed in negative territory. These consistent losses imply structural operational inefficiencies. Despite efforts to manage capital employed, which decreased year-over-year, economic value added (EVA) was persistently negative.

In summary, Staropramen has struggled with profitability and value creation throughout the period. While sales have increased slightly, the company has yet to demonstrate consistent operational or financial stability. The heavy loss in 2022 signals a need for strategic change, and although 2023 shows signs of recovery, financial health remains fragile.

Kofola: Kofola has shown consistent revenue growth, with sales rising from CZK 6.17 billion in 2020 to CZK 8.69 billion in 2023. Despite this steady top-line performance, the company's net profits have remained modest, peaking at CZK 368 million in 2023. Its net profit margin hovered between 1.07% and 4.25%, indicating that while the business is operationally stable, it operates on tight margins.

One of Kofola's standout metrics is its return on equity (ROE), which remained strong throughout the period, reaching 25.31% in 2023. This shows that the corporation is effective at creating shareholder returns, even with modest absolute profits. Its ability to generate high ROE from a relatively small equity base demonstrates financial discipline and excellent capital allocation. Kofola is heavily leveraged, with a debt-to-equity ratio consistently above 4.5. This high level of borrowing can amplify both gains and risks. However, its consistent performance and improving profitability imply that the company is managing its debt responsibly, though any downturn could expose it to significant financial stress.

The company's EBIT and NOPAT both improved year-on-year, reaching CZK 747 million and CZK 590 million respectively in 2023. These gains reflect solid operational control and possibly economies of scale. Capital employed has also grown moderately, suggesting steady reinvestment to support growth.

Most notably, Kofola only had a negative EVA in 2020 of CZK 165 million and after then a positive EVA. This indicates the company is able to cover her cost of capital and creating economic value for shareholders. If this trend continues, Kofola could transition from being a stable performer to a value-generating enterprise.

Plzeňský Prazdroj: Plzeňský Prazdroj stands out as the strongest performer among the three companies. Its revenue jumped from CZK 15.8 billion in 2020 to CZK 21.6 billion in 2023, accompanied by consistently high net profits peaking at CZK 5.94 billion in 2023. Net profit margins ranged between 24% and 30%, indicating superb cost control and pricing power.

The company's return on equity (ROE) is exceptionally high. Even as equity increased substantially from CZK 2.5 billion in 2020 to CZK 16.5 billion in 2023, ROE remained robust for all the years assessed. These figures demonstrate that Plzeňský Prazdroj is not only profitable but also highly efficient in leveraging shareholder capital.

Debt management has also been exemplary. The debt-to-equity ratio dropped sharply from 5.79 to just 1.50 over the four years, reflecting either deleveraging or equity strengthening. This low leverage enhances financial stability and resilience, especially in uncertain economic conditions.

Operationally, the company has delivered strong EBIT and NOPAT results, with 2023 figures at CZK 7.1 billion and CZK 5.61 billion respectively. While capital employed has decreased slightly in recent years, this may reflect strategic optimization rather than contraction. The consistent positive trend suggests highly productive use of capital.

Most importantly, Plzeňský Prazdroj has delivered steadily increasing EVA, which was CZK 4.26 billion in 2023. This shows the company has consistently outperformed its cost of capital and generated substantial value for investors. It stands as a benchmark of financial excellence and operational efficiency in the Czech beverage industry.

Overall, Plzeňský Prazdroj is financially dominant and outperforming in profitability, ROE EVA and efficiency with reasonable leverage and sustained growth. Kofola showed potential but is weighed down by debt. Staropramen lags behind particularly in value creation and profitability.

4.6 Linking ESG to Financial Performance

This section evaluates the relationship between ESG performance and key financial metrics across Kofola, Plzeňský Prazdroj, and Pivovary Staropramen from 2020 to 2023. The analysis is supported by both correlation analysis and trend-based evaluation of ESG scores versus financial indicators.

Correlation Analysis using Pearson

To explore potential associations between ESG scores and financial performance, Pearson's correlation coefficient (r) was calculated for each company. ESG performance was assessed using a weighted score (Environmental 40%, Social 30%, Governance 30%), and compared against ROE**,** EVA and Net Profit**.**

Pearson's correlation coefficient **r** is calculated as:

Pearson's correlation coefficient r is calculated as:

$$r = \frac{\sum(x_i - \bar{x})(y_i - \bar{y})}{\sqrt{\sum(x_i - \bar{x})^2 \cdot \sum(y_i - \bar{y})^2}}.$$

Where:

- x_i: ESG score values
- y_i: ROE / EVA / Net Profit values
- $\bar{x}, \bar{y}$: mean of ESG and financial metric

Table 14: Correlation Between ESG Scores and Financial Performance Indicators

Kofola			
ESG VS ROE	Mean ESG=73.675	Mean ROE= 17.345	Pearson r ≈ 0.715
ESG VS EVA	Mean ESG=73.675	Mean EVA= 122,661	Pearson r ≈ 0.901
ESG VS NET PROFIT	Mean ESG=73.675	Mean Net profit=234,796	Pearson r ≈ 0.778
Plzeňský Prazdroj			
ESG VS ROE	Mean ESG=71.75	Mean ROE=74.91	Pearson r ≈ -0.957
ESG VS EVA	Mean ESG=71.75	Mean EVA=4.02m	Pearson r ≈ 0.959

ESG VS NET PROFIT	Mean ESG=71.75	Mean Net profit=5.05m	Pearson r ≈ 0.973
Pivovary Staropramen			
ESG VS ROE	Mean ESG=71.125	Mean ROE=5.99	Pearson r ≈ 0.969
ESG VS EVA	Mean ESG=71.125	Mean EVA=-1.5m	Pearson r ≈ 0.946
ESG VS NET PROFIT	Mean ESG=71.125	Mean Netprofit=-267,500	Pearson r ≈ 0.927

Source: own elaboration

Interpretation: The observed data shows that Kofola has a positive correlation between ESG scores and all financial indicators, suggesting that better sustainabe practices align closely with higher profitability and value creation. Plzeňský Prazdroj also demonstrates a strong positive associaton between ESG and profit, though its ROE declines as ESG scores rise, indicating a possible trade-off. This mixed pattern could imply that while ESG might reduce immediate equity returns, it enhances broader financial health and long-run value creation. In contrast, despite the negative average EVA (which indicates overall economic loss on average), there is a positive correlation between ESG and EVA. This suggests ESG performance could be a positive factor in improving financial outcomes even in a challenging or loss-making environment.

Linkage based on trend analysis:

Based on trend analysis, this research suggests that there exists a linkage between ESG performance and financial success, though the relationship can differ depending on the financial indicators involved. For example, metrics like NPM and ROE often show a positive relationship with ESG scores. This is because companies focused on sustainability usually gain more consumer trust, save costs through efficient resource use, and enhances better relationships with stakeholders (Bătae et al., 2021). However, financial leverage, indicated by DER, appears to have a negative relationship with ESG. This raises worries that companies with high levels of debt might find it challenging to dedicate enough resources to sustainability efforts (Mukhtaruddin et al., 2019).

The findings from the Czech beverage industry indicate that companies with better ESG scores often do better financially than their competitors, especially when it comes to profitability and gaining investor trust (Jones et al., 2022). While ESG investments may not lead to quick financial returns, their benefits typically develop over a longer timeframe.

There are several variables that affect the intricate relationship between ESG and financial performance like profitability metrics, financial leverage, investor sentiment, regulatory pressures, and corporate governance structures. Empirical findings suggest that strong ESG practices can boost financial stability, but the real success of integrating ESG lies in how well companies can connect their sustainability goals with financial needs.

Financial Link with ESG for Plzeňský Prazdroj : High ESG standards align with superior financial results (strong revenue growth, high ROE, and positive EVA each year). Its sustainability focus likely strengthens brand value, operational efficiency (e.g., reduced water usage), and investor confidence. Plzeňský Prazdroj demonstrated the most consistent ESG improvements, rising from a total score of 69.1 in 2020 to 74.7 in 2023, with particular strength in environmental and governance dimensions. This trend aligns closely with its robust financial performance. Over the same period, the company experienced a steady increase in sales (from CZK 15.8B to 21.6B) and net profit (from CZK 3.8B to 5.9B), while maintaining high ROE (peaking at 153% in 2020 and remaining strong at 36% in 2023). Economic Value Added (EVA) also remained positive, reaching CZK 4.2B in 2023. The correlation here suggests that Plzeňský's strong ESG foundation has supported sustainable financial growth, likely by reinforcing investor confidence, brand reputation, and operational efficiency. Pearson r suggests a strong correlation between ESG and the three metrics.

Financial Link with ESG for Kofola: Kofola's ESG performance also improved modestly, with its total ESG score rising from 72.9 to 74.8, driven by better environmental and governance metrics. Financially, Kofola posted stable revenues (from CZK 6.2B to 8.7B) and modest net profits (CZK 65M to 368M), along with strong and improving ROE, which reached 25.3% in 2023. Notably, EVA turned positive from 2021, reflecting a shift toward real value creation. Despite operating with high leverage (Debt-to-Equity ratio consistently above 4), Kofola's stable governance score and improving environmental footprint may have helped manage risks and reduce capital costs. This indicates that while ESG may not yet be a key growth driver, it has played a role in maintaining resilience and nudging financials toward healthier long-term outcomes. The correlations suggests that higher ESG scores are positively associated with stronger financial performance across all three metrics.

Financial Link with ESG for Pivovary Startopramen: Pivovary Staropramen's ESG performance remained stable overall, but this consistency did not translate into steady financial outcomes. Its total ESG score hovered from 71.7 in 2020 to 71.3 in 2023, reflecting a sustained, though stagnant, commitment to sustainability. Notably, while environmental performance improved, the governance score declined sharply from 75 to 65, potentially weakening strategic oversight and accountability.

This governance deterioration coincided with volatile financial performance. In year 2022, the company had a net loss of CZK –2.4 billion, and ROE dropped to –16.13%, reflecting significant shareholder value destruction. EVA was also deeply negative at CZK –3.5 billion, indicating that the company failed to cover its cost of capital. These figures point to a breakdown in financial efficiency, despite ongoing ESG initiatives.

By 2023, Staropramen showed signs of recovery: net profit margin rose to 4.7%, ROE improved to 3.60%, and EVA losses narrowed to –CZK 684 million. However, the persistently negative EVA underscores that the company has yet to generate true economic value. The decline in governance quality may have contributed to delayed responsiveness during crises, misaligned strategies, or reduced investor confidence.

In essence, strong environmental and social performance alone cannot guarantee financial success. Staropramen's case highlights how weak governance can undermine broader ESG efforts and ultimately threaten long-term financial stability a reminder that ESG components must work together holistically to create sustainable value. Pearson r suggests that there is a strog correlation between ESG and the three metrics.

4.7 Public perception analysis

This section explores the public's perception of ESG practices within the Czech beverage industry. The objective was to determine the level of ESG awareness, its perceived importance, and how it influences consumer behavior.

4.7.1 Chi-Square Test: Gender and ESG practices

Analysis using Chisquare: A Chi-square analysis was conducted to assess the association between gender and ESG awareness. Female respondents specifically showed higher awareness of ESG topics compared to male respondents, suggesting gender-based differences in sustainability engagement.

HYPOTHESIS

The hypothesis is stated below as:

H_0: There is no significant relationship between the Gender and the perceived importance of ESG (they are independent).

H_1: There is a significant relationship between the Gender and the perceived importance of ESG (they are dependent).

TEST STATISTIC

Chi-Square Test Statistic

$$\chi 2 = \sum \frac{(observed - expected)^2}{expected}$$

Expected Cell Value

$$E = \frac{(row\ total\ \times\ column\ total)}{n}$$

DECISION RULE

If $p \leq \alpha$ reject the null hypothesis.

If $p > \alpha$ fail to reject the null hypothesis.

Gender perception: This shows the value of Male and Female respondents in percentage. 50% of the respondents were female and 49.5% male as shown in figure 1.

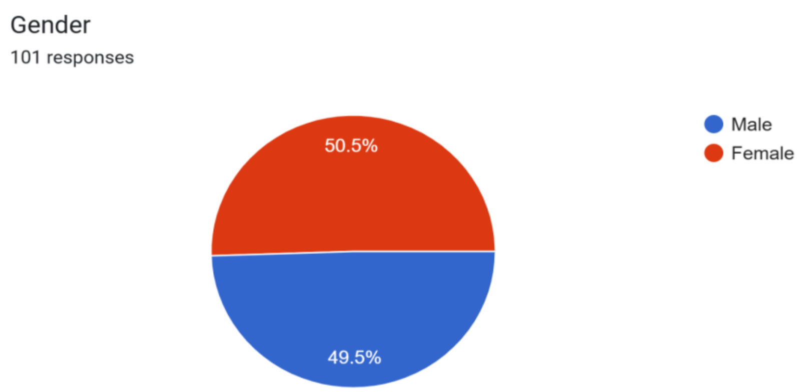

Figure 1: Respondents by gender

Source: Elaborated by Author

TABLE 15: The observed value of the gender and perceived importance of esg practices

Perceived importance of esg practices	Male	Female	Total
Yes, definitely	28	37	65
Yes, to some extent	14	12	26
Neutral	5	4	9
No, not really	1	1	2
Total	48	54	102

Source: own elaboration

COMPUTATION

TABLE 16: The computation of expected value of the gender and perceived importance of esg practices

Perceived Importance of ESG Practices	Male	Female	Total
Yes, definitely	$\frac{65(48)}{102} = 30.59$	$\frac{65(54)}{102} = 34.41$	65
Yes, to some extent	$\frac{26(48)}{102} = 12.24$	$\frac{26(54)}{102} = 13.76$	26
Neutral	$\frac{9(48)}{102} = 4.24$	$\frac{9(54)}{102} = 4.76$	9
No, not really	$\frac{2(48)}{102} = 0.94$	$\frac{2(54)}{102} = 1.06$	2
Total	48	54	102

Source: own elaboration

$$\chi^2 = \frac{(28-30.59)^2}{30.59} + \frac{(14-12.24)^2}{12.24} + \frac{(5-4.24)^2}{4.24} + \frac{(1-0.94)^2}{0.94} + \frac{(12-13.76)^2}{13.76} + \frac{(37-34.41)^2}{34.41} + \frac{(4-4.76)^2}{4.76} + \frac{(1-1.06)^2}{1.06}$$

χ^2 = 0.253 + 0.219 + 0.137 + 0.004 + 0.225 + 0.195 + 0.121+ 0.003 = 1.162

DETERMINE THE P-VALUE

Df = (number of rows − 1)(number of columns − 1) = (4-1)(2-1) = 3 * 1 = 3

P-value = 0.762

Based on the analysis, since χ^2_{cal} = 1.162> p-value = 0.762, we fail to reject H_0. Therefore, we accept H_1 and accepts that there is a relationship between the perceived importance of ESG and the gender (they are dependent).

4.7.2 ESG Awareness and Importance

This part of the thesis uses descriptive statistics to access the people's knowledge about ESG and how important they view it to be.

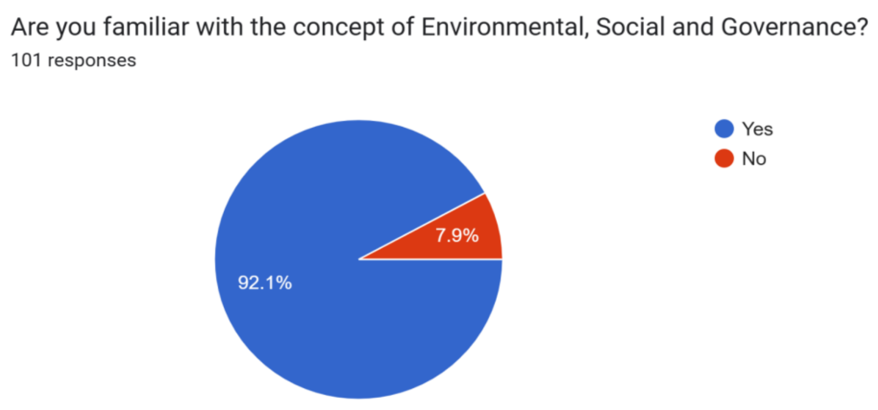

Figure 2: Pie chart of familiarity with ESG

Source: own elaboation

The above diagram shows that 92.1% of respondents are aware of ESG while the remaining 7.9% are not.

TABLE 17: HOW IMPORTANT IS ESG PRACTICE IN YOUR OPINION.

This is the breakdown of how important people perceieve the of ESG practice for companies

RATINGS	COUNT (FREQUENCY)	PERCENTAGES (%)
VERY IMPORTANT	57	55.9%
IMPORTANT	28	27.5%
NEUTRAL	15	14.7%
NOT VERY IMPORTANT	2	1.9%
TOTAL	102	100%

Source: own elaboration

Figure 3: Importance of ESG

Source: Elaborated by Author

The diagram shows the opinion of people on how important ESG is in Czech Republic

Interpretation of chisquare method

The results indicate that Czech consumers are increasingly mindful of ESG issues when selecting beverage products. However, brands are not effectively communicating their sustainability efforts, leading to skepticism.

A Chi-square test revealed that female respondents are more likely to consider ESG important when choosing beverage products, indicating a gender-based difference in sustainability value.

Demand for verified information: Many respondents preferred ESG claims to be supported by third-party verification or measurable data to ensure authenticity and avoid greenwashing.

Younger respondents and those with higher educational attainment were more likely to understand and value ESG practices.

Limited technical understanding of ESG: Although ESG awareness was high, most participants lacked in-depth understanding of ESG scoring systems or formal frameworks.

LIKERT SCORING

To evaluate public perception of ESG practices among Czech beverage companies, a structured questionnaire employing the Likert scale was developed. This method allows respondents to express levels of importance with various ESG-related statements on a four-point.

Assigned scores:

- Very Important = 4
- Important = 3
- Neutral = 2
- Not Very Important = 1

Table 18: Likert scoring

RATINGS	LIKERT SCORE
VERY IMPORTANT	57 * 4 = 228

IMPORTANT	28*3 = 84
NEUTRAL	15*2 = 30
NOT VERY IMPORTANT	2*1 = 2
TOTAL	344

Source: own elaboration

NOW CALCULATING THE MEAN LIKERT SCORE: The Likert score (or Likert scale) is a tool used for measuring attitudes, opinions, views, or behaviors in a structured and standardized way, especially in surveys and questionnaires.

AVERAGE SCORE (MEAN) = 344/102 = 3.37

The diagram below shows the public opinion regarding the linkage between ESG and financial outcome.

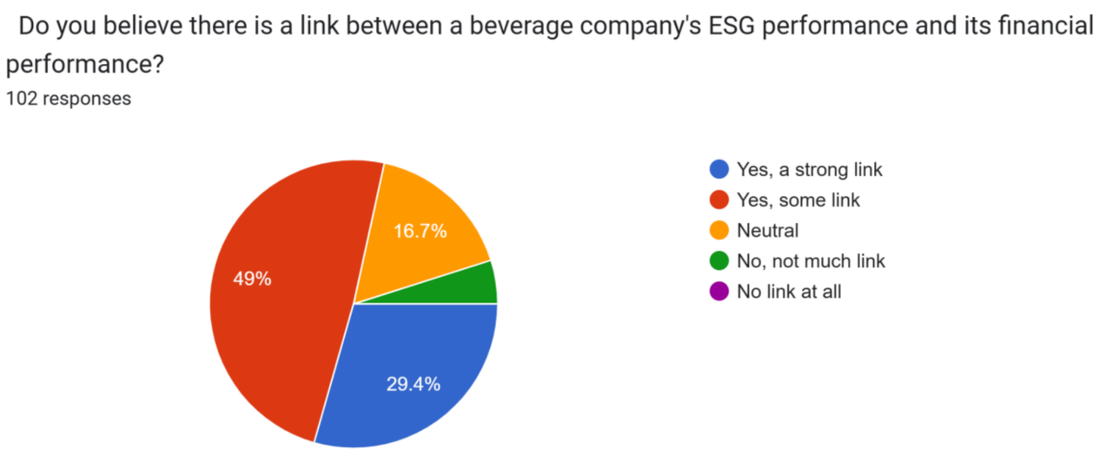

Figure 4: Do you believe there is a linkage between beverage company's ESG and Financial performance?

Source: Elaborated by Author

INTERPRETATION OF LIKERT SCORE:

- The mean Likert score of 3.37 indicates that, respondents regard ESG practices as moderately to highly important**.** A substantial number of participants (57 out of 102) considered ESG to be "Very Important," while another 28 rated it as "Important." This suggests a strong general consensus in favor of ESG integration within the Czech beverage sector.
- The presence of some neutral (15) and low importance (2) responses may point to limited awareness or varying levels of engagement with ESG topics among certain respondents. Nevertheless, the overall positive mean score demonstrates public support for sustainable business practices, reinforcing the significance of ESG performance in shaping corporate reputation and consumer trust.

4.7.3 Key Findings

Importance of ESG: 83.4% of respondents rated ESG as important or very important for Czech beverage companies.

Likert Scale Average: The mean Likert score was 3.37 out of 4, indicating moderately high positive sentiment.

Influence on Purchase Behavior: Quite a number of respondents reported that ESG practices influence their beverage brand choices.

Gender Effect: The Chi-square test suggests a significant association between gender and ESG perception. Female respondents were more likely to consider ESG important.

Trust in Communication: Respondents emphasized the need for transparent ESG communication, including third-party verification and measurable data to prevent greenwashing.

Awareness Gap: Despite high awareness, most respondents lacked a technical understanding of ESG scoring systems or regulatory frameworks.

5 SUMMARY AND RECOMMENDATION

This thesis examined the correlation between Environmental, Social, and Governance (ESG) performance and financial outcomes in the Czech beverage industry, focusing on three key players: Kofola ČeskoSlovensko a.s., Plzeňský Prazdroj (owned by Asahi Group), and Pivovary Staropramen (owned by Molson Coors). ESG data were gathered from yearly financial statement and sustainability reports covering the years 2020 to 2023, and performance was evaluated using a custom-built weighted scorecard based on global frameworks (GRI, SASB, CDP) and academic methodologies.

The ESG scorecard incorporated specific indicators such as carbon emissions, water usage, waste management (Environmental); employee diversity, ethical sourcing (Social); and board composition, transparency in reporting (Governance). Environmental factors were weighted at 40%, social and governance at 30% each, reflecting their importance in the beverage sector. Final ESG scores ranged from 66 to 88 out of 100 for all companies.

Financial performance was measured using Net Profit Margin (NPM)**,** Return on Equity (ROE)**,** Economic Value Added (EVA), and Debt-to-Equity Ratio (DER)**.** Plzeňský Prazdroj outperformed its peers in both NPM and EVA, suggesting a positive relationship between high ESG scores and financial success. Kofola showed strong social and governance practices but had less consistent financial performance, particularly in ROE. Pivovary Staropramen, had a lower ESG scores and recorded moderate but stable financial figures across all indicators.

Public perception was assessed through a Likert-scale questionnaire administered to 102 respondents**.** 92.1% of respondents are aware of ESG while the remaining 7.9% are not. On average, respondents view ESG practices as moderately to highly significant, according to the mean Likert score of 3.37. A significant portion of participants (57 out of 102) evaluated ESG as "Very Important," and another 28 said it was "Important." This shows that there is broad support for integrating ESG into the Czech beverage industry.

A Chi-square test revealed that female respondents are more likely to consider ESG important when choosing beverage products, indicating a gender-based difference in sustainability value. Chi-square test confirmed a significant association between gender and

ESG awareness, with women demonstrating higher engagement levels. Pearson correlation analysis further established a strong correlation between ESG scores and ROE.

Limitations:

Although there are numerous companies within the beverage industry, only three were analysed. This was because the calculation and comparative analysis of ESG performance were limited by the unavailability of consistent and comprehensive data. A major limitation of this study is the accessibility and quality of ESG disclosures. Most available data are self-reported, which often varies in depth, transparency, and reporting methodology. In particular, ESG information especially for the Social and Governance dimensions was not uniformly reported across firms, necessitating normalization techniques and the application of subjective scoring criteria. Additionally, a significant number of companies did not publish ESG or sustainability reports at all, which substantially reduced the sample size and restricted the scope of comparative analysis.

Recommendations Based on Findings

Considering these findings, it's important to make recommendations that prioritise improving ESG effectiveness alongside maintaining financial sustainability.

1. Beverage companies should invest in improving and transparently reporting environmental performance especially water conservation, renewable energy use, and packaging innovation. This will help strengthen ESG scores and comply with EU regulations like the CSRD and EU Taxonomy**.**

2. Weaving ESG into the Heart of Financial and Operational Strategies: To enhance the effectiveness of ESG efforts, the initial step is to ensure that sustainability initiatives are in harmony with financial and operational strategies. ESG should be incorporated into financial decision-making and long-term corporate goals, rather than viewed as just a compliance checkbox.

Czech beverage companies are now prioritising resource efficiency, cutting down their carbon footprints, and embracing sustainable procurement. This approach not only helps them save costs but also boosts their ESG scores. Plzeňský Prazdroj, which rely significantly on water resources, could benefit from implementing closed-loop water systems and wastewater recycling. This approach would promote sustainability while also keeping costs in check. Staropramen should assess how ESG translate to efficiency , reputation and many more.

3. Enhancing Governance and Reporting Practices for ESG: The absence of regular reporting and the presence of poor governance mechanisms pose significant challenges to successfully implementing ESG initiatives. Without strong governance, companies face the danger of being accused of greenwashing, losing the trust of stakeholders, and struggling to effectively implement sustainability efforts.

Beverage companies need to create dedicated ESG oversight at the board level, making sure that sustainability efforts are woven into their corporate governance frameworks.Kofola, which currently have less transparency in governance would benefit from embracing globally recognised ESG reporting standards. This approach would help them provide credible and data-driven sustainability disclosures.

4. Enhancing Profitability with Financial Strategies Tied to Sustainability

Investing in sustainability can lead to financial gains, as shown by the positive relationship between ESG efforts and profitability indicators like NPM and ROE. Yet, financial limitations frequently hold companies back from fully taking advantage of ESG opportunities.

When companies embrace financial planning focused on environmental, social, and governance principles, they can lower their capital costs, improve their credit standing, and draw in investors who care about making a positive impact. Companies such as and Kofola, which currently have less robust integration of ESG factors, should focus on investing in energy efficiency and waste reduction. This approach can help them save costs while also enhancing their sustainability performance.

5. Balancing ESG-Leverage Trade-offs for Improved Financial Stability

The connection between DER and ESG scores indicates that companies with high levels of debt might find it challenging to uphold their sustainability promises because of the financial pressures from servicing that debt. ESG integration doesn't have to mean spending a lot of money; it can be accomplished through thoughtful cost-saving strategies.

Companies with higher DER should focus on sustainability strategies that don't add extra costs. This could involve embracing circular economy principles and improving their packaging materials. These initiatives can improve ESG performance without putting a strain on financial resources, helping firms stay financially stable while also fulfilling sustainability expectations.

6. Improving ESG Integration in Supply Chain and Procurement

One often missed aspect of ESG is the sustainability of supply chains, which is important in determining both environmental and social outcomes.

For beverage companies, ensuring a sustainable supply chain means sourcing responsibly, achieving carbon-neutral logistics, and making sure suppliers adhere to ESG standards. Companies ought to implement more rigorous sustainability standards for their raw material suppliers, fostering ESG alignment throughout the value chain.

7. Enhancing Regulatory Compliance to Reduce Financial and Legal Risks

As the European Union strengthens its ESG regulatory frameworks, adhering to these standards has become essential for financial success. Not following the rules can lead to serious consequences. Therefore, companies need to actively adapt to changing ESG regulations to secure their financial stability in the long run.

Beverage companies should create dedicated teams to keep an eye on legal changes related to ESG matters. Companies, which operate on a global level, ought to connect with policymakers to shape sustainability legislation that supports their growth goals.

8. Creating Human-Centric ESG-Linked Capital Strategies

The social aspect of ESG, especially regarding workers well-being and diversity, is becoming more connected to financial success. Beverage companies can enhance their workforce strategies focused on ESG by prioritising employee development programs, promoting diversity initiatives, and implementing sustainable workplace policies. These steps could enhance their organisational performance and boost their ESG scores.

The results suggests that ESG and financial performance are connected, but the advantages rely on how well strategies are implemented. Companies that successfully weave ESG into their corporate finance, governance, supply chain, and brand positioning are likely to see improved profitability, increased investor trust, and a unique place in the market. Nonetheless, it's important for ESG investments to be financially sustainable, balancing cost efficiency with the goal of providing value in the long-term. The Czech beverage sector should shift from merely meeting compliance requirements for ESG to embracing sustainability strategies that create real value. By viewing ESG as a tool for financial growth and competitive advantage, rather than just a regulatory duty, the industry can thrive.

CONCLUSION

The examination of ESG performance and financial indicators in the Czech beverage industry reveals that companies with a strong dedication to sustainability tend to achieve higher profitability and deliver greater shareholder value. A structured evaluation framework was applied across ESG scoring, financial analysis, and public perception, ensuring consistency and comparability. Based on the integrated assessment, Plzeňský Prazdroj demonstrated the highest overall sustainability performance, followed by Kofola, while Pivovary Staropramen showed weaker alignment across all three ESG pillars and financial metrics.

A positive relationship was observed between ESG scores and both Net Profit Margin and Return on Equity. However, the negative but statistically non-significant correlation between Debt-to-Equity Ratio and ESG scores suggests that firms with higher leverage may face constraints in financing sustainability investments. This also supports the notion that firms with strong ESG profiles may enjoy lower perceived risk and greater access to equity-based capital.

Regarding public perception, results from the questionnaire confirmed that H1 was accepted. The Chi-square test indicated a statistically significant relationship between gender and perceived importance of ESG, with women showing higher levels of awareness and engagement. Finally, the Pearson correlation analysis confirmed that the strength of the ESG–financial relationship varies between firms, underlining that ESG impacts are context-dependent and influenced by firm-specific strategies.

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LIST OF ABBREVIATIONS

CDP	Carbon Disclosure Project
CSRD	Corporate Sustainability Reporting Directive
CSDDD	Corporate Sustainability Due Diligence Directive
DDD	Market Value of Debt
DER	Debt-to-Equity Ratio
E	Market Value of Equity
EBIT	Earnings Before Interest and Tax
EBT	Earnings Before Tax
ESG	Environmental, Social, and Governance
EU GBS	EU Green Bond Standard
EVA	Economic Value Added
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
IFRS	International Financial Reporting Standards
NFRD	Non-Financial Reporting Directive
NOPAT	Net Operating Profit After Tax
NPM	Net Profit Margin
P-value	Probability Value
PAI	Principal Adverse Impact
RBV	Resource-Based View
ROA	Return on Asset
ROE	Return on Equity
Rd	Cost of Debt
Re	Cost of Equity
S	Social (in ESG)
SASB	Sustainability Accounting Standards Board

SDGs	Sustainable Development Goals
SFDR	Sustainable Finance Disclosure Regulation
SME	Small and Medium-sized Enterprise
T	Corporate Tax Rate
TC	Total Capital
WACC	Weighted Average Cost of Capital

APPENDICES

APPENDIX P I:

Konsolidující společnost: Pivovary Staropramen s.r.o.
Identifikační číslo konsolidující společnosti: 242 40 711
Právní forma konoslidující společnosti: Společnost s ručením omezeným
Předmět podnikání skupiny: Pivovarnictví a sladovnictví
Rozvahový den: 31. prosince 2023
Datum sestavení účetní závěrky: 31. prosince 2024

KONSOLIDOVANÁ ROZVAHA

(v celých milionech Kč)

označ.	AKTIVA	31.12.2023	31.12.2022
		Netto	Netto
a	b	1	2
	AKTIVA CELKEM	**20 906**	**21 092**
B.	**Dlouhodobý majetek**	**16 651**	**16 820**
B. I.	**Dlouhodobý nehmotný majetek**	**10 533**	**10 641**
B. I. 2.	Ocenitelná práva	6 840	6 772
B. I. 2. 1.	Software	10	5
B. I. 2. 2.	Ostatní ocenitelná práva	6 830	6 767
B. I. 3.	Goodwill	3 693	3 868
B. I. 5.	Poskytnuté zálohy na dlouhodobý nehmotný majetek a nedokončený dlouhodobý nehmotný majetek	0	1
B. I. 5. 2.	Nedokončený dlouhodobý nehmotný majetek	0	1
B. II.	**Dlouhodobý hmotný majetek**	**5 251**	**5 216**
B. II. 1.	Pozemky a stavby	2 202	2 155
B. II. 1. 2.	Pozemky	1 161	1 153
B. II. 1. 2.	Stavby	1 041	1 002
B. II. 2.	Hmotné movité věci a jejich soubory	2 765	2 763
B. II. 5.	Poskytnuté zálohy na dlouhodobý hmotný majetek a nedokončený dlouhodobý hmotný majetek	284	298
B. II. 5. 2.	Nedokončený dlouhodobý hmotný majetek	284	298
B. IV.	**Kladný konsolidační rozdíl**	**867**	**963**
C.	**Oběžná aktiva**	**3 942**	**3 917**
C. I.	**Zásoby**	**503**	**504**
C. I. 1.	Materiál	217	206
C. I. 2.	Nedokončená výroba a polotovary	64	60
C. I. 3.	Výrobky a zboží	222	238
C. I. 3. 1.	Výrobky	180	196
C. I. 3. 2.	Zboží	42	42
C. II.	**Pohledávky**	**2 107**	**2 066**
C. II. 1.	Dlouhodobé pohledávky	5	6
C. II. 1. 1.	Pohledávky z obchodních vztahů	5	6
C. II. 2.	Krátkodobé pohledávky	2 102	2 060
C. II. 2. 1.	Pohledávky z obchodních vztahů	1 528	1 536
C. II. 2. 2.	Pohledávky - ovládaná nebo ovládající osoba	423	392
C. II. 2. 4.	Pohledávky - ostatní	151	132
C. II. 2. 4. 3.	Stát - daňové pohledávky	34	29
C. II. 2. 4. 4.	Krátkodobé poskytnuté zálohy	14	20
C. II. 2. 4. 5.	Dohadné účty aktivní	87	83
C. II. 2. 4. 6.	Jiné pohledávky	16	0
C. IV.	**Peněžní prostředky**	**1 332**	**1 347**
C. IV. 1.	Peněžní prostředky v pokladně	8	11
C. IV. 2.	Peněžní prostředky na účtech	1 324	1 336
D.	**Časové rozlišení aktiv**	**313**	**355**
D. 1.	Náklady příštích období	287	338
D. 3.	Příjmy příštích období	26	17

Konsolidující společnost: Pivovary Staropramen s.r.o.
Identifikační číslo konsolidující společnosti: 242 40 711
Právní forma konoslidující společnosti: Společnost s ručením omezeným
Předmět podnikání skupiny: Pivovarnictví a sladovnictví
Rozvahový den: 31. prosince 2023
Datum sestavení účetní závěrky: 31. prosince 2024

KONSOLIDOVANÁ ROZVAHA

(v celých milionech Kč)

označ.	PASIVA	31.12.2023	31.12.2022
a	b	3	4
	PASIVA CELKEM	**20 906**	**21 092**
A.	**Vlastní kapitál**	**15 262**	**15 372**
A. I.	**Základní kapitál**	**1 000**	**1 000**
A. I. 1.	Základní kapitál	1 000	1 000
A. II.	**Ážio a kapitálové fondy**	**15 748**	**17 710**
A. II. 2.	Kapitálové fondy	15 748	17 710
A. II. 2. 1.	Ostatní kapitálové fondy	15 719	17 861
A. II. 2. 2.	Oceňovací rozdíly z přecenění majetku a závazků (+/-)	29	-151
A. IV.	**Výsledek hospodaření minulých let (+/-)**	**-2 035**	**-858**
A. IV. 1.	Nerozdělený zisk minulých let	-2 035	-858
A. V.	**Výsledek hospodaření běžného účetního období (+/-)**	**549**	**-2 480**
B. + C.	**Cizí zdroje**	**5 637**	**5 696**
B.	**Rezervy**	**126**	**158**
B. 2.	Rezerva na daň z příjmů	10	0
B. 4.	Ostatní rezervy	116	158
C.	**Závazky**	**5 511**	**5 538**
C. I.	**Dlouhodobé závazky**	**1 396**	**1 370**
C. I. 8.	Odložený daňový závazek	1 391	1 363
C. I. 9.	Závazky - ostatní	5	7
C. I. 9. 3.	Jiné závazky	5	7
C. II.	**Krátkodobé závazky**	**4 115**	**4 168**
C. II. 3.	Krátkodobé přijaté zálohy	770	806
C. II. 4.	Závazky z obchodních vztahů	2 303	2 210
C. II. 6.	Závazky - ovládaná nebo ovládající osoba	1	65
C. II. 8.	Závazky ostatní	1 041	1 087
C. II. 8. 3.	Závazky k zaměstnancům	79	70
C. II. 8. 4.	Závazky ze sociálního zabezpečení a zdravotního pojištění	32	31
C. II. 8. 5.	Stát - daňové závazky a dotace	196	290
C. II. 8. 6.	Dohadné účty pasivní	649	684
C. II. 8. 7.	Jiné závazky	85	12
D.	**Časové rozlišení pasiv**	**7**	**24**
D. 2.	Výnosy příštích období	7	24

Konsolidující společnost: Pivovary Staropramen s.r.o.
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Rozvahový den: 31. prosince 2023
Datum sestavení účetní závěrky: 31. prosince 2024

KONSOLIDOVANÝ VÝKAZ ZISKU A ZTRÁTY

(v celých milionech Kč)

označ.	TEXT	Skutečnost v účetním období	
		2023	2022
a	b	1	2
I.	**Tržby za prodej výrobků a služeb**	**8 415**	**7 694**
II.	**Tržby za prodej zboží**	**3 228**	**3 124**
A.	**Výkonová spotřeba**	**8 425**	**7 705**
A. 1.	Náklady vynaložené na prodané zboží	2 930	2 742
A. 2.	Spotřeba materiálu a energie	2 452	2 104
A. 3.	Služby	3 043	2 859
B.	**Změna stavu zásob vlastní činnosti (+/-)**	**88**	**34**
D.	**Osobní náklady**	**1 525**	**1 547**
D. 1.	Mzdové náklady	897	847
D. 2.	Náklady na sociální zabezpečení, zdravotní pojištění a ostatní náklady	628	700
D. 2. 1.	Náklady na sociální zabezpečení a zdravotní pojištění	443	519
D. 2. 2.	Ostatní náklady	185	181
E.	**Úpravy hodnot v provozní oblasti**	**957**	**4 528**
E. 1.	Úpravy hodnot dlouhodobého nehmotného a hmotného majetku	985	4 574
E. 1. 1.	Úpravy hodnot dlouhodobého nehmotného a hmotného majetku – trvalé	1 034	1 056
E. 1. 2.	Úpravy hodnot dlouhodobého nehmotného a hmotného majetku – dočasné	-145	3 422
E. 2.	Úpravy hodnot zásob	-18	-8
E. 3.	Úpravy hodnot pohledávek	-10	-38
E. 4. 1.	Zúčtování (odpis) konsolidačního rozdílu - kladný konsolidační rozdíl	96	96
III.	**Ostatní provozní výnosy**	**441**	**429**
III. 1.	Tržby z prodaného dlouhodobého majetku	47	51
III. 2.	Tržby z prodaného materiálu	30	38
III. 3.	Jiné provozní výnosy	364	340
F.	**Ostatní provozní náklady**	**362**	**372**
F. 1.	Zůstatková cena prodaného dlouhodobého majetku	-5	11
F. 2.	Zůstatková cena prodaného materiálu	18	21
F. 3.	Daně a poplatky v provozní oblasti	157	87
F. 4.	Rezervy v provozní oblasti a komplexní náklady příštích období	-42	109
F. 5.	Jiné provozní náklady	234	144
*	**Provozní výsledek hospodaření (+/-)**	**727**	**-2 939**
VI.	**Výnosové úroky a podobné výnosy**	24	2
VI. 2.	Ostatní výnosové úroky a podobné výnosy	24	2
J.	**Nákladové úroky a podobné náklady**	8	5
J. 2.	Ostatní nákladové úroky a podobné náklady	8	5
VII.	**Ostatní finanční výnosy**	32	5
K.	**Ostatní finanční náklady**	9	53
*	**Finanční výsledek hospodaření (+/-)**	**39**	**-51**
**	**Výsledek hospodaření před zdaněním (+/-)**	**766**	**-2 990**
L.	**Daň z příjmů**	217	-510
L. 1.	Daň z příjmů splatná	216	163
L. 2.	Daň z příjmů odložená (+/-)	1	-673
**	**Výsledek hospodaření po zdanění (+/-)**	**549**	**-2 480**
****	**Konsolidovaný výsledek hospodaření za účetní období**	**549**	**-2 480**
	Čistý obrat za účetní období = I. + II. + III. + IV. + V. + VI. + VII.	**12 140**	**11 254**

Firma: Skupina Pivovary Staropramen s.r.o.
Identifikační číslo: 242 40 711
Právní forma: Společnost s ručením omezeným
Předmět podnikání: Pivovarnictví a sladovnictví
Rozvahový den: 31. prosince 2021
Datum sestavení Konsolidované účetní závěrky: 6. září 2022

ROZVAHA

(v celých milionech Kč)

označ.	AKTIVA	řád.	31.12.2021			31.12.2020
			Brutto	Korekce	Netto	Netto
a	b	c	1	2	3	4
	AKTIVA CELKEM	**1**	**46 256**	**-20 807**	**25 449**	**26 301**
B.	**Stálá aktiva**	**3**	**41 431**	**-20 529**	**20 902**	**21 691**
B. I.	**Dlouhodobý nehmotný majetek**	**4**	**28 653**	**-14 145**	**14 508**	**15 170**
B. I. 2.	Ocenitelná práva	6	11 187	-4 078	7 109	7 595
B. I. 2. 1.	Software	7	77	-72	5	9
B. I. 2. 2.	Ostatní ocenitelná práva	8	11 110	-4 006	7 104	7 586
B. I. 3.	Goodwill	9	17 465	-10 067	7 398	7 573
B. I. 5.	Poskytnuté zálohy na dlouhodobý nehmotný majetek a nedokončený dlouhodobý nehmotný majetek	11	1	0	1	2
B. I. 5. 1.	Poskytnuté zálohy na dlouhodobý nehmotný majetek	12	0	0	0	1
B. I. 5. 2.	Nedokončený dlouhodobý nehmotný majetek	13	1	0	1	1
B. II.	**Dlouhodobý hmotný majetek**	**14**	**10 818**	**-5 525**	**5 293**	**5 366**
B. II. 1.	Pozemky a stavby	15	2 986	-838	2 148	2 228
B. II. 1. 1.	Pozemky	16	1 176	0	1 176	1 197
B. II. 1. 2.	Stavby	17	1 810	-838	972	1 031
B. II. 2.	Hmotné movité věci a jejich soubory	18	7 467	-4 687	2 780	2 949
B. II. 5.	Poskytnuté zálohy na dlouhodobý hmotný majetek a nedokončený dlouhodobý hmotný majetek	24	365	0	365	189
B. II. 5. 2.	Nedokončený dlouhodobý hmotný majetek	26	365	0	365	189
B. III.	**Dlouhodobý finanční majetek**	**27**	**42**	**0**	**42**	**0**
B. III. 1.	Podíly - ovládaná nebo ovládající osoba	28	42	0	42	0
B. IV	**Kladný/Záporný konsolidační rozdíl**		**1 918**	**-859**	**1 059**	**1 155**
C.	**Oběžná aktiva**	**037**	**4 329**	**-193**	**4 136**	**4 146**
C. I.	**Zásoby**	**038**	**507**	**-42**	**465**	**466**
C. I. 1.	Materiál	039	191	-12	179	202
C. I. 2.	Nedokončená výroba a polotovary	040	40	0	40	50
C. I. 3.	Výrobky a zboží	041	276	-30	246	214
C. I. 3. 1.	Výrobky	042	212	-30	182	166
C. I. 3. 2.	Zboží	043	64	0	64	48
C. II.	**Pohledávky**	**046**	**2 446**	**-151**	**2 295**	**2 627**
C. II. 1.	Dlouhodobé pohledávky	047	15	0	15	13
C. II. 1. 1.	Pohledávky z obchodních vztahů	048	11	0	11	13
C. II. 1. 4.	Odložená daňová pohledávka	051	4	0	4	0
C. II. 2.	Krátkodobé pohledávky	057	2 431	-151	2 280	2 614
C. II. 2. 1.	Pohledávky z obchodních vztahů	058	1 461	-151	1 310	1 409
C. II. 2. 2.	Pohledávky - ovládaná nebo ovládající osoba	059	899	0	899	1 100
C. II. 2. 4.	Pohledávky - ostatní	061	71	0	71	105
C. II. 2. 4. 3.	Stát - daňové pohledávky	064	12	0	12	26
C. II. 2. 4. 4.	Krátkodobé poskytnuté zálohy	065	22	0	22	52
C. II. 2. 4. 5.	Dohadné účty aktivní	066	35	0	35	22
C. II. 2. 4. 6.	Jiné pohledávky	067	2	0	2	5
C. IV.	**Peněžní prostředky**	**075**	**1 376**	**0**	**1 376**	**1 053**
C. IV. 1.	Peněžní prostředky v pokladně	076	4	0	4	2
C. IV. 2.	Peněžní prostředky na účtech	077	1 372	0	1 372	1 051
D.	**Časové rozlišení aktiv**	**078**	**496**	**-85**	**411**	**464**
D. 1.	Náklady příštích období	079	443	-85	358	423
D. 3.	Příjmy příštích období	081	53	0	53	41

označ.	PASIVA	řád.	31.12.2021	31.12.2020
a	b	c	5	6
	PASIVA CELKEM	**082**	**25 449**	**26 301**
A.	**Vlastní kapitál**	**083**	**19 525**	**20 862**
A. I.	**Základní kapitál**	**084**	**1 000**	**1 000**
A. I. 1.	Základní kapitál	085	1 000	1 000
A. II.	**Ážio a kapitálové fondy**	**088**	**18 880**	**20 055**
A. II. 2.	Kapitálové fondy	090	18 880	20 055
A. II. 2. 1.	Ostatní kapitálové fondy	091	18 784	19 548
A. II. 2. 2.	Oceňovací rozdíly z přecenění majetku a závazků (+/-)	092	96	507
A. IV.	**Výsledek hospodaření minulých let (+/-)**	**099**	**-753**	**-656**
A. IV. 1.	Nerozdělený zisk nebo neuhrazená ztráta minulých let (+/-)	100	-753	-656
A. V.	**Konsolidovaný výsledek hospodaření běžného účetního období (+/-)**	**102**	**398**	**463**
B. + C.	**Cizí zdroje**	**104**	**5 890**	**5 425**
B.	**Rezervy**	**105**	**49**	**69**
B. 4.	Ostatní rezervy	109	49	69
C.	**Závazky**	**110**	**5 841**	**5 356**
C. I.	**Dlouhodobé závazky**	**111**	**2 096**	**2 068**
C. I. 4.	Závazky z obchodních vztahů	117	10	0
C. I. 8.	Odložený daňový závazek	121	2 086	2 068
C. II.	**Krátkodobé závazky**	**126**	**3 745**	**3 288**
C. II. 3.	Krátkodobé přijaté zálohy	131	730	513
C. II. 4.	Závazky z obchodních vztahů	132	1 902	1 800
C. II. 6.	Závazky - ovládaná nebo ovládající osoba	134	78	13
C. II. 8.	Závazky ostatní	136	1 035	962
C. II. 8. 3.	Závazky k zaměstnancům	139	61	60
C. II. 8. 4.	Závazky ze sociálního zabezpečení a zdravotního pojištění	140	30	30
C. II. 8. 5.	Stát - daňové závazky a dotace	141	243	224
C. II. 8. 6.	Dohadné účty pasivní	142	695	642
C. II. 8. 7.	Jiné závazky	143	6	6
D.	**Časové rozlišení pasiv**	**147**	**34**	**14**
D. 2.	Výnosy příštích období	149	34	14

Firma: Skupina Pivovary Staropramen s.r.o.
Identifikační číslo: 242 40 711
Právní forma: Společnost s ručením omezeným
Předmět podnikání: Pivovarnictví a sladovnictví
Rozvahový den: 31. prosince 2021
Datum sestavení Konsolidované účetní závěrky: 6. září 2022

VÝKAZ ZISKU A ZTRÁTY

(v celých milionech Kč)

označ.	TEXT	řád.	Skutečnost v účetním období	
			2021	2020
a	b	c	1	2
I.	**Tržby z prodeje výrobků a služeb**	**01**	**7 049**	**7 102**
II.	**Tržby za prodej zboží**	**02**	**2 843**	**2 266**
A.	**Výkonová spotřeba**	**03**	**6 598**	**6 305**
A. 1.	Náklady vynaložené na prodané zboží	04	2 327	1 893
A. 2.	Spotřeba materiálu a energie	05	1 741	1 875
A. 3.	Služby	06	2 530	2 537
B.	**Změna stavu zásob vlastní činnosti (+/-)**	**07**	**-8**	**-5**
D.	**Osobní náklady**	**09**	**1 396**	**1 293**
D. 1.	Mzdové náklady	10	885	797
D. 2.	Náklady na sociální zabezpečení, zdravotní pojištění a ostatní náklady	11	511	496
D. 2. 1.	Náklady na sociální zabezpečení a zdravotní pojištění	12	383	376
D. 2. 2.	Ostatní náklady	13	128	120
E.	**Úpravy hodnot v provozní oblasti**	**14**	**1 222**	**1 255**
E. 1.	Úpravy hodnot dlouhodobého nehmotného a hmotného majetku	15	1 182	1 233
E. 1. 1.	Úpravy hodnot dlouhodobého nehmotného a hmotného majetku – trvalé	16	1 086	1 138
E. 1. 2.	Úpravy hodnot dlouhodobého nehmotného a hmotného majetku – dočasné	17	0	-1
E. 1. 3.	Zúčtování kladného konsolidačního rozdílu		96	96
E. 2.	Úpravy hodnot zásob	18	24	4
E. 3.	Úpravy hodnot pohledávek	19	16	18
III.	**Ostatní provozní výnosy**	**20**	**334**	**306**
III. 1.	Tržby z prodaného dlouhodobého majetku	21	17	72
III. 2.	Tržby z prodaného materiálu	22	31	31
III. 3.	Jiné provozní výnosy	23	286	203
F.	**Ostatní provozní náklady**	**24**	**244**	**228**
F. 1.	Zůstatková cena prodaného dlouhodobého majetku	25	5	9
F. 2.	Prodaný materiál	26	15	17
F. 3.	Daně a poplatky	27	84	74
F. 4.	Rezervy v provozní oblasti a komplexní náklady příštích období	28	-4	-5
F. 5.	Jiné provozní náklady	29	144	133
*	**Provozní výsledek hospodaření (+/-)**	**30**	**774**	**598**
VI.	Výnosové úroky a podobné výnosy	39	0	1
VI. 2.	Ostatní výnosové úroky a podobné výnosy	41	0	1
J.	Nákladové úroky a podobné náklady	43	6	8
J. 2.	Ostatní nákladové úroky a podobné náklady	45	6	8
VII.	Ostatní finanční výnosy	46	1	14
K.	Ostatní finanční náklady	47	69	32
*	**Konsolidovaný finanční výsledek hospodaření (+/-)**	**48**	**-75**	**-25**
**	**Konsolidovaný výsledek hospodaření před zdaněním (+/-)**	**49**	**699**	**573**
L.	**Daň z příjmů**	**50**	**301**	**110**
L. 1.	Daň z příjmů splatná	51	216	170
L. 2.	Daň z příjmů odložená (+/-)	52	85	-60
**	**Konsolidovaný výsledek hospodaření po zdanění (+/-)**	**53**	**398**	**463**
***	**Konsolidovaný výsledek hospodaření za účetní období (+/-)**	**55**	**398**	**463**
*	**Čistý obrat za účetní období = I. + II. + III. + IV. + V. + VI. + VII.**	**56**	**10 227**	**9 689**

APPENDIX P II:

1. CONSOLIDATED FINANCIAL STATEMENTS

1.1. CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the 12-month period ended 31 December 2023 and 31 December 2022 in CZK thousand.

Consolidated statement of profit or loss	Note	2023	2022
		CZK´000	CZK´000
Revenue	4.2	8,690,103	7,875,284
Cost of sales	4.3	(4,802,651)	(4,564,018)
Gross profit		**3,887,452**	**3,311,266**
Selling, marketing and distribution costs	4.3	(2,487,765)	(2,329,973)
Administrative costs	4.3	(707,052)	(466,509)
Other operating income	4.4	89,917	47,858
Other operating expenses	4.5	(35,349)	(80,002)
Operating profit/(loss)		**747,203**	**482,640**
Finance income	4.6	34,256	158,282
Finance costs	4.7	(295,532)	(241,078)
Share of profit/(loss) of equity accounted investees	4.12	(3,985)	-
Profit/(loss) before income tax		**481,942**	**399,844**
Income tax (expense)/benefit	4.8	(112,965)	(135,925)
Profit/(loss) for the period	1.2	**368,977**	**263,919**
Attributable to:			
Owners of Kofola ČeskoSlovensko a.s.	1.5	365,397	269,150
Non-controlling interests	1.5	3,580	(5,231)
Earnings/(loss) per share for profit/(loss) attributable to the ordinary equity holders of the Company (in CZK)			
Basic earnings/(loss) per share	4.9	16.39	12.07

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

1.3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2023 and 31 December 2022 in CZK thousand.

Assets	Note	31.12.2023	31.12.2022
		CZK´000	CZK´000
Non-current assets		**5,130,248**	**5,088,930**
Property, plant and equipment	4.10	3,113,262	3,098,477
Goodwill	4.11	662,318	647,969
Intangible assets	4.11	1,159,796	1,177,692
Investments in equity accounted investees	4.12	75,696	-
Other receivables	4.14	80,569	164,792
Deferred tax assets	4.8	38,607	-
Current assets		**2,897,353**	**2,414,503**
Inventories	4.13	706,191	766,437
Trade and other receivables	4.14	1,119,938	997,989
Income tax receivables		125	23,635
Cash and cash equivalents	4.15	1,071,099	626,442
Total assets		**8,027,601**	**7,503,433**

Liabilities and equity	Note	31.12.2023	31.12.2022
		CZK´000	CZK´000
Equity attributable to owners of Kofola ČeskoSlovensko a.s.	1.5	**1,457,845**	**1,332,365**
Share capital	1.5	1,114,597	1,114,597
Share premium and capital reorganisation reserve	1.5	(1,962,871)	(1,962,871)
Other reserves	1.5	2,614,776	2,516,742
Foreign currency translation reserve	1.5	(1,193)	(30,075)
Own shares	1.5	(467,382)	(467,382)
Retained earnings/(Accumulated deficit)	1.5	159,918	161,354
Equity attributable to non-controlling interests	1.5	**5**	**(44,736)**
Total equity	1.5	**1,457,850**	**1,287,629**
Non-current liabilities		**3,762,652**	**3,664,098**
Bank credits and loans	4.18, 4.26.1	3,153,945	3,058,226
Lease liabilities	4.22, 4.26.1	215,891	252,594
Provisions	4.17	51,505	32,613
Other liabilities	4.19	76,847	16,825
Deferred tax liabilities	4.8	264,464	303,840
Current liabilities		**2,807,099**	**2,551,706**
Bank credits and loans	4.18, 4.26.1	447,315	491,799
Lease liabilities	4.22, 4.26.1	113,652	118,863
Provisions	4.17	182,248	100,509
Trade and other payables	4.19	1,982,385	1,832,832
Income tax liabilities		81,499	7,703
Total liabilities		**6,569,751**	**6,215,804**
Total liabilities and equity		**8,027,601**	**7,503,433**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

1.1. CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the 12-month period ended 31 December 2021 and 31 December 2020 in CZK thousand.

Consolidated statement of profit or loss	Note	2021 CZK´000	2020 CZK´000
Revenue	4.2	6,636,218	6,171,455
Cost of sales	4.3	(3,710,224)	(3,349,540)
Gross profit		**2,925,994**	**2,821,915**
Selling, marketing and distribution costs	4.3	(2,033,550)	(2,041,718)
Administrative costs	4.3	(466,400)	(425,653)
Other operating income	4.4	155,650	84,871
Other operating expenses	4.5	(46,284)	(101,943)
Impairment	4.10.1	-	(44,339)
Operating profit/(loss)		**535,410**	**293,133**
Finance income	4.6	627	19,171
Finance costs	4.7	(170,893)	(120,606)
Profit/(loss) before income tax		**365,144**	**191,698**
Income tax (expense)/benefit	4.8	(124,653)	(125,899)
Profit/(loss) for the period	1.2	**240,491**	**65,799**
Attributable to:			
Owners of Kofola ČeskoSlovensko a.s.	1.5	248,797	80,518
Non-controlling interests	1.5	(8,306)	(14,719)
Earnings/(loss) per share for profit/(loss) attributable to the ordinary equity holders of the Company (in CZK)			
Basic earnings/(loss) per share	4.9	11.16	3.61

The above consolidated statement of profit or loss should be read in conjunction with the accompanying notes.

1. CONSOLIDATED FINANCIAL STATEMENTS

1.3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2021 and 31 December 2020 in CZK thousand.

Assets	Note	31.12.2021 CZK´000	31.12.2020 CZK´000
Non-current assets		**5,306,289**	**5,683,537**
Property, plant and equipment	4.10	3,221,419	3,448,570
Goodwill	4.11	648,093	647,019
Intangible assets	4.11	1,249,412	1,339,224
Other receivables	4.13	160,058	208,651
Deferred tax assets	4.8	27,307	40,073
Current assets		**1,929,309**	**1,853,712**
Inventories	4.12	641,234	519,192
Trade and other receivables	4.13	866,810	783,420
Income tax receivables		29,748	7,211
Cash and cash equivalents	4.14	391,517	543,889
Total assets		**7,235,598**	**7,537,249**

Liabilities and equity	Note	31.12.2021 CZK´000	31.12.2020 CZK´000
Equity attributable to owners of Kofola ČeskoSlovensko a.s.	1.5	**1,336,464**	**1,338,391**
Share capital	1.5	1,114,597	1,114,597
Share premium and capital reorganisation reserve	1.5	(1,962,871)	(1,962,871)
Other reserves	1.5	2,533,344	2,449,921
Foreign currency translation reserve	1.5	(730)	60,067
Own shares	1.5	(477,333)	(490,151)
Retained earnings/(Accumulated deficit)	1.5	129,457	166,828
Equity attributable to non-controlling interests	1.5	**(39,505)**	**(31,199)**
Total equity	1.5	**1,296,959**	**1,307,192**
Non-current liabilities		**3,435,966**	**3,993,268**
Bank credits and loans	4.17, 4.24.1	2,783,697	3,252,207
Lease liabilities	4.20, 4.24.1	301,924	322,372
Provisions	4.16	40,241	41,315
Other liabilities	4.18	16,631	91,390
Deferred tax liabilities	4.8	293,473	285,984
Current liabilities		**2,502,673**	**2,236,789**
Bank credits and loans	4.17, 4.24.1	633,307	685,157
Lease liabilities	4.20, 4.24.1	125,239	132,422
Provisions	4.16	91,678	66,865
Trade and other payables	4.18	1,632,590	1,320,878
Income tax liabilities		19,859	31,467
Total liabilities		**5,938,639**	**6,230,057**
Total liabilities and equity		**7,235,598**	**7,537,249**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

APPENDIX P III:

Firma: Plzeňský Prazdroj, a.s.
Sídlo: U Prazdroje 64/7, Východní Předměstí, 301 00 Plzeň
Identifikační číslo: 453 57 366
Právní forma: Akciová společnost
Předmět podnikání: Výroba a prodej piva a sladu
Rozvahový den: 31.prosince 2021
Datum sestavení účetní závěrky: 25. dubna 2022

ROZVAHA
(v celých milionech Kč)

označ.	AKTIVA	řád.	31.12.2021			31.12.2020
			Brutto	Korekce	Netto	Netto
a	b	c	1	2	3	4
	AKTIVA CELKEM	**001**	**39.949**	**-24.376**	**15.573**	**14.448**
B.	**Dlouhodobý majetek**	**003**	**35.482**	**-23.801**	**11.681**	**10.990**
B. I.	**Dlouhodobý nehmotný majetek**	**004**	**2.388**	**-1.861**	**527**	**527**
B. I. 1.	Nehmotné výsledky výzkumu a vývoje	005	16	-12	4	1
B. I. 2.	**Ocenitelná práva**	**006**	**2.252**	**-1.791**	**461**	**511**
B. I. 2. 1.	Software	007	1.167	-1.069	98	123
B. I. 2. 2.	Ostatní ocenitelná práva	008	1.085	-722	363	388
B. I. 4.	Ostatní dlouhodobý nehmotný majetek	010	65	-14	51	10
B. I. 5.	**Poskytnuté zálohy na dlouhodobý nehmotný majetek a nedokončený**	**011**	**55**	**-44**	**11**	**5**
B. I. 5. 2.	Nedokončený dlouhodobý nehmotný majetek	013	55	-44	11	5
B. II.	**Dlouhodobý hmotný majetek**	**014**	**33.076**	**-21.930**	**11.146**	**10.455**
B. II. 1.	**Pozemky a stavby**	**015**	**7.582**	**-3.492**	**4.090**	**3.852**
B. II. 1. 1.	Pozemky	016	271	0	271	296
B. II. 1. 2.	Stavby	017	7.311	-3.492	3.819	3.556
B. II. 2.	Hmotné movité věci a jejich soubory	018	18.688	-12.707	5.981	5.779
B. II. 3.	Oceňovací rozdíl k nabytému majetku	019	5.731	-5.731	0	0
B. II. 4.	**Ostatní dlouhodobý hmotný majetek**	**020**	**5**	**0**	**5**	**5**
B. II. 4. 3.	Jiný dlouhodobý hmotný majetek	023	5	0	5	5
B. II. 5.	**Poskytnuté zálohy na dlouhodobý hmotný majetek a nedokončený**	**024**	**1.070**	**0**	**1.070**	**819**
B. II. 5. 1.	Poskytnuté zálohy na dlouhodobý hmotný majetek	025	312	0	312	53
B. II. 5. 2.	Nedokončený dlouhodobý hmotný majetek	026	758	0	758	766
B. III.	**Dlouhodobý finanční majetek**	**027**	**18**	**-10**	**8**	**8**
B. III 3.	**Podíly - podstatný vliv**	**030**	**18**	**-10**	**8**	**8**
C.	**Oběžná aktiva**	**037**	**3.484**	**-441**	**3.043**	**2.640**
C. I.	**Zásoby**	**038**	**1.508**	**-80**	**1.428**	**1.264**
C. I. 1.	Materiál	039	879	-72	807	686
C. I. 2.	Nedokončená výroba a polotovary	040	441	0	441	402
C. I. 3.	**Výrobky a zboží**	**041**	**188**	**-8**	**180**	**176**
C. I. 3. 1.	Výrobky	042	158	-2	156	150
C. I. 3. 2.	Zboží	043	30	-6	24	26
C. II.	**Pohledávky**	**046**	**1.951**	**-361**	**1.590**	**1.369**
C. II. 2.	**Krátkodobé pohledávky**	**057**	**1.951**	**-361**	**1.590**	**1.369**
C. II. 2. 1.	Pohledávky z obchodních vztahů	058	1.550	-359	1.191	1.134
C. II. 2. 4.	**Pohledávky - ostatní**	**061**	**401**	**-2**	**399**	**235**
C. II. 2. 4. 4.	Krátkodobé poskytnuté zálohy	065	24	0	24	56
C. II. 2. 4. 5.	Dohadné účty aktivní	066	158	-2	156	155
C. II. 2. 4. 6.	Jiné pohledávky	067	219	0	219	24
C. IV.	**Peněžní prostředky**	**071**	**25**	**0**	**25**	**7**
C. IV. 1.	Peněžní prostředky v pokladně	072	24	0	24	6
C. IV. 2.	Peněžní prostředky na účtech	073	1	0	1	1
D.	**Časové rozlišení aktiv**	**074**	**983**	**-134**	**849**	**818**
D. 1.	Náklady příštích období	075	983	-134	849	818

označ.	PASIVA	řád.	31.12.2021	31.12.2020
a	b	c	5	6
	PASIVA CELKEM	078	15.573	14.448
A.	**Vlastní kapitál**	079	7.142	2.496
A. I.	**Základní kapitál**	080	2.000	2.000
A. I. 1.	Základní kapitál	081	2.000	2.000
A. II.	**Ážio a kapitálové fondy**	084	138	-27
A. II. 2.	**Kapitálové fondy**	086	138	-27
A. II. 2. 2.	Oceňovací rozdíly z přecenění majetku a závazků (+/-)	088	138	-27
A. IV.	**Výsledek hospodaření minulých let (+/-)**	095	523	47
A. IV. 1.	Nerozdělený zisk minulých let	096	523	47
A. V.	**Výsledek hospodaření běžného účetního období**	099	4.481	3.826
A. VI.	**Rozhodnuto o zálohách na výplatě podílu na zisku (-)**	100	0	-3.350
B. + C.	**Cizí zdroje**	101	8.422	11.934
B.	**Rezervy**	102	492	439
B. 2.	Rezerva na daň z příjmů	104	168	93
B. 4.	Ostatní rezervy	106	324	346
C.	**Závazky**	107	7.930	11.495
C. I.	**Dlouhodobé závazky**	108	1.590	738
C. I. 6.	Závazky - ovládaná nebo ovládající osoba	116	800	0
C. I. 8.	Odložený daňový závazek	118	765	678
C. I. 9.	Závazky - ostatní (ř. 120 - 122)	119	25	60
C. I. 9. 2.	Dohadné účty pasivní	121	25	60
C. II.	**Krátkodobé závazky**	123	6.340	10.757
C. II. 3.	Krátkodobé přijaté zálohy	128	979	753
C. II. 4.	Závazky z obchodních vztahů	129	3.172	2.460
C. II. 6.	Závazky - ovládaná nebo ovládající osoba	131	157	5.537
C. II. 8.	**Závazky ostatní**	133	2.032	2.007
C. II. 8. 1.	Závazky ke společníkům	134	9	9
C. II. 8. 3.	Závazky k zaměstnancům	136	84	77
C. II. 8. 4.	Závazky ze sociálního zabezpečení a zdravotního pojištění	137	47	46
C. II. 8. 5.	Stát - daňové závazky a dotace	138	560	443
C. II. 8. 6.	Dohadné účty pasivní	139	1.269	1.373
C. II. 8. 7.	Jiné závazky	140	63	59
D.	**Časové rozlišení**	141	9	18
D. I.	Výdaje příštích období	142	8	17
D. II.	Výnosy příštích období	143	1	1

Firma: Plzeňský Prazdroj, a.s.
Sídlo: U Prazdroje 64/7, Východní Předměstí, 301 00 Plzeň
Identifikační číslo: 453 57 366
Právní forma: Akciová společnost
Předmět podnikání: Výroba a prodej piva a sladu
Pro období: končící 31. prosince 2021
Datum sestavení účetní závěrky: 25. dubna 2022

VÝKAZ ZISKU A ZTRÁTY

(v celých milionech Kč)

označ.	TEXT	řád.	Skutečnost v účetním období	
			31.12.2021	31.12.2020
a	b	c	1	2
I.	Tržby za prodej výrobků a služeb	01	16.235	15.786
II.	Tržby za prodej zboží	02	100	81
A.	**Výkonová spotřeba**	**03**	**8.019**	**7.920**
A. 1.	Náklady vynaložené na prodané zboží	04	57	49
A. 2.	Spotřeba materiálu a energie	05	4.042	3.960
A. 3.	Služby	06	3.920	3.911
B.	Změna stavu zásob vlastní činnosti (+/-)	07	-64	-94
C.	Aktivace (-)	08	-43	-52
D.	**Osobní náklady**	**09**	**2.019**	**1.929**
D. 1.	Mzdové náklady	10	1.449	1.370
D. 2.	**Náklady na sociální zabezpečení, zdravotní pojištění a ostatní náklady**	**11**	**570**	**559**
D. 2. 1.	Náklady na sociální zabezpečení a zdravotní pojištění	12	477	448
D. 2. 2.	Ostatní náklady	13	93	111
E.	**Úpravy hodnot v provozní oblasti**	**14**	**995**	**1.339**
E. 1.	**Úpravy hodnot dlouhodobého nehmotného a hmotného majetku**	**15**	**1.051**	**1.227**
E. 1. 1.	Úpravy hodnot dlouhodobého nehmotného a hmotného majetku – trvalé	16	1.302	1.275
E. 1. 2.	Úpravy hodnot dlouhodobého nehmotného a hmotného majetku – dočasné	17	-251	-48
E. 2.	Úpravy hodnot zásob	18	-6	24
E. 3.	Úpravy hodnot pohledávek	19	-50	88
III.	**Ostatní provozní výnosy**	**20**	**1.224**	**253**
III. 1.	Tržby z prodaného dlouhodobého majetku	21	119	14
III. 2.	Tržby z prodaného materiálu	22	68	67
III. 3.	Jiné provozní výnosy	23	1.037	172
F.	**Ostatní provozní náklady**	**24**	**1.025**	**227**
F. 1.	Zůstatková cena prodaného dlouhodobého majetku	25	63	4
F. 2.	Zůstatková cena prodaného materiálu	26	40	37
F. 3.	Daně a poplatky v provozní oblasti	27	32	35
F. 4.	Rezervy v provozní oblasti a komplexní náklady příštích období	28	-22	21
F. 5.	Jiné provozní náklady	29	912	130
*	**Provozní výsledek hospodaření (+/-)**	**30**	**5.608**	**4.851**
I.	**Úpravy hodnot a rezervy ve finanční oblasti**	**42**	**0**	**1**
J.	**Nákladové úroky a podobné náklady**	**43**	**70**	**79**
J. 1.	Nákladové úroky a podobné náklady - ovládaná nebo ovládající osoba	44	70	79
VII.	Ostatní finanční výnosy	46	61	2
K.	Ostatní finanční náklady	47	37	31
*	**Finanční výsledek hospodaření (+/-)**	**48**	**-46**	**-109**
**	**Výsledek hospodaření před zdaněním (+/-)**	**49**	**5.562**	**4.742**
L.	**Daň z příjmů**	**50**	**1.081**	**916**
L. 1.	Daň z příjmů splatná	51	1.033	877
L. 2.	Daň z příjmů odložená (+/-)	52	48	39
**	**Výsledek hospodaření po zdanění (+/-)**	**53**	**4.481**	**3.826**
***	**Výsledek hospodaření za účetní období (+/-)**	**55**	**4.481**	**3.826**
	Čistý obrat za účetní období = I. + II. + III. + IV. + V. + VI. + VII.	**56**	**17.620**	**16.122**

Právní forma: Akciová společnost
Předmět podnikání: Výroba a prodej piva a sladu
Rozvahový den: 31.prosince 2023
Datum sestavení účetní závěrky: 15.května 2024

ROZVAHA
(v celých milionech Kč)

označ.	AKTIVA	řád.	31.12.2023			31.12.2022
			Brutto	Korekce	Netto	Netto
a	b	c	1	2	3	4
	AKTIVA CELKEM	**001**	**50 091**	**-25 319**	**24 772**	**20 627**
B.	**Dlouhodobý majetek**	**003**	**37 954**	**-24 935**	**13 019**	**12 453**
B. I.	**Dlouhodobý nehmotný majetek**	**004**	**2 396**	**-1 931**	**465**	**514**
B. I. 1.	Nehmotné výsledky výzkumu a vývoje	005	18	-17	1	3
B. I. 2.	**Ocenitelná práva**	**006**	**2 347**	**-1 913**	**434**	**492**
B. I. 2. 1.	Software	007	1 246	-1 117	129	163
B. I. 2. 2.	Ostatní ocenitelná práva	008	1 101	-796	305	329
B. I. 4.	Ostatní dlouhodobý nehmotný majetek	010	17	-1	16	6
B. I. 5.	**Poskytnuté zálohy na dlouhodobý nehmotný majetek a nedokončený**	**011**	**14**	**0**	**14**	**13**
B. I. 5. 2.	Nedokončený dlouhodobý nehmotný majetek	013	14	0	14	13
B. II.	**Dlouhodobý hmotný majetek**	**014**	**35 540**	**-22 994**	**12 546**	**11 931**
B. II. 1.	**Pozemky a stavby**	**015**	**8 412**	**-3 824**	**4 588**	**4 202**
B. II. 1. 1.	Pozemky	016	271	0	271	271
B. II. 1. 2.	Stavby	017	8 141	-3 824	4 317	3 931
B. II. 2.	Hmotné movité věci a jejich soubory	018	20 199	-13 439	6 760	6 446
B. II. 3.	Oceňovací rozdíl k nabytému majetku	019	5 731	-5 731	0	0
B. II. 4.	**Ostatní dlouhodobý hmotný majetek**	**020**	**5**	**0**	**5**	**5**
B. II. 4. 3.	Jiný dlouhodobý hmotný majetek	023	5	0	5	5
B. II. 5.	**Poskytnuté zálohy na dlouhodobý hmotný majetek a nedokončený**	**024**	**1 193**	**0**	**1 193**	**1 278**
B. II. 5. 1.	Poskytnuté zálohy na dlouhodobý hmotný majetek	025	27	0	27	77
B. II. 5. 2.	Nedokončený dlouhodobý hmotný majetek	026	1 166	0	1 166	1 201
B. III.	**Dlouhodobý finanční majetek**	**027**	**18**	**-10**	**8**	**8**
B. III 3.	Podíly - podstatný vliv	030	18	-10	8	8
C.	**Oběžná aktiva**	**037**	**11 318**	**-215**	**11 103**	**7 376**
C. I.	**Zásoby**	**038**	**1 814**	**-71**	**1 743**	**1 897**
C. I. 1.	Materiál	039	996	-63	933	1 106
C. I. 2.	Nedokončená výroba a polotovary	040	574	0	574	581
C. I. 3.	**Výrobky a zboží**	**041**	**244**	**-8**	**236**	**210**
C. I. 3. 1.	Výrobky	042	196	-2	194	169
C. I. 3. 2.	Zboží	043	48	-6	42	41
C. II.	**Pohledávky**	**046**	**9 441**	**-144**	**9 297**	**5 438**
C. II. 2.	**Krátkodobé pohledávky**	**057**	**9 441**	**-144**	**9 297**	**5 438**
C. II. 2. 1.	Pohledávky z obchodních vztahů	058	1 427	-144	1 283	1 173
C. II. 2. 2.	Pohledávky - ovládaná nebo ovládající osoba	059	7 691	0	7 691	3 915
C. II. 2. 4.	**Pohledávky - ostatní**	**061**	**323**	**0**	**323**	**350**
C. II. 2. 4. 4.	Krátkodobé poskytnuté zálohy	065	13	0	13	33
C. II. 2. 4. 5.	Dohadné účty aktivní	066	235	0	235	174
C. II. 2. 4. 6.	Jiné pohledávky	067	75	0	75	143
C. IV.	**Peněžní prostředky**	**071**	**63**	**0**	**63**	**41**
C. IV. 1.	Peněžní prostředky v pokladně	072	62	0	62	41
C. IV. 2.	Peněžní prostředky na účtech	073	1	0	1	0
D.	**Časové rozlišení aktiv**	**074**	**819**	**-169**	**650**	**798**
D. 1.	Náklady příštích období	075	819	-169	650	798

označ.	PASIVA	řád.	31.12.2023	31.12.2022
a	b	c	5	6
	PASIVA CELKEM	**078**	**24 772**	**20 627**
A.	**Vlastní kapitál**	**079**	**16 502**	**12 961**
A. I.	**Základní kapitál**	**080**	**2 000**	**2 000**
A. I. 1.	Základní kapitál	081	2 000	2 000
A. II.	**Ážio a kapitálové fondy**	**084**	**24**	**42**
A. II. 2.	**Kapitálové fondy**	**086**	**24**	**42**
A. II. 2. 2.	Oceňovací rozdíly z přecenění majetku a závazků (+/-)	088	24	42
A. IV.	**Výsledek hospodaření minulých let (+/-)**	**095**	**8 536**	**5 004**
A. IV. 1.	Nerozdělený zisk minulých let	096	8 536	5 004
A. V.	**Výsledek hospodaření běžného účetního období**	**099**	**5 942**	**5 915**
A. VI.	**Rozhodnuto o zálohách na výplatě podílu na zisku (-)**	**100**	**0**	**0**
B. + C.	**Cizí zdroje**	**101**	**8 270**	**7 665**
B.	**Rezervy**	**102**	**633**	**532**
B. 2.	Rezerva na daň z příjmů	104	390	243
B. 4.	Ostatní rezervy	106	243	289
C.	**Závazky**	**107**	**7 637**	**7 133**
C. I.	**Dlouhodobé závazky**	**108**	**854**	**607**
C. I. 6.	Závazky - ovládaná nebo ovládající osoba	116	0	0
C. I. 8.	Odložený daňový závazek	118	828	582
C. I. 9.	Závazky - ostatní (ř. 120 - 122)	119	26	25
C. I. 9. 2.	Dohadné účty pasivní	121	26	25
C. II.	**Krátkodobé závazky**	**123**	**6 783**	**6 526**
C. II. 3.	Krátkodobé přijaté zálohy	128	909	965
C. II. 4.	Závazky z obchodních vztahů	129	3 593	3 457
C. II. 6.	Závazky - ovládaná nebo ovládající osoba	131	0	0
C. II. 8.	**Závazky ostatní**	**133**	**2 281**	**2 104**
C. II. 8. 1.	Závazky ke společníkům	134	9	9
C. II. 8. 3.	Závazky k zaměstnancům	136	103	95
C. II. 8. 4.	Závazky ze sociálního zabezpečení a zdravotního pojištění	137	56	50
C. II. 8. 5.	Stát - daňové závazky a dotace	138	538	537
C. II. 8. 6.	Dohadné účty pasivní	139	1 528	1 306
C. II. 8. 7.	Jiné závazky	140	47	107
D.	**Časové rozlišení**	**141**	**0**	**1**
D. II	Výnosy příštích období	143	0	1

Předmět podnikání: Výroba a prodej piva a sladu
Za rok končící: 31. prosince 2023
Datum sestavení účetní závěrky: 15. května 2024

VÝKAZ ZISKU A ZTRÁTY

(v celých milionech Kč)

označ.			TEXT	řád.	Skutečnost v účetním období	
					31.12.2023	31.12.2022
a			b	c	1	2
I.			Tržby za prodej výrobků a služeb	01	21 363	19 435
II.			Tržby za prodej zboží	02	281	177
A.			**Výkonová spotřeba**	**03**	**10 860**	**9 687**
A.	1.		Náklady vynaložené na prodané zboží	04	157	67
A.	2.		Spotřeba materiálu a energie	05	5 607	5 061
A.	3.		Služby	06	5 096	4 559
B.			Změna stavu zásob vlastní činnosti (+/-)	07	-43	-184
C.			Aktivace (-)	08	-60	-60
D.			**Osobní náklady**	**09**	**2 607**	**2 215**
D.	1.		Mzdové náklady	10	1 866	1 597
D.	**2.**		**Náklady na sociální zabezpečení, zdravotní pojištění a ostatní náklady**	**11**	**741**	**618**
D.	2.	1.	Náklady na sociální zabezpečení a zdravotní pojištění	12	619	520
D.	2.	2.	Ostatní náklady	13	122	98
E.			**Úpravy hodnot v provozní oblasti**	**14**	**1 147**	**1 091**
E.	**1.**		**Úpravy hodnot dlouhodobého nehmotného a hmotného majetku**	**15**	**1 319**	**1 110**
E.	1.	1.	Úpravy hodnot dlouhodobého nehmotného a hmotného majetku – trvalé	16	1 343	1 377
E.	1.	2.	Úpravy hodnot dlouhodobého nehmotného a hmotného majetku – dočasné	17	-24	-267
E.	2.		Úpravy hodnot zásob	18	2	-11
E.	3.		Úpravy hodnot pohledávek	19	-174	-8
III.			**Ostatní provozní výnosy**	**20**	**7 773**	**4 440**
III.	1.		Tržby z prodaného dlouhodobého majetku	21	17	43
III.	2.		Tržby z prodaného materiálu	22	145	82
III.	3.		Jiné provozní výnosy	23	7 611	4 315
F.			**Ostatní provozní náklady**	**24**	**7 804**	**4 387**
F.	1.		Zůstatková cena prodaného dlouhodobého majetku	25	13	95
F.	2.		Zůstatková cena prodaného materiálu	26	39	41
F.	3.		Daně a poplatky v provozní oblasti	27	46	38
F.	4.		Rezervy v provozní oblasti a komplexní náklady příštích období	28	-46	-35
F.	5.		Jiné provozní náklady	29	7 752	4 248
	*		**Provozní výsledek hospodaření (+/-)**	**30**	**7 102**	**6 916**
H.	VI.		**Výnosové úroky a podobné výnosy**	**39**	**442**	**123**
	VI.	1	Výnosové úroky a podobné výnosy - ovládaná nebo ovládající osoba	40	442	123
I.			**Úpravy hodnot a rezervy ve finanční oblasti**	**42**	**0**	**0**
J.			**Nákladové úroky a podobné náklady**	**43**	**0**	**26**
J.	1.		Nákladové úroky a podobné náklady - ovládaná nebo ovládající osoba	44	0	26
	VII.		Ostatní finanční výnosy	46	18	50
K.			Ostatní finanční náklady	47	93	97
	*		**Finanční výsledek hospodaření (+/-)**	**48**	**367**	**50**
	**		**Výsledek hospodaření před zdaněním (+/-)**	**49**	**7 469**	**6 966**
L.			**Daň z příjmů**	**50**	**1 527**	**1 051**
L.	1.		Daň z příjmů splatná	51	1 278	1 211
L.	2.		Daň z příjmů odložená (+/-)	52	249	-160
	**		**Výsledek hospodaření po zdanění (+/-)**	**53**	**5 942**	**5 915**
	***		**Výsledek hospodaření za účetní období (+/-)**	**55**	**5 942**	**5 915**
			Čistý obrat za účetní období = I. + II. + III. + IV. + V. + VI. + VII.	**56**	**29 877**	**24 225**

APPENDIX P IV:

Public perception of Environmental, Social and Governance of three companies in the beverage industry

The survey comprises of 26 questions, encompassing inquiries regarding the knowledge of ESG activities of the three prominent beverage manufacturing companies in the Czech republic. The survey aims to discern the the key factors influencing consumer perception of ESG activities.
Thank you in advance for your time and participation.

Gender

- Male
- Female

Age

- 18-24
- 25-31
- 32-40
- 41 and above

Where do you reside

- Czech Republic
- Outside Czech republic

Educational level

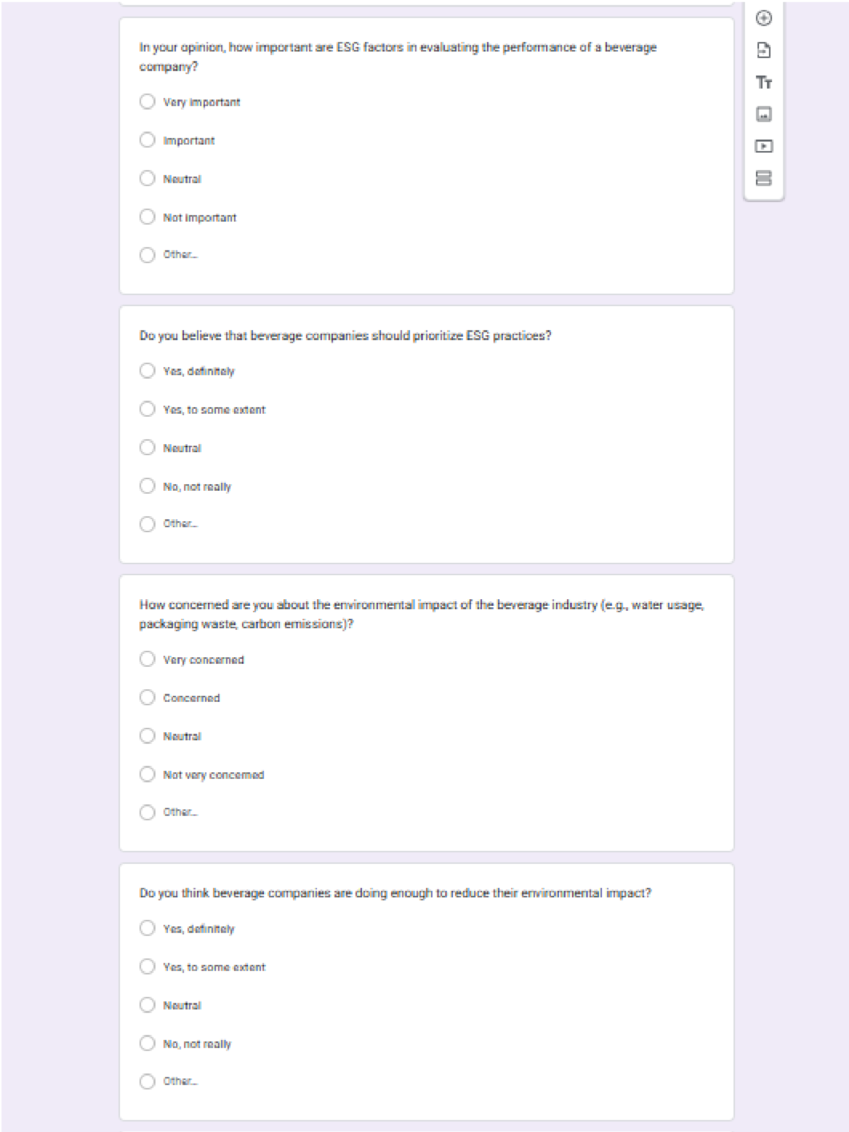
- high school
- bachelor degree
- master degree

Which of these Company are you familiar with their product

- Kofola
- Pivovary Staropramen
- Plezensky Prazdroj
- All

Are you familiar with the concept of Environmental, Social and Governance?

- Yes
- No



In your opinion, how important are ESG factors in evaluating the performance of a beverage company?

- Very important
- Important
- Neutral
- Not important
- Other...

Do you believe that beverage companies should prioritize ESG practices?

- Yes, definitely
- Yes, to some extent
- Neutral
- No, not really
- Other...

How concerned are you about the environmental impact of the beverage industry (e.g., water usage, packaging waste, carbon emissions)?

- Very concerned
- Concerned
- Neutral
- Not very concerned
- Other...

Do you think beverage companies are doing enough to reduce their environmental impact?

- Yes, definitely
- Yes, to some extent
- Neutral
- No, not really
- Other...

Are you willing to pay more for beverages from companies with strong environmental practices?

- Yes, definitely
- Yes, maybe
- Neutral
- No, probably not
- Other...

In your opinion, which environmental issue should beverage companies prioritize?

- Reducing water consumption
- Minimizing packaging waste
- Lowering carbon emissions
- Sustainable sourcing of ingredients
- Other (please specify)
- Other...

How important are social factors (e.g., employee welfare, community involvement, ethical labor practices) in your perception of a beverage company?

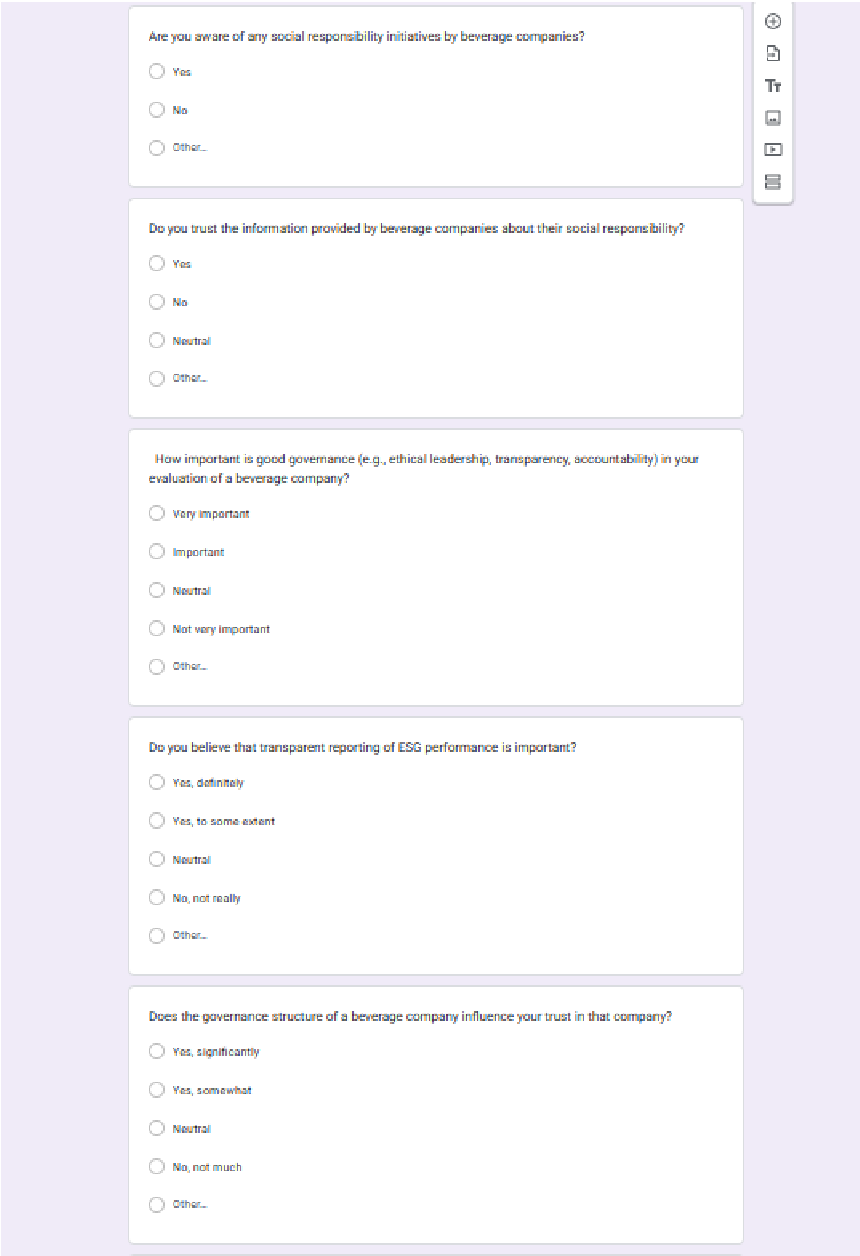
- Very important
- Important
- Neutral
- Not very important
- Other...

Do you believe that beverage companies have a responsibility to contribute to the well-being of the communities in which they operate?

- Yes, definitely
- Yes, to some extent
- Neutral
- No, not really
- Other...

Are you more likely to buy products from a beverage company that treats its employees well?

- Yes, definitely
- Yes, maybe
- Neutral
- No, probably not



Are you aware of any social responsibility initiatives by beverage companies?

- Yes
- No
- Other...

Do you trust the information provided by beverage companies about their social responsibility?

- Yes
- No
- Neutral
- Other...

How important is good governance (e.g., ethical leadership, transparency, accountability) in your evaluation of a beverage company?

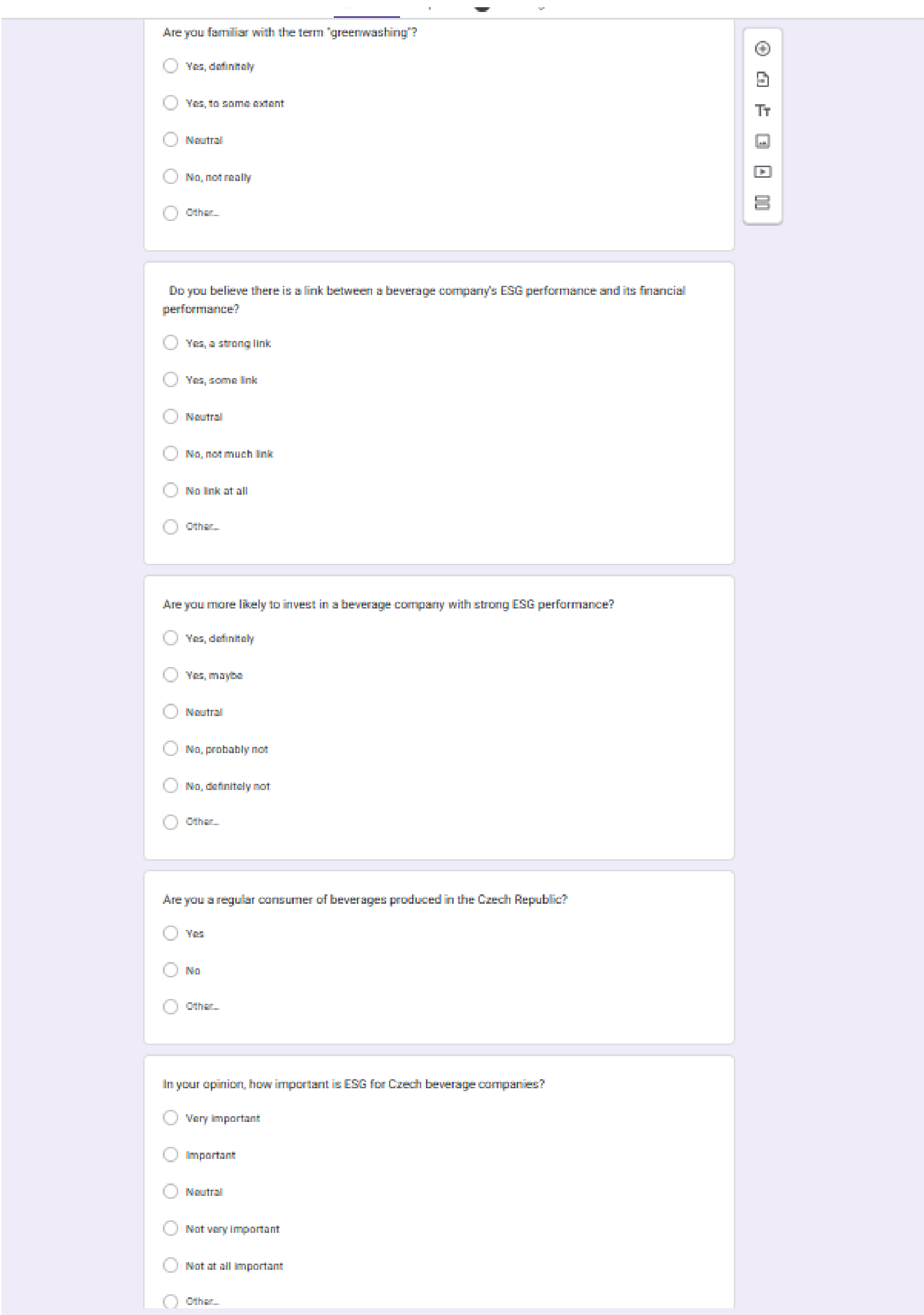
- Very important
- Important
- Neutral
- Not very important
- Other...

Do you believe that transparent reporting of ESG performance is important?

- Yes, definitely
- Yes, to some extent
- Neutral
- No, not really
- Other...

Does the governance structure of a beverage company influence your trust in that company?

- Yes, significantly
- Yes, somewhat
- Neutral
- No, not much
- Other...



Are you familiar with the term "greenwashing"?

- Yes, definitely
- Yes, to some extent
- Neutral
- No, not really
- Other...

Do you believe there is a link between a beverage company's ESG performance and its financial performance?

- Yes, a strong link
- Yes, some link
- Neutral
- No, not much link
- No link at all
- Other...

Are you more likely to invest in a beverage company with strong ESG performance?

- Yes, definitely
- Yes, maybe
- Neutral
- No, probably not
- No, definitely not
- Other...

Are you a regular consumer of beverages produced in the Czech Republic?

- Yes
- No
- Other...

In your opinion, how important is ESG for Czech beverage companies?

- Very important
- Important
- Neutral
- Not very important
- Not at all important
- Other...

In your opinion, how important is ESG for Czech beverage companies?

- Very important
- Important
- Neutral
- Not very important
- Not at all important
- Other...

Do you think Czech beverage companies are leaders or laggards in ESG adoption compared to other European countries?

- Leaders
- Average
- Laggards
- Don't know
- Other...

What actions do you think Czech beverage companies should take to improve their ESG performance?

Short answer text