



## Stock Spirits Group GHG Performance Data 2023

### GHG reporting approach

Stock Spirits Group (SSG) reports Scope 1 and Scope 2 greenhouse gas emissions according to the terminology of the Greenhouse Gas Protocol (GHG Protocol) developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

The GHG Performance Data 2023 covers the fiscal year to 30 September 2023.

### Reporting boundaries

In its reporting, SSG considers all entities (companies) included in the consolidated financial statements, but may exclude facilities for which emissions data is immaterial from the point of view of the entire organization, particularly if such data is not easily achievable. The materiality threshold applied by SSG is 1% (the value of 1% relates to the total emissions of the scope 1 and 2). Any facilities that are excluded due to this materiality threshold will be indicated each time in the report.

### Organic Changes & Acquisition Changes

In the event of extending existing plants or offices (referred to as "Organic Changes"), updated data on emissions to the environment will be included in the reporting on an ongoing basis. On the other hand, environmental data on newly acquired assets (referred to as "Acquisition Changes") is covered by the reporting no later than in the next financial year after the end of the first full calendar year from the acquisition. For example, if a new business is acquired in March 2022, then the first external reporting of environmental data for that new business will be included in the Sustainability Report for the financial year commencing 1st October 2024. This time is needed for integration of the newly acquired business into our processes and systems, identification of the scope of environmental impact, implementation of the reporting methodology pursued in other locations of the SSG and deployment of reporting software as well as for the potential recalculation of the base year data.

### Sites within the reporting scope

The reporting scope covers all SSG sites: offices and production plants:

- 1) Germany: Baltic Production Plant
- 2) Poland: Lublin Production Plant & Lublin Warehouse, Warsaw Office
- 3) Czech Republic: Pilzen & Pradlo Production Plants , Prague Office
- 4) Italy: Borgonato & Gussago Production Plants, Milan Office
- 5) Croatia: Zagreb Office
- 6) Bosnia and Harzegovina: Sarajewo Office
- 7) Slovakia: Bratislava Office

### GHG reporting scopes

SSG reports Scope 1 and Scope 2 GHG emissions only. The chosen emissions KPI is kgs of CO<sub>2</sub> equivalent per litre of finished product produced. Until FY20, the data and supporting comments were

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reported externally in the Annual Report and Accounts (ARA) and internally in the Operations Quarterly Business Review (QBR) each quarter. Since FY22, this data has been reported externally on the SSG website.

Within Scope 1 emissions, the following sources are included:

- Coal
- Natural gas
- Oil
- Petrol / diesel for company vehicles; machines
- Propane/butane gas for forklifts
- Refrigerants (for air conditioning and refrigerators)

Until 2020, all fuel consumed in company cars was reported under scope 1.

From 2021, fuel consumption in company cars is reported using the following rule: 5/7 of fuel consumption is included in scope 1 as fuel consumption for business purposes, and 2/7 is fuel used for private purposes and is included in scope 3, currently not reported.

This change reflects the fact that according to the company's policy employees can use company cars for private purposes, but are required to refuel the car at their own expense during weekends and vacations.

Within Scope 2 emissions, SSG reports emissions from electricity consumption and, for the Warsaw office, heat and steam and cold provided by a 3<sup>rd</sup> party.

#### **Changes in the calculation methodology**

In 2022 we introduced a change in the calculation methodology of Scope 2 GHG emissions in the area of electricity.

The calculation is based on two methods: location-based and market-based.

In the location-based method, we use IEA emission factors from 2015 to 2020 dedicated to a given year and a given country. In 2023, emission factors from the 2020 IEA publication were used. In this method, IEA emission factors are applied to all locations, regardless of whether they are powered by conventional or renewable energy sources.

In the market-based method, we established the emission factors hierarchy. If supplier factors are available, Stock Spirits Group uses them first, then the country-specific residual mix factors, and lastly the IEA factors. Following this hierarchy, we use Residual Mixes emission factors (source: <https://www.aib-net.org/facts/european-residual-mix>) dedicated to a given year and country. As Re-Diss emission factors for 2023 were not available at the time of our FY 2023 end, Re-Diss emission factors from 2022 were used. Once the Re-Diss emission factors for the reported year are published, the market-based method emission will be recalculated using the actual emission factors dedicated to a given period.

Since Re-Diss factors for Bosnia and Herzegovina were not available prior to 2021, the 2021 Re-Diss emission factor was used to calculate emissions from 2015-2021.

In this method, we use a zero-emission factor for sites that are powered by renewable energy sources confirmed by appropriate contracts with suppliers and certificates.



### Changes in the application of emission factors

In 2022 we decided to introduce a change in the application of emission factors. Thus, from January 2015 until September 2017 all emission factors used are applied to calendar years. It means that since October 2017 (Q1 FY 2018) all emission factors are applied to fiscal years. It has caused changes in the historical data.

### Independent 3<sup>rd</sup> Party limited assurance

Total Scope 1 and Scope 2 GHG emissions data for FY 2023 have been subject to independent limited assurance by PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością sp.k. (PwC). Details can be found in the PwC Independent practitioner's limited assurance report on selected information presented in Stock Spirits Group GHG statement available on the SSG website.

### GHG performance data

The Group's total Scope 1 (direct) and Scope 2 (indirect) greenhouse gas (GHG) emissions, measured in accordance with GHG Protocol standards and guidelines, are shown below.

## Greenhouse gas emissions (Tones (T) of CO<sub>2</sub>e)

Table 1. [GRI 305-1a, 305-2a]

	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Scope 1 (direct)	26 587	32 006	31 963	31 793	34 375
Scope 2 (indirect) location-based method	8 574	8 649	8 867	8 833	9 144
<b>Total</b>	<b>35 161</b>	<b>40 655</b>	<b>40 830</b>	<b>40 627</b>	<b>43 520</b>

Table 2. [GRI 305-1a, 305-2b]

	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Scope 1 (direct)	26 587	32 006	31 963	31 793	34 375
Scope 2 (indirect) market-based method	353	439*	3 596*	11 344*	11 876*
<b>Total</b>	<b>26 941</b>	<b>32 445</b>	<b>35 559</b>	<b>43 137</b>	<b>46 251</b>

\* FY2019-FY2022 Scope 2 market-based method data differs from last year's GHG data presented in the Sustainability Report FY 2022 which is available on SSG website. The update results from an error found in the calculation formula.

\*\*The decrease in CO<sub>2</sub>e emissions in Scope 2 (market-based method vs. location-based method) results from the zero-emission electricity at the factories, and at the Lublin warehouse.





## Greenhouse gas emissions by gram/litre of finished product produced (CO<sub>2</sub>e)

Table 3. [GRI 305-4]

	<b>FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2019</b>
Scope 1 (direct)	222	254	247	259	274
Scope 2 (indirect) location-based method	72	69	68	72	73
<b>Total</b>	<b>294</b>	<b>322</b>	<b>315</b>	<b>332</b>	<b>347</b>

Table 4. [GRI 305-4]

	<b>FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2019</b>
Scope 1 (direct)	222	254	247	259	274
Scope 2 (indirect) market-based method	3	3	28	93	95
<b>Total</b>	<b>225</b>	<b>257</b>	<b>274</b>	<b>352</b>	<b>369</b>

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