Contents

1. Why do we have a reporting manual? 4

2. Scope of reporting 5
   Operational Scope 5

3. Sustainability indicators 8
   Energy and CO₂ emissions 8
   Indicator: Total energy consumption (#1.2) 8
   Indicator: Total CO₂ emissions (#1.3) 9
   Indicator: Relative energy consumption beer, soft drinks and malting (#1.4) 10
   Indicator: Relative CO₂ emissions beer, soft drinks and malting (#1.5) 10
   Indicator: Renewable energy as % of total energy consumption (#1.6) 11

   Water management 11
   Indicator: Total water consumption (#1.7) 11
   Indicator: Relative water consumption for beer, soft drinks and malting (#1.8) 11

   Residual Flows (waste) and co-product management 12
   Indicator: Co-products (#1.9) 12
   Indicator: Residual flows (#2.0) 12

4. Safety and well-being indicators 13
   Safety 13
   Indicator: Lost Time Accidents (LTA) (#2.1) 13
   Indicator: Lost Time Accidents Contractors (LTAc) (#2.2) 14
   Indicator: Accident Frequency (#2.3) 15
   Indicator: Fatalities (#2.4) 15

   Employment and well-being 15
   Indicator: FTE (#2.5) 15
   Indicator: Absenteeism (#2.6) 16
   Indicator: Joiners and Leavers (#2.7) 16
   Indicator: Subdivision men/women (#2.8) 16

5. Responsible Drinking indicators 17
   Lo and No Alcohol 17
   Indicator: Lo and No Alcohol (#3.1) 17

6. Local involvement 17
   Local involvement 17

7. Circular indicator 18
   Royal Swinkels Family Brewers circular ambitions 18
   Calculating the circularity score 19

   Circular KPIs 19
   Indicator: Packaging (#1.1.1) 19
   Indicator: Agricultural raw materials (#1.1.2) 19
   Indicator: Energy and transport (#1.1.3) 20
   Indicator: Water (#1.1.4) 20
   Indicator: Minimise losses (#1.1.5) 21
   Indicator: Co-products and residual flows (#1.1.6) 21
   Indicator: Wastewater (1.1.7) 21

8. Reporting Procedures 22
   Contact details and responsibilities 23

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

Royal Swinkels Family Breweries has published an integrated report since 2015. In the integrated report we disclose both financial and non-financial information. We use the standards of Global Reporting Initiative (GRI) as a guideline for our sustainability reporting. The GRI forms the basis for the selection of material topics and reporting principles. The Reporting Manual forms the basis for preparing the non-financial KPIs.

1. Why do we have a reporting manual?

2. Scope of reporting

Operations included in the reporting scope of the Annual Report:

The non-financial information includes all companies in which Royal Swinkels Family Brewers has majority ownership. These are companies that Royal 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.

Table 1: Operations in scope

<table>
<thead>
<tr>
<th>Country</th>
<th>Operation name</th>
<th>Ownership</th>
<th>Description of key activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breweries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>Brewery Bavaria</td>
<td>100% ownership</td>
<td>Brewing and production of soft drinks</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>Brewery Habesha</td>
<td>62% ownership</td>
<td>Brewing</td>
</tr>
<tr>
<td>Belgium</td>
<td>Brewery Rodenbach</td>
<td>60% ownership</td>
<td>Brewing</td>
</tr>
<tr>
<td>Belgium</td>
<td>Brewery Palm</td>
<td>60% ownership</td>
<td>Brewing</td>
</tr>
<tr>
<td>Other operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td>Holland Malt (Lieshout and Eemshaven)</td>
<td>100% ownership</td>
<td>Malting</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Distribution centre Meern</td>
<td>100% ownership</td>
<td>Logistic centre</td>
</tr>
</tbody>
</table>

Important changes in 2019:

No changes have been made in 2019 in the scope of reporting. We acquired 100% ownership of Brewery De Molen in 2019. We will start reporting on the activities from 2020 onwards. No operations are excluded from the scope due to sales.

Operations excluded from the reporting scope of the Annual Report:

We exclude 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.

List of exclusions:

1. Companies in which Royal Swinkels Family Brewers Holding has minority-ownership. Minority-ownership is defined as companies that Royal Swinkels Family Brewers 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. For example, Bavaria beer in Russia because of the transport distance and import regulations. However, we do not own a licensed brewery and therefore have no insight into and influence on the performance data of a brewery. Due to missing reliable non-financial information, we have excluded the licensed breweries.
4. Swinkels Family Brewers 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, local sales, wholesale hospitality establishment are not in scope, like they were in former years.
Table 2: Operations out-of-scope

<table>
<thead>
<tr>
<th>Country</th>
<th>Operation name</th>
<th>Ownership</th>
<th>Description of key activities</th>
<th>Explanation out-of-scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breweries</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Georgia</td>
<td>Brewery Argo</td>
<td>40% ownership</td>
<td>Brewing</td>
<td>RSFB has a minority share</td>
</tr>
<tr>
<td>Other operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multiple</td>
<td>Licensees</td>
<td>No ownership but agreement</td>
<td>Licensed Brewing</td>
<td>There is no ownership and the influence is limited</td>
</tr>
<tr>
<td>Multiple</td>
<td>Foreign sales organizations</td>
<td>100% ownership</td>
<td>Sales</td>
<td>Commercial activities</td>
</tr>
<tr>
<td>U.S.A.</td>
<td>Latis</td>
<td>90%</td>
<td>Sales</td>
<td>Commercial activities</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Bier&amp;Co*</td>
<td>100% ownership</td>
<td>Wholesale</td>
<td>Commercial activities</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Out-of-home sales and distribution*</td>
<td>100% ownership</td>
<td>Sales and distribution</td>
<td>Commercial activities</td>
</tr>
</tbody>
</table>

* Please note that these operations are included in our FTE, absenteeism, staff turn-over and the subdivision men/women.

We disclose the following non-financial indicators in the Integrated Annual Report 2019

Table 3: KPIs in scope

<table>
<thead>
<tr>
<th>KPI #</th>
<th>KPI name</th>
<th>KPI Operational scope</th>
<th>Material Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Circular performance SFB</td>
<td>All operations in scope</td>
<td>Circular economy</td>
</tr>
<tr>
<td>1.2</td>
<td>Total energy consumption</td>
<td>All operations in scope</td>
<td>Energy and CO2 emissions</td>
</tr>
<tr>
<td>1.3</td>
<td>Total CO2 emissions</td>
<td>All operations in scope</td>
<td>Energy and CO2 emissions</td>
</tr>
<tr>
<td>1.4</td>
<td>Relative energy consumption beer, soft drinks and malting</td>
<td>Specific scope per KPI</td>
<td>Energy and CO2 emissions</td>
</tr>
<tr>
<td>1.5</td>
<td>Relative CO2 emissions beer, soft drinks and malting</td>
<td>Specific scope per KPI</td>
<td>Energy and CO2 emissions</td>
</tr>
<tr>
<td>1.6</td>
<td>Renewable energy as % of total energy consumption</td>
<td>All operations in scope</td>
<td>Energy and CO2 emissions</td>
</tr>
<tr>
<td>1.7</td>
<td>Total water consumption</td>
<td>All operations in scope</td>
<td>Water management</td>
</tr>
<tr>
<td>1.8</td>
<td>Relative water consumption beer, soft drinks and malting</td>
<td>Specific scope per KPI</td>
<td>Water management</td>
</tr>
<tr>
<td>1.9</td>
<td>Residual flows</td>
<td>All operations in scope</td>
<td>Waste</td>
</tr>
<tr>
<td>2.0</td>
<td>Co-products</td>
<td>All operations in scope</td>
<td>Waste</td>
</tr>
</tbody>
</table>

Safety and well-being

| 2.1   | Lost Time Accidents (LTA) | All operations in scope | Employee safety and well-being |
| 2.2   | Lost Time Accidents Contractors | 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   | Fatalities | All operations in scope | Employee safety and well-being |
| 2.5   | Full-Time Employees (FTE) | All operations in scope | Employment and employment relationships |
| 2.6   | Absenteeism | All operations in scope | Employment and employment relationships |
| 2.7   | Joiners and leavers | All operations in scope | Employment and employment relationships |
| 2.8   | Subdivision men/women | All operations in scope | Employment and employment relationships |

Responsible drinking

| 3.1   | Lo and No Alcohol | All Breweries in scope | Responsible drinking |

Global Growth with local involvement

| 4.1   | No KPI |
3. 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.

Energy and CO₂ emissions

Indicator: Total energy consumption (+1.2)

Definition: Total thermal energy consumption used for beer, soft drinks and malt production measured in TJ. Thermal 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: All our operations are in scope (as defined in the table ‘operations in scope’). All thermal 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).

Assumptions and extra information:
- 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

Please note that this scope differs from benchmark data.

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

Calculating the MJ or TJ

1. Often invoices or meter readings are not in MJ or TJ but in kWh or Nm3. 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 net calorific value (NCV) or lower heating value (LHV). 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. IPCC does not provide a relationship between NCV and GCV for biomass fuels, presumably because the moisture content of biomass fuels can vary extensively. More information can be found on the website of the GHG Protocol and via this link.

3. 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 Net Calorific Value.

Please note:
- 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 Swinkels Family Brewers, the gasoline and diesel should be included.

Indicator: Total CO₂ emissions (+1.3)

Definition: Direct and indirect CO₂ emissions, produced on-site or produced off-site by the electricity supplier (scope 1 and 2 CO₂ emissions). SFB 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: All our operations are in scope (as defined in the table ‘operations in scope’)

Calculation: Total CO₂ emissions = scope 1 CO₂ emissions + scope 2 CO₂ emissions

Most used conversion factors

<table>
<thead>
<tr>
<th>Source</th>
<th>Country</th>
<th>Unit</th>
<th>Multiply by</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Gas</td>
<td>Netherlands</td>
<td>MJ/Nm³</td>
<td>31.65</td>
<td>RVO, 2006</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>Belgium</td>
<td>MJ/Nm³</td>
<td>37.3</td>
<td>VREG, 2018</td>
</tr>
<tr>
<td>Biogas</td>
<td>Netherlands</td>
<td>MJ/Nm³</td>
<td>28.33</td>
<td>Measured</td>
</tr>
<tr>
<td>Electricity</td>
<td>Netherlands</td>
<td>kW/h</td>
<td>L*35.8 + MJ</td>
<td>IPC, 2006</td>
</tr>
<tr>
<td>Diesel oil</td>
<td>All countries</td>
<td>MJ/liter</td>
<td>L*321.3 + MJ</td>
<td>RVO, 2006</td>
</tr>
<tr>
<td>Motor gasoline (also called petrol)</td>
<td>All countries</td>
<td>MJ/liter</td>
<td>L*321.3 + MJ</td>
<td>RVO, 2006</td>
</tr>
</tbody>
</table>

Assumptions and extra information:
- Please see the tables below to find details on the CO₂ conversion factors for key energy sources per location.
- Global Sustainability reviews the CO₂ 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.
- Excluded: Short Cyclic emissions are excluded. We exclude CO₂ emissions released during the fermentation process of brewing. We exclude CO₂ emissions released during the usage of biogas.
- Non-material: We exclude CO₂ emissions released by the Wastewater Treatment Plant (WSTP). 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.
**CO₂ conversion factors**

<table>
<thead>
<tr>
<th>Source</th>
<th>Country</th>
<th>Unit</th>
<th>Factor</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Gas</td>
<td>Netherlands</td>
<td>Kg CO₂/GJ</td>
<td>56.6</td>
<td>Staatscourant 2019</td>
</tr>
<tr>
<td>Natural Gas</td>
<td>Belgium</td>
<td>Kg CO₂/GJ</td>
<td>55.8</td>
<td>Belgium emission plan 2004</td>
</tr>
<tr>
<td>Electricity</td>
<td>All</td>
<td>Kg CO₂/GJ</td>
<td>Multiple</td>
<td>Preferred is local supplier information.</td>
</tr>
<tr>
<td>Motor gasoline (also called petrol)</td>
<td>All</td>
<td>Kg CO₂/GJ</td>
<td>69.3</td>
<td>GHG Protocol, Emission Factors from Cross-Sector Tools and IPPC, 2006</td>
</tr>
<tr>
<td>Diesel oil</td>
<td>All</td>
<td>Kg CO₂/GJ</td>
<td>74.1</td>
<td>GHG Protocol, Emission Factors from Cross-Sector Tools and IPPC, 2006</td>
</tr>
</tbody>
</table>

**Indicator: Relative energy consumption beer, soft drinks and malting (#1.4)**

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

**Scope:** All our operations are in scope (as defined in the table ‘operations in scope’). The scope varies per indicator calculated, however. For example, only malting is included to calculate the relative malt energy consumption.

**Calculation:** Total energy consumption 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.

**Wrong calculation:** all energy consumption / malt produced.

**Indicator: Renewable energy as % of total energy consumption (#1.5)**

**Definition:** Renewable energy as a percentage of the total energy consumption. Renewable energy is energy from sources that are renewable such as wind, biogas, solar and more. It does not consider energy that is seen as a ‘saving’ not as a renewable energy source.

**Scope:** All our operations are in scope (as defined in the table ‘operations in scope’).

**Calculation:** Renewable energy / total energy consumption * 100

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

**Indicator: Relative CO₂ emissions beer, soft drinks and malting (#1.8)**

**Definition:** CO₂ emissions emitted from energy used to produce 1 hectolitre of beer and soft drinks or CO₂ emissions emitted from energy used to produce 1 ton of malt.

**Scope:** All our operations are in scope (as defined in the table ‘operations in scope’). However, the scope varies per indicator calculated. For example, only malting is included to calculate the CO₂ emissions of maltings.

**Calculation:** Total CO₂ emission 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 CO₂ emissions / malt produced.

**Wrong calculation:** all energy CO₂ emissions / malt produced.

**Indicator: Total water consumption (#1.7)**

**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:** All our operations are in scope (as defined in the table ‘operations in scope’).

**Calculation:** Sum of purchased and pumped water from all sources in m³.

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

**Indicator: Relative water consumption for beer, soft drinks and malting (#1.8)**

**Definition:** Water used to produce 1 hectolitre of beer and soft drinks, or water used to produce 1 ton of malt. Please note that this excludes filtration losses, drinking water, water provided to the community etc. E.g. the meter before the brewing kettles and malting tower should be used.

**Scope:** All our operations are in scope (as defined in the table ‘operations in scope’). However, the scope varies per indicator calculated. For example, only malting is included to calculate the relative water consumption of maltings.

**Calculation:** Total water usage 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.
- Right calculation: malt water consumption / malt produced.

**Wrong calculation:** all water consumption / malt produced.

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

**Indicator: Renewable energy as % of total water consumption**

**Definition:** Renewable energy / total water consumption * 100

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

**Indicator: Water management**

**Definition:** Water used to produce 1 hectolitre of beer and soft drinks, or water used to produce 1 ton of malt. Please note that this excludes filtration losses, drinking water, water provided to the community etc. E.g. the meter before the brewing kettles and malting tower should be used.

**Scope:** All our operations are in scope (as defined in the table ‘operations in scope’).

**Calculation:** Sum of purchased and pumped water from all sources in m³.

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

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

**Note:** 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.

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

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.

Residual Flows (waste) and co-product management

Indicator: Co products (4.1.9)
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: All our operations are in scope (as defined in the table ‘operations in scope’).
Assumptions and extra information: n/a

Indicator: Residual flows (4.2.0)
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, (down) recycling and other forms of recovery.
Non-circular forms of application: landfill and incineration.

Scope: All our operations are in scope (as defined in the table ‘operations in scope’).
Calculation: (circular application of residual flows / total residual flows) * 100
Assumptions and extra information: n/a

Safety

Indicator: Lost Time Accidents (LTA) (4.2.1)
Definition: A job accident 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.

Please note: If the employee is not scheduled to work the next day the employee should indicate if they would have been able to work. If the employee indicates they would not have been able to work, it should be recorded as an accident. Please note this also includes weekends and holidays or if the employee is not scheduled to work. In all situations the diagnosis of the occupational physician is leading.

Scope: All our operations are in scope (as defined in the table ‘operations in scope’).
Calculation: the number of lost time accidents company wide
Assumptions and extra information: n/a

When is it a job accident?

When is it a job accident?

- Accidents
  - On company premises
    - Employee is performing a work-related activity, present as a condition of employment or in travel status as a part of a work-related function.
  - Off company premises
    - Employee is engaged in an activity for their own personal interest
- Not a job accident
When is it a job accident?

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.

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.

When is an accident?

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 day.

Please note: If the contractor is not scheduled to work the next day (including weekends and holidays), the contractor should indicate if they would have been able to work. If the employee indicates they would not have been able to work, it should be recorded as an accident.

In all situations the diagnosis of the occupational physician is leading.

Scope: All our operations are in scope (as defined in the table ‘operations in scope’). Calculation: Number of contractor accidents company-wide

Assumptions and extra information:

Any wound or damage to the body, resulting from a brief single event or exposure that requires a contractor to stop working, seek medical advice or go home (causing lost time).

Who are employees?

Employees include own staff, agency workers and interns who are receiving direct orders.

Who are not employees?

Contractors: Accidents with contractors and sub-contractors will be reported separately.

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 Swinkels Family Brewery.

In case of lack of clarity or disagreement, the EU-OSHA manager sustainability of Swinkels Family Brewery.

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

Who are not employees?

Contractors: Accidents with contractors and sub-contractors will be reported separately.

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 Swinkels Family Brewery.

In case of lack of clarity or disagreement, the EU-OSHA manager sustainability of Swinkels Family Brewery.

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

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.

Scope: All our operations are in scope (as defined in the table ‘operations in scope’). Calculation: Number of contractor accidents company-wide

Assumptions and extra information:

Any wound or damage to the body, resulting from a brief single event or exposure that requires a contractor to stop working, seek medical advice or go home (causing lost time).

When is it a contractor?

When is it a contractor?

Indicators: LTAc #2.2

Debre Berhan (Ethiopië): 44-hour work week

Roeselare: 37-hour work week

Bodengraven: 40-hour work week

Steenhuffel:/ Roesselare: 37-hour work week

Lieshout / Berkel-Enschot/Utrecht/Eemshaven/ Debe Berhan (Ethiopië): 44-hour work week

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.

When is it a contractor?

When is a contractor?

When is it a contractor?

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.

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: All our operations are in scope (as defined in the table ‘operations 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 2.2

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/ Steenhuffel:/ Roesselare: 37-hour work week

Debre Berhan (Ethiopië): 44-hour work week

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.
Working year (2019 specific): 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. Overtime is excluded from the total hours worked.

Indicator: Absenteeism (#2.6)
Definition: SFB Employees that are absent from work. Absenteeism of SFB employees can be caused by personal issues (sickness, accident at home and more) or an accident at one of the SFB locations.

Note: Maternity leave is not counted as absenteeism. Funerals, marriage or days for moving are not counted as absenteeism.

Scope: All our operations are in scope (as defined in the table ‘operations in scope’) including Bier&Co and Out of Home sales and distribution.

Calculation: (absence days/365) * 100

Assumptions and extra information:
All persons on the payroll are in scope (this includes both line employees and office employees). Agency workers and contractors are not on the payroll and should therefore not be included. Interns are not employees and should be excluded.

Indicator: Joiners and Leavers (#2.7)
Definition: Employment contracts that started and ended in one year (actual data on 31 December).

Scope: All our operations are in scope (as defined in the table ‘operations in scope’), including Bier&Co and Out of Home sales and distribution.

Calculation: Sum of joiners / Sum of leavers

Indicator: Subdivision men women (#2.8)
Definition: Employment contracts of men and women counted separately (actual data on 31 December).

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

Assumptions and extra information:
All persons on the payroll are in scope (this includes both line employees and office employees). Agency workers and contractors are not on the payroll and should therefore not be included. Interns are not employees and should be excluded.

5. Responsible Drinking indicators

Lo and No Alcohol

Indicator: Lo and No Alcohol (#3.1)
Definition: Percentage of beers and ciders ‘free of alcohol or with low alcohol (<3.5 vol%)’ as part of the total beer sales. Note: soft drinks should be excluded from the calculation.

Scope: All our breweries are in scope (as defined in the table ‘operations in scope’).

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

Assumptions and extra information:
Difference Soft drinks’ and ‘Lo and No Alcohol’ Lo and No Alcohol products are at least partly fermented. Soft drinks are not fermented.

Bavaria Brewery also produces soft drinks, such as carbonated lemon water.

• Soft drinks should be excluded from the calculation.

• ‘Bavaria 0.0’ is an example of a product ‘free of alcohol or with low alcohol (<3.5 vol%) branded as beer or cider’, this should be included in the calculation.

• Negus is a soft drink because it is not fermented.

6. Local involvement

Local involvement
Swinkels Family Brewers will report in a qualitative manner based on local involvement.
7. Circular indicator

Royal Swinkels Family Brewers circular ambitions

Royal Swinkels Family Brewers has the ambition to achieve a 50% realisation score for a self-developed circular business model in 2020. We realise that true circularity is a significant challenge 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.

We strive to become a fully circular company. We believe this journey will change overtime and we want to take our suppliers and customers with us on this journey. With this document we provide insight and formulate the approach of Royal Swinkels Family Brewers towards measuring and monitoring our circularity ambitions.

How we measure our circular ambitions

We have developed our own circular methodology to measure our circular ambition.

There is no standard framework for circularity reporting (yet). We use a self-developed circular methodology to measure and stimulate our ‘own performance/road’ to circularity.

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 and the WBCSD.

Strengths of our approach:

- We want to contribute to a circular economy - from sourcing to waste. However, we cannot influence all elements in our value chain (yet). For example, we cannot yet steer the recycled content in our cans. For this reason, we will focus on circularity in our own company first for 2020 and extend the scope as much as possible.
- Not every sourcing or operational action has the same impact. For example, SFB sources significantly more packaging than working clothes. However, it’s a challenge and time-consuming process to measure, report and substantiate the impact for each element in our business. Therefore, we work with a threshold.
- Our approach cannot be used for benchmarking.
- Our model does not measure circularity to its literal meaning, because we included thresholds to make our ‘high-risk’ products more important. For example, in packaging, glass consist of more than 50% of the actual kg but counts for only 1/5 of the score because we do not want to lose the attention for plastics.
- We consider this methodology to be a good starting point to stimulate, steer and report on the status towards our circular ambition. However, we’re also aware of the assumptions and improvement opportunities which we would like to improve on an ongoing basis.

Limits of our approach:

- We want to contribute to a circular economy - from sourcing to waste. However, we cannot influence all elements in our value chain (yet). For example, we cannot yet steer the recycled content in our cans. For this reason, we will focus on circularity in our own company first for 2020 and extend the scope as much as possible.
- Not every sourcing or operational action has the same impact. For example, SFB sources significantly more packaging than working clothes. However, it’s a challenge and time-consuming process to measure, report and substantiate the impact for each element in our business. Therefore, we work with a threshold.
- Our approach cannot be used for benchmarking.
- Our model does not measure circularity to its literal meaning, because we included thresholds to make our ‘high-risk’ products more important. For example, in packaging, glass consist of more than 50% of the actual kg but counts for only 1/5 of the score because we do not want to lose the attention for plastics.
- We consider this methodology to be a good starting point to stimulate, steer and report on the status towards our circular ambition. However, we’re also aware of the assumptions and improvement opportunities which we would like to improve on an ongoing basis.

Calculating the circularity score

Weight per category:

Our model consists of three categories and twelve sub-themes. The sub-themes are weighted and together form the circularity score.

<table>
<thead>
<tr>
<th>#</th>
<th>Category</th>
<th>Financial</th>
<th>Environmental resource impact</th>
<th>Score of subcategory</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sustainable procurement</td>
<td></td>
<td></td>
<td>44.4%</td>
</tr>
<tr>
<td>1.1</td>
<td>Packaging</td>
<td>Very High (4)</td>
<td>Very High (4)</td>
<td>14.8%</td>
</tr>
<tr>
<td>1.2</td>
<td>Agricultural raw materials</td>
<td>Very High (4)</td>
<td>Very High (4)</td>
<td>14.8%</td>
</tr>
<tr>
<td>1.3</td>
<td>Marketing and facility materials</td>
<td>Low (1)</td>
<td>High (3)</td>
<td>7.4%</td>
</tr>
<tr>
<td>1.4</td>
<td>Machine and buildings</td>
<td>Medium (2)</td>
<td>Medium (2)</td>
<td>7.4%</td>
</tr>
<tr>
<td>2</td>
<td>Circular production</td>
<td></td>
<td></td>
<td>35.19%</td>
</tr>
<tr>
<td>2.1</td>
<td>Energy and transport</td>
<td>High (3)</td>
<td>Very High (4)</td>
<td>13.0%</td>
</tr>
<tr>
<td>2.2</td>
<td>Water usage</td>
<td>Low (1)</td>
<td>High (3)</td>
<td>7.4%</td>
</tr>
<tr>
<td>2.3</td>
<td>Minimise losses</td>
<td>Low (1)</td>
<td>Medium (2)</td>
<td>5.6%</td>
</tr>
<tr>
<td>2.4</td>
<td>Maintenance Machine and Buildings</td>
<td>High (3)</td>
<td>Medium (2)</td>
<td>9.3%</td>
</tr>
<tr>
<td>3</td>
<td>Higher Value Re-Use</td>
<td></td>
<td></td>
<td>20.37%</td>
</tr>
<tr>
<td>3.1</td>
<td>Co-products</td>
<td>Medium (2)</td>
<td>Low (1)</td>
<td>5.6%</td>
</tr>
<tr>
<td>3.2</td>
<td>Residual flows</td>
<td>Low (1)</td>
<td>Medium (2)</td>
<td>5.6%</td>
</tr>
<tr>
<td>3.3</td>
<td>Wastewater</td>
<td>Low (1)</td>
<td>Low (1)</td>
<td>3.7%</td>
</tr>
<tr>
<td>3.4</td>
<td>Machine and buildings</td>
<td>Low (1)</td>
<td>Medium (2)</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

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

Circular KPIs

This section explains the indicators we use to measure our circular performance. We define them, clarify their scope, show the calculations and any relevant assumptions we have made when collecting the data. The KPIs of other categories, such as buildings, machines and marketing materials will be included in the reporting manual once reported in the annual report.

Indicator: Packaging (# 1.1.1)

Definition: there is currently no certification for circular packaging material. Our view on circularity is that packaging should be 1) avoided and minimised 2) come from a sustainable and/or renewable sources. We aim to avoid and minimise the kg in our packaging via different innovations. Because this often occurs in situations where the product is not yet made from a sustainable material, it often has a positive impact on the KPI.

We do not measure reduction separately because the data is not very reliable on a large scale. We measure if packaging comes from a sustainable and/or renewable source by using certificates. The certificate we use should have minimum requirements on the renewability of the source and the sustainable management of the source. If the data is not available, we use industry figures.

Paper and cardboard: recycled, FSC and PEFC certified

Plastic: recycled content in the product

Steel: our suppliers cannot (yet) provide the recycled content in the product. Therefore, we use the worldwide figure of 30% (source kidv, steel packaging)
**Standards for hop:** hapfenring, GAP (sustainability section), SAI, biological or small holders

**Standards for sugar and glucose:** SAI or biological

**Scope:** All operations are in scope.

**Calculation:** volume of circular grains / total volume barley * 1/3 + volume of circular hop / total volume of hop * 1/3 + volume of circular sugar / total volume of sugar * 1/3

All agricultural raw material product categories have an equal impact on the circularity score in our calculation because we want our full business to become more circular. If we would look solely at the weight, we foresee a risk of a decreased focus on plastics.

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

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

**Definition:** standards used: there is currently no certification for circular produced barley, hops and sugar. There are international standards for good agricultural practices and sustainable agriculture. Our view on circularity is that agricultural raw materials should be sourced from regenerative production and optimised resource yields. Therefore, we use standards that have criteria on the following measures to determine circularity of our agricultural raw materials.

- soil protection
- fertilizer use
- limiting pesticide use
- waste handling

We use these international standards as a benchmark to determine if our products are circular. These certification schemes have the benefit that they can be independently verified and are well controlled. Standards we use are, but not limited to:

**Standards for barley/malt:** SAI, biological or small holders

**Definition transport**

**Transport:** we work with suppliers to transport our products (beer, soda and malt). In order to measure both the efficiency and the energy source, we use the lean and green certification scheme. This scheme sets criteria for ‘green transport’, annual reduction and measures the CO₂ footprint transported. If a transport entity follows the criteria and is certified for ‘lean and green 3 stars’ we count the transport as circular.

**Scope transport:** all transport of sold products is in scope. Lease trucks for hospitality (out of home distribution) is in scope. Transport to and from work by employees is out of scope. Transport of employees to business meetings are out of scope. Transport of purchased products (e.g. Raw materials and packaging) are out of scope. Lease cars are out of scope.

**Calculation:** circular energy consumption operations and transport = (% sustainable energy source)*0.8 + (% energy efficiency performance above benchmark average)*0.2/0.5 + (% lean and green transport)*0.5

We value both reduction and renewable energy sources. However, reduction alone is not sufficient. Therefore, we use the distribution of 20% weight for reduction and 80% for renewable energy sources. Both energy and transport contribute 50% to the KPI.

**Indicator: Water (1.1.1)**

**Definition:** circular water usage is a complex theme. Water is circular by nature on the one hand, while on the other hand it can never be taken back to the same watershed in beverage production. There is a risk of using too much water which could damage the local water balance and cause depletion. In order to have a good local water balance, the maximum water consumption is regulated by the government. Watershed impact cannot be measured for a single company. It is therefore important to measure circular water usage in terms of efficiency. If a brewery or malthouse scores the same or better than the benchmark average data, the site will be determined as ‘efficient’. This level of efficiency can only be achieved with the most stringent measures such as reusing cleaning water.

**Scope water:** All operations are in scope

The NIRAS benchmark of 2019 is based on water data of 2018. There is always a one-year delay due to the reporting cycle. Melting facilities are not part of a benchmark, we therefore use average data from the EU.

**Calculation:** % Circular water consumption = (production sites on or above benchmark / total production sites)*100

**Indicator: Minimise losses (1.1.3)**

**Definition:** we measure production loss based on the sum of all our packaging and beer losses in production. Each brewery measures the input of packaging and beer. Losses can occur due to spills and breaks. Losses are measured via the output of the production and converted into a percentage.

**Scope:** all breweries are in scope.

We look at input and output of production lines. For example, if a bottle breaks in the warehouse this is not included because we only look at production. When a site does not yet monitor this data accurately, the average of a comparable site can be used.

**Calculation:** production loss = 100% - total packaging loss breweries (returnable, one-way and can) - total beer loss breweries.
Indicator: Wastewater (1.1.7)

Definition: circular water usage is a complex theme. Water is circular by nature on the one hand, while on the other hand it can never be taken back to the same watershed in beverage production. There is a risk of discharging effluents with high COD, phosphate and nitrogen. This is, however, regulated by the government. Swinkels Family Brewers defines wastewater as circular if the following measures are undertaken:
1. Project or activity in which wastewater is reused in operations (wastewater is used for cleaning, cooling or brewing) or in the local environment (for example, Farmer, Beer, Water project);
2. Production and usage of biogas = biogas is extracted and used via the WTTP;
3. Useful application of sludge = material is recovered from sludge, such as phosphates or energy is generated during incineration. Or composted and used for fertilizers.

Scope: all operations are in scope.

Calculation: % circular wastewater = (circular measures executed / total circular measures)*100

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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