Stock Spirits Group Ltd
GHG Performance Data 2022

GHG reporting approach

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

We use two ESG reporting frameworks, including the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB).

These frameworks allow us to provide information in a structured and consistent way, enabling our stakeholders to analyse our performance over time, and relative to other organisations.

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 (as of Oct 2021), Milan Office
5) Croatia: Zagreb Office
6) Bosnia and Harzegovina: Sarajewo Office
7) Slovakia: Bratislava Office
8) UK: Wooburn Green Office (until Nov 2021)

Base year

The base year is from 1 October 2014 to 30 September 2015 (“FY15”).

Changes in the calculation methodology

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

Calculations are performed 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 2022, emission factors from the 2020 IEA publication were used. In this method, IEA emission factors are applied to all locations, regardless if they are powered by conventional or renewable energy sources.

In the market-based method, we established the emission factors hierarchy. If the supplier factors are available Stock Spirits uses those 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 2022 were not available at the time of our FY 2022 end, Re-Diss emission factors from 2021

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 2021, the Re-Diss emission factor from 2021 was used for the calculation of emissions in 2015-2021.

In this method, we use the zero-emission factor for sites that are powered by renewable energy sources. These are: all factories (except Italy plants) that use 100% electricity from 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.

*For more information such as the reporting scope and boundaries, calculation methodology and assumptions used please refer to the "SSG Procedure on Environmental Data Reporting" available **here**

Independent 3rd Party audit

The FY 2022 energy and Scope 1 and 2 GHG emissions data have undergone independent limited assurance by ERM Certification and Verification Services (ERM CVS). For full details please refer to the ERM CVS Limited Assurance Statement available **here.**

GHG performance data

Please see below the Group's total Scope 1 (direct) and Scope 2 (indirect) Greenhouse Gas (GHG) emissions measured under the GHG Protocol's standards and guidelines. The chosen emissions KPI is kgs of CO2 equivalent per litre of finished product produced.

Greenhouse gas emissions (Tones (T) of CO_2e)

Table 1.

	FY 2022	FY 2021	FY 2020	FY 2019
Scope 1 (direct)	32 006	31 963	31 793	34 375
Scope 2 (indirect) location-based method	8 649	8 867	8 833	9 144
Total	**40 655**	**40 830**	**40 627**	**43 520**

Table 2.

	FY 2022	FY 2021	FY 2020	FY 2019
Scope 1 (direct)	32 006	31 963	31 793	34 375
Scope 2 (indirect) market-based method	418	3 543	11 298	11 839
Total	**32 424**	**35 506**	**43 092**	**46 214**

*The decrease in CO2e emissions in Scope 2 (market-based method vs. location-based method) results from the zero-emission electricity in factories and as of January 2022 in the Lublin warehouse.

Greenhouse gas emissions by gram/litre of produced finished product (CO2e)

Table 3.

	FY 2022	FY 2021	FY 2020	FY 2019
Scope 1 (direct)	254	247	259	274
Scope 2 (indirect) location-based method	69	68	72	73
Total	**322**	**315**	**332**	**347**

Table 4.

	FY 2022	FY 2021	FY 2020	FY 2019
Scope 1 (direct)	254	247	259	274
Scope 2 (indirect) market-based method	3	27	92	94
Total	**257**	**274**	**352**	**369**

The GHG Performance Data 2022 can be downloaded **here.**

GHG emissions Inventory

This year we have gone through a comprehensive GHG emissions Inventory carried out by Schneider Electric. The inventory was performed in line with the requirements of the WRI/WBCSD GHG Protocol and consisted of:

- the carbon footprint calculation of Scope 1 & 2 emissions,
- spend-based method screening assessment of indirect Scope 3 emissions

The Scope 3 spend-based method gave us a rough approximation of the company's value chain emissions. We are now in the process of establishing a pathway to move on from spend-based to activity-based data for the highest emitting Scope 3 categories, meaning that we are a step closer to setting Science-based Targets.

EcoVadis Sustainability Assessment

This year we have undergone our first EcoVadis assessment to rate the company's sustainability performance within the Environment, Labour & Human Rights, Sustainable Procurement, and Ethics themes. We have been recognized with a Bronze Medal, with an overall score of 55/100 and 70/100 in the Environment section.

Moreover, as of 2020 we have engaged our key suppliers to have their sustainability performance assessed by EcoVadis in order to ensure that there is no abuse or exploitation in their business or supply chain. During 2021 we continued to regularly increase the number of suppliers involved.