

# Reporting manual non-financial information

# Annual report

Date: March 2024

# Contents

<b>1. Why do we have a reporting manual?</b>	<b>4</b>
<b>2. Scope of reporting</b>	<b>5</b>
Operational scope	5
<b>3. Circular indicator</b>	<b>8</b>
<b>Scope of reporting</b>	<b>8</b>
Operational scope	8
Royal Swinkels circular ambitions	8
Calculating the circularity score	8
<b>Circular KPIs</b>	<b>9</b>
Indicator: Packaging (#1.1.1)	9
Indicator: Agricultural raw materials (#1.1.2)	9
Indicator: Marketing materials (POS) (#1.1.3)	9
Indicator: Machines, buildings, and facilities (#1.1.4)	9
Indicator: Energy (#1.1.5)	11
Indicator: Transport (#1.1.6)	11
Indicator: Water (#1.1.7)	11
Indicator: Production efficiency (#1.1.8)	14
Indicator: Co-products (#1.1.9)	14
Indicator: Residual flows (#1.1.10)	14
Indicator: Wastewater (#1.1.11)	14
Indicator: Machines and buildings reuse (#1.1.12)	16
<b>Appendix SCI calculation</b>	<b>16</b>
RS Certification criteria	16
<b>4. Sustainability indicators</b>	<b>17</b>
<b>Climate change</b>	<b>17</b>
Indicator: Total energy consumption (#1.2)	17
Indicator: Total CO <sub>2</sub> emissions own operations (#1.3)	18
Indicator: Total CO <sub>2</sub> emissions scope 3 (#1.4)	20
Indicator: Relative energy consumption beer, soft drinks and malting (#1.5)	24
Indicator: Relative CO <sub>2</sub> emissions beer, soft drinks and malting (#1.6)	25
Indicator: Renewable energy as % of total energy consumption (#1.7)	25
<b>Water management</b>	<b>25</b>
Indicator: Total water consumption (#1.8)	25
Indicator: Relative water consumption for beer, soft drinks and malting (#1.9)	25
<b>Residual flows (waste) and co-product management</b>	<b>26</b>
Indicator: Co-products (#1.10)	26
Indicator: Residual flows (#1.11)	26

<b>5. Safety and well-being indicators</b>	<b>27</b>
<b>Safety</b>	<b>27</b>
Indicator: Lost Time Accidents (LTA) (#2.1)	27
Indicator: Lost Time Accidents Contractors (LTAc) (#2.2)	28
Indicator: Accident Frequency (#2.3)	29
Indicator: Severity Rate (#2.4)	29
Indicator: Fatalities (#2.5)	29
<b>Employment and well-being</b>	<b>30</b>
Indicator: FTE (#2.6)	30
Indicator: Absenteeism (#2.7)	30
Indicator: Joiners and Leavers (#2.8)	30
Indicator: Subdivision men/women (#2.9)	30
<b>6. Responsible drinking indicators</b>	<b>31</b>
<b>Low and no alcohol</b>	<b>31</b>
Indicator: Low and no alcohol (#3.1)	31
<b>7. Local involvement</b>	<b>31</b>
<b>Local involvement</b>	<b>31</b>
<b>8. Reporting procedures</b>	<b>32</b>
<b>Contact details and responsibilities</b>	<b>32</b>

# 1. Why do we have a reporting manual?

In this document we explain the indicators we use to measure our sustainability and circularity performance. We define them and clarify their scope and any relevant assumptions we have made when collecting data.

This document is intended to help employees understand what information they need to gather the KPIs. This document is also intended for external stakeholders to give them an overview of the reporting criteria and details of the indicators reported in our annual report. Royal Swinkels has been publishing an integrated report since 2015. In the integrated report, we disclose both financial and non-financial information.

Our sustainability reporting is in accordance with the standards of the Global Reporting Initiative (GRI). The GRI forms the basis for the selection of material topics and reporting principles. The non-financial KPIs as outlined in the reporting manual are therefore in line with GRI standards.

# 2. Scope of reporting

## Operational scope

### Operations included in the reporting scope of the annual report

The non-financial information includes all companies in which Royal Swinkels has majority ownership for more than one complete calendar year. These are companies that Royal Swinkels Holding N.V. directly or indirectly owns, in which it controls more than 50% of the voting rights or that it otherwise controls.

Table 1: operations in scope

Country	Operation name	Ownership	Description of key activities
<b>Breweries</b>			
Netherlands	Brewery Bavaria	100% ownership	Brewing and production of soft drinks
Netherlands	Brewery De Molen	100% ownership	Brewing
Netherlands	Brewery Koningshoeven	100% ownership	Brewing
Netherlands	Uiltje Brewing	100% ownership	Brewing
Ethiopia	Brewery Habesha	60% ownership	Brewing
Belgium	Brewery Rodenbach	100% ownership	Brewing
Belgium	Brewery Palm	100% ownership	Brewing
<b>Other operations</b>			
France	Head Office	100% ownership	Office
Italy	Head Office	100% ownership	Office
Netherlands	Holland Malt (Lieshout and Eemshaven)	100% ownership	Malting
Netherlands	Bier&Co Holding BV	100% ownership	Sales and Distribution

### Operations excluded from the reporting scope of the annual report

We exclude our brewery in Cuba since it is has not been operational the entire reporting year, and companies which we do not control. We often have no insight in the confidential performance data that is needed to collect the data for the non- financial indicators. We also exclude participations with solely commercial activities and real estate.

#### List of exclusions:

1. Companies in which Royal Swinkels has minority-ownership. Minority-ownership is defined as companies that Royal Swinkels Holding N.V. directly or indirectly owns, in which it controls less than 50% of the voting rights.
2. Following a merger and acquisition, information will, insofar as feasible, be recognized from the first

full reporting year. This is in line with the financial reporting.

3. Licensed breweries. There are countries in which we have licensed breweries owned by others to produce our brands. However, we do not own a licensed brewery and therefore have no full insight into and influence on the performance data of a brewery.
4. Royal Swinkels Holding N.V. is head of the group with direct and indirect participations. We include participations of our group that perform operational activities of brewing, malting and soft drinks production. Commercial activities such as service, trade, real estate, local sales, wholesale hospitality establishment are not in scope.
5. Non-HR data of offices in France and Italy are excluded because these locations are not material.

**Table 2: operations out-of-scope**

<b>Country</b>	<b>Operation name</b>	<b>Ownership</b>	<b>Description of key activities</b>	<b>Explanation out-of- scope</b>
<b>Breweries</b>				
<b>Georgia</b>	Brewery Argo	40% ownership	Brewing	RS has a minority share
<b>Other operations</b>				
<b>Multiple</b>	Licensees	No ownership but agreement	Licensed Brewing	There is no ownership and the influence is limited
<b>Multiple</b>	Foreign sales organizations	100% ownership	Sales	Commercial activities
<b>U.S.A.</b>	Latis	90% ownership	Sales	Commercial activities
<b>Netherlands</b>	Out-of-home sales and distribution	100% ownership	Sales and distribution	Commercial activities

## We disclose the following non-financial indicators in the annual report

Table 3: KPIs in scope

KPI #	KPI name	KPI operational scope	Material topic
<b>Sustainable and circular products and operations</b>			
1.1	Circular performance RS	All operations in scope	Circular economy
1.2	Total energy consumption	All operations in scope	Climate change
1.3	Total CO <sub>2</sub> emissions own operations	All operations in scope	Climate change
1.4	Total CO <sub>2</sub> emissions scope 3	All operations in scope	Climate change
1.5	Relative energy consumption beer, soft drinks and malting	Specific scope per KPI	Climate change
1.6	Relative CO <sub>2</sub> emissions beer, soft drinks and malting	Specific scope per KPI	Climate change
1.7	Renewable energy as % of total energy consumption	All operations in scope	Climate change
1.8	Total water consumption	All operations in scope	Water management
1.9	Relative water consumption beer, soft drinks and malting	Specific scope per KPI	Water management
1.10	Co-products	All operations in scope	Circular economy
1.11	Residual flows	All operations in scope	Circular economy
<b>Safety and well-being*</b>			
2.1	Lost Time Accidents (LTA)	All operations in scope	Employee safety and well-being
2.2	Lost Time Accidents Contractors (LTAC)	All operations in scope	Employee safety and well-being
2.3	Accident frequency (LTAR)	All operations in scope	Employee safety and well-being
2.4	Severity rate	All operations in scope	Employee safety and well-being
2.5	Fatalities	All operations in scope	Employee safety and well-being
2.6	Full-Time Employees (FTE)	All operations in scope	Employee safety and well-being
2.7	Absenteeism	All operations in scope	Employee safety and well-being
2.8	Joiners and leavers	All operations in scope	Employee safety and well-being
2.9	Subdivision men/women	All operations in scope	Employee safety and well-being
<b>Responsible drinking</b>			
3.1	Low and no alcohol	All breweries in scope	Responsible drinking
<b>Global Growth with local involvement</b>			
4.1	No KPI		

\* For safety and well-being, all locations that are in scope of the HR management system (Successfactors) will be included.

# 3. Circular indicator

As developments around circularity change rapidly, we reassess and update our methodology on a regular basis. In 2021 we have evaluated each circular performance indicator and assessed the definitions, scoping and calculations. Based on new methodologies, sector standards and regulations, we have adjusted our methodology. In this document we provide insight in methodology of the Swinkels Circularity Index 2.0.

## Scope of reporting

### Operational scope

#### Operations included in the reporting scope

The non-financial information includes all production locations owned for a full reporting year in which Royal Swinkels has majority ownership. These are companies that Swinkels Family Brewers Holding N.V. directly or indirectly owns, in which it controls more than 50% of the voting rights or that it otherwise controls (see table 4).

### Royal Swinkels circular ambitions

Royal Swinkels has the ambition to become a fully circular business. Our target is to be 75% circular by 2025. This brings significant challenges for a business like ours. We believe, however, that if we start measuring the road towards circularity this will drive our performance in that direction.

In 2018 we have developed our own Swinkels Circularity Index (SCI), a calculation method to link circularity to concrete objectives and performance indicators.

### How we measure our circular ambitions

There is no uniformly accepted standard or manual for circularity (yet) that fits our business. There are, however, 'schools of thought' and management approaches which we follow. Such as the Ellen MacArthur foundation, the World Business Council Sustainable Development (WBCSD), Beverage Industry Environmental Roundtable (BIER) and other global regulatory initiatives like the EU's Circular Economy Action Plan.

### Strengths and limits of our approach:

- We believe that we can make the biggest impact by focusing on circularity at company-wide level, instead of a single product.
- Our circular ambition is integrated into our business strategy and therefore a strategic priority.
- It is a steering mechanism for the board and management of different departments and engages all employees.
- It provides a clear and simple insight for our stakeholders to show what we can and cannot do at a company level and shows the overall status.

Table 4: operations in scope

Country	Production unit (PU)	Ownership	Description of key activities
<b>Breweries</b>			
Netherlands	Lieshout	100%	Brewing and production of soft drinks
Netherlands	Berkel-Enschot	100%	Brewing
Netherlands	Bodegraven	100%	Brewing
Netherlands	Haarlem	100%	Brewing
Belgium	Steenhuffel	100%	Brewing
Belgium	Roeselare	100%	Brewing
Ethiopia	Habesha	60%	Brewing
<b>Other operations</b>			
Netherlands	Holland Malt	100%	Malting



Figure: Swinkels Circularity Index

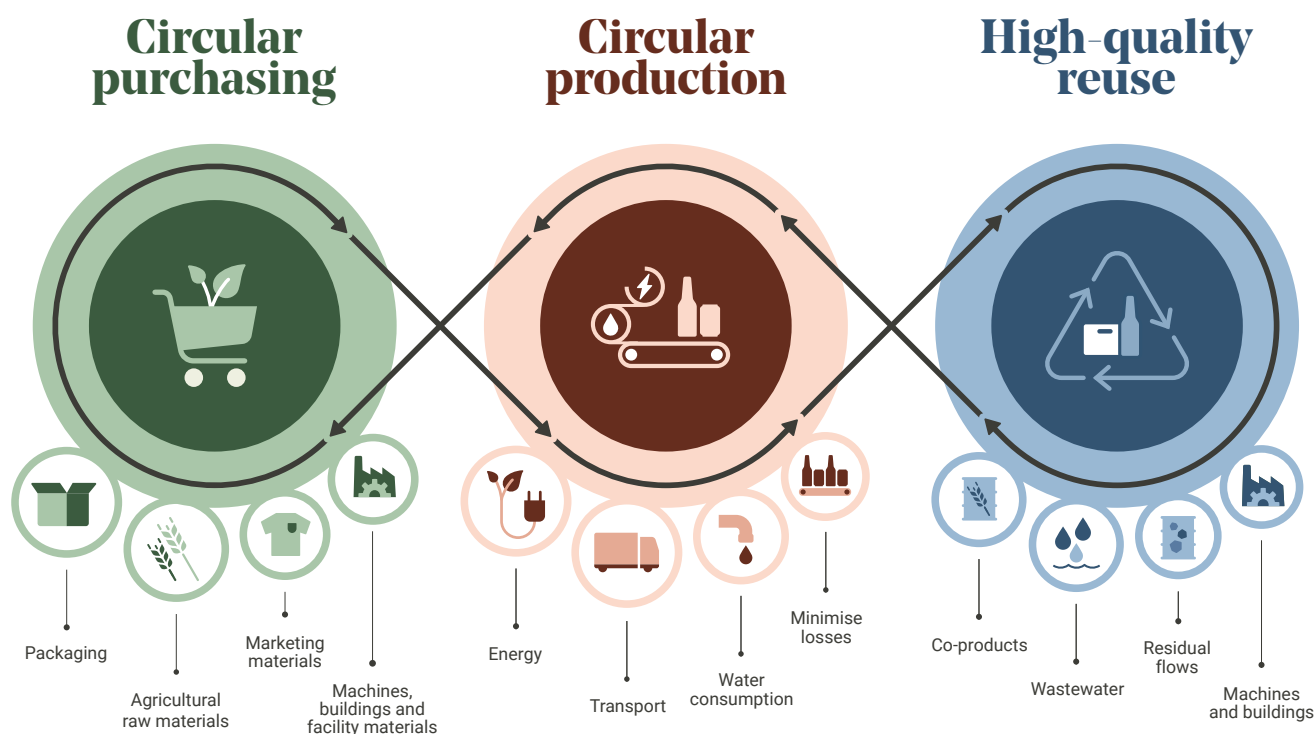


Table 5: weight per category

#	Category	Weight of subcategory
<b>Sustainable procurement</b>		44,4%
1.1.1	Packaging	17,8%
1.1.2	Agricultural raw materials	11,8%
1.1.3	Marketing materials (POS)	7,4%
1.1.4	Machines, buildings, and facilities	7,4%
<b>Circular production</b>		35,2%
1.1.5	Energy	12,0%
1.1.6	Transport	9,5%
1.1.7	Water	7,4%
1.1.8	Production losses	6,3%
<b>Higher value reuse</b>		20,4%
1.1.9	Co-products	8,6%
1.1.10	Residual flows	3,6%
1.1.11	Wastewater	3,6%
1.1.12	Machines and buildings reuse	4,6%

Each of the twelve sub-themes consist of one or more KPIs. The total sum is the circularity score.

- We want to contribute to a circular economy - from sourcing to waste. However, we cannot influence all elements in our value chain.
- We aim to keep our approach as simple as possible so everyone, from supplier to customer, understands our journey. However, the complexity of the topics expand and our methodology gets broader.
- We are the only company using this methodology, a comparison between companies is therefore not possible.

## Calculating the circularity score

### Weight per subcategory:

Our model consists of three categories and twelve subcategories. The subcategories are weighted, and together form the circularity score (see table 2).

### The weight of the subcategory is determined by:

- **Finance:** impact that the sub-theme has on the operating result (linked to business information).
- **Environmental resource impact:** impact that the sub-theme has on the environment and resources (linked to environmental publications and LCA data).

## Circular KPIs

In this section a detailed explanation is provided of all the indicators that we use to measure our circular performance.

### Indicator: Packaging (#1.1.1)

**Definition:** we make packaging circular by 1) avoiding and minimizing 2) ensuring it comes from a sustainable and/or renewable source. A certificate needs to be provided by suppliers to prove the recycled content or a renewable source. More details can be found in the RS certification criteria (see Appendix).

#### Scope:

**Operational:** the operations identified in table 4 are in scope.

**Activity:** paper, cardboard, plastic, steel, aluminum, and wood.

**Calculation:** % Packaging = (Circular packaging KG + reduced KG / total packaging in KG) x 100%. A reduction can only be included once with a maximum of 100%.

### Indicator: Agricultural raw materials (#1.1.2)

**Definition:** agricultural raw materials are defined as circular when minimal amounts of external inputs is used, soils are regenerated, and the impact on the environment is minimized. A certificate needs to be provided by suppliers to prove good agricultural practices. More details can be found in the RS certification criteria (see Appendix).

#### Scope:

**Operational:** the operations identified in table 4 are in scope.

**Activity:** barley, grains and malt, hops and sugar.

**Calculation:** % Agricultural raw materials = (Circular agricultural raw materials KG / total agricultural raw materials KG) x 100%.

### Indicator: Marketing materials (POS) (#1.1.3)

**Definition:** all purchased POS materials are assessed by its circularity. We consider products circular when it contains recycled or biobased content or comes from sustainable sources. A certificate or comparable evidence needs to be provided by suppliers to prove the sustainability of materials. More details can be found in the RS certification criteria (see Appendix).

#### Scope:

**Operational:** the operations identified in table 4 are in scope.

**Activity:** all POS products are in scope.

**Calculation:** % POS = (Circular POS items / total POS items) x 100%

### Indicator: Machines, buildings, and facilities (#1.1.4)

**Definition machines:** all purchased machines are assessed by its circularity. We consider a machine or its parts circular when it contains recycled material or re-used material. A certificate or a proof of recycled content needs to be provided by suppliers to prove the sustainability of materials. More details can be found in the RS certification criteria (see Appendix).

**Definition buildings:** to define the circularity of buildings we look at two pillars.

**Circular materials:** we procure building materials that consist of recycled, re-used or biobased content that come from sustainable sources. We use certificates or One Click LCA to monitor this, because a building consist out of many different materials.

**Circular buildings:** to calculate the circularity of our buildings we use life cycle assessment and circularity calculation software tool One Click LCA, and specifically the module "Building Circularity". The calculated score (%) for the topic "Material Recovered" is the score that we report in our SCI; we use the average score for all buildings assessed in the reporting calendar year. See box 1 for details.

**Definition facilities:**

All purchased facility materials are assessed by its circularity. We consider facility products circular when it consist of recycled or biobased content or comes from sustainable sources. 7 categories of facility products have been defined. The score is determined by taking the average score of individual categories, only categories that have been assessed in the reporting year will be taken into consideration when calculating the average score. A certificate needs to be provided by suppliers to prove the sustainability of materials or services. More details can be found in the RS certification criteria (see Appendix).

In the KPI score for facilities, we award projects that contribute to material reduction with a once-off score of 5%, up to a maximum of 15% per year.

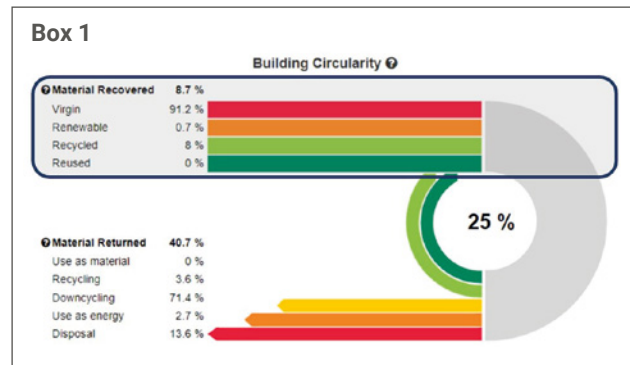
**Scope:**

**Operational:** the operations identified in table 4 are in scope.

**Activity machines:** installed in the reporting year as part of CAPEX projects.

**Activity buildings:** all build buildings in the reporting year. All buildings assessed on the C-label, non-assessed buildings are out of scope.

**Activity facilities:** work wear and clothing, personal protective equipment, cleaning supplies, office equipment, printing articles, IT hardware, catering and vending.



**Calculation:** % Machines, buildings, and facilities = ((Circular building procurement KG/ total procurement KG x 100%)\*0,5 + (number of met criteria C-label / maximum criteria of assessed buildings)\*0,5 x 100%)\*0,4

+ (Circular machine procurement KG / total procurement KG x 100%)\*0,4

+ (Circular facility procurement Item / total procurement item x 100%)\*0,2

**Indicator: Energy (#1.1.5)**

We want to reduce our energy use and switch to renewable energy sources in all breweries and malhouses, we measure energy by looking at both.

**Definition:**

**% Sustainable energy:** percentage energy that is collected from renewable resources (e.g solar, winds, biogas, netto heat from heatpumps and more) or compensated emissions in comparison to the total scope 1 & 2 energy usage. We reported in accordance with the GHG-protocol, see the protocol for full details on scope 1 & 2.

**Energy efficiency:** If the brewery or malthouse performs better than or equal to the benchmark it is counted as 'efficient'. As benchmark figures we use NIRAS (large and midsize) and American Brewers Association (small and microbreweries). For malhouses we use the industry average provided by Stichting Milieukeur SMK.

**Scope:**

**Operational:** the operations identified in table 4 are in scope.

**Activity:**

**Scope 1:** direct emissions from sources owned or controlled by the company, e.g. fuels and gases.

**Scope 2:** indirect emissions from purchased electricity, e.g. electricity for heating and cooling.

**Calculation:** % Energy = (Renewable energy scope 1&2 (MJ) / total Energy scope 1&2 (MJ) \* 0,8) + (Weighted average above or below efficiency benchmark \* size factor PU)\* 0,2

### Indicator: Transport (#1.1.6)

We aim to reduce the transport miles and transport with the lowest carbon emissions possible.

**Definition transport:** reduced emissions of transport in comparison to the 2019 baseline year. We measure scope 1, 2 and partly scope 3 transport emissions in accordance with the GHG-protocol.

#### Scope:

**Activity:** scope 1 and 2: gasoline and diesel for company vehicles and electricity purchased for company vehicles.

**Scope 3 downstream:** outbound transport of finished goods for production unit Lieshout.

**Calculation:** % Transport = (Total Compensated CO<sub>2</sub> Emissions by means of Insetting / Total CO<sub>2</sub> Emissions)

### Indicator: Water (#1.1.7)

We want to reduce our water use and use replenishable sources in all breweries and malthouses, we measure water by looking at both.

**Circular water inflow:** to calculate the circularity of our water inflow we use an adapted version of the water circularity metric by WBCSD in partnership with BIER. See box 4 for more details.

**Water efficiency:** if the brewery or malthouse performs better than or equal to the benchmark it is counted as 'efficient'. As benchmark figures we use NIRAS (large and midsize) and American Brewers Association (small and microbreweries). For malthouses we use the industry average provided by Stichting Milieukeur SMK.

#### Scope:

**Operational:** the operations identified in table 4 are in scope.

**Activity:** all water pumped or bought is in scope.

**Calculation:** % Water = (weighted average % circular water inflow \* size factor PU) \* 0,8 + (weighted average above or below efficiency benchmark \* size factor PU)\* 0,2

#### Box 2: what does 'Size factor PU' mean in the calculation?

For the water, wastewater, energy, and production efficiency KPI's we assess the efficiency of breweries and malt houses, also called production units (PU). To guarantee an equal playing field between smaller and bigger production units, we have added a factor to the calculation depending on the size of the brewery:

< 10.000 hl	factor 1
10k – 100k hl	factor 2
100k – 1.000k hl	factor 3
1.000k – 3.000k hl	factor 4
> 3.000k hl	factor 5

Malthouse:

< 20.000 ton	factor 1
20.000 – 50.000 ton	factor 3
> 50.000 ton	factor 5

For example, De Molen falls under the smallest category and accounts for 1. Lieshout falls under the biggest category and accounts for 5.

#### Box 3: how do we account for compensation?

We developed targets to reduce our GHG emissions in line with the Science Based Targets initiative (SBTi). Therefore, we follow the guidelines of the Greenhouse Gas Protocol to calculate and report our scope 1, 2 and 3 emissions. We aim to reduce our emissions as much as possible. The residual emissions we compensate through credible offsetting or insetting programs.

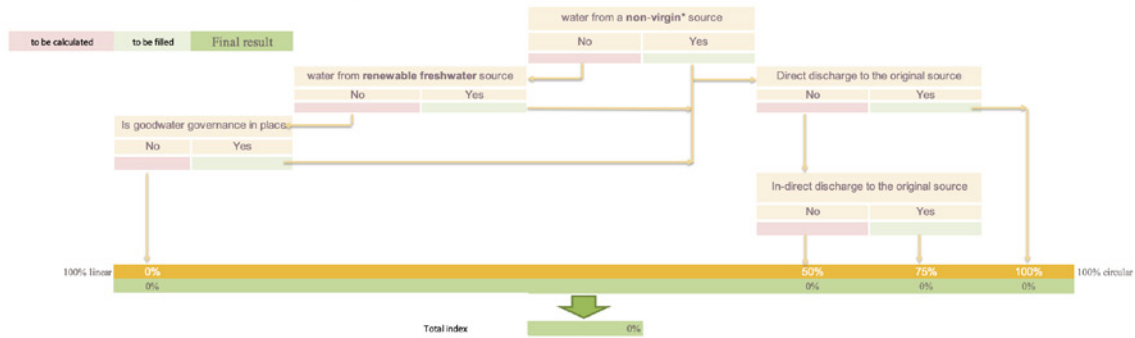
## Calculation water inflow

### Box 4: how do we calculate ‘% Circular water inflow’?

The Beverage Industry Environmental Roundtable (BIER) and the World Business Council for Sustainable Development (WBCSD) co-developed a Water Circularity Metrics Tool and Guidance in 2021. Royal Swinkels uses this methodology and adapted it slightly to the Swinkels circularity index.



### Water Circularity Index calculation sheet



Terms	Defenition	source of data / tool	References
Non-virging water	reused of recycled water	If there any water recycle plant in place, fill the percentage of the recycle water. If there is no water recycle plant, simply put 0.	
Renewable fresh water source	Amount of water that is consistently and completely renewed by precipitation and natural water cycle.	To be calculated with the Aqueduct tool. For the case of groundwater use, groundwater table decline is the correct parameter to look at. The higher the risk of decline is, the lower the source is renewable.	<a href="https://www.wri.org/applications/aqueduct/wat-or-risk-atlas/#?advanced=false&amp;basemap=hydro&amp;indicator=swr_def_cat&amp;lat=-14.445396942837744&amp;lng=-142.85354599620152&amp;mapMode=view&amp;mont">https://www.wri.org/applications/aqueduct/wat-or-risk-atlas/#?advanced=false&amp;basemap=hydro&amp;indicator=swr_def_cat&amp;lat=-14.445396942837744&amp;lng=-142.85354599620152&amp;mapMode=view&amp;mont</a>
Good water governance	to manage equitable and sustainable supply versus demand for the water source	Using WWF water risk assessment tool. Regulatory risk in this tool can represent the good water governance. The higher the regulatory risk is, the poorer water governance.	<a href="https://waterriskfilter.org/">https://waterriskfilter.org/</a>
Direct discharge to the original source	amount of water that is directly discharged to water source upon treatment. The water that is re-used internally can be counted also if it replace the water uptake from the original source.	KPI reports	
In-direct discharge to the original source	amount of water that is directly discharged to water source upon treatment. The water that is re-used externally can be counted also if it replace the water uptake from the original source. E.g. water used for irrigation.	KPI reports	

#### Remark

If the water comes from the city water, source of city water should be judged.

#### list of questions to be answered to fill the calculation sheet

- 1, is the water source recycled or re-used water? (non-virgin, see the defenitions).
- 2, what is the fresh water source (ground, surface, rain water)? Is it renewable (defenitions)
- 3, Is the effluent being reused inside the plant or outside by the third parties (e.g. farmers...)?
- 4, Where the treated effluent is discharged to?

### % Circular water inflow

- Via the flowchart below we measure the actual volumes as a percentage. This determines the circularity of water inflow.
- An external SVA (Source Vulnerability Assessment) is used to assess if the water comes from a ‘renewable source’.

### Indicator: Production efficiency (#1.1.8)

**Definition:** we define production efficiency as the sum of all our packaging, beer, and malting losses in production. Losses can occur due to spills and breaks.

**Scope:**

**Operational:** the operations identified in table 4 are in scope.

**Activity:** packaging (glass returnable, glass one-way and cans), beer losses and malt losses.

**Calculation:** average production loss =  $(100\% - \text{total packaging loss breweries } \% (\text{returnable, one-way and can}) - \text{total beer loss or malt loss}) \% * \text{size factor PU}$

### Indicator: Co-products (#1.1.9)

**Definition:** the circularity of co-products is determined by application after disposal. We aim to rethink our production processes and reuse material flows at their highest value (food over feed). We prefer to prevent waste, intensify product use, and recycle at the end of life. Downcycling with generation of energy and circular application of residues is considered as circular. See box 5 for more details.

**Scope:**

**Operational:** the operations identified in table 4 are in scope.

**Activity:** all co-products including spent grain, yeast, sludge, ethanol water and others.

**Calculation:** % Circular co-products =  $(\text{circular application of co-products KG} / \text{total co-products KG})$

### Indicator: Residual flows (#1.1.10)

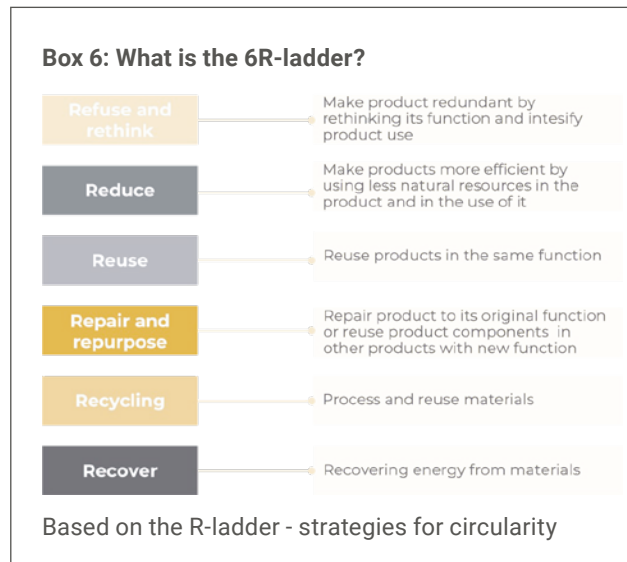
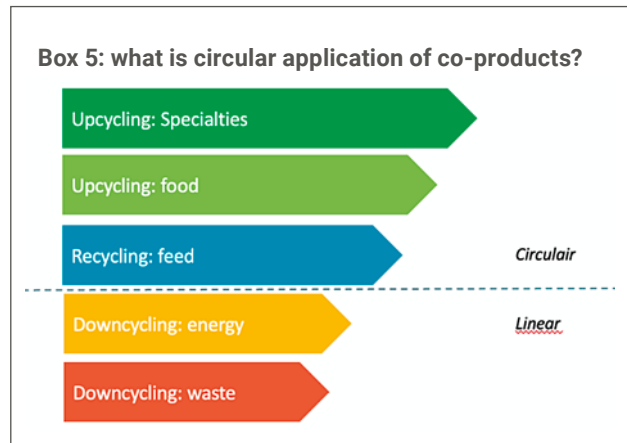
**Definition:** the circularity of residual flows is determined by application after disposal. We use the approach of the 6R-ladder, see box 6 for more details. We aim to rethink our production processes and reuse material flows at their highest value.

**Scope:**

**Operational:** the operations identified in table 4 are in scope.

**Activity:** all residual flows including paper, plastic, glass, metal, wood, residual and hazardous waste.

**Calculation:** % Circular residual flows =  $(\text{circular application of residual flows KG} / \text{total residual flows KG}) * 100$



### Indicator: Wastewater (#1.1.11)

We want to reuse the water and all the resources it contains, ensure high quality effluents and prevent to disrupt the water balance.

**Circular water outflow:** to calculate the circularity of our wastewater we used an adapted version of the water circularity metric by WBCSD in partnership with BIER. The circularity of the wastewater is determined through a decision-tree that translates the circularity of the water discharged at Royal Swinkels, see box 7 for more details.

**Scope:**

**Operational:** the operations identified in table 4 are in scope.

**Activity:** all water discharged is in scope.

**Calculation:** % Wastewater =  $\text{Weighted average } (\% \text{ Circular water outflow} * \text{size factor PU})$

## Calculation water outflow

### Box 7: how do we calculate ' % Circular water outflow'

% Circular water outflow

- To calculate the ' % Circular water outflow we use the table below. We measure the actual volumes as a percentage and determine how linear or circular the water is.
- The questions are based on outflow indicator of the Water Circularity Metrics Tool and Context-Based Decision Guide for Water Reuse and Recycling (BIER Roundtable, 2020).



to be calculated    to be filled    Final result

#### Water Circularity Index calculation sheet

#	Question	%	Source/tool
1	How much water is reused in operation?		KPI
2	Is waste water cleaned to a high quality effluent? (either on-site or on an external WWTP)		Fill table 1
3	Is biogas extracted and used during the treatment process? (either on-site or on an external WWTP)		the percentage of COD that converts to biogas (equal to reactor efficiency). Check the WWTP analysis results.
4	Is material recovered from sludge, such as phosphates? (either on-site or on an external WWTP)		Fill table 2
Total	average of all above values.		

Table 1

Parameter	unit	Discharge limit	Values in practice	Values at water source	% deviation *	* how close is the water to the quality of the water source. If the discharge quality is just meeting the permission limit, fill 0%. If the discharge quality is worth than the limit, negative values are automatically calculated. If the discharge quality is equal to water source quality, fill 100%.
TP	ppm	1,5			100%	
TN	ppm	15,0			100%	
COD	ppm	125,0			100%	
Chloride	ppm	800,0			100%	
Sulfaat	ppm	NA			NA	
Total average					100%	

Table 2

Parameter	unit	Influent	Effluent
TP *	ppm		
TN *	ppm		
Water volume**	m3		
P removed in slib	%		
T removed in slib	%		
Total nutrient removal	%		

\* average value in the period that the index is being calculated for  
\*\* total volume in the period that the index is being calculated for

#### Remarks

Questions that need to be answered in order to fill the calculation sheet:

- 1, Is there a biogas reactor in place?
- 2, What is the efficiency of the biogas reactor (percentage of the COD that is converted to biogas).
- 3, How much of TP and TN is separated with activated sludge system?
- 4, Where is the aerobic wasted sludge discharged to? Is it being used for agricultural use? if it is being digested then the biogas production should be taken into account.
- 5, Water and Wastewater analysis should be available for the calculations.

If the wastewater is discharged to the municipal WWTP, the same questions should be answered by the municipal WWTP.

## Indicator: Machines and buildings reuse (#1.1.12)

**Definition:** the circular application of both buildings and machines is determined by the application after disposal. We use the approach of the 6R-ladder (PBL), see box 5 for more details. We aim to rethink our production processes and reuse material flows at their highest value.

### Scope:

**Operational:** the operations identified in table 4 are in scope.

**Activity:** all machines and buildings sold or demolished in the reporting year.

**Calculation:** % Building and machine reuse =  $\left( \frac{\text{circular application of building and construction waste KG}}{\text{total building and construction waste KG}} + \frac{\text{circular application of amortized or dismantles machines KG}}{\text{total amortized or dismantles machines KG}} \right) / 2 * 100$

## Appendix SCI calculation

### RS Certification criteria

Royal Swinkels challenges all its suppliers to produce materials as sustainable and circular as possible.

Transparency and reliability are important. Therefore, we ask our suppliers to provide proof. A standard approach for this is a certificate. In the table below you see an overview of the most approved certificates per material type.

This list is not extensive and other certificates can also be provided.

### Certification criteria per material type

Indicator	Material type	Standards used
<b>Sustainable procurement</b>		
Packaging Marketing materials (POS) Machines, buildings and facilities	Metal (steel, aluminum, copper)	Recycled content*
	Wood	FSC, PEFC or re-used
	Paper/cardboard	FSC, PEFC or recycled content
	Glass	Recycled content
	Textile	<a href="https://keurmerkenwijzer.nl/overzicht/kleding">https://keurmerkenwijzer.nl/overzicht/kleding</a>
	Barley, grains and malt	SAI, organic or small holders
	Facility materials	Recycled content
Agricultural raw materials	Hop	Hopfenring, GAP (sustainability), SAI (all levels), biological or small holders
	Sugar and glucose	SAI or organic

\* If supplier cannot provide information on the recycled content of steel or aluminum, we use on industry averages.



# 4. Sustainability indicators

This section explains the indicators we use to measure our sustainability performance. We define them, clarify their scope, show the calculations and any relevant assumptions we have made when collecting the data.

## Climate change

### Indicator: Total energy consumption (#1.2)

**Definition:** total energy consumption used for beer, soft drinks and malt production measured in TJ. Energy originates from different energy sources such as light fuel oil, heavy fuel oil, natural gas, town gas, biogas from wastewater treatment plants, coal, biomass, district heating, grid electricity, solar panels and more.

**Scope:** the operations identified in table 1 are in scope. All energy we buy or generate is included (invoice and meters). All energy we sell is deducted.

**Calculation:** (Sum of all energy sources in TJ based on invoices) – (minus sold energy in TJ)

#### Calculating the MJ or TJ:

1. Often invoices or meter readings are not in MJ or TJ but in kWh or Nm<sup>3</sup>. Please attach the calculation of how the MJ is determined based on the invoices or meter readings.
2. Use the Net Calorific Value (NCV) of Lower Heating Value (LHV).  
Explanation: some countries measure fuel according to its Gross Calorific Value (GCV) or Higher Heating Value (HHV), while other countries use NCV or LHV.
3. The distinction between GCV and NCV arises from the possible different physical states (liquid or gaseous) of water following combustion. A commonly accepted approximation is that NCV is 95% of GCV for coal and oil and 90% of GCV for natural gas. Intergovernmental Panel on Climate Change (IPCC) does not provide a relationship between NCV and GCV for biomass fuels, presumably because the moisture content of biomass fuels can vary extensively.
4. Below you will find an overview of the most used conversion factor per country and energy source. You can use these factors to calculate the TJ NCV.

#### Assumptions and extra information:

We report all energy bought or produced. Examples of energy use included:

- Energy used for a batch of beer brewed for a third party.
- Fuel for on-site logistic (diesel, gasoline, LPG, or other fuels).
- Heat and electricity from own generated biomass/biogas.
- Electricity used by the head office or logistics centre.

Flows of electricity/heat that are sold to third parties are subtracted from the total.

**Natural Gas:** preferred is the actual LHV provided by the supplier or 90% of the HHV on the invoice.

**Biogas:** the GCV and NCV of biogas should be measured at each site at least every 5 years. Because not all biogas is always used, we report the flared and released biogas. This can be included in the reporting tool.

**Electricity:** no other conversion factor than 3,6 can be used to calculate the MJ based on kWh.

**Diesel and Gasoline:** this calculation must be used to achieve uniformity between countries.

In case of a difference between meter readings and invoices, invoices are leading. Except when an explanation is provided stating why internal measurements are more accurate.

#### Gasoline and Diesel for cars, vehicles, trucks

Include gasoline, diesel or other fuels for company-owned vehicles/trucks.

Make sure to exclude operational lease cars, because these cars are not owned by the company and diesel or gasoline is purchased by the lease company.

In a situation where there is a (financial) lease contract but the diesel and gasoline are purchased by Royal Swinkels, the gasoline and diesel should be included.

## Most used conversion factors

Source	Country	Unit	Multiply by	Source*
Natural gas	Netherlands	MJ/Nm <sup>3</sup>	31,65	RVO, 2006. Preferred is the actual LHV or 90% of the HHV on the invoice.
Natural gas	Belgium	MJ/Nm <sup>3</sup>	37,3	VREG, 2018. Preferred is the actual LHV or 90% of the HHV on the invoice.
Biogas	Netherlands	MJ/Nm <sup>3</sup>	26,7	Measured
Electricity	All countries	MJ/kWh	kWh * 3,6 = MJ	IPCC, 2006
Diesel oil	All countries	MJ/liter MJ/gal MJ/kg	L * 35,8 = MJ Gal * 135,5 = MJ Kg * 42,8 = MJ	IPCC, 2006
Motor gasoline (also called petrol)	All countries	MJ/liter MJ/gal MJ/kg	L * 32,1 = MJ Gal * 121,3 = MJ Kg * 43,1 = MJ	IPCC, 2006

\* Because of a lack of updates of the database we used the sources as presented in the table.

## Indicator: Total CO<sub>2</sub> emissions own operation (#1.3)

**Definition:** direct and indirect CO<sub>2</sub> emissions, produced on-site or produced off-site by the electricity supplier (scope 1 and 2 CO<sub>2</sub> emissions). RS will follow the market-based method of the GHG Protocol when possible (based on invoices).

- **Scope 1:** direct GHG emissions occur from sources that are owned or controlled by the company, for example, emissions from combustion in owned or controlled boilers, furnaces, gasoline for forklift trucks.
- **Scope 2:** accounts for GHG emissions from the generation of purchased electricity consumed by the company. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organisational boundary of the company. Scope 2 emissions physically occur at the facility where electricity is generated (e.g. the actual emissions are at the electricity production facility).

**Scope:** the operations identified in table 1 are in scope.

### Out of scope

- Short Cyclic emissions are excluded. We exclude CO<sub>2</sub> emission released during the fermentation process of brewing. We exclude CO<sub>2</sub> emissions released during the usage of biogas.

- We exclude CO<sub>2</sub> emissions released by the Wastewater Treatment Plant (WTP). Because the emissions are very limited regarding the size and process of our WTP.
- We exclude GHG emissions released by air conditioning. There are almost no air conditioning systems in our facilities because of the type of locations we use.

**Calculation:** total CO<sub>2</sub> emissions = scope 1 CO<sub>2</sub> emissions + scope 2 CO<sub>2</sub> emissions

### Assumptions and extra information:

- Please see the tables below to find details on the CO<sub>2</sub> conversion factors for key energy sources per location.
- Global Sustainability reviews the CO<sub>2</sub> conversion factors annually.
- Local sites can provide emission factors, these will be approved if conversion factors are based on information disclosed by countries or based on supplier information.
- In case of missing information, the latest GHG Protocol is leading. In 2019, this concerned emission factors from cross-sector tools.

**CO<sub>2</sub> conversion factors**

Source	Country	Unit	Factor	Source*
Natural gas	Netherlands	Kg CO <sub>2</sub> /GJ	56,5	NIR lijst 2022
Natural gas	Belgium	Kg CO <sub>2</sub> /GJ	55,8	Belgium emission plan 2004
Electricity	All		Multiple	Preferred is local supplier information.
Motor gasoline (also called petrol)	All	Kg CO <sub>2</sub> /GJ	69	2006 IPCC Guidelines for National Greenhouse Gas Inventories
Diesel oil	All	Kg CO <sub>2</sub> /GJ	74	2006 IPCC Guidelines for National Greenhouse Gas Inventories

\* Because of a lack of updates of the database we used the sources as presented in the table.

### **Indicator: Total CO<sub>2</sub> emissions scope 3 (#1.4)**

**Definition:** indirect GHG emissions that occur in the value chain of an organization, including both upstream and downstream activities such as purchased goods and services, transportation, and waste disposal.

From year 2023, we calculate and communicate our scope 3 emissions in our annual report. The leading standard for the development of the calculation of the CO<sub>2</sub> scope 3 footprint is the 'GHG Protocol Scope 3 Standard' published in 2011. The document has been established by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

**Scope:** the table below provides an overview of what scope 3 categories are included in RS's reported scope 3 emissions for reporting year 2023. The paragraph below the table contains an elaboration on why certain scope 3 categories are excluded or not applicable.

#### **Scope 3 categories included and excluded in reporting year 2023**

<b>Category #</b>	<b>Category name</b>	<b>Status</b>
1	Purchased goods & services	Included
2	Capital goods	Included
3	Fuel- and energy-related activities	Included
4	Upstream transport & distribution	Included
5	Waste generated in operations	Included
6	Business travel	Included
7	Employee commuting	Included
8	Upstream leased assets	Excluded
9	Downstream transport & distribution	Included
10	Processing of sold products	Excluded
11	Use of sold products (beer is included, malt is excluded)	Included
12	End-of-life treatment of sold products	Included
13	Downstream leased assets	Excluded
14	Franchises	Excluded
15	Investments	Excluded

### Screening - setting operational boundaries

Each scope 3 category is evaluated against the following relevance criteria.

1. Size	2. Sector Guidance	3. Other criteria
<p><b>Include if:</b> The category is expected to cause at least 1% of total Scope 3 emission or sector guidance indicates that the category is relevant</p> <p><b>Exclude if:</b> The category is expected to cause less than 1% of total Scope 3 emissions and sector guidance indicates that the category is irrelevant</p>		<p><b>If a conclusion on criteria 1 and 2 cannot be made, other criteria are considered including:</b></p> <ul style="list-style-type: none"> <li>• <b>Influence:</b> there are potential emissions reductions that could be undertaken or influenced by the company. Risk: They contribute to the company's risk exposure (e.g., climate change related risks such as financial, regulatory, supply chain, product and customer, litigation, and reputational risks).</li> <li>• <b>Stakeholder perspective:</b> they are deemed critical by key stakeholders.</li> <li>• <b>Outsourcing:</b> they are outsourced activities previously performed in-house or activities outsourced by the reporting company that are typically performed in-house by other companies in the reporting company's sector.</li> <li>• <b>Effort:</b> the effort to include the category in the inventory is low.</li> </ul>

### Reasoning for including or excluding scope 3 categories

The relevance of scope 3 categories is determined in the screening phase. Please refer to the supporting evidence for the outcomes of this screening. The figure below presents the criteria used to determine relevance.

#### Calculation, assumptions and additional information

For scope 3 category 1 (purchased goods and services) and 2 (capital goods), a combination between average-based approach and a spend based approach is used. For purchasing categories 'agricultural raw materials', 'packaging' and 'capital goods', an average based approach is taken. For each purchasing category, the procured weight of the material is collected and multiplied by an emission factor in CO<sub>2</sub>e/mass unit. For purchasing category 'POS and facilities' a spend-based approach was used to calculate the GHG emissions as these categories contain a high diversity in materials while forming a low share of the overall procurement categories.

Scope 3, category 3 (fuel- and energy-related activities not included in scope 1 and 2) are the well-to-tank, transmission and distribution emissions of purchased energy which covers all upstream emissions but not the direct combustion emissions of the energy source or

emission of generated purchased energy. An average method is used to calculate the emissions within this category.

Scope 3, category 4 (upstream transportation and distribution) includes all transport arranged or financed by Royal Swinkels, but performed by suppliers of transportation and logistics services, which includes the transportation types; air, road and sea. Emissions are calculated using a hybrid, distance-based approach. Royal Swinkels developed an upstream distance-based transportation model, which currently covers delivery from Lieshout to retail and export destinations and Holland Malt. Beer from de Molen, and het Uiltje are also transported from Lieshout, but are not included in the transportation model. Therefore the assumption is made that the beer from these breweries follow the same transport routes. The emissions linked to de Molen and het Uiltje regarding this scope 3 category are thus extrapolated based on kg CO<sub>2</sub>e/HL. This model will be expanded in scope in the following years.

Other upstream transportation includes deliveries from Habesha, La Trappe, Palm, and Rodenbach. The following assumptions are made here on the where RS' products are transported to:

- For Habesha, it is assumed that 75% of the products are sold in Addis Abeba and 25% elsewhere in Ethiopia.
- For La Trappe, all transport goes to Lieshout after which it joins the Lieshout Retail and Export transportation stream.
- For Palm, It is assumed that 50% of the products are sold via Lieshout, and 50% are sold elsewhere in Belgium.
- For Rodenbach, it is assumed that 50% of the products are sold via Lieshout, and 50% are sold elsewhere in Belgium.

Scope 3, category 6 (business travel) includes all business travel in the reporting year by only one type of transport, which is by airplane. It is based on data retrieved from the travel agency.

Scope 3, category 7 (employee commuting), encompasses all forms of employee transportation during the reporting period, including car (diesel, petrol, hybrid, electric), public transport, (electric) bicycle, and walking. Emissions calculation is based on average data and corresponding emission factors for employee commuting in the Netherlands, multiplied by the number of full-time equivalents (FTEs) within the organization. These numbers are expected to be representative for the Netherlands and Belgium, while providing an overestimate for Ethiopia. More precise data could yield more accurate calculations. Nonetheless, employee commuting constitutes merely a fraction of the overall carbon footprint of Royal Swinkels.

Scope 3, category 9 (downstream transportation and distribution) includes emissions released during the transport of products sold by the organisation but which are arranged by the customer. They are calculated using an average, distance-based approach. Access to precise distance-based data, such as from customer distribution centers to retail locations, is lacking. The assumption is made that the distance covered by downstream transport is 100km. Based on the outbound transportation data available, it is known at which the locations beer is delivered, and from which it is transported to retailers.

For scope 3, Category 11 (use of sold products), includes emissions released from the use of sold products during its life cycle, for which cooling of the beer is the relevant

activity. We adopt an average-based approach. This involves multiplying the average electricity consumption for cooling beer at home and in the hospitality sector by the average electricity emission factors for countries where 80% of our beer is sold. For the remaining 20% sold in other markets, a general emission factor is applied. Downstream emissions from the sales of malt are not included in this category. We do include upstream transport for the produced malt. However, including the use of malt in other products does not appropriately reflect the GHG emissions of Royal Swinkels, particularly due to the lack of influence Royal Swinkels has over other companies that brew beer or produce other malt based products.

For scope 3, category 12 (end-of-life treatment), includes emissions released during the (waste) disposal of products sold by the organisation at the end of their life cycle. We use an average-based approach. This involves considering waste treatment methods (recycling, incineration, and landfilling) for each packaging material (metal, plastic, and glass), along with corresponding emission factors. We identify the specific waste treatment mix for countries where 80% of our beer is sold. For the remaining 20% of our beer sold in other markets, a general emission factor is applied.

### **Emission factors scope 3: data types and prioritization**

There are various data levels for retrieving scope 3 emission factors (EFs), ranging from specific to general. The prioritization of these data types is outlined as follows:

1. Supplier-Specific Factors: high accuracy, obtained directly from upstream partners.
2. Hybrid Factors: combine supplier data with industry standards for a balanced approach. Applied when specific data is lacking.
3. Average Factors: derived from databases, used when specific data is unavailable. Priority goes to product-specific and regionally-specific data.
4. Spend-Based Factors: estimate emissions indirectly from financial data. A supplementary approach for less material categories.

### Approach to selecting databases

To select EFs on a hybrid, average, or spend-based level, there are multiple sources to select from, which we categorize as follows:

### Scope 3 categories included and excluded in reporting year 2023

Type of source	Applied to scope 3 emission category	Reason
<b>Product-/material specific databases.</b> F.e.: DEFRA, EcolInvent, International Energy Agency	Category 1: purchased goods and services Category 2: capital goods Category 3: fuel- and energy-related emissions Category 5: waste generated in operations Category 11: use of sold products Category 12: end-of-life treatment of sold products	Achieving a higher level of product- and geographical specific factors and the ability to include circularity in the assessment.
<b>Studies conducted by knowledge organizations.</b> F.e.: Nederlandse Emissie Autoriteit, Landelijk Reizigersonderzoek.	Upstream-/downstream transportation Category 5: waste generated in operations Category 7: employee commuting Category 11: use of sold products Category 12: end-of-life treatment of sold products	Achieving EFs related to specific activities performed in our value chain, such as waste treatment processes.
<b>Industry-specific studies.</b> F.e.: European Aluminum, World Stainless	Category 1: purchased goods and services Category 2: capital goods	Achieving EFs on a material level.

## **Indicator: Relative energy consumption beer, soft drinks and malting (#1.5)**

**Definition:** energy (MJ) needed to produce 1 hectolitre (HL) of beer and/or soft drinks or Energy (MJ) needed to produce 1 ton of malt.

**Scope:** the operations identified in table 1 are in scope. Depending on the main activity of the operation (brewing or malting), the total MJ to produce either beer or malt is calculated.

**Calculation:** total energy consumption within own operations of beer and/or soft drinks and/or malt production / Total production of beer and/or soft drinks and/or malt

### **Assumptions and extra information:**

- The relative KPI can be calculated as 3 different sub-KPIs. Relative consumption of; (1) soft drink production, (2) beer brewing, (3) malting.
- Please note that the nominator and the denominator need to be of the same production unit.
- Right calculation: malt energy consumption / malt produced.

---

### **How is the HL beer or soft drink calculated?**

The HL of total beer production or total soft drink production is calculated by taking the average of the amount in HL that is produced and the amount in HL that is bottled. This gives the most realistic indication. calculation: (the HL brewed + HL bottled)/2

### **What is included in the energy usage?**

All energy usage that is in scope in KPI Total energy consumption (#1.2) is also included for the relative KPI. This means that the head office, WWTP and the logistic centre are all included to calculate this KPI. Please note that this is different from most benchmark approaches.

### **How is the allocation of soft drinks versus beer production conducted?**

If a site produces multiple products, for example beer and soft drink, the allocation of the energy (which part of energy to soft drinks which part to beer) can be decided at site/brewery level. Assumptions should be explained and documented. If the data is not available, a rationale should be provided. In case no data is available, the allocation figures of another site should be used.

### **Calibration of meters**

The energy meters should be calibrated at least every five years.

---



### **Indicator: Relative CO<sub>2</sub> emissions beer and malting (#1.6)**

**Definition:** CO<sub>2</sub> emissions emitted from energy used to produce 1 HL of beer or CO<sub>2</sub> emissions emitted from energy used to produce 1 ton of malt.

**Scope:** the operations identified in table 1 are in scope. Depending on the main activity of the operation (brewing or malting) the total CO<sub>2</sub> emissions emitted to produce either beer or malt is calculated.

**Calculation:** total CO<sub>2</sub> emissions within own operations of beer and/or softdrinks and or malt production / Total production of beer and/or soft drinks and/or malt

#### **Assumptions and extra information:**

- The relative KPI can be calculated as 2 different sub-KPIs. Relative consumption of: (1) Beer brewing, (2) Malting.
- Please note that the nominator and the denominator need to be of the same production unit.
- Right calculation: malt CO<sub>2</sub> emissions / malt produced.

### **Indicator: Renewable energy as % of total energy consumption (#1.7)**

**Definition:** renewable energy as a percentage of the total energy consumption. Renewable energy is energy from renewable sources such as wind, biogas, solar, netto heat from heatpumps and more. In case of doubt, the GHG Protocol on Renewable Energy Purchases is leading. If energy is reused internally this is seen as a 'saving' not as a renewable energy source.

**Scope:** the operations identified in table 1 are in scope.

**Calculation:** (Renewable energy/total energy consumption) \* 100

**Assumptions and extra information:** n/a

## **Water management**

### **Indicator: Total water consumption (#1.8)**

**Definition:** total water withdrawal (of all sources; wells, municipal etc.). E.g. the meter that enters the site should be used (before the treatment facility).

**Scope:** the operations identified in table 1 are in scope.

**Calculation:** sum of purchased and pumped water from all sources in m<sup>3</sup>

**Assumptions and extra information:** water losses due to own water treatment are included, but due to third party treatment are not included.

### **Indicator: Relative water consumption for beer, soft drinks and malting (#1.9)**

**Definition:** water used to produce 1 HL of beer or water used to produce 1 ton of malt.

**Scope:** the operations identified in table 1 are in scope. Depending on the main activity of the operation (brewing or malting) the relative water consumption to produce either beer or malt is calculated.

**Calculation:** total water use of beer and/or soft drinks and/or malt production / Total production of beer and/or soft drinks and/or malt.

#### **Assumptions and extra information:**

- The relative KPI can be calculated as 3 different sub-KPIs. Relative consumption of: (1) Soft drinks production, (2) Beer brewing, (3) Malting.
- Please note that the nominator and the denominator need to be of the same production unit.

For the details of the calculation of the relative scope see the KPI 'Relative energy consumption'.

Please note that this excludes filtration losses, water for drinking, water provided to the community etc.

---

### How is the allocation of soft drinks versus beer production organised?

If a site produces multiple products, for example beer and soft drink, the allocation of water (which part of water to soft drink which part to beer) can be decided at site/ brewery level. Assumptions should be explained and documented. If the data is not available, a rationale should be provided. In case no data is available, the allocation figures of another site can be used.

### Water for beer and soft drink production

Only include water that is used for production. This means that filtration losses, drinking water, water provided to the community and other water usages can be excluded.

### Calibration of meters

The flow meters should be calibrated at least every five years.

---

## Residual Flows (waste) and co-product management

### Indicator: Co-products (#1.10)

**Definition:** the circular application co-products is determined by waste management. In our organisation we use the 'waste management ladder' approach (Ladder van Lansink). We prefer to prevent waste, reuse or recycling.

**Circular applications:** reuse, material recovery, recycling and other forms of recovery.

**Non-circular forms of application:** landfill and incineration.

**Scope:** the operations identified in table 1 are in scope.

**Calculation:** (circular application of co-products / total co-products) \* 100

**Assumptions and extra information:** n/a

### Indicator: Residual flows (#1.11)

**Definition:** the residual flows circular application is determined by waste management. In our organisation we use the 'waste management ladder' approach (Ladder van Lansink) . We prefer to prevent waste, reuse or recycling.

**Circular applications:** reuse, material recovery, recycling and other forms of recovery.

**Non-circular forms of application:** landfill and incineration.

**Scope:** the operations identified in table 1 are in scope.

**Calculation:** (circular application of residual flows / total residual flows) \* 100

**Assumptions and extra information:** n/a

# 5. Safety and well-being indicators

This section explains the indicators we use to measure our social performance. We define them, clarify their scope, show the calculations and any relevant assumptions we have made when collecting the data.

## Safety

### Indicator: Lost Time Accidents (LTA) (#2.1)

**Definition:** a job accident (including business travel) that results in an employee being absent from the workplace for a minimum of one full workday (lost time). The absent day does not include the day during which the accident occurred and started counting the next shift with absence.

**Scope:** the operations identified in table 1 are in scope.

**In scope:** employees include own staff, agency workers and interns who are receiving direct orders.

#### Who are not employees?

**Contractors:** accidents with contractors and subcontractors will be reported separately.

#### Out of scope: visitors

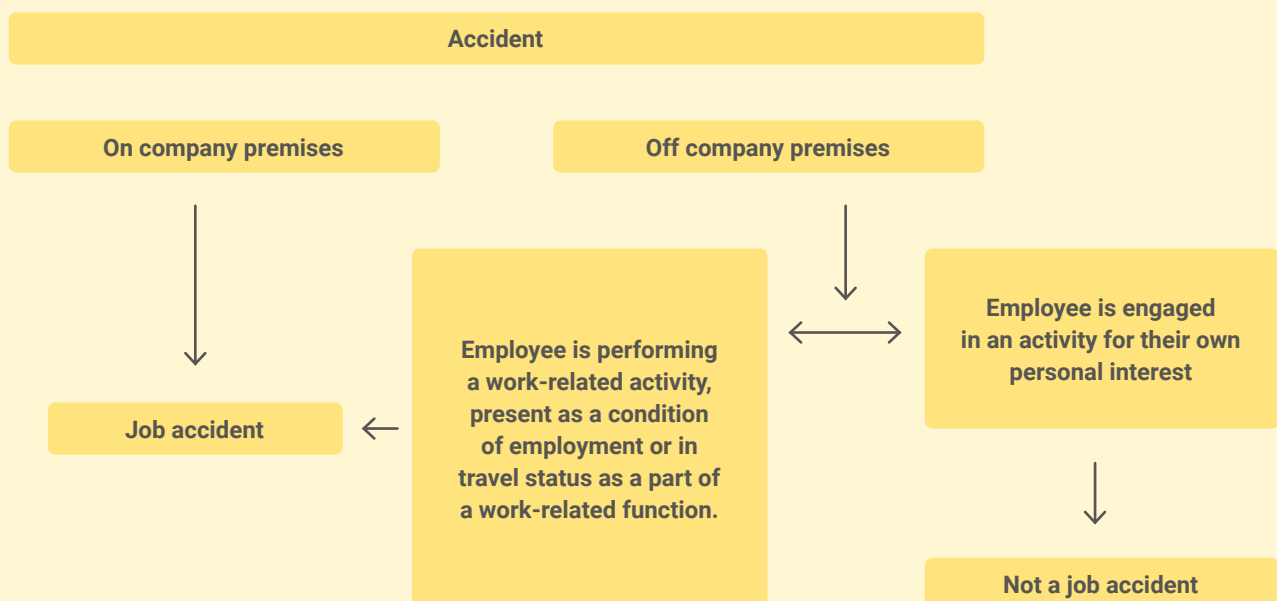
Visitors are excluded. For example, visitors of the Brewery excursions or sales representative of other companies.

In case of doubt please discuss the accident with the manager sustainability of Royal Swinkels. In case of lack of clarity or disagreement, the EU-OSHA is leading.

Commuting (employees traveling from home to work and from work back home) accidents are not included in LTA reporting.

**Calculation:** the number of lost time accidents company-wide.

## When is it a job accident?



## Assumptions and extra information:

### When is it a lost time accident?

Any wound or damage to the body, resulting from a brief single event or exposure that requires an employee to stop working, seek medical advice or go home (causing lost time and not been able to work the next shift).

### How do I count lost days?

Lost days are counted from the first day after the case until the day the person returns to normal duties at work.

**All calendar days are counted (including weekends and non-scheduled days).** In case the lost day period starts later than the first day after the case the calculations starts from that day.

### How do I count weekends, holidays, or other days the employee would not have worked any way?

You must count the number of calendar days the employee was unable to work as a result of the injury or illness, regardless of whether or not the employee was scheduled to work on those day(s). Weekend days, holidays, vacation days or other days off are included in the total number of days recorded if the employee would not have been able to work on those days because of a work related injury or illness.

## Indicator: Lost Time Accidents Contractors (LTAc) (#2.2)

**Definition:** a job accident that results in a contractor being absent from the workplace for a minimum of one full workday. The absent day does not include the day

during which the accident occurred and starts counting the next shift with absence. In all situation the diagnose of the occupational physician is leading.

**Scope:** the operations identified in table 1 are in scope.

**Calculation:** number of contractor accidents companywide

## Assumptions and extra information:

### When is it a lost time accident?

Same accounts for contractor as for employee. Please see the information of Lost Time Accidents (LTA) (#2.1).

### How do I count lost days?

Same accounts for contractor as for employee. Please see the information of Lost Time Accidents (LTA) (#2.1).

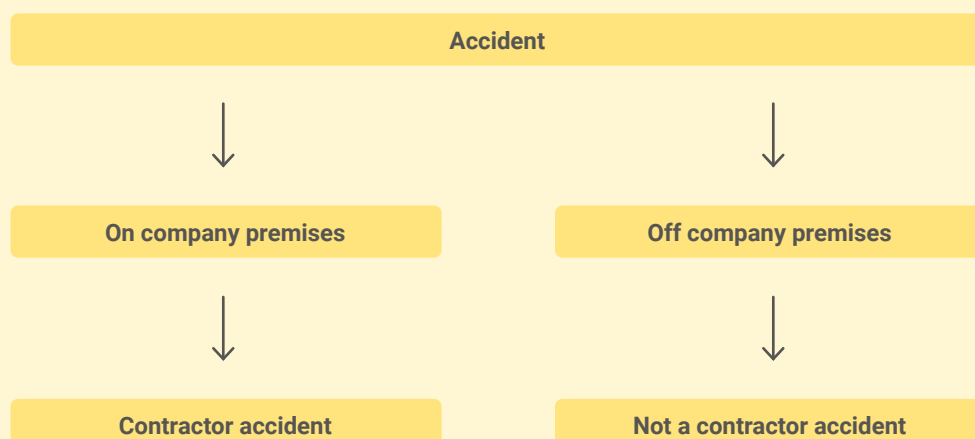
### When is it a contractor?

A contractor is not on the payroll, but should be reported if Royal Swinkels supervises them on a day-to-day basis. Day-to-day supervision means that we "supervises not only the output, product, or result to be accomplished by the person's work, but also the details, means, methods, and processes by which the work objective is accomplished."

Both contractors and sub-contractors should be reported by the contractor. Subcontractors are seen as contractors.

The client (or host company) = the company that outsources the task. The work is usually done at the client's premises.

## When is it a job accident?



The contractor (and workers) = the company that signs the contract with the client for providing services such as maintenance works.

The subcontractor (and workers) = third company contracted by the contractor, for example for specialized or minor ancillary works. This includes self-employed workers.

In case of doubt please discuss the accident with the manager sustainability of Royal Swinkels. In case of lack of clarity or disagreement, the EU-OSHA is leading.

### **Indicator: Accident Frequency (#2.3)**

**Definition:** the number of accidents resulting in absence from work per 100 FTE. This is an indicator of the state of health and safety at the workplace.

**Scope:** the operations identified in table 1 are in scope.

**Calculation:** number of accidents \* 200.000 / total hours worked by employees.

#### **Assumptions and extra information:**

- To determine the number of accidents please see the information of KPI 2.1.
- In the calculation 200.000 is used to show the equivalent of 100 full-time employees working 40-hour weeks, 50 weeks per year.

#### **Hours worked:**

The total hours worked is reported per operation facility based on the maximum contracted hours worked.

A full-time employee works the following equivalent at our locations:

**Lieshout/Berkel-Enschot/Utrecht/Eemshaven/**

**Bodengraven:** 40-hour work week

**Steenhuffel/Roeselare:** 37-hour work week

**Debre Berhan (Ethiopië):** 44-hour workweek

Not all overtime is measured. If the overtime cannot be measured, it is excluded from the total hours worked. If the overtime is registered, it should be included. In case of challenges with the hour registration, the hours worked can be based on the FTE.

### **Indicator: Severity Rate (#2.4)**

**Definition:** the number of lost days by accident in relation to the total hours worked. This is an indicator of the state of health and safety at the workplace and indicate how critical or serious the injuries and illnesses are on average.

**Scope:** the operations identified in table 1 are in scope.

**Calculation:** number of lost day by accidents \* 200.000 / total hours worked by employees

#### **Assumptions and extra information:**

- To determine the number of accidents please see the information of Lost Time Accidents (LTA) (#2.1).
- In the calculation 200.000 is used to show the equivalent of 100 full-time employees working 40-hour weeks, 50 weeks per year.

#### **Hours worked:**

See explanation Accident Frequency.

### **Indicator: Fatalities (#2.5)**

**Definition:** a fatal accident at work refers to an accident at work which leads to the death of a victim within one year of the accident.

**Scope:** the operations identified in table 1 are in scope.

**Calculation:** count the fatal accidents

#### **Assumptions and extra information:**

A fatal accident can occur both on company premises and off company premises.

#### **What is off company premises?**

If an employee is off company premises, performing a work-related activity, in an employment situation or in a travel status as part of a work-related function.

Commuting (employees traveling from home to work and from work back home) accidents are not included in fatality reporting.

## Employment and well-being

### Indicator: FTE (#2.6)

**Definition:** full-time equivalent (FTE) is the ratio of the total hours worked divided by the maximum number hours in the same period. Based on an 8-hour workday and a working week of 5 days (actual data on 31 December).

**Scope:** the operations identified in table 1 are in scope.

**In scope:** all persons on the payroll are in scope (this includes both line employees and office employees), including Bier&Co and out-of-home sales and distribution.

**Out of scope:** agency workers and contractors are not on the payroll and should therefore not be included. Interns are not employees and should be excluded.

**Calculation:** total hours worked by employees / number of employees \* standard full-time working week

### Assumptions and extra information:

#### Working hours

For the denominator, the following fixed 'standard full-time working week' are used:

**Working day:** 8 hours

**Working week:** 40 hours

**Working month:** 174 hours

**Working year:** 2088 hours

The full-time employee working week can differ per site (see indicator #2.3). If a site does not use the 40 hours working week, global and site determine together if the site or global does the recalculation. Despite the minor differences per site in average working days and working weeks, we use the above standard numbers.

Overtime is excluded from the total hours worked.

### Indicator: Absenteeism (#2.7)

**Definition:** RS employees that are absent from work. Absenteeism of RS employees can be caused by personal issues (sickness, accident at home and more) or an accident at one of the RS locations.

**Scope:** the operations identified in table 1 are in scope, including out-of-home and distribution.

**In scope:** all persons on the payroll are in scope (this includes both line employees and office employees).

**Out of scope:** agency workers, contractors and interns. If a person is sick for more than 180 days, the days following the 180 should not be counted as absent.

**Out of scope:** note: maternity leave is not counted as absenteeism. Funerals, marriage or days for moving are not counted as absenteeism.

**Calculation:** (absence days calendar year/365) \* 100

### Indicator: Joiners and Leavers (#2.8)

**Definition:** employment contracts that started and ended in one year (actual data on 31 December).

**Scope:** the operations identified in table 1 are in scope, including out-of-home and distribution.

**In scope:** all persons on the payroll are in scope (this includes both line employees and office employees). Rehires are recounted. Each time someone joins, this is counted as a joiner. Each time someone leaves, this is counted as a leaver.

**Out of scope:** agency workers and contractors are not on the payroll and should therefore not be included. Interns are not employees and should be excluded.

**Calculation:** sum of joiners - sum of leavers

### Indicator: Subdivision men/women (#2.9)

**Definition:** employment contracts of men and women counted separately (actual data on 31 December).

**Scope:** the operations identified in table 1 are in scope.

**In scope:** all persons on the payroll are in scope (this includes both line employees and office employees).

**Out of scope:** agency workers and contractors are not on the payroll and should therefore not be included. Interns are not employees and should be excluded.

**Calculation:** (number of female or male employees / number of employees) \* 100

# 6. Responsible drinking indicators

## Low and no alcohol

### Indicator: Low and no alcohol (#3.1)

**Definition:** percentage of beers and ciders 'free of alcohol or with low alcohol (<3,5 vol%)' as part as ratio of the total beer sales.

Note: soft drinks should be excluded from the calculation.

**Scope:** the operations identified in table 1 are in scope.

**Calculation:** (HL free of alcohol or with low alcohol (3,5 vol%) / HL Beer Sales (including low and no alcohol) \* 100

### Assumptions and extra information:

- Difference between 'soft drinks' and 'low and no alcohol' products are that 'low and no alcohol' are at least partly fermented. Whereas, soft drinks are not fermented.
- Bavaria Brewery produces soft drinks, such as carbonated lemon water. Bavaria 0.0 is an example of a product 'free of alcohol or with low alcohol (<3,5 vol%) branded as beer or cider'.

# 7. Local involvement

## Local involvement

Royal Swinkels will report in a qualitative manner based on local involvement.

# 8. Reporting procedures

## Contact details and responsibilities

This integrated report is the responsibility of the Corporate Accounting & Compliance Manager (finance part) and the Manager Sustainability (non-financial part).

Should you have any questions regarding the non- financial reporting please contact:

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Manager sustainability

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