



Looking ahead

2021 Annual Report Royal Swinkels Family Brewers Holding N.V.



Royal Swinkels
family brewers

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Foreword



Photo: Geert van Iwaarden, Chief Financial Officer and Peer Swinkels, Chief Executive Officer

Emerging stronger from the crisis. That was always our motto as soon as the pandemic revealed itself. We can now conclude that we have succeeded in this. In terms of profitability, the company is almost back to its pre-COVID-19 level, while we have also managed to strengthen our financial position. Despite an extremely challenging year, we were also able to achieve growth in our sales. In this respect, a great compliment to our staff is in order here. With our way of working together, acting flexibly and persistently looking ahead, we've managed to shape our winning family culture.

In addition to the pandemic, which once again took hold in the world, we faced several other challenges of great magnitude. A civil war in Ethiopia, hefty cost increases and inflation as well as shortages of raw and other materials sometimes demanded the utmost of our operation. While working hard out of sheer necessity to improve our balance sheet and profitability, we kept looking ahead. We further expanded our strategy, made new investments and were able to take another big step in the area of circularity. **“Looking ahead”** is therefore our theme for this annual report.

Challenges

Netherlands hit hard by COVID-19

The Netherlands began and ended the year with a lockdown. During seven of the twelve months, the on-trade sector maintained either limited opening hours or was closed altogether. Only in the Netherlands does our company have its own beverage wholesaler, enabling us to largely distribute beverages via our own logistics. This comes with high fixed charges, as the cost of beverages in the on-trade sector is largely determined by distribution costs. In addition, we are also active in the Netherlands with privately-owned real estate and are often involved as a financier in the on-trade sector. We were hit hard in all four areas with substantial consequences. At the same time, we were already seeing positive effects of the cost measures taken in 2020, across the company, from procurement to sales and maintenance. Especially in the first quarter, we had to pull out all the stops. From the summer onwards, when the country reopened, the results turned for the better.

Other countries and the pandemic

As is the case in the Netherlands, we have many on-trade activities in Belgium. There, too, the closing of the sector – though shorter in duration – had a major impact. Thanks to the solid structure of the Belgian government's support package, we were able to limit the impact of COVID-19 on our Belgian business. In other European countries, such as France and Italy, the main sales channel is retail. Here, supermarkets actually benefited from the on-trade shutdown which is reflected in the local results.

We also struggled with the effects of COVID-19 in all the other countries in which we operate. The arrival of the omicron variant of COVID-19 at the end of the year was an additional blow and a great disappointment. Many events were again cancelled and opening hours for the on-trade sector restricted, with all the consequences this had for the work of our colleagues and the turnover.

Ethiopia at war

The tense political situation in Ethiopia, where our brewery Habesha is located, made us very concerned about the local population and our staff. In support of them and their families, we compiled a plan for repatriation or evacuation. In the end, the attacking troops came to within sixty kilometres of the brewery preventing any direct hits. Nevertheless, the great unrest in the north, among other places, made it virtually impossible to distribute our beer in that area. Furthermore, the country is struggling with the devaluation of the local currency.

Raw materials market disrupted

The disruptive impact of COVID-19 on the market for raw and other materials, as well as transportation, created a great deal of uncertainty. Shortages occurred on a regular basis. Some suppliers could not keep up with demand and were experiencing delivery problems. Thanks to the efforts of our procurement and supply chain staff, the effect on our production was limited. Added to this there were sharp price increases in materials, energy and transport, among other things, along with global inflation.

Approach

Continue building on the path taken

Despite all these and other challenges, 2021 was the year in which we continued to build on the necessary measures of 2020. Taking care of the health of our employees obviously remained our top priority. The Crisis Management Team, which we established in 2020, remained active throughout the year. We found that the lessons we learned in 2020 made us more agile in implementing pandemic measures.

The strategy house, which we introduced in 2020, was further expanded. We "looked under the company's bonnet", searching for great opportunities and improvement potential for our malt and beer operations. We translated these into programmes to be used in the coming years for investments in that which has the greatest potential. Geert: 'It has given the organisation a lot of energy to look at the long term together and work with each other in building an even stronger company.'

The foundation of our strategy house remained firmly in place. The purpose we formulated last year proved to be an appropriate compass for important decisions in 2021. "Seeing the world as our family" defines the way we work across the company and how we interact with our environment, whether it is about the recruitment of new employees or a go/no go for a major investment.

We achieved great results on the various pillars of our strategy house, such as the digital transformation to the Intelligent Brewery, the winning family culture and circularity:

- Intelligent Brewery; the start of putting several segments of the system to use was very promising. In addition, we worked with as much effort as possible on our new SAP S/4HANA Cloud platform going live in 2022.
- Winning family culture; the way we work as a family business, our connectedness, took on a new dimension during the pandemic. Our staff demonstrated admirable flexibility. They were loyal, even when their

jobs didn't allow for keeping a safe distance from others. We worked hard on keeping teams connected and welcoming new employees while bundling our experiences in a new way of working, for which we introduced a new policy.

- **Circularity;** despite the challenging circumstances, we continued to work steadily towards our circularity ambition. We are proud to have achieved the circularity target for 2021. Our business operations are already 56% circular.

Steps have been taken on all segments of the Swinkels Circularity Index. One of the highlights is the kick-off of the development of the world's first emission-free malting plant in Eemshaven. Developments in knowledge of circularity made it necessary to revalidate and refine our Swinkels Circularity Index. With input from our stakeholders, we dealt with this quite energetically.

Market and portfolio

The beer market grew again in 2021, which is reflected in our results. Although traditionally known for the Bavaria brand, our company currently boasts a very broad portfolio. In 2021, we expanded this portfolio to include Rodenbach Red Tripel, Estaminet Refined Lager and Hollandia Light, as well as non-alcoholic and low-alcohol alternatives such as La Trappe Nillis and Cornet Alcohol-free. We are proud of the acquisition of Uiltje Brewing Company, a creative brand with great potential in the modern craft segment. This is a distinctive segment for which we still see a lot of opportunities, both in retail and the on-trade sector. A great example is the availability of Uiltje Brewing Company's freshly canned beers at top restaurant De Librije. Despite the lockdowns, our focus in 2021 was on the on-trade and events. These are promising channels to further introduce consumers to our brands, as shown by growth figures and market shares. We have also further expanded the direct approach to consumers through investments and a feat of professionalisation in E-commerce. Consumers are increasingly able to find our platforms which is a great addition to our multi-channel approach.

Results

Flexible and financially sound

The company has become more agile. We have been better able to adapt immediately, to take cost measures, but also to restart the business after a lockdown that put enormous pressure on our organisation.

That we have managed to structurally lower costs in the past two years will enable growth in profitability in

the future. The 2021 cash measures improved our working capital. This has created more room to invest in major projects such as the Intelligent Brewery and the Holland Malt's emission-free malting plant.

We were able to meet our financial targets in 2021, which significantly increased the profit compared to the previous year. The company's financial situation has been fortified and is very healthy, which is a wonderful starting point for our growth strategy.

The turbulence of the past two years is unique in the history of our company. We are extremely proud and grateful that, thanks to the flexibility and dedication of all our employees, we have been able to navigate this ordeal so successfully. An accomplishment of stature that also inspires great confidence for the future.

Looking to the future 2022

We are a strong company that moves towards the future on the basis of a very healthy financial foundation. We have learned lessons and created success stories on which to build further. There is a lot of confidence in our breweries and our strong brands. Life is also looking brighter for our staff and brewery in Debre Birhan now that the political situation in Ethiopia has calmed down. Due to the uncertainty surrounding COVID-19, the war situation in the Ukraine and the increased inflation, we do expect 2022 to be a challenging year. In this respect we as well are dependent on global developments and government decisions.

Focus on growth

In our new strategic plan, we have made choices aimed at growth. Among other things, we have defined opportunities in increasing the return on investments. We are more explicitly opting for investments needed to remain successful in the long term, with the ultimate goal of passing on an even more beautiful organisation to future generations. In addition to investments in machines and buildings, our investments will be aimed at acquisitions, the construction of new breweries and malting plants, and the further expansion of existing business units. Existing investments in, for example, circularity and the Intelligent Brewery run parallel to this. We expect to see an effect of all these investments in the coming years in the form of a further growth in results.

The Intelligent Brewery

The year 2022 will be a year of importance for our major Intelligent Brewery programme that we have been going all-out on for several years now. In 2022, the go

live is scheduled for almost the entire Lieshout location, both the head office and the production locations. Digital dashboards with continuously updated quality information are going to make life easier for us where making the right choices is concerned. Within a few years, we will be working in exactly this same way worldwide. From then on, interchangeable data will allow us to better utilise the scale in our business. The implementation of the Intelligent Brewery programme will be a major efficiency improvement and will enable us to provide even better service to our customers.

Winning family culture

We will launch our new way of working in 2022. All employees with functions that are not workstation bound will move on to a hybrid way of working; alternating between office-based and working remotely. For employees with functions that are workstation bound, we will look at how to optimise that workstation to make working there as pleasant, safe and effective as possible. The coming period will be a period of experimentation and experiencing what works and what doesn't work for our company. We will support employees in this new way of working with new tools, such as an app to reserve a workstation. Working less location-based will also create new connections and interaction amongst employees.

Circularity

Our ambition to become fully circular has not changed. The Swinkels Circularity Index serves as a compass for this and we are pleased with the positive feedback received from stakeholders. However, we do see that circularity is still a fairly young science and is therefore much in flux. We must constantly assess whether our way of measuring and weighing is still in line with the latest developments. An analysis of the model in collaboration with stakeholders has led to some optimisations in the weighing for 2022 and beyond. Starting in 2022, we will also implement the systematics of SBTi, Science Based Targets initiative, and roll out a climate strategy as part of our circularity ambition. The emission-free malting plant in Eemshaven will make a major contribution to our SCI score on the energy segment. This promising development will also require a substantial investment in the coming years, but is of great value to us and to Holland Malt's customers.

One strategy, three divisions and dozens of challenges

The effects of the pandemic were certainly still being felt, more so in some countries than others. Yet overall, 2021 was primarily a year of a worldwide restart. A direct result being issues in the supply chain. The disruption of container shipping created uncertainty about the availability of materials such as metal, wood and crown caps. The huge inflation rate makes it quite a challenge to maintain the balance between keeping our products attractively priced, and responsibly absorbing the additional costs due to increased purchase prices of raw and other materials.

We further detailed the strategy house, which helps us make the family business future-proof, with a five-year strategy for both the holding company and the three divisions. With a focus on the increase of returns, we are reinvigorating the core of our business, developing new and strengthening existing markets, and dedicating ourselves even more to developing our beer and malt business.



Swinkels Family Brewers – Entrepreneurship in times of crisis

The Swinkels Family Brewers division consists of several business units. The differences between these business units were quite substantial in 2021, also because each country had a different COVID-19 approach. Results in the Netherlands and Belgium again suffered from lockdowns in the on-trade sector. As we have a strong presence in the on-trade of these countries, the impact of a shutdown was significant. Fortunately, we also saw recovery; in Belgium, sales were back to normal within a short time. In the Netherlands, we faced a second lockdown at the end of 2021 which put pressure on the results. In Belgium, Cornet developed exceptionally well, making it one of our fastest growing brands. In 2021, we introduced Cornet Alcohol-free and Cornet Spirit, among others, but see many more opportunities for this brand.

In Southern Europe, 8.6 scored greatly thanks to our strong retail presence in these countries. As the on-trade sector in these countries makes for an interesting market as well, we see great potential for our beer brands.

Bavaria Malt, thanks in part to successful campaigns and the introduction of Bavaria Malt Cola, showed significant growth in Africa and the Middle East.



Holland Malt – Strategic choices paying off

Holland Malt achieved good results in 2021, as it did in 2020. With the malt volumes having been scaled up further the capacity is now fully utilised. This despite the pressure on the beer market. Returns were also positive and profits continued to grow.

Holland Malt is very competitive in all areas of the malt business, shown by a benchmark in 2021. The company is well positioned. Its strategic water-side location makes for an excellent position for export and import flows. Moreover, its scale of operation enables the cost-effective production of a quality offering. The division appears to be able to cope with difficult market conditions. The result is satisfactory and again shows potential for growth.

The work on differentiation in terms of sustainability was further expanded in 2021. At the end of 2021, the go-ahead was given for the development of the first emission-free malting plant in Eemshaven. This puts us at the forefront of the industry in terms of sustainability and the reuse of energy. Due to construction activities, production at Eemshaven may have to be temporarily halted in 2022, which may have a small negative impact on the result. The result of the sustainable development will be visible from 2024 onwards.



Habesha – Great challenges

For our Ethiopian brewery, 2021 proved to be an extremely challenging year. However, given the circumstances the results can be referred to as encouraging. Volumes sold are slightly higher than those in 2020 and profit margins have been maintained. And this despite three exceptional circumstances; a substantial devaluation of the local currency, the Ethiopian birr, the impact of COVID-19 and a major armed conflict throughout the country.

The previous period of unrest in Tigray, north-eastern Ethiopia, had already led to sales becoming virtually impossible in that part of the country. In 2021, the threat developed that this would spread to the area where the brewery is located. Measures were taken immediately to ensure the safety of our employees and their families. Fortunately, the riots did not reach the brewery in the end. Against the backdrop of these challenges, Habesha still managed to deliver a fine result. There was even room for the introduction of draught beer. This is a segment, especially in the capital Addis Ababa, of which we have high expectations.

Our year

As a family business, we continue to look ahead and focus on the future. Yet we also like to look back at the 2021 results. At employee level, but also at a financial and CSR level.

Our financial key figures



Net turnover
(in millions of euros)

835.5

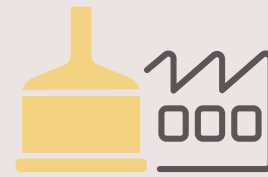
773.2 (2020)
897.0 (2019)
854.4 (2018)
792.3 (2017)



EBITDA
(in millions of euros)

88.2

70.0 (2020)
94.2 (2019)
99.7 (2018)
84.8 (2017)



Investments in fixed assets
(in millions of euros)

47.4

38.5 (2020)
71.2 (2019)
79.8 (2018)
87.8 (2017)



Solvency
52.1

47.2 (2020)
46.8 (2019)
51.1 (2018)
52.5 (2017)



Liquidity
0.89

1.04 (2020)
1.52 (2019)
1.37 (2018)
1.24 (2017)



Net debt/EBITDA
-0.3

0.8 (2020)
1.6 (2019)
1.1 (2018)
0.9 (2017)



Trappisti

D

La Trappe

Our CSR key figures



Circularity
Circularity Score
56%

52% (2020)
40% (2019)
30% (2018)



Circularity
Energy consumption (MJ/hl)
99

108 (2020)
128 (2019)
123 (2018)



Circularity
CO₂ emissions (kt)
83

82 (2020)
126 (2019)
118 (2018)



Circularity
Water consumption
(hl/hl beer)
4.2

4.1 (2020)
4.2 (2019)
4.2 (2018)



Safety and well-being
Accident frequency
(Lost time accidents
per 100 FTEs*)
1.9

1.00 (2020)
1.04 (2019)
1.35 (2018)



Safety and well-being
Absenteeism due to illness
4%

3.4% (2020)
2.7% (2019)
2.8% (2018)



Safety and well-being
Number of FTEs
1,580

1,569 (2020)
1,629 (2019)
1,615 (2018)



Responsible drinking
Percentage of non-alcoholic
or low-alcohol (3.5%) of the
total volume of beer sold
12.2%

10.7% (2020)
8.7% (2019)
8.6% (2018)

* excluding foreign sales offices

About us

Royal Swinkels Family Brewers Holding N.V. is the holding company of the Swinkels Family Brewers Group, a 100% independent family business. For seven generations and well over three hundred years. As the Swinkels family, we now lead a group of companies. This group includes various brewery locations; brewery Bavaria in Lieshout (The Netherlands), brewery De Molen in Bodegraven (The Netherlands), brewery Palm and brewery De Hoorn in Steenhuffel (Belgium), brewery Rodenbach in Roeselare (Belgium) and brewery Habesha in Debre Birhan (Ethiopia). The family also collaborates closely with beer brewery De Koningshoeven in Berkel-Enschot (The Netherlands). We also have a minority stake in the Georgian brewery Argo. Combined, these breweries accounted for the production of 7.2 million hectolitres beer and 626,000 hectolitres soft drinks in 2021.

Bier&cO, distributor of specialty beers, adds a large portfolio of traditionally brewed specialty beers to our range. In addition to the breweries and Bier&cO, the malting plants of Holland Malt in Lieshout and Eemshaven also form part of the group. In 2021, these malting plants accounted for the production of 400,000 tons of malt. In addition, business unit CereX produces around 3 thousand tons of malt extracts and compounds each year. The focus of CereX is on upgrading residual flows.

As an independent family of brewers and maltsters we currently employ 1,766 employees worldwide. Our aim is to continue doing business in an increasingly smarter and more sustainable way. In doing so, we add lasting value for the consumer, our employees, our business partners, our shareholders and the world around us. This is how we pass on an even more beautiful family business to future generations.

In 2021, we welcomed Uiltje Brewing Company from Haarlem (Netherlands) as a new member of our family of breweries and malting plants.

Our strategy house **Purpose, vision and strategy**

In 2020, we took steps to further improve our strategy house. Since then, the formulated vision and purpose have also added a "roof" to our strategy house. In 2021, we took follow-up steps to further shape our future strategy. In doing so, we explored elements such as "organic growth", "fit for growth" and acquisitions more in-depth. Our purpose remains our moral compass. Not only does it help us make the right choices, it also helps us make our family business future-proof for the next generations.

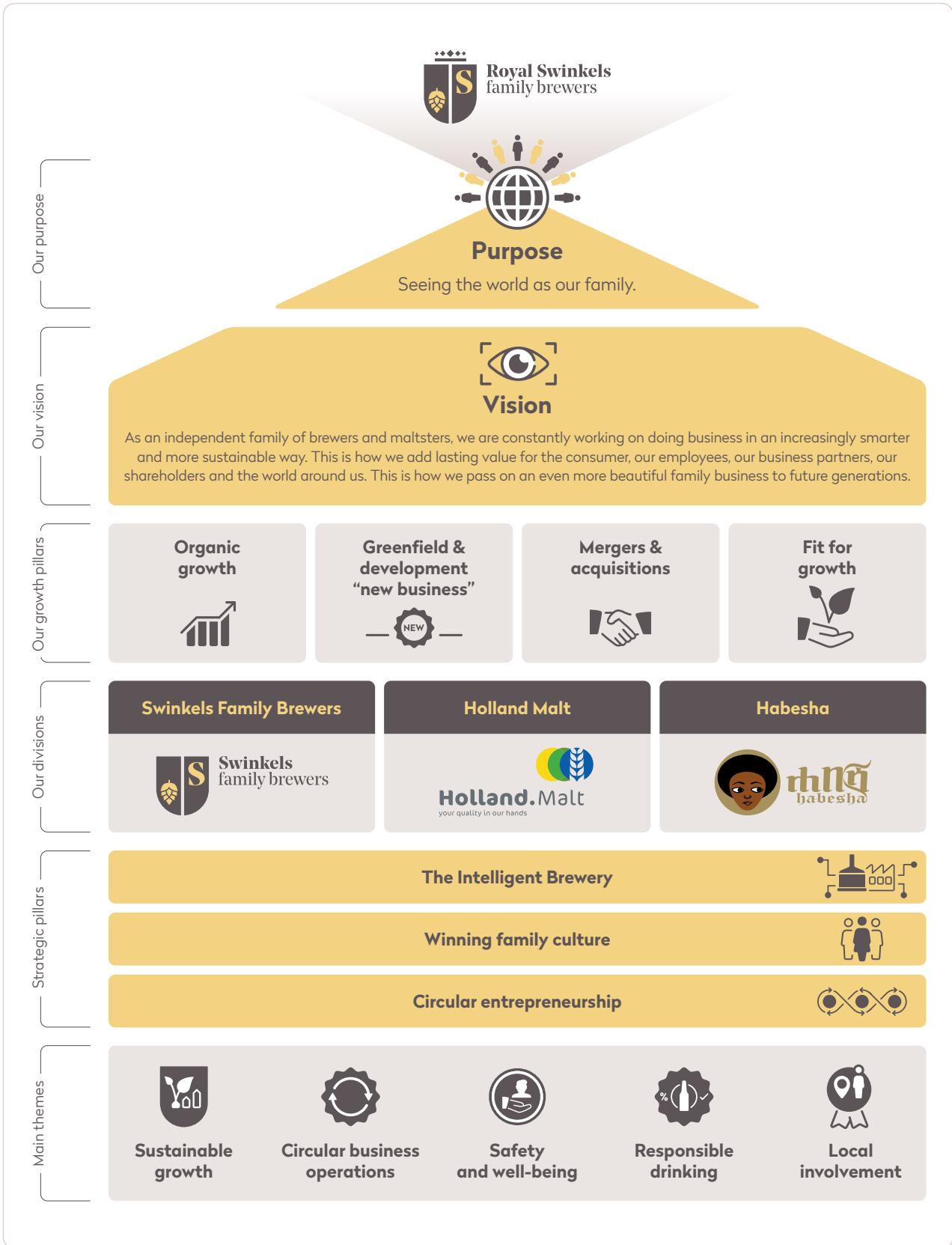


Figure: Our strategy house

Our focus and ambitions

To make our activities and the topics on which we report more targeted, we have formulated five focal points based on our strategy, stakeholder interests and materiality matrix. Until 2025, the topics we will focus on are the following:



Sustainable growth

We want to be able to pass on a financially sound company to future generations. We would like to grow, but only in a responsible and sustainable manner.

Ambition

- Further growth net turnover and EBITDA.
- A healthy solvency and improved liquidity.

Achievements 2021

- EUR 835.5 million net turnover.
- EUR 88.2 million EBITDA.
- Liquidity 0.89.
- Solvency 52.1%.

Status: 4 of 4



A full glass means that the objective has been fully achieved.



Circular entrepreneurship

For us, nothing beats caring for a lovely, healthy and sustainable world to live in. That is why we want to operate on the basis of a fully circular business model as soon as possible. To achieve this we focus on circular procurement, circular production and high-quality reuse.

Ambition

- 75% circular business operations by 2025 according to our own calculation method.

Achievements 2021

- Achieved 56% circular business operations in 2021 (according to our own calculation method and based on the most recent data).

Status: 4 of 4



A full glass means that the objective has been fully achieved.



Safety and well-being

We find it important that our staff and partners can travel to work and go back home again safely and healthy every day but also that they feel involved and appreciated.

Ambition

- Zero lost time accidents and less than 3% absenteeism due to illness by 2025.

Achievements 2021

- 30 Lost time accidents.
- 4% Absenteeism due to illness.

Status: 1 of 4



A full glass means that the objective has been fully achieved.



Responsible drinking

We want consumers to enjoy our beers responsibly. That is why we encourage responsible drinking. For this we enter into collaborations and pursue a clear alcohol policy. In addition, we continue to develop alcohol alternatives, such as tasty 0.0% beers.

Ambition

→ Full compliance with our international responsible marketing and communication code and a growing range of non-alcoholic and low-alcohol beers by 2025.

Achievements 2021

→ 12.2% non-alcoholic and low-alcohol beers <3.5%.

Status: 4 of 4



A full glass means that the objective has been fully achieved.



Local involvement

Everywhere in the world, the environment should mainly benefit from our presence. That is why we collaborate with surrounding residents to find ways to add value locally. Thus, we ensure that local communities can find enjoyment in what we build and brew.

Ambition

→ Each subsidiary has a programme with local projects in line with the circularity requirements and CSR policy.

Achievements 2021

→ All brewery locations have local projects.

Status: 4 of 4



A full glass means that the objective has been fully achieved.

Through to 2025 we will focus on these five points

Sustainable growth

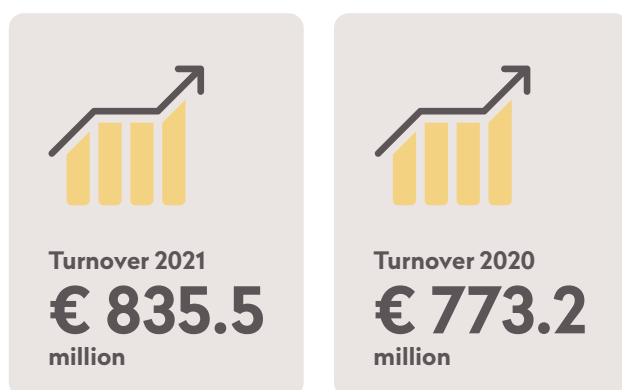


Ambition

We want the world to enjoy our beers, we want to offer our customers good malts and we want to offer our consumers the right beer at the right time. That was and remains our ambition. Even a pandemic doesn't change that. It has proven to be an advantage that we are active in so many countries, markets and segments, thereby spreading risks. By making adjustments where needed, we managed to continue to reach our customers and consumers. Due to cost management we can report good financial figures for 2021, despite the challenging circumstances.

By actively managing the working capital, we were also able to further strengthen the company's capital position. As a result, our growth strategy has remained intact. Swinkels Family Brewers is financially sound and we will continue to pursue our ambition unabated: To pass on our family business in an even better state to future generations.

Results 2021



Although 2021 was another year filled with challenging circumstances, such as COVID-19, political unrest in Ethiopia and global price increases, the financial results were considerably higher than the previous year. Compared to 2020, our revenue increased by 8% to EUR 835.5 million.

Turnover was able to increase as the beer market partially recovered. In both the retail and on-trade sectors, turnover increased compared to "lockdown year" 2020. Holland Malt's turnover also showed growth as a result of a well-filled order book and higher barley prices. As a result of the turnover growth, the focus on our strategic brands and the progress of implemented cost measures, EBITDA increased by no less than 26 percent, from EUR 70.0 million in 2020 to EUR 88.2 million in 2021.

Results per division

Swinkels Family Brewers

With a growth in turnover, the beer division showed a strong recovery after the exceptionally difficult year 2020. Moreover, this growth is widely supported; all business units within the division are showing better results than in the previous year.

Export performed extremely well. The Middle East and Africa in particular are showing substantial growth, mainly due to 0.0% and malt.

Belgium and the Netherlands are showing a nice recovery compared to the previous year. The results, however, are still under pressure due to the on-trade shutdowns and long-term restriction of opening hours. On-trade establishments in Belgium and the Netherlands were closed at the beginning of 2021 due to COVID-19 lockdowns. By the end of 2021, on-trade establishments in the Netherlands were required to close again while those in Belgium were required to close earlier. The loss of revenue in the on-trade sector due to the (partial) lockdowns was compensated for during the period the on-trade establishments were open, ultimately resulting in a higher turnover than in 2020. Dutch on-trade entrepreneurs who rent premises from our company, have continued to receive our support in 2021 by means of rent reductions and payment arrangements, again reducing rental income compared to before.

Retail turnover also increased compared to the previous year. Countries where we sell mainly via the retail sector, such as Italy and France, performed better than budget.

Holland Malt

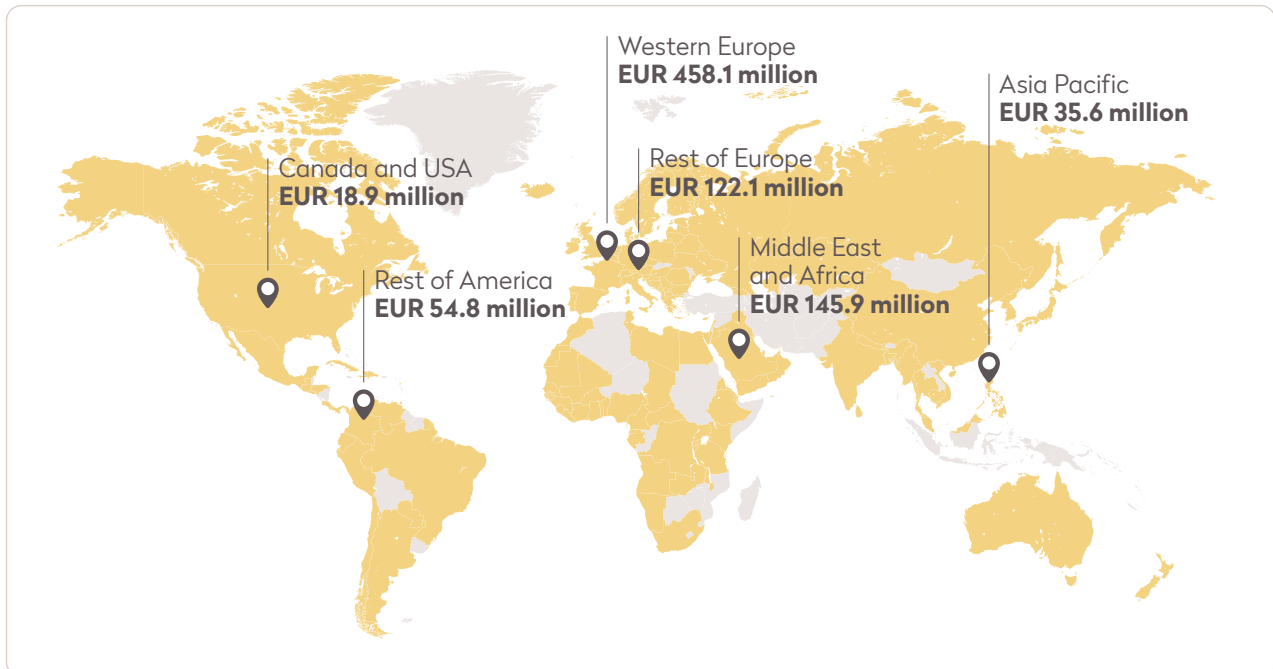
Despite COVID-19, the malt division is again showing great figures as the result increased substantially compared to 2020. A consequence of volume growth, but also of price development in the market.

Habesha

As a result of the armed conflict, we were unable to sell our beer in a number of Ethiopian regions. However, despite all the unrest Habesha produced bigger volumes than the previous year, while profitability held up well thanks to cost savings. An achievement to be proud of. Due to the devaluation of the local currency (birr), however, the net turnover converted into euros was unfortunately lower.



Results by region



Changes in the organisation

Two company-wide, multi-year and internal programmes continued to drive organisational change in 2021 as well.

- **“Design-the-base”** is a reorganisation programme that provides the company with an optimal foundation for future growth. A provision of EUR 3.9 million was formed in 2020 for the total programme in order to be able to finance a social plan and severance pay in the coming years. This provision was partially used according to schedule in 2021.
- **Intelligent Brewery** is a digital transformation programme aimed at creating a harmonised digital platform, with uniform data collection, better information and analysis skills, and workstream optimisation. In 2021, the corresponding investment amounted to EUR 15.8 million. We will continue to invest in this in the years to come.

Liquidity

In 2021, we again paid close attention to our working capital. We have done this by collecting outstanding amounts from customers in a timely manner and by entering into new payment agreements with suppliers. Stocks have been reduced where possible. We have further expanded our supplier finance programmes with selected suppliers. At Holland Malt, we have included more customers in our receivables finance programme. As a result of the focus on working capital, the working

capital decreased substantially compared to the end of 2020. The liquidity ratio is 0.89 (2020: 1.04).

This enabled us to pay off our entire debt to credit institutions as well as our deferred payment obligations in 2021. As a result, the company no longer has any debts to credit institutions in the Netherlands at the balance sheet date.

Cash flow

The net cash flow of the company was negative (EUR 12.3 million). The incoming cash flows from operating activities (EUR 140.1 million) were used for investment activities (EUR 91.1 million) and financing activities (EUR 61.3 million).

The net cash flow for 2021 was negative, mainly as a result of three developments:

- The incoming cash flow from operating activities was higher than the previous year due to a higher turnover and the focus on working capital management.
- The outgoing cash flow from investment activities was higher than in 2020 due to investments such as the Intelligent Brewery and the acquisition of group companies.
- The outgoing cash flow from financing activities was lower than the previous year due to lower repayments of debts to credit institutions.



Taxes

As a family business, we feel a social responsibility to contribute our fair share to society through taxation. We strive for a transparent relationship with the tax authorities at home and abroad.

All internal transfer prices of Swinkels Family Brewers are at arm's length and adequately documented on the basis of the transfer pricing principles established by the OECD*. In addition, we endorse, among other things, the OECD's Base Erosion and Profit Shifting (BEPS) programme. Swinkels Family Brewers is committed to paying the right

amount of taxes at the right place and the right time. The tax policy can also be found on our website.

The applicable weighted average tax rate is 25.9% (2020: 24.6%), whereby the weighted average tax rate has been calculated based on results before taxes in the various tax jurisdictions. The tax charge in the profit and loss account for 2021 amounts to EUR 9.706 thousand, or 26.1% of the result before taxes (2020: 26.4%).

* Organisation for Economic Cooperation and Development.

In 2021, we paid EUR 0.7 million in corporation tax, EUR 132.2 million in excise duties and EUR 73.6 million in other taxes.

Corporation tax	2021	Excise duties	2021	Other taxes	2021
Western Europe	-1.1	Western Europe	96.6	Western Europe	50.7
Rest of Europe	0.2	Rest of Europe	17.7	Rest of Europe	12.7
Middle East and Africa	1.6	Middle East and Africa	15.6	Middle East and Africa	8.8
Canada and USA	0.0	Canada and USA	2.3	Canada and USA	1.0
Total	0.7	Total	132.2	Total	73.2

Other taxes amount to EUR 41.9 million from VAT, EUR 31.0 million from payroll taxes and social security charges and EUR 1.7 million from other taxes.



PROJECT STORY

Welcome to the family: Uiltje Brewing Company, passion in a can

A takeover during a pandemic? It would have required a lot of trust. Which was, indeed, the case. 'Uiltje Brewing Company is an innovative brand with a lot of potential,' says Thijs Thijssen, General Manager of the Craft business unit.

'The COVID-19 crisis didn't present our company with a reason to abandon our growth strategy,' explains Thijssen regarding the acquisition. 'Having guts is characteristic of the family. And stagnation is regression.' Uiltje Brewing Company was at a crossroads; their maximum brewing capacity was coming into view. 'The COVID-19 crisis gave us reason to focus directly on consumers. As a result, we had our best year ever,' explains General Manager Ruben Korthuis. 'Additional brewing capacity required a new investment. Fact is, that when you grow the world becomes more complex. Your network becomes increasingly important and access to the market more difficult. Joining a brewer with over 300 years of experience proved to have many advantages. We deliberately chose a family business, because that's how we actually feel about ourselves.' 'Uiltje is a fresh, innovative brand with lots of potential, good figures and great beers. A great match with Swinkels Family Brewers,' confirms Thijs Thijssen.

F*cking great beer in a can

Robbert Uyleman began brewing India Pale Ale (IPA), extra hoppy beer, in 2012: 'IPAs are so unique and were barely available here at the time.' By now, Uiltje sells 300(!) different beers and about seventy more are added each year. All with a unique recipe, most of them once-only. A quote from the refreshing mission: "to create f*cking great beer" a weizen with a hint of pineapple and a blonde with a hint of limoncello are brewed in addition to IPAs. And heavy beers with up to 21 percent alcohol. Common denominator? 'Freshness, hops and a can,' says Uyleman, Creative Director of 't Uiltje. 'When canned, the freshness of our beer comes out best.'

Healthy growth

Uyleman: 'We are super proud to be one of the only two Dutch breweries in the RateBeer top 100 together with De Molen. We want to get even better than we already are. In doing so, we will continue to focus on the creative aspect, on making innovative beers and establishing beautiful concepts inspired by our passion.' Korthuis: 'We are as agile as a speedboat and find that Swinkels is a good fit for that. Standing in the shade of such a large umbrella will help us grow in a healthy and steady manner so that we can scale up and continue to meet demand.'



Photo: from left to right. Thijs Thijssen, General Manager Craft business unit, Robbert Uyleman, Creative Director 't Uiltje and Ruben Korthuis, General Manager 't Uiltje



CHALLENGE

'How do you ensure availability during a pandemic?'

COVID-19 has a major impact on the economy worldwide, including in 2021. Production capacity and availability of raw materials and semifinished products are under pressure. This translates into (substantially) increasing prices and delivery time issues. How do you ensure that business operations are not affected by this, so that consumers can continue to enjoy their (non-alcoholic) beers?

As the pandemic entered its second year in 2021, we began to see its effects on the global economy well. A wide range of factors came into play. Deferral of investments, lack of labour capacity, closure of major world ports (in China and elsewhere) and disruptions in supply chains. Products and raw materials about which we did not have to worry before suddenly showed large differences in supply and demand.

Increase in prices and delivery times

The imbalance in the world market leads to price increases. For example, container prices increased tenfold in 2021, timber prices quadrupled, and energy prices rose greatly at the end of the year. We too were forced to make price adjustments. Another challenge proved to be the delivery time of raw materials and semifinished products. Where previously we could assume a delivery time of a few weeks, it was now, at times, several months. It was this uncertainty that made companies decide to build up large stocks. As the capacity in the market is not designed for this, it resulted in disruptions and price increases.

We were confronted with the effects of the disruptions in, for example, the procurement of barley, wood and cardboard. There was also a huge increase in demand for metal. Consumers who couldn't access the on-trade establishments for a long time were buying more canned beer in the supermarket. One of our suppliers suffered a "ransomware" attack and lost insight into his stock and deliveries.

Thanks to the great efforts of our procurement team, we were able to meet the challenges. It became increasingly clear in 2021 how essential suppliers and partners are that you can count on. Contracts are indispensable, but it was precisely this good relationship that often allowed us to reach solutions together.

Circular procurement

Despite the challenges in the availability of raw materials, we also prioritised our circular procurement goals. In 2022 – with the support of the data from the Intelligent Brewery – we will put even more effort into anticipating procurement and smart stock control. And we will continue to invest in and collaborate with our partners.

Project stories

Several projects and investments contribute to the growth achieved in 2021. Read more about some of these projects here.

PROJECT STORY

200 years of Rodenbach: 137 awards



In 1821, the Rodenbach family brewed its first beer. They allowed it to mature in the legendary oak foeders (casks). In 2021, we celebrated the 200-year anniversary, despite the restrictions in place due to COVID-19. The highlight being the creation of an anniversary beer: Rodenbach Red Tripel. The brewmasters pulled out all the stops in the art of brewing, showing how alive this 200-year-old Flemish company still is.

It was Amalia Rodenbach and her brothers Alexander, Pedro and Ferdinand Gregoor who christened their brand new brewery two hundred years ago. Today, oak-aged Flemish reddish-brown beers are part of Belgium's liquid heritage. They are classics that are praised at home and abroad for their unique taste. 'We are the stewards of a historic production process,' says Rodenbach General Manager Rudi Ghequire. 'Due in part to its



geographical location and unique tradition of maturing in 294 legendary oak casks, the beer has a special acidity, similar to that of wine.' Over 137 awards, won at leading beer competitions, confirm this special quality.

We are writing history

The richly illustrated anniversary book "History poured in a bottle, history written in a bottle" was published in June. In it we learn about the Rodenbachs as a lineage of brewers, soldiers, poets, entrepreneurs, revolutionaries and politicians. A lineage that even played a role in the establishment of Belgium as a country. The reader is taken on a tour of the secrets of Flemish red-brown beer and its culinary possibilities. For example, chef Tim Boury of the Roeselare two-star restaurant Boury presents a three-course menu accompanied by the Rodenbach beers. In addition, ten chefs use it to turn a classic recipe into one of their own.

Knighted

The brewery in Roeselare was the stage of the Festival of King Gambrinus and the Belgian Brewers' Knighthood of the Brewers' Mash Staff at the end of October. In the centuries-old cask cellars, Pieter and Gijs Swinkels and Eric Meersman, all three employed by Royal Swinkels Family Brewers, were knighted for their positive contribution to Belgian Beer.

Rodenbach Red Tripel

Developing a high-alcohol beer while retaining Rodenbach's individuality was the crowning achievement of the anniversary year. Rudi: 'The mildly acidic freshness, so characteristic of our beers, makes for a refreshingly complex and well-drinkable Rodenbach tripel.'

Celebratory releases

"History poured in a bottle, history written in a bottle" is (also available in French and English) for sale at www.S-HOP.be. The book was published in June and December of the anniversary year and presented in a special celebration box.

Rodenbach Red Tripel (8.2 vol % alc.), bottled in a black-coated 75 cl champagne bottle, is still available in the on-trade, in specialty beer stores and in some supermarkets.

PROJECT STORY

Smart, data-driven work: The Intelligent Brewery gets ready for take-off



Our company is growing rapidly. We work in more and more locations and with more and more partners and suppliers, which calls for unambiguous agreements and measurable processes. An intelligent brewery collects, combines and analyses data to operate more efficiently and effectively. Consider, for example, data from the procurement process (tenders, contracts, orders, goods receipt, planning and invoices). Or data from our smart machines on maintenance.

An intelligent brewery also means that everyone works in the same way. Fixed processes ensure greater effectiveness and usable data. Data is indispensable to deliver on our consumer promise: "A suitable beer for each and every occasion".

Building the Intelligent Brewery requires a lot of time and energy from the entire organisation. We have been working on it for years with heart and soul.

Results 2021

Again, the past year was primarily a year of building for the Intelligent Brewery. We have again taken several steps towards the realisation of the intelligent brewery we envision. At the end of 2021, Opcenter went live, the part of the system containing all product data and specifications. In addition, our HR colleagues switched to SuccessFactors which resulted in a different way of working.



To be ready for future-maintenance, we've moved to a new system for maintenance. This concerns the maintenance of (brewing) installations at our production locations, such as Roeselare and Steenhuffel, but also tap technology, service and maintenance for the on-trade sector and events.

Substantial preparations have already been made for this in 2021. A total of 100 colleagues will work in a different way. Joost Jonker, Maintenance Manager: 'We are moving to a new SAP system. Point of departure here is for maintenance to be organised in the same way at all production locations. By standardising the maintenance processes, we can better support each other in the future and take technology to the next level together. In addition, it brings predictive maintenance within our reach. Based on data from our own machines, we know where failures are likely to occur. In this way we can intervene proactively.'

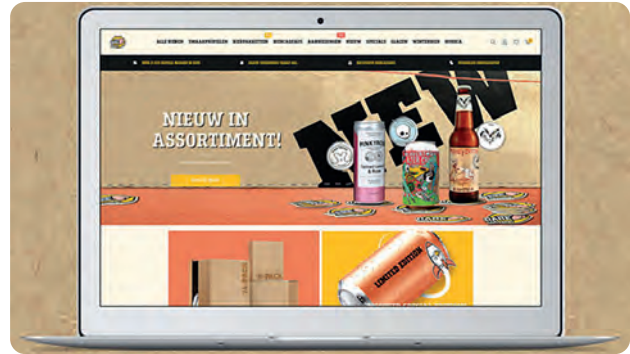
The Intelligent Brewery is scheduled to go live for location Lieshout in 2022. Location Lieshout will then switch completely to the new central platform. A milestone. At that point, everyone will be working in the same way and the quality of information will have increased significantly. The result being a tremendous simplification in the business.

Looking ahead: Direct impact on performance

After 2022, the Intelligent Brewery will also be rolled out at all other locations. We will then be able to better leverage the scale in our business with worldwide exchangeable information. Our service to our (on-trade) customers worldwide will then be even more professional and supported by digital solutions. Digital dashboards will provide up-to-the-minute visibility at any time. This will have a positive effect on the performance of our company. We can then best meet the challenges that lie ahead, whether in production, procurement, packaging, sales or any other crucial theme. The Intelligent Brewery is a learning system, which means the benefits will only increase in 2022 and beyond.

PROJECT STORY

Online channel is maturing



The rapid growth of our online channel continued in 2021. The closing of the on-trade sector, as a result of COVID-19, directly contributed to this. E-commerce is "here to stay" for other reasons as well; it has become a social trend for consumers to order more beverages online and more often. We have responded to this by further professionalising and expanding our online offerings. The "third" channel has matured and now covers a significant proportion of our total sales.

Available online for consumers

It's impossible to imagine the online landscape today without our presence. In 2021, we established the following websites and web shops for consumers:

- We realised a new UK webshop for all brands available in the UK [CraftedBier – Buy Craft Beer Online, Craft Beer Free UK Delivery]
- For our Bavaria Malt Drinks, malt-based non-alcoholic drinks and especially popular in the Middle East and Africa, we realised a website with information in English, French and Arabic; website Bavaria Malt Drinks.
- Hollandia, the lager whose popularity continues to rise especially in countries outside the Netherlands, got its own website in 2021.
- In 2021, we also developed websites for three of our Belgian brands: Estaminet, Rodenbach and Cornet. This is where consumers will find information about the beers and the brewing process.
- The webshop for all our brands available in Belgium, S-Hop.be, grew significantly.
- Several of our breweries now have their own webshops, such as brewery De Molen and Uiltje Brewing Company.



- We also have a prominent online presence through major retailers, such as on ah.nl and jumbo.nl. We expanded and optimised our online visibility here in 2021, which is reflected in the results. Overall retail online turnover grew considerably, partly as a result of COVID-19. Our results manage to exceed that growth rate.
- The same goes for platforms of pure players such as Picnic and Crisp, and our presence on online marketplaces such as Amazon.
- We are also represented in the offerings of flash delivery companies such as Getir, Flink and Gorillas.
- As well as in beer shops, such as Beerwulf, Beer52, Flavourly and BeerHawk, and on gift platforms such as Greetz.
- In 2021, we opened a new Dutch webshop for our portfolio of specialty beers and craft soft drinks; daretodrinkdifferent.nl.

New: Dare to Drink Different

With Dare to Drink Different (DtDD), we launched a platform for consumers and the on-trade sector in 2021 that focuses on flavour. The name says it all; it challenges customers and consumers to discover new brands and also try craft beers. We do this by sharing plenty of information about the different beer styles via this new platform and making sample boxes available that contain different beers.

DtDD is a cross-channel platform that will become a landmark in the on-trade sector, online, in the supermarket and at events. In the on-trade sector, for example, Dare to Drink Different presents the ever changing tap line-up. This tap with multiple specialty beers makes it easier for consumers to try a different beer for a change. In retail, DtDD can be recognised by its special displays. In 2022, the launch of DtDD will have a grand follow-up with an extensive campaign.

Available online for on-trade customers in the Netherlands and Belgium

Our on-trade customers are also switching over to the online channel. Currently, 85 percent of our on-trade customers in the Netherlands order online via our website [sfbhoreca.nl](https://www.sfbhoreca.nl).

In the autumn of 2021, we launched the ordering platform [sfbhoreca.be](https://www.sfbhoreca.be). This means that wholesalers in Belgium can now order online as well. Traditionally, Belgian on-trade establishments place orders via wholesalers. It is good to see how well these wholesalers found their

way to the new platform. By the 4th quarter of 2021, forty percent were already ordering online instead of via e-mail, phone or fax. This has resulted in a huge efficiency improvement.

Globalisation social media strategy

'In 2021, we laid out a strategic framework for our beer brands on social media,' says Digital Media Manager Marloes Weerd. 'Social media is the most used online advertising channel for our brands worldwide. By developing marketing materials and content that can be used globally, we create greater synergy and efficiency between our divisions. We advertise the content according to the advertising strategy that is also part of the social media framework. This consistent advertising approach makes for a more effective use of our advertising budget.'

Looking ahead: Plans for 2022

'For our department, 2021 was mainly the year of sending a lot of speedboats out onto the water,' says E-commerce Manager Annemarie Steenberg. 'We are going to further fine-tune the pace of this fleet in 2022. We will then want to make sure, for example, that the online customer keeps coming back to us. The data from all new and existing websites will help us make the right decisions in this respect. It is also our goal in 2022 to integrate the web shops even more directly into the informative consumer websites of our brands. Furthermore, we further expanded our consumer database in the past year as part of our Intelligent Brewery programme. It will help us create increasingly personalised offerings and personalised content as well as register customer contact.'

In 2022, we intend to focus on the winning platforms. In retail, we will also opt for selected partnerships. Of course, in doing so, we will remain open to innovation and new opportunities. In this regard, we will be launching an online ordering platform for the British on-trade sector as well.



Product introductions

Based on the wish to offer a suitable beer for every occasion and at every location, we will continue to further expand our beer portfolio. In 2021, we introduced these new products to the market.



NEW

Brewery De Hoorn (BE)

Cornet Alcohol-free

Low-alcohol beer.
Introduced to the Netherlands.



NEW

Brewery De Hoorn (BE)

Cornet Spirit

Beer distillate.
Introduced to the Netherlands
and Belgium.



NEW

Brewery De Hoorn (BE)

Estaminet Refined Lager

Pilsner.
Introduced to the Netherlands.



NEW

Beer Brewery
De Koningshoeven (NL) &
BrewDog (UK)

Practise what you preach

Quadrupel.
Introduced worldwide.



NEW

Rodenbach (BE)

Rodenbach Red Tripel

Tripel.
Introduced to the Netherlands,
Belgium and export.



NEW

De Molen (NL) &
Rodenbach (BE)

De Molen Wicken & Krieken

Barley wine.
Introduced in the De Molen
webshop.



NEW

De Molen (NL) &
Uiltje Brewing Company (NL)

De Molen Hop & Drop

Export porter.
Introduced in the De Molen
webshop.



NEW

Beer Brewery De
Koningshoeven (NL)

La Trappe Nillis

Non-alcoholic beer.
Introduced in the tasting
room of Beer Brewery
De Koningshoeven.



NEW

Bavaria (NL)

Bavaria Bokbier 2021

Bock beer.
Introduced to the Netherlands.



NEW

Bavaria (NL)

Bavaria Malt Cola

Malt beer.
Introduced to the MEA region.



NEW

Bavaria (NL)

Hollandia Light

Light pilsner.
Introduced to Latin America.



NEW

Brewery Palm (BE)

Steenbrugge blond 0.0

NAB.
Introduced to the Netherlands
(AH).



Product Innovations

In addition to new products, we also innovated within our existing portfolio to make our products even more in keeping with consumer requirements.



Habesha
Habesha
retail pack

Introduced to Ethiopia.



Bavaria
Bavaria 0.0%
crate

Introduced to the Netherlands.



Hollandia Beer
New design
Hollandia Beer

Introduced worldwide.



Cornet
Cornet crate

Introduced to Belgium.



Habesha
Habesha
draught beer

Introduced to Ethiopia.



Awards

That the range of beers in the Swinkels Family Brewers portfolio is of a high quality is evident from the awards we have won.

European Beer Star



Brussels Beer Challenge



World Beer Awards 1/2



Dutch Beer Challenge



World Beer Awards 2/2



Brewery De Molen





Circular business model

Ambition

As a family business, instead of thinking in years we think in generations. We want to pass on an even more beautiful company to the next generation. We also consider it our duty to contribute to a more beautiful world. This is why we are committed to a circular business model. This means that we will not let raw and other materials, as well as energy, go to waste. We make sure to use as few raw materials as possible and that what we do use retains as much value as possible. To determine our measure of circularity, we use our own measurement method, the Swinkels Circularity Index, which we continue to refine. We like to share our knowledge with other companies to maximise our contribution to a circular economy.

Swinkels Circularity Index

For the third year in a row, Swinkels Family Brewers is charting its circularity using its own measurement methodology; the Swinkels Circularity Index (SCI). Marthijn Junggeburth, Sustainability Manager: 'When we formulated the ambition for a circular business model, we immediately started looking for a good definition and calculation method. This proved to be a huge challenge. Over a hundred definitions circulated on the internet with only two of them offering a calculation methodology. After analysing, these calculations didn't seem suitable. The alternative was to come up with a model of our own and that is what we did.'

Results SCI in 2021

Our circular business operations score in 2021 was 56%. This is a 4% improvement compared to 2020, which means that for this year we achieved our goal. The score was achieved through a series of improvements in the areas of water reuse, energy savings across multiple subsidiaries, making packaging more sustainable for both product and marketing purposes, transportation optimisation and factoring in the circularity value of our buildings and machines. These improvements are further explained under our three pillars: **Circular procurement**, **Circular production** and **High-quality reuse**.

Ambition 75% circular business operations

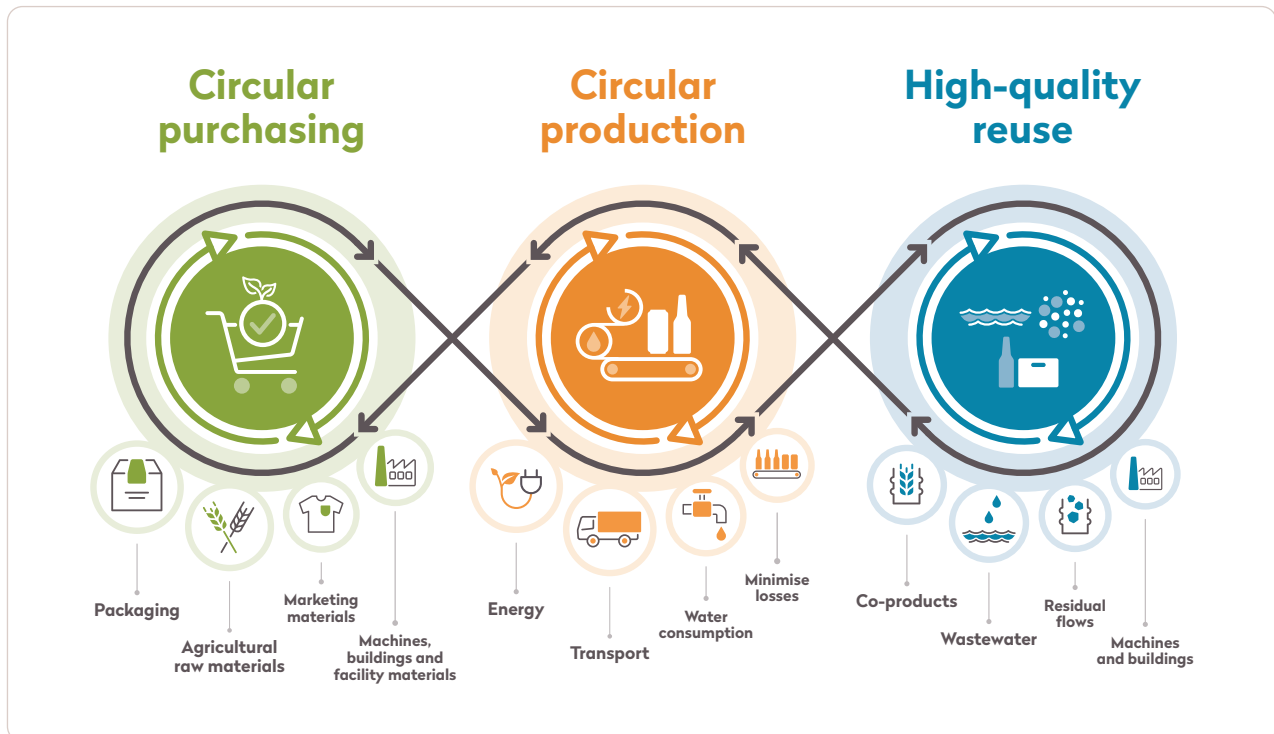
Our goal is to keep on improving the SCI score towards 58% circular business operations in 2022. To achieve this, we must improve in all SCI segments. We have noticed that we have reached certain limits, regarding making packaging more sustainable, for example, and purchasing sustainable raw materials. In this regard we realise that we will have to take bigger steps to achieve our ambition of 75% circular business operations by 2025. The first initiatives, such as making our malting plant in Eemshaven emission-free, have already been set in motion for this purpose. Furthermore, we see opportunities for more substantial improvements in the areas of water reuse, improving energy management at all subsidiaries, purchasing sustainable agricultural raw materials and working towards 100% circular packaging. For each component, we have appointed a person in charge who will draft and monitor the plan towards 75%. The 2022 target requires additional effort due to the refining of our SCI as of 1 January 2022.

Continued development Swinkels Circularity Index

The world is constantly changing and knowledge about circularity is increasing. This gives us reason to validate the SCI on a regular basis. Does it still meet our requirements? To what the world demands from us? Are there new methodologies that can add value and enhance insight?

Marthijn Junggeburth: 'The model is proving its strength. Still, we feel that on certain points it could be better and more accurate. So we took the time in 2021 to revise the SCI segment by segment. We are going to apply this refined version of the Swinkels Circularity Index to our way of collecting and reporting data starting 1 January, 2022.'

We have critically reviewed our circularity model on all themes in 2021 and developed it into a 2.0 version. Adding more detail to calculations increases the quality of the measurement method. Changes are additional to ensure the comparison with previous years. Marthijn Junggeburth: 'By the time of the next annual report, the first results of SCI 2.0 will be known.'



In broad outlines, the main optimisations from 2022 onwards are:

- The circularity methodology of water, wastewater, energy and transport themes has been revised and expanded based on international standards and insights (IPCC, BIER, WBCSD, SBTi).
- We have expanded the scope for packaging, agricultural raw materials and facilitating materials. Facilitating materials include paper, ink, hardware, coffee and company clothing.
- When procuring raw and other materials, we measure on the basis of the actual number of kilograms which is in line with international standards. This means that "barley" becomes a larger category than "hops" because we use many more kilograms of barley than hops.
- Initially, each brewery and malting plant counted equally in the calculation. This is being adjusted to the size of the breweries and malting plants.

Climate strategy

Climate change poses risks and affects our ability to realise our ambition of passing on an even more beautiful company to future generations. For this reason, an internal working group within our circularity consultation periodically discusses developments related to climate change, the impact we have on it and the impact of climate change on our breweries,

malting plants and the value chain. This working group reports to the Executive Board. In this way we can make the right choices regarding circularity, embed them in our business processes and align them with our sustainability strategy.

Circularity is the main pillar of our sustainability strategy. As part of our circularity ambition, climate strategy plays a central role when it comes to reducing energy consumption, material usage and managing risks in the area of climate-driven raw material scarcity. We are continuously looking for an optimal energy mix for our brewing and malting processes and value chain with minimal CO₂ emissions.

Every quarter we map the CO₂ emissions of scope 1 and 2, with the aim of reducing them as much as possible. We are working on this by, among other things, increasing energy efficiency and making maximum use of renewable energy sources. We also look at the efficiency of transport movements. Apart from measuring data, we are increasingly bringing transitional risks and physical risks into focus to integrate them into our risk management and monitoring.

In addition to the climate topics covered by the SCI, we are taking steps to further align our climate strategy in terms of ambition and content with what



is expected of us. We will continue to prepare in 2022 for developments regarding laws and regulations, such as the EU Green Deal and the Corporate Sustainability Reporting Directive (CSRD). Furthermore, we will conduct an inventory of scope 3 emissions in 2022 in conjunction with an exploration of the potential of a Science Based Targets initiative (SBTi) verified objective. This objective forms the basis for a climate strategy in line with the Paris Climate Agreement which requires that global warming be limited to 1.5°C.

Cultivating circular awareness

A circular business model is also about promoting awareness amongst our employees. Several times a year we organise an interactive presentation by inspiring parties from the field. In 2021, The Seaweed Company, and "plastic-free consumer" and director of BlueCity, Nienke Binnendijk, organised an inspiration session. This is how we bring knowledge from the outside in and encourage our employees and stakeholders to think about their own role in circular business operations. Following Nienke Binnendijk's inspiration session, we organised the "November, No plastic waste challenge", where we challenged employees to not create plastic waste or buy new plastic for the entire month of November.





Results 2021

Circular procurement

Ambition

We want to procure the goods and services we use as sustainably and circularly as possible and apply strict sustainability requirements. By doing so, we encourage our suppliers to also take steps in the fields of sustainability and circularity. By collaborating closely with our partners, we increase our impact in the supply chain.

Image of 2021: Difficult market

The trend in 2021 was that raw materials and energy were harder to come by and had severely risen in price. Transportation costs also increased. It is expected that this trend will continue in 2022. The difficult market conditions made it challenging to achieve our circular procurement goals. This turned out to be the case when purchasing barley, for example.



Agricultural raw materials

83% overall figure agricultural raw materials

Barley

We buy as much sustainably produced barley as possible from producers affiliated with the Sustainable Agriculture Initiative (SAI). Due to disappointing harvests, this proved not possible for the entire volume. For the purchase of barley, we were forced to turn to Scandinavian growers, among others, who do grow according to their own sustainability criteria, but do not yet have the SAI label. For this reason, we were not able to count this purchase as "sustainable", causing the proportion of circularly sourced barley to slightly decrease compared to 2020.

For our brewery in Ethiopia we buy barley from as close to the brewery as possible; more than 70% of the barley is grown locally. Once the last imported batch of barley has been delivered, no new barley will be imported. From then on, barley will be sourced 100 percent locally. Locally grown barley is considered sustainable in the Swinkels Circularity Index.

Score barley: 54%

Hops and sugar

With regard to hops and sugar, we were able to maintain the sustainably grown proportion and are even on our way to 100% sustainably grown. Some of the purchased sugar could not be sourced locally in Ethiopia due to low availability. For that reason, we were forced to purchase sugar from outside Ethiopia that does not have a sustainability certificate. With that, the numbers amount to:

Score hops: 100%

Score sugar: 95%

Packaging

Score packaging: 73%

Packaging accounts for a large proportion of our procurement activities. In recent years we have invested heavily in making our packaging more sustainable. Together with our suppliers and partners, we are constantly looking for solutions to make packaging more circular. From a circular point of view, can and bottle are excellent forms of packaging. For this reason we are primarily addressing secondary and tertiary packaging, aiming at reducing the total weight, increasing the proportion of recycled material in the packaging and exploring the actual recycling of the packaging.

Plastic is a hot topic and we have been paying a lot of attention recently to reducing the proportion of plastic in our packaging and particularly the so-called fossil-based virgin plastic (new plastic made from petroleum). This year, where fossil-based virgin plastic is concerned, we were able to achieve significant savings of as much as 30,000 kilograms of plastic.

Operating at the limit

Marthijn Junggeburth: 'In the end, we want to pack using no plastic at all, which is our ultimate goal. However, as long as there is no good alternative, we are committed to reducing the weight of packaging materials and increasing the proportion of recycled plastic. Meanwhile, we are facing limits. A pallet or tray needs to be wrapped in film. We have been making that film progressively thinner over the past few years. But we have now reached the limit; an even thinner film would be at the expense of the carrying capacity and strength of the stack on the pallet. This puts safety at risk. Furthermore, in recent years we have continued to increase the proportion of recycled plastic in the film. There the limit has been reached as well; an even higher proportion would cause problems in the packaging machines and



adversely affect the strength of the film. A next step is then to renew the packaging concept.'

Choosing other ways of packing and other types of packaging materials could further increase the proportion of sustainability. For example, we are exploring the possibilities of packing using biobased materials but are constantly hitting limits here as well. On the one hand because of the limited supply of biobased materials and on the other because of the technical possibilities this requires of our machines and production.

Marketing materials

56% circular

For our marketing materials (such as flags, displays, beer coasters and others), we use the same process as we do for packaging; collecting data so that we can make the best decisions based on that data when we're faced with another limit. Where is it still possible to use less material, where can we steer towards more circular materials? We created a registration process for this purpose in 2021. Via our ERP systems we get an exact image of the usage of marketing materials and how circular that material is. The registration process is secured in the procurement process of marketing materials. Thanks to accurate registration and smart procurement, 56% of our marketing materials has been circular in 2021.

We challenge our suppliers to produce as sustainably and circularly as possible. One way of doing this, is by asking them each year how circular their products are. It does not always prove easy to get suppliers to join our sustainability ambition and receive the requested feedback on product specifications. This requires a collaboration with all of our suppliers. Another action planned for 2022 is to collaborate with our marketeers and establish a top-of-mind awareness of circularity when developing new products and promotions, so that we can propagate circularity in increasingly wider circles.

Machines and buildings

36% circular

In 2021, buildings were included for the very first time in the circularity score. As indicated in the section on the Swinkels Circularity Index, we use the same method as for machines to calculate the circularity value of this category. We integrated the category into our procurement process in 2021. This includes requiring suppliers of machines or construction materials to provide information according to our specifications.

For example, we register the materials and components of new machines in a Material Passport. This passport describes (for each machine), among other things, how much material was used (weight), how much of this material was recycled (percentage), and how much of the material is recyclable after the end of its service life (percentage). As we will be using the same method for buildings, we took the first steps towards this in 2021. We recorded the purchase of the building material in quantities, in proportion of circular building materials and in circular outflow after end of life. This method allows us to improve the design inquiry. The design phase isn't restricted to function, efficiency and costs, it also includes the question: How can we design a building to be as circular as possible? We will continue to work on this in 2022.

Our working method has drawn a lot of interest from many companies around us. In this, we collaborate closely with our suppliers, stakeholders and sector associations such as the Metaalunie.

**IN-DEPTH****Making packaging more sustainable in a challenging market**

By making the right choices in design and raw materials, packaging can have a big impact in terms of sustainability. Consuming less glass, cardboard or metal has a double advantage; it is more sustainable and cheaper. This creates financial scope to continue searching for innovative designs that will help us become even more sustainable. In recent years we have already been able to achieve impressive savings.

In 2021, huge price increases in raw materials such as glass, metal and plastic made it especially challenging to contain the cost of packaging. In addition, several suppliers were experiencing delivery problems. Despite this, we again managed to coin some innovative savings.

Result 2021 and ambition 2022

If we look at the circularity index, there's been a great leap forward in terms of packaging. According to the Swinkels Circularity Index, 73% of our packaging is circular. In 2020 it was 63%. Thus, packaging makes a larger contribution to the Swinkels Circularity Index score.

We succeeded in achieving the set target which means that from January 2021 onwards all newly developed primary, secondary and tertiary packaging put on the market consists of, at least, 50% recycled material or material from sustainable sources. In addition, all of our packaging is 100% recyclable. This applies to glass, metal, plastic and cardboard.

In 2022, we plan to take the next step by modifying, among other things, the crown caps on some of our products. By using thinner crown caps, we hope to achieve savings in the amount of steel.

**Patrick Blom, Packaging Technologist:
'Thousands of kilograms lighter'**

'With every new package we put in the market, it is a prerequisite that our design is recyclable. We also look for opportunities to save on materials,' says Patrick Blom who, as Packaging Technologist, develops packaging. 'It is, however, becoming much more of a challenge. After all, technology does have its limitations. Furthermore, in 2021 we noticed more than ever that the availability of materials is not infinite. Still, we were able to take some steps forward again. For example, some cans have become even lighter and we have made the lids of some cans thinner. This saves thousands of kilograms of steel and aluminium.'

European initiatives

We stand firmly behind the EU's ambition to make all plastic packaging suitable for reuse or recycling by 2030. Most of the plastic we use is (partly) recycled material and all our plastic packaging is already recyclable.

In order to enforce the above ambition, we support several Dutch and European initiatives in this area, such as Plastic Pact NL. Furthermore, we signed the Plastic Promise, aimed at the reduction of disposable plastic in the event industry.

Shrink film

Our packaging specialists are constantly looking for new savings opportunities. Starting in 2021, we have left the stretch film around pallets of cans open at the top for a large number of products. This is now possible thanks to modifications to the machines. The savings are considerable; 30,000 kilograms of fossil-based virgin plastic per year.

We realised another stretch film saving in cardboard packaging. Boxes containing 24x33 cl and 24x50 cl cans were previously sheathed in shrink film to prevent damage. Tests showed that it was possible to work without shrink film, which is why we stopped using it in 2021. This saves at least 50,000 kilos of plastic each year.

In 2021, we researched using even thinner shrink film. We expect to be able to implement this in 2022.



Glass

How nice would it be if in the future we only used 100% recycled glass? We are in continuous dialogue with our suppliers about this. But for now, that's still in the future. Currently, we are using over 75% recycled glass. Bottlenecks in arriving at 100% include the availability of recycled glass and the current state of technology at glass suppliers.

Cardboard

In 2021, we invested in a new machine in Lieshout that can pack multipacks of cans (4, 6 and 8 units) in cardboard. As this machine can process thinner cardboard, it becomes easier to replace plastic with cardboard. The lighter packaging is cheaper, making it more appealing for more customers to opt for cardboard packaging.

Since 2020, nearly all of the corrugated cardboard and folding cardboard we use carries the FSC or PEFC quality mark. The cardboard is made of wood from sustainably managed forests and recycled material.

Pallets

By changing the stacking of products on pallets, called pallet patterns, we have been able to realise savings in truck transportation, in the amount of containers needed and in the amount of pallets used.

Also where pallets are concerned, we strive to only use pallets made from wood material carrying the FSC or PEFC quality mark. Our Procurement Department is currently discussing this with suppliers.

Metal

Since 2019, we have made big steps in saving on metal by using lighter cans. Thanks to new technology of suppliers and after extensive internal testing, we were able to replace the 50 cl steel cans with cans that are 0.7 grams lighter in 2021. This saves 88,000 kilograms of steel on an annual basis (compared to 2020). The lids of the "smart" (15 and 25 cl) cans have also become thinner which makes for a saving of 53,000 kilos of aluminium per year.

For the amount of recycled steel and aluminium in our cans, we use a "world standard" in our index as the exact numbers are not shared by suppliers; steel 30% and aluminium 73%. All our cans are fully recyclable.

Socially Responsible Procurement

Socially Responsible Procurement (SRP) is the norm for us. We work on this together with our suppliers. Most are eager to share their thoughts and ideas and contribute towards our sustainability goal. For example, they are currently investigating what further possibilities there are in making plastic even thinner. Such an innovation could help us and the environment take another step forward.

Looking ahead: Setting off for 2025

Our ambition in the field of packaging is challenging to say the least. We aim for all our packaging to be 100 percent recyclable and 100 percent made from sustainable materials by 2025. We have already achieved the first of these two goals; all of our packaging is 100 percent recyclable.

With the innovations in 2021, the achievement of the second goal – the use of purely sustainable materials – has also come another step closer. We again came to the conclusion that achieving this goal is not technically possible at this point in time for certain materials such as glass. To switch to the full use of only recycled metal, we depend on the supply of recyclable steel and aluminium. Unfortunately, that supply is simply not always sufficient.

We can only achieve full circularity in collaboration with other parties in the chain. This requires trust, but also the optimisation of knowledge. Where possible, we are committed to this by collaborating even more closely with our suppliers.



Results 2021

Circular production

Ambition

We ensure the most efficient use of energy, water and transport. In addition, we opt for sustainable energy, minimise wastage during production and aim to extend the lifespan of our machines and buildings. Currently, 15.5% of our energy comes from sustainable sources and 75% of our breweries and malting plants are more efficient than the benchmark data. We remain committed every year to improving these results by implementing innovations and optimisations in the production processes.

Image of 2021: Start-stop conditions

The COVID-19 pandemic is creating several challenges worldwide that were also felt at our production locations. Due to the multiple shutdowns (lockdown) and re-openings of on-trade establishments, it was particularly challenging in several countries to optimally match production to demand in 2021. It led to a stop-start production schedule. Each time a line restarts, production losses occur. Thus, the more often you have to restart, the more the circularity score is negatively impacted.

In addition, the political situation in Ethiopia suddenly deteriorated significantly in the third quarter due to domestic conflicts. As a result, we have had to temporarily scale down production considerably at our brewery in Ethiopia and take measures to ensure the safety of our employees. Despite these external factors, 2021 was a reasonable year in terms of circular production, in which we took some interesting steps forward. For example, the brewery in Lieshout has become much more energy efficient through the realisation of various energy management initiatives.



Energy and transport

Residual heat optimisation

The first results of the residual heat installation with hot water buffer in Lieshout presented themselves in 2020.

It is a process where the residual heat from the brewery (from the cooling installation, turbine and steam boiler) is captured and stored in a so-called heat battery, a large buffer in a tank of hot water. This residual heat is then used in various production processes in the malting plant, brewery and bottling plant. With this residual heat system, we managed to save more than 15% on our energy consumption in 2020. The "residual heat team" then managed to increase that performance in 2021 with a number of optimisations. Encouraged by these fine results, the team will continue to work on subsequent optimisations in the coming period.

Further research into iron fuel

In 2020, a pilot scheme of burning the circular fuel iron powder took place, where a test installation was successfully connected to the production process of brewery Bavaria. Swinkels Family Brewers is participating in the Metal Power Consortium, specifically set up for this purpose, to further develop and deploy this technology at multiple locations. Currently, the focus of the Consortium is on scaling up the installation. We hope to conduct a next iron-powder test mid-2023.

Eemshaven opts for emission-free

At the end of 2021, Holland Malt gave the go-ahead to make its malting plant in Eemshaven the first malting plant in the world to be completely emission-free. A project that will be completed by 2024. This step means that Holland Malt no longer needs to use fossil fuels for the malting process and that harmful emissions are reduced to zero. In addition, Holland Malt is going to save a considerable amount of energy through this innovation. Read more about Holland Malt Eemshaven's move in this project story.

Rethinking energy

We have been realising significant energy savings since May. In Energy Hall 3 of our brewery in Lieshout, cooling capacity and refrigeration capacity had to be expanded. The simple solution was to add a new installation. Dirk Wenting and Harald Gilsing came up with the idea of linking the 0-degree installation to the -4-degree installation, which was a cheaper and more energy-efficient solution. Harald: 'Practice showed that one plant had an excess of refrigeration capacity. Simply put, we transferred these "cold" temperatures to a "warmer" installation. This can make for a more stable installation which may result in less maintenance on both installations.' We won't know the latter for quite some time. Dirk: 'For now, this smart solution provides considerable monetary savings as well as a lower energy demand. We owe this circular result to rethinking and working together.'



Smart logistics

In 2021, we concluded a new transport contract for Belgium, for the distribution of Palm, Cornet and Rodenbach, among others. Starting next year, this will reduce our transport's CO₂ emissions. Arn Kaerts, Logistics Manager at Palm, had transport companies calculate how to transport our beers to our Belgian customers keeping the total of kilometres as low as possible. Results were based on previous transport movements. 'As of January 2022, we will join forces with a big distributor with a finely-meshed network. This means that our beer will travel

with other customers' goods to a nearby store. The smart and combined scheduling of vans and lorries will save many kilometres of driving.'

For the medium term, Arn expects further CO₂ reductions. 'As soon as Belgian law allows for HVO filling stations, our new transporter will be using this more environmentally friendly diesel fuel as well. Using this fuel, made from vegetable oils and residual waste, will ensure the significant reduction of CO₂ emissions as well as soot particles.'

Parameter	2021	2020	2019	2018
CO ₂ emissions (kt) 1	83	82	126	118
CO ₂ emissions beer (kg/hl) 1	4.9	5.2	7.8	7.1
CO ₂ emissions malt (kg/ton malt) 1	123	123	164	193
Energy consumption (MJ)	1.71 billion	1.71 billion	1.94 billion	1.81 billion
Energy consumption beer (MJ/hl)	99	108	128	105/123
Energy consumption malt (MJ/t) 2	2,563	2,537	2,422	.874/2,521
Energy from sustainable sources compared to total energy consumption (%)	15.6	14.8	3.9	5.5
Breweries and malting plants that are more efficient than the benchmark data (%)	75	88	71	-

Table: CO₂ emissions and energy consumption

Water use

Water

We are improving sustainable water management in our malting plants and breweries by focusing on reducing water consumption during production. We mainly use groundwater for our brewing process. We are currently measuring how circular we are in terms of water consumption by looking at the efficiency of our usage. If our operation is more efficient than the benchmark, we regard it as circular. We use the international NIRAS and ABA benchmarks for this calculation.

Where water is concerned we will continue optimisations as well. In 2021, we made a series of smaller investments at each production location to further improve water preparation, use water as efficiently as possible – we consumed 4.2 hectolitres of water per hectolitre of beer in 2021 – and make residual water 100% reusable.

Starting in 2022, we will use international standards for water scarcity and water reuse to assess circular water use in addition to the benchmark.

Parameter	2021	2020	2019	2018
Total water consumption (x 1,000 m ³)	4,099	3,941	4,521	4,239
Water consumption specific to beer production (hl/hl)	4.2	4.1	4.2	4.2
Water consumption specific to malt production (m ³ /t)	2.8	2.7	2.8	-
Breweries and malting plants that are more efficient than the benchmark data (%)	38	50	43	-

Table: Water consumption



Maintenance of machines and buildings

Machines and buildings

We will continue to strive for an extended lifespan of our machines and buildings. In 2021, we decided that, as of 2022, the "machines and buildings" segment would no longer be included in the SCI where circular production is concerned. The item will continue to count towards the pillars of circular procurement and high-quality reuse.

Minimise wastage

Production losses

For each production location, we determine how much raw material and packaging is lost during malting, brewing and packing. By focusing on production losses, we are increasingly able to measure them. The score on this segment was somewhat lower in 2021 than in previous years. This can be mainly attributed to having a better idea of the small losses as well and, as a result, having also observed an increase in production losses.

In 2022, we will be measuring and reporting on production losses more frequently and use this information to optimise our processes even further. We also expect this to reduce production losses.

PROJECT STORY

Holland Malt Eemshaven: The world's first emission-free malting plant

Holland Malt started in 2021 with the realisation of an emission-free malting plant in Eemshaven. By using a new, innovative heat system and switching to sustainable energy sources, we are achieving a major step in our energy transition. The system will be fully operational from 2024 onwards and the malt produced in Eemshaven will be "green".

Reuse and sustainable sources

First and foremost, Holland Malt is switching off the gas tap completely. By doing this, the malting plant is reducing its CO₂ emissions that match the volume of those of 14,000 households per year. But there is more. Jos Jennissen, CEO of Holland Malt: 'Malt is one of the most important ingredients in beer. Malting is an energy-intensive process. Especially drying requires a lot of heat. That heat is currently generated by burning fossil fuels. And that's where we see an opportunity to become more sustainable.'

The biggest innovation in the malting plant's energy transition is in the reuse of its own residual heat. Edwin Evers, Operations Manager Holland Malt: 'We capture the residual heat from our drying process at 23 degrees. Using a heat pump we upgrade it to 85 degrees. This allows us to reuse the heat for the next drying process which results in significant energy savings. We obtain the energy needed for the heat system entirely from sustainable energy sources such as wind and solar.'

Making the chain more sustainable

'There is no getting around the fact that as an industry we have to start making different choices to combat global warming. The steps we are currently taking in the emission-free malt process could also inspire other companies. In this way we can make a difference together,' according to Jennissen. Holland Malt's move is in line with the circularity ambition of Swinkels Family Brewers. Jennissen: 'As a family business, we think in generations. We want to pass on an even more beautiful company. Holland Malt's next step is to investigate how we can make the chain even more sustainable.'

Valuable collaboration

The Holland Malt emission-free project is coming about, in part, thanks to the Province of Groningen, Groningen Seaports, RWE Technology International and the Dutch government. The first major customers have also joined this project. These brewers co-invest in making the chain more sustainable. From 2024 onwards, they will purchase 100% emission-free produced "green" malt in Eemshaven.



Results 2021 High-quality reuse



Ambition

There is no such thing as waste. We look for high-quality reuse of each residual flow. In doing so, we want to return food waste as high up the food chain as possible. In this way, they retain as much value as possible.

Image of 2021: Preserving and leveraging value

High-quality reuse development is in full swing. We are an enthusiastic participant in experiments and tests of specialist parties in the market. In addition, we do our own R&D, where we focus on maximising the “value” of our residual flows. The goal is to use these as co-products.

Parameter	2021	2020	2019
Circular use of co-products (%)	99	98	91

Table: Circular use of co-products

Residual water

Maximum use of residual water

We purify the residual water from our production processes and reuse it. In Lieshout, the largest proportion of this residual water goes to the irrigation systems of the Farmer Beer Water (Boer Bier Water) project. In doing so, we return much of the residual water directly to the soil. This makes it easier and better for the affiliated farmers in the Lieshout area to grow their crops. In addition, less water is needed for irrigation and the groundwater level is maintained. The other part of the residual water in Lieshout will be introduced – via an inlet of the Wilhelminakanaal constructed in 2021 – to plots of land a little further away from the brewery. The total volume

Co-products

A lot of experimenting with co-products

In addition to water, sludge and CO₂, we are looking closely at the possibilities for our other residual flows. Brewers' grains have been used as the basis for livestock feed for some time, but we are currently investigating, in pilot schemes, whether it can be used higher up the food chain. For example, as an ingredient for sausage rolls and cookies.

In Ethiopia, we are conducting a pilot scheme with the Agricultural Research Centre using sludge from water treatment in which to plant potatoes. Laboratory analyses will be conducted in the coming months to see if this pilot scheme has been successful.

In addition, there is an ongoing pilot scheme in Ethiopia to use yeast from the brewery as feed for chickens. To develop this further, a new facility is needed at the feed mill. As long as this facility is not in place, the yeast will be delivered to farmers near the brewery so they can use it as animal feed.

of residual water for irrigation increased by 100,000 m³ to about 800,000 m³ in 2021. Also at Habesha in Ethiopia we return residual water to the environment, where it is used for irrigation and drinking water for livestock.

Farmer Beer Water is a collaboration that has been proving its worth for a decade. We are also in constant dialogue with the affiliated stakeholders (farmers, municipality, the Ministry of Waterways and Public Works, Water Board) regarding optimal water management in the region. Together, we identify opportunities and exploit them where possible.

Direct reuse of residual water: +14.3% in 2021

Parameter	2021	2020	2019
Implemented measures to use residual water in a circular manner (%)	57	64	50

Table: Circular use of residual water



Residual flows

BierBricks: An innovative bio-building brick

After purifying the water, what remains is sludge that mainly consists of organic matter. In 2021, we started a collaboration with an innovative tree grower to monetise and repurpose this sludge. The grower developed a method of adding a fungal culture. This makes the nutrients and minerals present available for absorption by plants. After treatment with the fungus, we create moulds from the sludge called BierBricks. You can place seeds or plants in these BierBricks before you put them in the ground. The bricks provide the plant with everything it needs for proper growth, a type of kickstart. The first projects with BierBricks will be initiated in 2022. A beautiful phenomenon, because the plants and trees that grow from the BierBricks will also absorb CO₂ thereby contributing to a sustainable world.

Recycling of safety shoes and goggles

Our circular ambition encourages us to constantly look for points where we can improve. As is the case in Lieshout, where our colleagues make use of various personal protective equipment (PPE). Previously, dozens of safety shoes, safety goggles and face shields were discarded and replaced after wear and tear. In 2021, we started collecting and (partly) recycling these resources. The safety goggles and face shields serve as raw materials for products such as insulation, flip-flops and garden chairs. In respect of safety shoes, we are currently investigating whether and which parts can be reused for shoes. Parts such as the sole, laces and (steel) toecap. In total, it concerns hundreds of safety goggles and safety shoes and dozens of face shields.

Parameter	2021	2020	2019
Circular use of residual flows (%)	77	83	82

Table: Circular use of residual flows

Machines and buildings

Our machines and buildings are circular processed for 39% in 2021.

The circularity score of our buildings and machines is determined by the application of the dismantled buildings and machines. We try to reuse our materials in the highest quality level possible. To do this, we apply the R-ladder; rethink, redesign, reduce, reuse, repair, refurbish, recycle and recover. We strive to prevent waste by intensifying use and at the end reusing and recycling as many raw materials as possible.

As our buildings have a longer lifespan than machines, the main focus within this score is currently on the reusability of the machines. With the implementation of the Material Passport, we will also be able to better estimate in the future how many materials will be released in the long term and how best to repurpose them.



CHALLENGE

Making water circular

Beer consists mainly of water; an ingredient also required by the brewing and malting process. We want to use it sparingly and responsibly. We do this by protecting our water sources and by making our production process increasingly circular. In doing so, we reuse residual water and upgrade it through purification to then return it to the environment. But what is circular water? A topic we started working on in 2021.

Living model

Circularity is a relatively new concept and for many areas of our operations we are still searching for how best to measure and assess circularity. In 2021, we measured the circularity of our water based on the "BIER Water Circularity Indicator". For the times ahead of us, we want to get an even more accurate picture of the circularity of our water. We therefore took steps in 2021 to further optimise the calculation; the existing flowchart was expanded and adapted to our situation and environment. We will develop this further in the near future, for example by including new technologies and systems in our measurements.

Transparency

We expect to be able to apply the new calculation for the first time in 2022. The evolution of how we measure the circularity of water may mean that, in the short term, we will see a negative impact on the Swinkels Circularity Index score. This is a consequence of measuring more accurately – and therefore more honest. This transparency provides insight and leads to points for improvement.

The road to circularity

There are several ongoing projects in our company in respect of the road to circular water use. Our guiding principles are:

- Minimise water use as much as possible.
- Purify residual water to a good quality.
- Reuse residual water in production or for other purposes.
- Let residual water flow back to the environment.

In our malting plant in Eemshaven, we have a system for reusing residual water. In the Farmer Beer Water programme in Lieshout, we purify our residual water so that farmers in the area can reuse it to irrigate their crops. The total of 800,000 m³ of water for reuse already constitutes a fine circular result. We want to continually increase the proportion of reuse and, in parallel, reduce our water use.

In 2022, we plan to start a pilot scheme in which we add an extra step to the water treatment process at one of our breweries, resulting in water that can be reused for even more different purposes. Consider cleaning, cooling and heating. If the pilot scheme is successful, we will implement this in all of our breweries. An initial test in Lieshout already shows promising results.

Own approach

What has become clear to us in 2021 is that a "one-size-fits-all" strategy is not possible. Every location is different. The environment, local water quality, production environment, systems and techniques we use vary from situation to situation. As we know these different situations, products and processes best it is up to us to translate this into a circular approach and a model that works for us and is sufficiently transparent. In this, we continue to seek collaboration and use the advice and experience of experts. In the coming years, we want to arrive at a solution that not only minimises our water use, but also ensures that the solution is measurably circular.

Safety and well-being



Ambition

Taking good care of our staff runs in our blood. It is important to us that our company feels like one big family for all our employees. In the past year as well, taking care of each other was important. We are, therefore, abundantly exploring and trying out new ways of working. This allows us to pay particular attention to maintaining the personal connection between colleagues. With the aid of technology, smart ways of working and an optimal workstation, we want to offer colleagues a safe and healthy working environment. As well as an environment where they can make a valuable contribution in an enjoyable way at every stage of their lives. It is with trust, connection and challenge, that we build our winning family culture.

COVID-19 and the Corona Crisis Team

COVID-19 has once again had a great impact on our staff and way of working in 2021.

The Corona Crisis Team, immediately established in Lieshout at the onset of the COVID-19 crisis, remained active by necessity throughout 2021. The broad representation of management, facility, safety, HR and communications met on a weekly basis. In this way, we ensured that we could act decisively company-wide in the Netherlands. The situation in the various countries where we operate was so different that it did not make sense to form a "global" crisis team. However, the various national teams did exchange best practices.

We initially started 2021 with a strict policy, aligned with the basic RIVM rules as in staying home when showing symptoms, maintaining one and a half metres distance and washing hands. These rules basically remained in place throughout the year, including in areas of the company where it presented a challenge. When the measures were relaxed in the summer, we adjusted our policy accordingly. More people were working from the office. Unfortunately, this only lasted until November when national measures were re-introduced due to rising infection rates.

Throughout the year, the crisis team kept employees directly informed via e-mail, the intranet and the video screens in public areas at the head office and at production locations. Employees received information and updates on the policy through a specially designed intranet page via which they could also submit questions. The 2021 pulse measurement shows that employees are positive about the internal communication regarding COVID-19.

We are proud to say that there were no internal sources of infection. We managed to ensure both the safety and health of our employees as well as the continuity of production.

Ethiopia Crisis Team: Habesha, safety in the vicinity of our brewery in Ethiopia

By the end of 2020, there was already unrest in Ethiopia where brewery Habesha is located. In 2021, the unrest in the country continued. In May 2021, Ethiopian Prime Minister, Abiy Ahmed, declared a state of emergency after the Tigray Defense Forces (TDF) had seized two towns en route to Addis Ababa.

The armed conflict expanded and the front shifted towards our brewery in Debre Birhan. Fierce fighting and looting took place, causing much unrest throughout the country and amongst our people. Under the leadership of CEO, Omo Ohiwerei, a special crisis team was established for the continuous monitoring of the situation and the detailing of plans. The safety of our employees always came first. Because the situation was so unpredictable, various scenarios were devised for scaling down production, evacuating employees and, possibly, shutting down the brewery completely. From the Netherlands, the crisis team received support from a special team led by Stijn Swinkels. There was intense daily contact between the Dutch team and the colleagues at Habesha.

In the third quarter, the situation in Ethiopia deteriorated and an armed conflict took place about fifty kilometres from the brewery. In response, most of our local staff and expatriates were relocated to safe regions or awaited the further course of the conflict in their home situation. Production was substantially scaled down to ensure the safety of our people. Thus, fewer people were needed at the brewery and fewer employees had to commute. Stijn: 'It was a surreal and incredibly tense time. From the Netherlands, we tried to help our colleagues in Ethiopia in every possible way. We arranged airline tickets, gave technical advice on the correct way of scaling the brewery process up or down, and helped set up the evacuation plan. I am relieved that the situation is under control again and very much admire the positive and powerful way Omo and his team in Ethiopia have steered the brewery through this crisis. Of course, our hearts go out to all those suffering because of the situation or who have lost people because of the conflict.'

Fortunately, at the end of the year the situation calmed down. The government army liberated most of the



occupied areas and our brewery was able to safely scale up again. Habesha colleagues scaled back emergency measures in the last month of the year to prepare for the peak production season in January.

Helping where needed

Debre Birhan is home to about 250,000 Ethiopian refugees from the north of the country at the time of writing this article (January 2022). Habesha is one of the local companies committed to helping these people, in part by distributing non-perishable food. As more help is needed, we also make donations to the local aid organisation, specifically for the refugee children who need food and medicine.

In 2021, we provided Ethiopian refugees from the North of the country staying in Debre Birhan with blankets and lighting, in order to give support. You can read more about this here.

Results 2021 Safety



Safety

Safety is not about one-off actions. The topic deserves ongoing attention, and to be on the agenda every working day, to ensure that the attention to safety is omnipresent throughout the company. Unfortunately, there are still too many accidents occurring at the brewery in Lieshout and the absenteeism per accident is also increasing. For this reason, we will be paying extra attention to the Lieshout location in this respect in 2022.

Our internal academy boasts many safety training courses tailored to the different locations. These are very accessible to current and future employees.

Top safety priority in 2021 was the storage, use of and exposure to hazardous substances. These are themes that play out across all of our locations. In 2021, we secured the quality of the hazardous substances

system. Safety is thus increasingly embedded in the way we work.

Risk inventory per site

We tailor our safety strategy to the nature of our breweries and production locations. After all, a smaller community like De Koningshoeven is organised differently in terms of safety than a complex location like the one in Lieshout. Health & Safety Manager Kasper Sanders: 'In 2021, a lot of hard work was done on an aligned safety strategy. As a result, there is now an up-to-date Risk Inventory and Evaluation (RI&E) at each location that addresses various topics on the subject of health and safety. It will also act as a baseline measurement for the coming years.'

In 2021, the risks and priorities were assessed for each location. Kasper: 'We've noticed that, at small locations such as De Molen, the same risks recur as at large, more complex locations such as Lieshout. Recurring themes include hazardous substances, ergonomics, CO₂ and training and instructions. Lieshout is our largest and, in terms of safety, also the most complex location. Here we work with Safety Champions, employees who pay extra attention to safety in their departments. They identify potentially unsafe situations and advise on practical solutions to hazards.'

The establishment of the RI&E in 2021 ensures us that the right path is taken and we're committed to that. An RI&E is forwarded to the prevention officer of the location in question, then to the HSE Committee and finally to the company doctor. Only then is the process complete. Subsequently, the implementation of the plan of action is initiated.'



Prevention Officers

It is our goal that safety lives in the minds of employees at each location. From 2022 onwards, we will be training prevention officers at the various locations, who will share their thoughts and ideas regarding safety issues in a structural manner, from Holland Malt in Eemshaven to the distribution centre in De Meern. A prevention officer is someone who has a good understanding of the group, knows what is going on in the workplace, and is more active in safety than others. In the first quarter of 2022, these prevention officers will jointly undergo a three-day training course. The course will help them gain more insight into the safety systematics, our way of working and the associated risks. In addition, we help them form a team. In this way, prevention officers from the different locations can support and contact one another.

Severity rate

In 2020, we introduced the severity rate, which allows us to determine the severity of major accidents. The number of days a person is unable to work due to an accident is set off against the number of hours worked. This gives us insight not only into the number of accidents, but also into the severity of these accidents. In 2021, we applied this severity rate for the second consecutive year. As a result, we were able to determine that not only has the number of accidents in the brewery, bottling plant and on-trade departments in Lieshout increased, but also the severity rate. We have not yet been able to determine a direct cause for this. It is, however, on the agenda for 2022. In time, we want to further break down the categories of incidents, the accident pyramid, in order to be able to analyse the correct structure. We did not get around to doing that in 2021 because of COVID-19.

Road to Zero

Our safety policy is set up in such a way that safety will always be a top priority. Our ambition is to work without accidents. In response to several accidents in Lieshout, a safety campaign called "Road to Zero" ("On the way to zero accidents") was set up by the Management team and the Health & Safety Department. Three paths have been outlined; behaviour, knowledge and skills, and tools and systems. Each path contains a number of highlighted topics that will receive extra attention in the years to come.

Safety observation intensified

Safety observation, as in surveillance of the workplace, is an important part of our safety policy. Employees walk around, monitor for safe behaviour and unsafe situations, and report on these if improvement is required. We want

to consolidate these rounds into our safety system. In this respect, we focus on dialogue with the employee. We ask why someone works in a certain way and how he or she monitors safety. By engaging in conversation with each other, the reasons for a certain behaviour will become clear thus leading the way to improvement.

Storage, exposure and use of hazardous substances

With regards to the storage of hazardous substances, a step was taken in 2021. A new storage design was developed for Lieshout. As a result, by early 2022, the location with the most risks will no longer exist. In its place there will be entirely new storage facilities with new tanks and piping. This will make the process of storage and transport even more advanced, the result being a much safer location.

In terms of exposure, all substances used throughout our company – amounting to over a thousand – have been listed and risk assessed in 2021. Substances that are most harmful such as carcinogenic, mutagenic and reprotoxic (CMR) substances are no longer welcome at our company locations. In many cases, these are substances used for cleaning or analysis. For all of these substances, we started looking for alternatives. This turned out to be quite a comprehensive project, as certain substances are sometimes used at multiple locations and in multiple ways, meaning that the use of it must be assessed on a situation-by-situation basis. To do this, we engaged in discussions with employees about application, frequency of use, by which employees and with which protective equipment.

Procurement awareness

An additional point of attention regarding the use of hazardous substances concerns "shutting the front door". This means ensuring even more awareness in the procurement of hazardous substances. Before ordering a substance a new safety procedure must be adhered to. This will prevent employees from placing an order out of habit. It will also help to ensure that the safest variant of products or substances is chosen, whenever possible, and that only those substances are procured that are strictly necessary.

Due to the size of this project, it will continue in 2022.

Accident reporting system

In 2021, preparations were made for the replacement of the accident reporting system. The new system is more advanced and user-friendly. Due to the major system change in the company in connection with the Intelligent



Brewery programme, there was no capacity in 2021 to actually make the replacement a reality. It will be made part of the 2022 agenda.

Joint responsibility for updates

Kasper: 'Safety involves constantly changing legislation, standards, certification and so on. Knowledge of this is spread across the organisation. For this reason we have now defined who is responsible for updating which knowledge. In the event of a new version, we know which content expert is responsible for updating the information and who needs to be informed of this. Safety experts provide a template and keep track of the situation. Keeping track of the specific information is the responsibility of our quality, project or engineering specialists. After all, safety is not limited to our safety experts, it concerns everyone and we are responsible for it together.'

Looking ahead: Plans 2022

The plan for next year is to continue on the path we have taken and to professionalise the safety system even further.

Another goal for 2022 is to make the employees in the workplace even more focused on desirable and undesirable behaviour through additional training. Research has shown that this contributes directly to everyone's safe functioning. Special attention will be paid to instructions for the safe use of certain equipment, such as an electric pump truck and the trucks for order picking.

We will set up the "Welcome to the Plant" safety training course for all locations and make it available to them. This training course provides new employees with an introduction to the business and teaches them which rules and standards apply.

Parameter	2021	2020	2019	2018
Lost time accidents (LTA)	30	18	22	29
Lost time accidents by contractors (LTA)	1	3	1	5
Accident frequency (Lost time accidents per 100 FTEs)	1.9	1.00	1.04	1.35
Fatal accidents	0	0	0	0
Severity rate of accidents ¹	67	28	-	-

Table: Accidents

¹ Not yet reported on in 2019 and 2018.

CHALLENGE

Keeping employees engaged during a pandemic

We consider it important that employees feel like part of the family in our company. However, how do you maintain or achieve that, when teams largely work from home or when strict safety measures apply on site? In 2021, Internal Communications started initiatives to keep employees well informed, to stimulate the mutual bond between colleagues and to increase involvement, where necessary. Here, the focus was on communicating logically and consistently.

The Corona Crisis Team determined company policy on a weekly basis and was the point of contact for questions about the effects of the pandemic. The members of the team collaborated with contacts at all locations, known as SPOCs (Single Point of Contact). The Corona Crisis Team communicated the ever-changing measures and company policies to managers and teams through

various channels. For example, in addition to his usual Brew Talks, CEO Peer Swinkels regularly updated all employees via a video message on recent developments and their significance for our company worldwide. He gave his accounts from different Dutch company locations to emphasise the impact of COVID-19. For example, one time he was standing in an empty distribution centre which is normally a very busy place. The main message was always: 'Safety comes before everything else. Take care of yourself and each other'.

The intranet also played a key role in informing employees. With the help of Q&A, up-to-date travel information and the "Stay home or go to work?" decision tree, employees could easily determine their safest course of action.

Job satisfaction

In addition to paying attention to safety, health and current information, we also focus on maintaining job satisfaction and team building. Employee responses from our triennial pulse survey showed that colleagues



working from home missed their teammates while colleagues on site expressed their concerns regarding a safe working environment. It was therefore decided to organise activities for both groups.

For example, during the lockdown we organised an online tasting called Beer & Bites and on a Saturday night a real online Swinkels Family Brewers game show with prizes. In addition, during summer, there was an outdoor bar on the grounds in Lieshout, between the head office and the brewery, which employees could visit in groups. An effort that was well appreciated.

When the lockdown in the Netherlands was (temporarily) lifted after the summer, there was an After Summer event for all employees, to celebrate the fact that we could get together again. It goes without saying that the lifting of the lockdown was not only celebrated in Lieshout.

To celebrate Christmas, employees could come and collect a unique Christmas package, and this in a very safe way. Furthermore, several times a year when, for example, Uiltje Brewing Company was acquired and at the introduction of Bavaria 0.0%, they received packages at their home address containing new products. These are just a few of the various actions and activities that we organised for our people.

New way of working

COVID-19 gave us reason to start thinking about a new, effective and safe way of working. This also includes ample attention for employee engagement and job satisfaction. We are working hard on "This is how we work at Swinkels Family Brewers", a programme that will start in 2022 in phases.

Results 2021 Well-being



COVID-19 made us look at work and the working environment in a new way. This resulted in useful lessons. As is the case with many others, our company was still quite traditional with regard to workstations. The COVID-19 outbreaks forced us to do things differently which proved quite possible in a surprisingly good way. We gently eased into a digital way of working. After a short period of becoming accustomed to it, we were already receiving positive feedback from employees who wanted to maintain the option of working from home.

Angelique Heckman, Chief People and Culture Officer: 'We started thinking about effective new ways of working together. Employees with workstation-bound jobs (such as operators in the brewery or malting plant) simply continue to work on site on a daily basis. In the process, we do look at what we can optimise to make the workstation as nice, safe and effective as we can. As soon as COVID-19 measures allow for it, all non-workstation-bound functions will switch, in principle, to 50% office-based and 50% working remotely. This could be at home, but at another location as well. Where exactly the employees will be working (online or off-line), for us is subject to the agreements made within the team and the nature of the activity. Work that requires concentration can easily be done alone and remotely. Brainstorming, however, requires interaction and can be done much better in the office.'

'It actually worked out surprisingly well when we were forced to work differently when the outbreaks occurred.'

Experimenting and facilitating

We realise that the choices we make for the new way of working are theory-based, which is why we are giving ourselves sufficient time to experiment and experience whether this works for us. We also support the "new way of working" with knowledge and tools, by



the way. Management and employees are given tips on the best way of working remotely. And in 2022, we will introduce an app that allows people to coordinate where they want to work and make the necessary reservations for workstations and meeting space. Heckman: 'The new way of working immediately constitutes an invitation for people to circulate more within the organisation. Working in multiple locations naturally creates new connections and interactions.'

Employee Code of Conduct

"Seeing the world as our family" is our moral compass (purpose). This sentence determines our behaviour, our way of doing business and the manner in which we work. We are an independent family business, which makes us unique in the world of brewing. And it is from that family perspective that we view ourselves and the world. Our code of conduct lists the rules of our family business. We adapted this code of conduct in 2021. The new code, which now incorporates our purpose, also applies to our colleagues in Belgium and Ethiopia. By using more concrete examples, we have made the rules and guidelines more accessible to our employees.

In addition, we have included an external hotline for irresponsible behaviour in the code of conduct. Employees who suspect that certain behaviour by colleagues is unwise, could previously report this to their manager or supervisor, an HR employee or one of our compliance officers. Employees can now also approach the external hotline. Reporting this can be done anonymously, by phone or online.

We have, in great detail, brought the updated code of conduct to the attention of all employees in 2021. Every employee received the new code of conduct in 2021, all supervisors and managers have received and signed the code and, in addition, the code was mentioned in the periodic employee update of the Executive Board. We also paid much attention to the new code of conduct in articles on our intranet and in the employee magazine as well as in training sessions for employees. This will be followed up in 2022.

Mobility

We are also going to revise our travel habits. COVID-19 showed us that we don't have to jump into a car, a plane or a train to enter into consultations with each other. Of course, we want to keep the option to travel and visit each other open, but where possible we want to make this process smarter, more efficient and more sustainable. To properly monitor whether the new working methods and agreements are effective

and pleasant for the employees, we use our pulse measurements.

Collective bargaining in times of crisis

Collective bargaining was scheduled for early 2021. Unfortunately, it was right in the middle of the second COVID-19 wave. With the initial experiences of the virus still fresh in our minds, it was clear that the beer industry would be hit hard. There was much uncertainty about the actual impact and especially the duration of the crisis. As an employer, we shared this perspective with employee representatives and unions.

A more flexible collective bargaining agreement

Heckman: 'When it became clear that COVID-19 would be with us for much longer than expected, we decided, in consultation with the unions and employees, to start negotiations anyway. In the beginning we, employers and employees, exchanged various perspectives. In doing so, we expressed the ambition to modernise the collective bargaining agreements to such an extent that there would be more opportunities for employees.' Not a fixed set of agreements that applies to every employee, but a more flexible arrangement that matches the different life stages and needs of employees. 'For example, more emphasis on compensation for employees with young families, while making more vacation days available to older employees.'

Discussion narrowed down

Initially, the unions appreciated the fact that our company found itself in uncertain times. Gradually, however, the wage demand intensified up to the point of a strike threat. As we managed to keep on talking to each other, the strike was taken off the table.

"Through attention, openness and dialogue, we have managed to rebuild the bridge."

Bridge built

Heckman: 'Naturally, this situation has affected the atmosphere in our company. Despite the fact that it proved difficult in this case, it was through attention, openness and dialogue that we managed to rebuild the bridge. As a result, we are able to look ahead together again. We have agreed with the unions and Works Council to first give matters a chance to calm down and to take the time to further develop and implement the modernisation of the CBA.'



Staff turnover

We've observed a somewhat higher staff turnover rate (joined/left) in 2021; about 10%. The current social trend accommodates for this. For example, the labour market in 2021 experienced tremendous dynamics in the Netherlands. Due to the pandemic, people have had more time to think, have been at home more and have taken more steps than average in their work and daily lives. For many it has led to switching employers or jobs.

Absenteeism due to illness in line with national pattern

Absenteeism due to illness in 2021 followed the national pattern. Employees being absent due to COVID-19 (recorded separately), fortunately turned out to be fairly limited. A few employees got infected with COVID-19, but it did not result in large numbers of infections – thanks in part to measures taken by the Corona Crisis Team.

Pulse measurements: Valuable tool

In 2020, we introduced the pulse measurement. This is a brief questionnaire intended for all employees that they can complete within a few minutes. We send these out quarterly. The pulses help us measure employee satisfaction consistently and allow us to ask one or a few targeted questions about a current topic within our company. The pulse measurements have a high response rate and have continued to be of great value in 2021. Various departments in the different countries have embraced the company-wide idea by submitting questions and organising their own pulse measurements.

Winning family culture

'Our purpose "Seeing the world as our family" says it all. We work with each other out of connectedness. As a family business it is part of our DNA. And, again, the pandemic showed us that we are all in the same boat. We shape our culture on the basis of three core values that are further explained below. The element of winning fits our company in the way we formulate ambitions, set goals and achieve targets,' says Heckman.

Entrepreneurship

The foundation of Swinkels Family Brewers is entrepreneurship. Everyone agrees on that. Heckman: 'We therefore have no shortage of enterprising minds. A great many ideas and plans are developed here; we have a talent for spotting and exploiting opportunities. This is something we cherish. However, we have said that we need to fit in our entrepreneurship in a more targeted manner as focus leads to better results. It became clear to each department in the last year what role it fulfils in the larger picture. This allows us to make better choices quicker and just go for it.'

Collaboration

The theme of collaboration has been the most challenging in 2021. COVID-19 has made it more difficult to keep connections optimal between colleagues and within departments. Let alone across departments. It's all about the question: How do you keep the fine fabric that exists between people intact? How do we work together optimally as one family? One way we are addressing this is through the new way of working. We also gave more attention to facilitating managers with tips on how to give their team a positive boost, albeit with coaching, training or a small, warm gesture.



Focus on results

The focus on the results pillar is closely related to how we encourage entrepreneurship. Key here is that we no longer rely on gut feelings, but that we steer based on facts. This enables us to measure progress and results better. By increasing focus in the strategy house, we give more direction to our activities. We no longer do everything at once, but prioritise better with each other and achieve more goals. We also made this focus part of our target and bonus structure.

New Certainty initiative

As described in our ambition, we take good care of our employees and want to be a company where every employee can make a contribution in a healthy and safe way in every stage of life. We therefore joined the Nieuwe Zekerheid (New Certainty) initiative in 2021, which collects knowledge and best practices on sustainable employability and how to facilitate it optimally as a company. As a family business, it suits us to offer people a place where they can totally be themselves and live up to their potential until retirement.

Future

With regards to our well-being policy, we will continue the course we have set in the coming years. We will continue to pay ample attention to the trust and well-being of our employees and will continue to put the themes of connecting and collaborating on the agenda. For example, we are going to carefully guide and facilitate our people where two major organisational developments are concerned. The first is the Intelligent Brewery, a comprehensive project that will give us great insight using data from all of our processes.

The second is our new business strategy to be introduced in early 2022. This sets out the course we, as a company, want to follow in the coming years in order to be successful in the market, and with which we can offer our employees continuity.

Both developments mean adjusted roles for employees, new working methods and an optimised focus. We facilitate our employees in their development so that they can undergo these movements with ease so that, together, we will achieve the maximum result.

Parameter	2021	2020	2019	2018
FTEs (excl. sales offices, temporary staff and trainees)	1,580	1,569	1,629	1,615
Absenteeism due to illness (%)	4.0	3.4	2.7	2.8
Joined/left	213 joined 245 left	110 joined 219 left	220 joined 193 left	277 joined 159 left
Women employed (%)	18	19	18	18

Table: Employees and well-being

Responsible drinking



Ambition

As a family business, we feel responsible for the world around us. The responsible use of alcohol is definitely a part of that. The importance of responsible drinking is something we actively communicate to all our employees, business partners and customers. In this we collaborate closely with other parties and sector associations. As an enterprising brewer, we also innovate in the area of non-alcoholic and low-alcohol beers.

Results 2021

In several countries where we are active, we see that non-alcoholic and low-alcohol beers are gaining ground. We invest in the quality and availability of non-alcoholic and low-alcohol beverages. Our portfolio continues to grow. We strive to be able to offer all consumers a responsible and tasty alternative.

Responsible drinking amongst employees



In 2021, we renewed our code of conduct and made it more accessible. This code contains family rules. Through a major campaign, we introduced our employees to the new code in all the countries where we operate. The first rule of the code is that we use alcohol responsibly. This manifests itself, for example, in our get-togethers and celebrations for employees.

Responsible marketing and communication



We consider it a matter of course to operate in accordance with the internationally applicable Responsible Marketing and Communications Code, introduced in 2019. It states, among other things, that we provide all our packaging with clear pictograms warning of the dangers of alcohol consumption. In addition, we only aim our campaigns at people who are of legal age (minimum 18 years), even in countries where no minimum has been established. The marketing code is known to all colleagues in marketing and sales and their agencies. We've observed that the online landscape is evolving at a rapid pace and new channels are emerging for which our code may not always cover the overtones. Therefore, in 2022, we will re-examine our marketing and communications code and refine it where necessary, based on developments in areas such as online advertising.



Product introductions



In 2020, we invested in a new brewing installation for non-alcoholic and low-alcohol quality beers. In 2021, we reaped the benefits of this as our portfolio of non-alcoholic and low-alcohol beers continued to grow. In the Netherlands, we introduced the world's first non-alcoholic Trappist beer: La Trappe Nillis. We also launched Cornet Alcohol-free; a strong blond beer with only 0.3% alcohol. Our brewing installation makes us flexible in brewing a wide range of non-alcoholic or low-alcohol beers, without losing the characteristics of the alcoholic beer. In addition to several varieties of 0.0% beer that taste like lager, the brew-kettles also produce 0.0% white, Radler, amber and Trappist beer and strong blonde low-alcohol beer. With this, we offer the beer drinker a fully-fledged alternative in the non-alcoholic segment, even when it concerns specialty beers.

New Dutch Alcohol Act



On 1 July 2021, a new Alcohol Act came into force in the Netherlands. It stipulates, among other things, that discounts of more than 25% on alcohol are prohibited. The new act replaces the Licensing and Catering Act. In addition, reselling has now become punishable and additional measures apply to the online sale of alcohol. This obviously had consequences for our way of communicating with the consumer; where supermarkets were concerned, we had to find a creative way of drawing attention to our beers. In E-commerce, it also affects the way in which we organise the sale of beers via our web shops.

As a member of the Nederlandse Brouwers (Dutch Brewers) sector association, we jointly bear responsibility for a responsible advertising code

for alcoholic beverages. In 2021, we included the changes from the Alcohol Act in this code. Through internal communication, we have ensured that all Dutch colleagues are aware of the change. To ensure that all new and existing colleagues stay abreast of developments regarding the responsible advertising code, we organise a STIVA training course every other year. This will take place again in 2022.

Jointly responsible



In the various countries where we operate, we work both independently and with other brewers on the topic of responsible drinking. It feels that we have a joint responsibility in making consumers realise that there are good alternatives to alcoholic beers. After all, there is a reason why the range of non-alcoholic beers has been developing so rapidly in recent years. It is important to convince people with the right information so that they themselves will make a responsible choice. By doing this as a sector our impact will be greater.

Every market we operate in is different. As a result, our approach to responsible drinking varies per country. The offering of non-alcoholic beer in the Netherlands has already grown substantially, where in Belgium it is just starting to emerge. For this reason we make certain choices; for example, we initially introduced Cornet Alcohol-free only to the Netherlands and not to its home country of Belgium. We will definitely continue innovating and will respond to the market with these innovations based on the need for it.

In Italy, we see a strong focus on the communication around Bavaria 0.0% IPA during sporting events and on social media. Bavaria 0.0% is also increasingly appearing in trade brochures. We also focus on sports in England; we sponsor the Derby County "under 23" team with Bavaria 0.0%, in order to increase the visibility of this non-alcoholic beer in and around the stadium.

In both Belgium and the Netherlands we are part of a sector association. In Belgium, this means that we participate in the BOB campaign with Estaminet 0.0%, Palm 0.0% and Cornet Alcohol-free. In the Netherlands,



we also participate in the BOB campaign to prevent drunk driving. In addition, we focus on the follow-up and preparation of the agreements from the National Prevention Agreement, only advertise 0.0% in new collaborations with amateur sports clubs and actively promote non-alcoholic beer at large sports clubs and student associations. In our "Beer Bosses" training for Dutch on-trade business partners, we begin with information on responsible drinking as standard. Bavaria 0.0% IPA is part of this training. In marketing we also focus on 0.0%; in 2022 we expect to spend 50-60% of our total marketing budget on 0.0% related campaigns. The share of total marketing for the Bavaria brand outside the Netherlands (BU export/BU Italy/

BU France) on non-alcoholic beverages (0.0 beers and malt beverages) is 73%.

In Ethiopia, there is still a long way to go. However, the CEO of Habesha did sign the implementation guideline of the responsible drinking policy in 2021. Through various channels, such as e-mail and WhatsApp, we work on raising internal awareness regarding "don't drink and drive" across the brewery and amongst employees. In addition, there are alcohol tests for drivers, forklift operators and brewery employees to combat alcohol in traffic. With support from the Addis Ababa Road Traffic Authority, the goal is to introduce these alcohol tests to Habesha's head office and field staff as well.

Parameter	2021	2020	2019	2018
Non-alcoholic or low-alcohol beers hl compared to total hl (<3.5 vol %)	12.2	10.7	8.7	8.6

Table: Percentage of non-alcoholic or low-alcohol beers

Local involvement



Ambition

Seeing the world as our family. Based on that purpose, we brew and let people all over the world enjoy our beers making us closely connected to the world around us.

For us, that also includes direct involvement in the areas surrounding our breweries. One of the ways in which we demonstrate that involvement is by supporting various projects and events in our immediate surroundings each year and, where necessary, initiating them ourselves. We regard these kinds of great initiatives as a prerequisite for responsible growth.

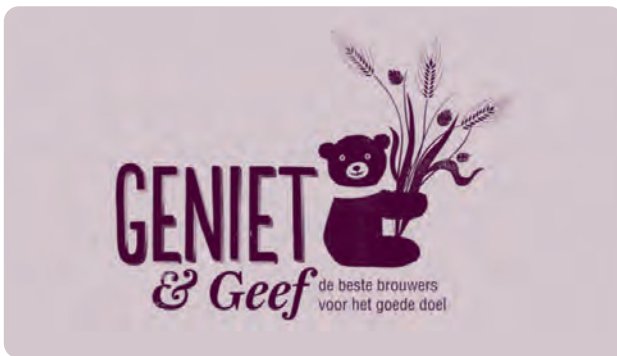
In this aspect as well, COVID-19 imposed restrictions on us in 2021, as it did the year before. In spite of, and sometimes even because of these special circumstances, we succeeded in demonstrating the involvement in the world around us; that which we aspire to.

Results 2021

Beautiful initiatives

For us, local involvement is not about figures and rock-hard targets; it's about qualitative impact. This is why we supported the following great initiatives in the surrounding areas of our locations in 2021:

Amsterdam: Enjoy & Give initiative



Bier&cO is the initiator of the Enjoy & Give campaign, which was organised for the 8th time in 2021. The proceeds of more than EUR 50,000 will be used for, among other things, innovative research into childhood cancer. Gaius VouÛte, chairman and initiator of the Enjoy & Give Foundation: 'The moments in life you enjoy make you realise how good your life actually is. The Enjoy & Give Foundation is committed to converting these moments of enjoyment into moments of giving; donations for KiKa. It is both impressive and moving that this initiative has already raised almost EUR 700,000 since its inception in 2012.'

Bodegraven: 78 hectolitres of De Molen Geniet & Geef



Especially for Enjoy & Give (also see Bier&cO), Jan-Willem den Hartog of brewery De Molen brewed "De Molen Geniet & Geef" in 2021. The proceeds were given to KiKa (Children Cancer-free Foundation). It is customary that the number of hectolitres a brewer pours, corresponds to the percentage of children cured of cancer. In 2021, this percentage was 78%, which means that 78 hectolitres of beer were poured.

Berkel-Enschot: Brewing for a more beautiful world



In 2021, beer brewery De Koningshoeven became the first in the world to market a completely non-alcoholic Trappist beer: La Trappe Nillis. A portion of the proceeds from this beer will go to education in Uganda. Brother Isaac, prior of the Abdij O.L.V. van Koningshoeven: 'We want to spend most of the proceeds of La Trappe Nillis on the Agriculture & Livestock Department of the secondary school. This department will offer children the opportunity to take their first steps in the agricultural sector. The programme includes a farm field and livestock. How they make that their future and how they can contribute to the local economy by doing so is important in a country where opportunities are not readily available.'

Part of the proceeds from the Limited Edition Collab Brew between De Koningshoeven and BrewDog will

also be used for a good cause. The aptly named beer, Practise what you Preach, takes centre stage in our mutual support of the Made Blue Foundation, a foundation dedicated to providing clean drinking water for all. Thanks to Practise what you Preach, Made Blue can provide clean drinking water to nearly 5,000 people in developing countries for a period of ten years.

Debre Birhan: Contributing to emergency aid



As our brewery is located near Debre Birhan, a city in Ethiopia, we are directly involved with the people there. They really had it rough in 2021 because of COVID-19 on the one hand, and the civil war on the other. UNHCR, the UN Refugee Agency, is working around the clock to provide life-saving emergency aid in violence-stricken Ethiopia. Fearing for their lives and the lives of their families, more than 43,000 refugees from Ethiopia fled to Sudan, seeking safety from ongoing fights between the Ethiopian government and Tigray Regional Government troops. We supported UNHCR with a EUR 20,000 donation to provide affected Ethiopians with emergency relief in the form of shelter, food and clean drinking water.

Lieshout: Deposit campaign for entrepreneurs Eindhoven



In January 2021, there were riots in downtown Eindhoven, affecting many local business owners as their properties

suffered extensive damage. We felt for them and to lift their spirits, Bavaria set up a fundraising campaign: Glass for glass. Anyone could hand in empty beer crates at the Philips Stadium in Eindhoven where all deposits were tallied up. The brewery doubled the final amount and was thus able to support the entrepreneurs in Eindhoven with a donation of EUR 10,000.

Roeselare: From visitor centre to exam location



Where can you safely organise exams in times of COVID-19? Hogeschool VIVES West-Vlaanderen was running out of space. At the same time, also due to COVID-19, the beautiful visitor's room of brewery Rodenbach was temporarily empty for lack of brewery visitors. The college of advanced education and the brewery saw an opportunity here. And so it happened that nearly 1,500 bioengineering and nursing students from Roeselare campus took their exams amongst the brewery's old foeders (casks).

Steenhuffel: Cornet trail and trophy, and a digital studio



As exercise is considered healthy and good for morale, nine Belgian brewers joined forces and developed the Belgian Brewer Trails. The Cornet trail is a 6, 12, or 21 kilometre race across the Diepensteyn Castle domain, among others. Fully coronavirus-proof, participants had



the opportunity to learn about some of the history of the beer that gives the trail its name while running.

Breweries Palm & De Hoorn prepared the students and teachers of 8 Flemish hotel schools for the “AEHT Cornet Trophy 2021”. This as a pre-selection for participation in the European AEHT competition. For Palm and Rodenbach, supporting AEHT is an educational and social project. The breweries want to give students following an on-trade programme the opportunity to hone their skills in beer and gastronomy and to learn about Belgium's rich beer culture.

In addition, to stay active during COVID-19 and facilitate other affected companies, breweries Palm & De Hoorn set up the visitor centre as a digital studio. In collaboration with Amphion, the breweries thus unburdened companies where live presentations and webinars were concerned.

Support for underprivileged girls in Mali



Our MEA (Middle East & Africa) team saw the poverty in Mali with their very own eyes and took action by giving our laptops, computers and monitors a second life. A total of 85 laptops, 40 computers and 20 monitors were donated to organisations in Mali, South Africa, Rwanda, Burundi and Kenya, where they can make good use of them in their daily doings. No less than 22 laptops went to Roedean Academy in Johannesburg, a school for underprivileged girls.



Governance structure

Royal Swinkels Family Brewers Holding N.V. is an unlisted Dutch family business based in Lieshout and the holding company of Swinkels Family Brewers N.V., Holland Malt Holding B.V., Bavaria Overseas Breweries B.V. and Swinkels Family Brewers Spain, S.L. For the indirect participating interests reference is made to the notes to the financial fixed assets in the Separate Financial Statements.

Royal Swinkels Family Brewers Holding N.V., a public limited company under Dutch law, has a two-tier governance structure. This means that the company is managed by the Executive Board under the supervision of a Supervisory Board.

These two bodies are independent of each other. Both bodies account for their actions to the General Meeting of Shareholders ("the General Meeting"). Royal Swinkels Family Brewers Holding N.V. is also subject to the full two-tier board structure described in Sections 2:158 to 2:164 of the Dutch Civil Code. Among other things, this means that important decisions of the Executive Board require the Supervisory Board's approval and that the Supervisory Board is entitled to appoint and dismiss the members of the Executive Board.

Executive Board

The Executive Board is charged with managing the company and is responsible for, among other things, realising the objectives, the strategy and result development of the company. The Executive Board is accountable to the Supervisory Board and the General Meeting. Pursuant to the Articles of Association, resolutions of the Executive Board require the approval of the Supervisory Board and/or the General Meeting. In fulfilling its duties, the Executive Board focuses on the interests of the company and its affiliated businesses.

Since 2019, Royal Swinkels Family Brewers Holding N.V. has an Executive Board, and three underlying divisions, each with its own Management team, responsible for the implementation of the strategy within the divisions as well as the results of the relevant division. The current Executive Board consists of:

- Mr P.-J.J.M. (Peer) Swinkels, CEO and responsible for the realisation of the maximum potential of the company for all stakeholders and focused on sustainable, long-term value creation, also responsible for HR and Communications
- Mr G. (Geert) van Iwaarden, CFO and responsible for the financial strategy and operations of the company, and for Finance, Legal, IT, Facilities & Construction and Real Estate

Supervisory Board

The role of the Supervisory Board is to supervise the policy of the Executive Board and the general course of the company's affairs and its affiliated businesses and to advise the Executive Board. In fulfilling its role, the Supervisory Board focuses on the interests of Royal Swinkels Family Brewers Holding N.V. and its affiliated businesses. For this it weighs the relevant interests of those involved in the Royal Swinkels Family Brewers Holding N.V. In 2021, the Supervisory Board consisted of the following persons:

- Mr J.W. (Jan Willem) Baud, chairman
- Mrs A.T.J. (Annemiek) van Melick
- Mr E.C.R. (Eric) Lauwers
- Mrs C.W.N. (Caroline) van Nieuwkerk
- Mr A. (Ad) Ruijs

The members of the Supervisory Board are appointed by the General Meeting, on the nomination of the Supervisory Board. The Supervisory Board has drafted a composition profile, taking into account the nature and activities of the company and its affiliated businesses and the required expertise and background of the Supervisory Directors. This profile can be changed after consultation at the General Meeting and with the Works Council. The Supervisory Board has set up various committees, including the Audit Committee and the Remuneration Committee.

Audit Committee

The Audit Committee advises the Supervisory Board in relation to its supervisory role regarding financial matters and financial reporting, including the financial statements of Royal Swinkels Family Brewers Holding N.V.

Remuneration Committee

The Remuneration Committee advises the Supervisory Board on the remuneration of the Executive Board and plays a role in the realisation of the remuneration policy on behalf of the Executive Board. Changes are submitted to the General Meeting for adoption. The Supervisory Board stipulates the remuneration of the individual board members on the proposal of the Remuneration Committee, within the limits of the remuneration policy stipulated by the General Meeting.

Shareholder

Ambrig B.V. is the sole shareholder of Royal Swinkels Family Brewers Holding N.V. The sole shareholder of Ambrig B.V. is the Ambrig Trust Office Foundation (hereinafter referred to as "the foundation"). This foundation has issued depositary receipts for all the shares it holds in Ambrig B.V. With the exception of a number of depositary receipts held by Swinkels Family Brewers N.V., the depositary receipts are held by (descendants of) the Swinkels family. The foundation is the sole director of Ambrig B.V. and can cast a vote on all shares in the capital of Royal Swinkels Family Brewers Holding N.V. The board of the foundation consists of seven natural persons.

Currently, the board consists of five members of the Swinkels family, one family representative and an independent chairman (who is not a family member). The General Meeting is held annually, within six months after the end of the financial year. For this General Meeting all depositary receipt holders of Ambrig are also invited. At the annual General Meeting, the annual report is discussed, the financial statements and dividends are adopted, resolutions are passed about granting discharge to the members of the Executive Board in respect of their management and granting discharge to the members of the Supervisory Board in respect of their supervision, and the auditor is appointed.

External auditor

The General Meeting issues an instruction for the audit of the financial statements drawn up by the Executive Board. The current external auditor is KPMG Accountants N.V., who has been appointed for the period up to and including the 2021 financial year. KPMG also reviews the CSR information in the integrated annual report.

Code of Conduct

The Executive Board has adopted a code of conduct that documents the most important core values and principles. The code of conduct includes topics such as: Responsible drinking, health and safety, respectful behaviour, conflicting interests, operating assets, confidential information and privacy, truthful communication, social media, fraud, business gifts, entertainment, bribery, the environment and sustainability, customers, suppliers and competitors, good business practices and trade embargoes. The code of conduct is available to all staff on the Intranet.

Circularity and CSR

For Swinkels Family Brewers, CSR consists of various pillars, on which we provide information in this report. The strategy is set by the CEO and circularity is one of the three strategic business objectives. The CEO, Peer Swinkels, is responsible for CSR within the Executive Board. He informs the Supervisory Board about circularity and CSR. Our Head of Brewing and Sustainability chairs the circularity working group. This group meets monthly and reports to the CEO. The steering group is responsible for monitoring and evaluating the progress of the strategy and policy. In addition, the members map the risks and financial impact of certain circular considerations. Implementation is the responsibility of the Sustainability Manager at corporate level, while project detailing takes place at local level.

Risk management

Entrepreneurship involves taking risks. In order to realise our ambitions, it is essential to identify these risks and reduce them to an acceptable level. Below is a summary of the main risks and control measures by category. The risks discussed are divided into six categories.



Operational and technical risks

Risk	Explanation	Control measure
Quality fluctuations in our products and product liability	Violation of the quality of our products can lead to health risks, which can damage our reputation. It could, for instance, be caused by an error in the production process, sabotage or quality deviations in ingredients.	As food safety is one of our top priorities, we have a robust and certified assurance process in place. The same applies to the safety and protection of our buildings and grounds. Employees are required to follow training in order to be aware of the food safety risks.
Failing strategic transformation programmes	The Intelligent Brewery programme is a "Greenfield" ERP system implementation, with completely new business processes and is therefore crucial for preparing our brewery for the future. The programme involves a significant investment, is complex and has a profound impact on the internal organisation.	The Intelligent Brewery programme has a programme board, with sufficient mandate within the organisation, which supervises the realisation of the desired quality within budget and allocated time. We use experienced experts to guide us in this process. In addition, the organisation is being prepared for the change by setting up a strong "organisational change" workflow that is supported by the Executive Board.
Shortage of facilities and employees	Business continuity may be jeopardised due to water, gas or electricity failure or a shortage of employees.	For all (production) locations, we have emergency plans and a crisis management process in place that explain what to do in the event of failures of facilities or employee shortages. First and foremost here, is the continuity of our operational processes.
Cyber attacks	Critical systems and company sensitive information are threatened by hackers, malware, phishing and ransomware.	We take technical and organisational measures to protect our networks and systems. We also have awareness campaigns to ensure that employees are aware of the risks of, for example, phishing. All this is based on a company-wide information security policy and standards.
Economic and socio-political instability	The safety of our employees may be at risk as a result of (ethnic) conflicts in the area where they live or work.	We continuously monitor the political and socio-economic conditions in the environments in which we operate. To this effect we use national and international sources of information. We take organisational measures to protect our employees such as no longer travelling to unsafe areas.



Compliance risks

Risk	Explanation	Control measure
Claims as a result of violations of laws and regulations or not observing contracts	The increasing international character of our company ensures that we will be increasingly confronted with changing and more complex legislation regarding the environment, working conditions, privacy, alcohol consumption, food safety and packaging/return systems. This increases the risk of non-compliance with laws and regulations.	We employ legal specialists with knowledge of local laws and regulations and, if necessary, engage external consultants. We have a code of conduct, compliance manual and sanctions policy in place. In addition, we have made a number of training courses mandatory for relevant groups of employees to limit specific risks.

Sustainability and circularity risks



Risk	Explanation	Control measure
Climate risks	Global warming can entail risks such as extreme weather changes and natural disasters. This also entails risks for our business continuity.	To manage climate risks, we have set up an internal working group that periodically discusses developments in climate change and related legislation. In addition, the working group assesses whether the CO ₂ objectives of Swinkels Family Brewers are still in line with this.
Availability of raw materials	Overpopulation, large conflicts and extreme weather conditions can affect the availability, quality and price of our raw materials such as barley and hops.	We continuously liaise with suppliers to ensure that they can keep supplying qualitatively and quantitatively stable volumes. We also hold supplier sessions and have further refined our sustainable procurement policy to increasingly procure sustainable alternatives, such as SA1 certified barley.
Insufficient groundwater	The availability and quality of groundwater can decrease due to over-consumption. It is, however, essential for our product and the environment in which we live.	All subsidiaries have a water permit. In order to protect our spring water and use it indefinitely, we take mitigating measures to guarantee water availability. For example, Swinkels Family Brewers fulfils an important role in the Farmer Beer Water project, in which our residual water is redistributed amongst farmers.
Several, sometimes conflicting, stakeholder interests	We occasionally receive conflicting feedback from stakeholders on social issues such as responsible drinking and deposits. It is not always based on facts, but may have consequences for our reputation.	To fine-tune our CSR policy documents, we carried out various analyses and spoke to experts to arrive at objectives and actions that are realistic and actually contribute to a positive social impact.

Financial risks



Risk	Explanation	Control measure
Currency and interest rate risks	Fluctuations in exchange rates and interest rates pose a risk to the profitability of the company.	Where necessary and possible, hedge contracts are entered into to reduce the risk of fluctuations in foreign currencies to an acceptable level. In respect of the interest rate risk, mainly interest caps are agreed upon.
Credit risk	We serve a large number of very diverse domestic and foreign customers. There is a risk that customers will not (be able to) fulfil their payment obligations. This risk increased for on-trade customers due to the COVID-19 crisis.	For new customers, the credit risk profile will be identified and appropriate credit limits and payment terms set, including bank guarantees, for example. For certain market segments we have insured against the risk of default. In specific cases, the default risk is reduced by means of amicable settlements on the rent and custom work.
Insufficient financing capital	It is important to have sufficient financing capital available to finance the growth of our company.	We actively aim to optimise our cash position and reduce our working capital. Investment decisions are only made after a thorough yield analysis. The financing structure is periodically tested and adjusted where necessary.

Safety and well-being risks



Risk	Explanation	Control measure
Business-related accidents	Accidents at work can occur during our business and production processes.	To prevent unsafe situations within the business, we have a safety programme, clear work instructions and information about the correct use of resources in place. We also aim to increase safety behaviour and awareness. We do this by setting a good behaviour example and by encouraging calling each other to account regarding potentially unsafe situations.
Violation of labour rights at suppliers and licensees	Some of our suppliers and licensees are located in countries where there is an increased risk of labour rights violations.	If there is a significantly increased risk of violations of labour rights at the location of our suppliers, we have audits carried out by external international audit organisations. In addition, we are increasingly integrating sustainability into our procurement processes. We are in frequent contact with our licensees. They are sent a questionnaire to identify the CSR risks in advance, which will then be discussed during the visits. A report has been drawn up in 2021 on the basis of which additional control measures will be formulated.
Irresponsible drinking	Irresponsible drinking can cause unsafe situations and, in the long term, physical or psychological issues.	To limit the risks for our employees and consumers, we pursue an internal policy for responsible drinking and have laid down these agreements in the company regulations and code of conduct. We have also further refined our responsible marketing and communication policy to continue to sell our beers in a responsible manner.
Insufficient diversity in competencies and properly trained employees	Current business changes involve the risk that our workforce is no longer fully aligned with the required competencies and diversity.	Identifying the required competencies and attracting and retaining talent is a strategic priority within Swinkels Family Brewers. Within this context, a Chief People & Culture Officer has been appointed and the Learning & Development programme has been further refined.

Market risks



Risk	Explanation	Control measure
Price risks (incl. raw materials and energy)	Due to scarcity of natural sources and climate developments, among other things, raw materials and energy may become more expensive.	To limit the impact of price increases, we pursue a multiple origin sourcing strategy, which reduces dependence. In addition, price risks for commodities are covered by long-term contracts (hedging), if necessary and where possible.
Industry consolidation	Competitive relationships are changing as a result of the consolidation within the sector. This may put pressure on our position.	In order to continue to compete with our larger competitors as well, we believe it is important to work as smart and efficiently as possible. Within this context we have initiated the Intelligent Brewery programme, among other things.
Economic and socio-political instability	Reduced consumption and/or production opportunities due to economic and socio-political instability or a pandemic, such as the COVID-19 crisis.	We continuously monitor the political and socio-economic circumstances in the markets in which we operate and, if necessary, take appropriate measures together with local management. We establish a crisis team should there be a significant impact on our business activities.
Changing customer requirement	Due to changing customer requirements, our beer portfolio may be less in line with future market demand.	We focus on offering a suitable beer for every occasion by responding to results from consumer and market research, through innovations and through targeted investments in a diverse portfolio.

Report of the Supervisory Board

The impact of the pandemic also made 2021 a year of additional monitoring. In order to consult, the Supervisory Board met more frequently than in other years, online and, where possible, live. In addition, there were (online) updates from the Executive Board between regular meetings. The Chairman of the Supervisory Board also had regular bilateral consultations with the Chairman of the Executive Board.

The Audit Committee met twice to discuss the financial statements and to discuss the budget. The Remuneration Committee convened on three occasions. The annual meeting again took place online. The composition of the Supervisory Board remained the same in 2021.



Photo: Supervisory Board from left to right. Jan Willem Baud, Caroline van Nieuwkerk, Eric Lauwers, Ad Ruijs and Annemiek van Melick.

COVID-19

The Supervisory Board (hereafter: SB) gave extensive consideration to the health and cost measures taken to minimise damage to the company and the operating result as a result of COVID-19 as far as possible. Navigating the crisis was the main point of attention throughout the year, with the SB satisfied with the actions by the Executive Board. The SB firmly supports the policy of the Executive Board and is of the opinion that this Executive Board communicates very openly to all layers of the company. Something that the SB considers extremely important, particularly during a pandemic.

Financial targets

The budgets did not take into account new lockdowns. The SB notes with satisfaction that despite the lockdowns, the set goals were achieved. It is a great compliment to the Executive Board that the targets were achieved despite three major and unexpected setbacks (lockdowns, cost inflation and war in Ethiopia). A great accomplishment, if ever there was one.

Main themes

The main topic for 2021 was once again to guide the company through the crisis in a correct manner.

In addition, the SB considered important strategic key themes; the Intelligent Brewery programme, the circularity ambition, the winning family culture, the Design the Base programme and the multi-year strategy.

Multi-year strategy

The Executive Board, together with the Supervisory Board, gave extensive consideration to the multi-year strategy during the year. This strategy has been further refined, with the aim of increasing the company's profitability. An in-depth analysis allowed us to understand which parts of the company still have room for growth and where a change of course may be necessary. The multi-year approach that has been drawn up should ensure structural improvement. The SB fully supports the policy of the Executive Board.

Expansion

In 2021, we acquired Uiltje Brewing Company, a small brewery in Haarlem with an appealing craft beer brand. This acquisition is a nice addition to the portfolio.

Winning family culture

The SB believes that monitoring a healthy and good culture is essential for the company. Winning together is the starting point here, which is why the "winning family culture" is an ongoing process. This sets the company apart from others in the industry. For the first time, Swinkels Family Brewers finished in the top 10 of most appealing employers in the Netherlands (in the profit sector) in Randstad's annual Employer brand research. The SB also wholeheartedly agrees that the winning family culture has been made more explicit with the newly formulated purpose "seeing the world as our family".

Circularity

The SB looks at and advises on the long term. Circularity is a good example of a theme that only really makes an impact for the company and its environment in the longer term. The SB welcomes and fully supports all initiatives in the field of circularity. The major sustainability investment in Holland Malt is expected to make a good contribution to the circularity targets in the coming years, as reported in the Swinkels Circularity Index.

Evaluation

In 2021, the functioning of the Supervisory Board was evaluated for the first time by an external party. Although this is not required by law, the SB has decided to do this once in a while to be able to properly reflect on its own functioning.

Future

The course is set, 2022 marks the first year of the implementation of a new strategic plan. This requires a lot of attention. In 2022, the Intelligent Brewery programme is scheduled to go live for almost the entire Lieshout location. An important moment, as it took substantial investing and hard work. It encourages the company to make improvements in the way it works.

In the coming years, everything will be focused on the implementation of the strategic plan. This will involve targeted investment in growth and sustainability, with the aim of further improving returns. As the SB, we are of course following the progress closely.

Lieshout, 29 March 2022

Mr J. W. Baud, chairman
Mrs A. van Melick
Mr E. Lauwers
Mr A. Ruijs
Mrs C.W.N. van Nieuwkerk

Financial statements for 2021

Consolidated balance sheet as at 31 December 2021

Before profit appropriation, in thousands of euros.

		2021	2020
Assets			
Fixed assets			
Intangible fixed assets 2.			
Goodwill	20,144	16,058	
Emission allowances	1,072	328	
Software	16,202	13,855	
Intellectual property rights	51	-	
Prepayments on intangible fixed assets	14,193	2,634	
		51,662	32,875
Tangible fixed assets 3.			
Land and buildings	134,187	143,472	
Plant and equipment	138,465	155,383	
Other fixed operating assets	29,851	30,945	
Other real estate	16,702	18,159	
Assets under construction	18,431	8,460	
		337,636	356,419
Financial fixed assets 4.			
Participating interests	5,257	2,753	
Receivables from participating interests	2,448	2,196	
Deferred tax assets	2,910	3,227	
Other receivables	11,824	12,159	
		22,439	20,335
Current assets			
Inventories 5.			
Raw materials and consumables	29,590	29,013	
Work in progress	7,565	7,359	
Finished goods and trade goods	38,198	34,266	
Other inventories	7,398	12,760	
		82,751	83,398
Receivables and other receivables			
Trade receivables	6. 120,995	127,946	
Corporate income tax	196	5,665	
Taxes and social security contributions	4,609	4,224	
Other receivables and prepayments and accrued income	7. 12,978	19,861	
		138,778	157,696
Cash and cash equivalents 8.			
		33,582	48,643
Total Assets		666,848	699,366

The notes on pages 69 to 103 form an integrated part of these consolidated financial statements.

Consolidated profit and loss account for 2021

In thousands of euros.

			2021	2020
Net turnover	16.		835,504	773,159
Changes in inventories of finished products and work in progress		4,289		-2,525
Other operating income	17.	15,755		19,346
Total operating income			855,548	789,980
Cost of raw materials and consumables		332,553		293,510
Cost of outsourced work and other external costs	18.	318,732		306,402
Wages and salaries	19.	79,803		84,260
Social security and pension charges	20.	19,050		19,035
Other personnel costs		16,675		11,532
Amortisation and depreciation of (in)tangible fixed assets	21.	47,030		50,108
Other operating expenses		538		5,209
Total operating expenses			814,381	770,056
Operating result			41,167	19,924
Interest income and similar income	22.	2,198		540
Interest expenses and similar charges	23.	-6,221		-10,932
Net finance expenses			-4,023	-10,392
Result before tax			37,144	9,532
Tax on result	24.		9,706	2,518
Share of result of participating interests			935	-650
Result after tax			28,373	6,364
Minority interests			-387	-141
Net result			27,986	6,223

The notes on pages 69 to 103 form an integrated part of these consolidated financial statements.

Consolidated cash flow statement for 2021

In thousands of euros.

		2021	2020
Cash flow from operating activities	25.		
Net result		27,986	6,223
Minority interests		387	141
Adjustments for:			
Amortisation and depreciation of (in)tangible fixed assets	2. and 3.	47,030	50,108
Book results on disposal of fixed assets		206	-922
Changes in provisions	4. and 10.	-2,411	8,086
Interest income and similar income	22.	-2,198	-540
Interest expenses and similar charges	23.	6,221	10,932
Income tax	24.	9,706	2,518
Share of result of participating interests		-935	650
		57,619	70,832
Changes in working capital:			
Trade receivables		7,320	26,996
Inventories		-3,228	3,076
Accounts payable to suppliers and trade creditors		32,916	19,951
Other receivables and other payables		21,509	22,271
Debts to shareholders		-325	3,200
Debts to credit institutions		-569	-8,170
		57,623	67,324
Total cash flow from business operations		143,615	144,520
Interest received		162	540
Interest paid		-2,934	-2,148
Income tax paid		-741	-5,577
		-3,513	-7,185
Total cash flow from operating activities		140,102	137,335
Cash flow from investing activities			
Investments in (in)tangible fixed assets		-48,680	-40,887
Acquisition of group companies and deferred payments		-44,530	
Income from the sale of tangible fixed assets		1,612	11,135
Loans granted		-4,453	-6,739
Payments received on loans to customers		4,911	4,536
		-91,140	-31,955
Transport		48,962	105,380

The notes on pages 69 to 103 form an integrated part of these consolidated financial statements..

Cash flow statement continued on next page >>>

Signing of the financial statements

Lieshout, 29 March 2022

Executive Board

P.-J.J.M. Swinkels

G. van Iwaarden

Supervisory Board

Dhr. J. W. Baud

Mevr. A. van Melick

Dhr. E. Lauwers

Dhr. A. Ruijs

Mevr. C.W.N. van Nieuwkerk

Assurance report of the independent auditor

To: the Executive Board and Shareholders of Royal Swinkels Family Brewers Holding N.V.

Our conclusion

We have reviewed the Sustainability information as included in the annual report (hereafter: the report) of Royal Swinkels Family Brewers Holding N.V. for the year ended 31 December 2021. A review is aimed at obtaining a limited level of assurance.

Based on the procedures performed nothing has come to our attention that causes us to believe that the Sustainability information in the report is not prepared, in all material respects, in accordance with the reporting criteria as described in the 'Reporting criteria' section of our report.

The Sustainability information consist of the information as defined in the section: "Notes to the Integrated Annual Report" on page 128 of the report.

The Sustainability information comprises a representation of the policy of Royal Swinkels Family Brewers with regard to sustainability and thereto related business operations, events and achievements during the year.

Basis for our conclusion

We performed our review with regards to the Sustainability information in accordance with Dutch law, including Dutch Standard 3810N 'Assurance-opdrachten inzake maatschappelijke verslagen' (Assurance engagements relating to sustainability reports), this engagement is aimed to obtain limited assurance. Our responsibilities in this regard are further described in the 'Auditor's responsibilities' section of our report.

We are independent of Royal Swinkels Family Brewers Holding N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence). Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Reporting Criteria

The Sustainability information in the report needs to be read and understood together with the reporting criteria. Royal Swinkels Family Brewers Holding N.V. is solely responsible for selecting and applying these reporting criteria, taking into account applicable law and regulations related to reporting.

The reporting criteria used for the preparation of the Sustainability information in the report are the standards of the Global Reporting Initiatives (GRI) at the level 'core' and the additionally used reporting criteria as explained in the section: "Notes to the Integrated Annual Report" on page 128 of the report.

Materiality

Based on our professional judgement we determined materiality levels for each relevant part of the Sustainability information. When evaluating our materiality levels, we have taken into account quantitative and qualitative considerations as well as the relevance of information for both stakeholders and the company.

Limitations to the scope of our review

The Sustainability information in the report includes prospective information such as ambitions, strategy, plans, expectations and estimates. Inherently the actual future results are uncertain. We do not provide any assurance on the assumptions and achievability of prospective information in the Sustainability information in the report.

References to external sources or websites in the Sustainability information in the report are not part of the Sustainability information in the report itself as reviewed by us. Therefore, we do not provide assurance on this information.

The Executive Board's responsibility for the Sustainability information

The Executive Board is responsible for the preparation of the Sustainability information in the report is in accordance with the applicable criteria as described in the 'Reporting criteria' section of our report, including the identification of stakeholders and the definition of material matters. The choices made by the Executive Board regarding the scope of the Sustainability information and the reporting policy are summarized in section "Notes to the Integrated Annual Report" on page 128 of the report.

Furthermore, the Executive Board is responsible for such internal control as it determines is necessary to enable the preparation of the Sustainability information in the report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to plan and perform our review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

Procedures performed to obtain a limited level of assurance are aimed to determine the plausibility of information and vary in nature and timing, and are less in extent, compared to a reasonable assurance engagement. The level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We apply the 'Nadere Voorschriften Kwaliteitssystemen' (NVKS, Regulations for Quality management systems) and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with the Dutch Standard 3810N, ethical requirements and independence requirements.

Our review included among others:

- Performing an analysis of the external environment and obtaining an understanding of relevant societal themes and issues, and the characteristics of the company;
- Evaluating the appropriateness of the reporting criteria used, their consistent application and related disclosures in the Sustainability information in the report. This includes the evaluation of the results of stakeholder dialogue and the reasonableness of estimates made by the Executive Board;
- Obtaining an understanding of the reporting processes for the Sustainability information in the report, including obtaining a general understanding of internal control relevant to our review;
- Identifying areas of the Sustainability information in the report where a material misstatement, whether due to fraud or error, are most likely to occur, designing and performing assurance procedures responsive to these areas, and obtaining assurance information that is sufficient and appropriate to provide a basis for our conclusion. These procedures included, amongst others:
 - Interviewing management and relevant staff at corporate level responsible for the strategy, policy and results;
 - Interviewing relevant staff responsible for providing the information for, carrying out internal control procedures over, and consolidating the data in the Sustainability information in the report;
 - Determining the nature and scope of the assessment process for the group entities and locations. Decisive in this selection are the nature, size and/or risk profile of the entities. On these grounds we have selected entities and locations for a remote, virtual site visit. The site visits of De Koningshoeven located in Berkel-Enschot (the Netherlands), and virtual remote of Habesha located in Debre Birhan (Ethiopia) function to validate source data locally and to evaluate the design and implementation of internal control and validation procedures.
 - Obtaining assurance information that the Sustainability information in the report reconciles with underlying records of the company;
 - Reviewing, on a limited test basis, relevant internal and external documentation;
 - Performing an analytical review of the data and trends.
- Evaluating the consistency of the Sustainability

information in the report with the information in the report which is not included in the scope of our review;

- Evaluating the presentation, structure and content of the Sustainability information in the report;
- Considering whether the Sustainability information in the report as a whole, including the disclosures, reflects the purpose of the reporting criteria used.

We have communicated with the Executive Board regarding, among other matters, the planned scope and timing of the review and significant findings that we identify during our review.

Breda, 29 March 2022

KPMG Accountants N.V.
R.J.H.A. Jansen RA



Appendices: Our chain

Our chain can be divided into three segments: procurement, production and sales, and distribution. We created a visual for a quick and clear overview of the routes across our organisation.

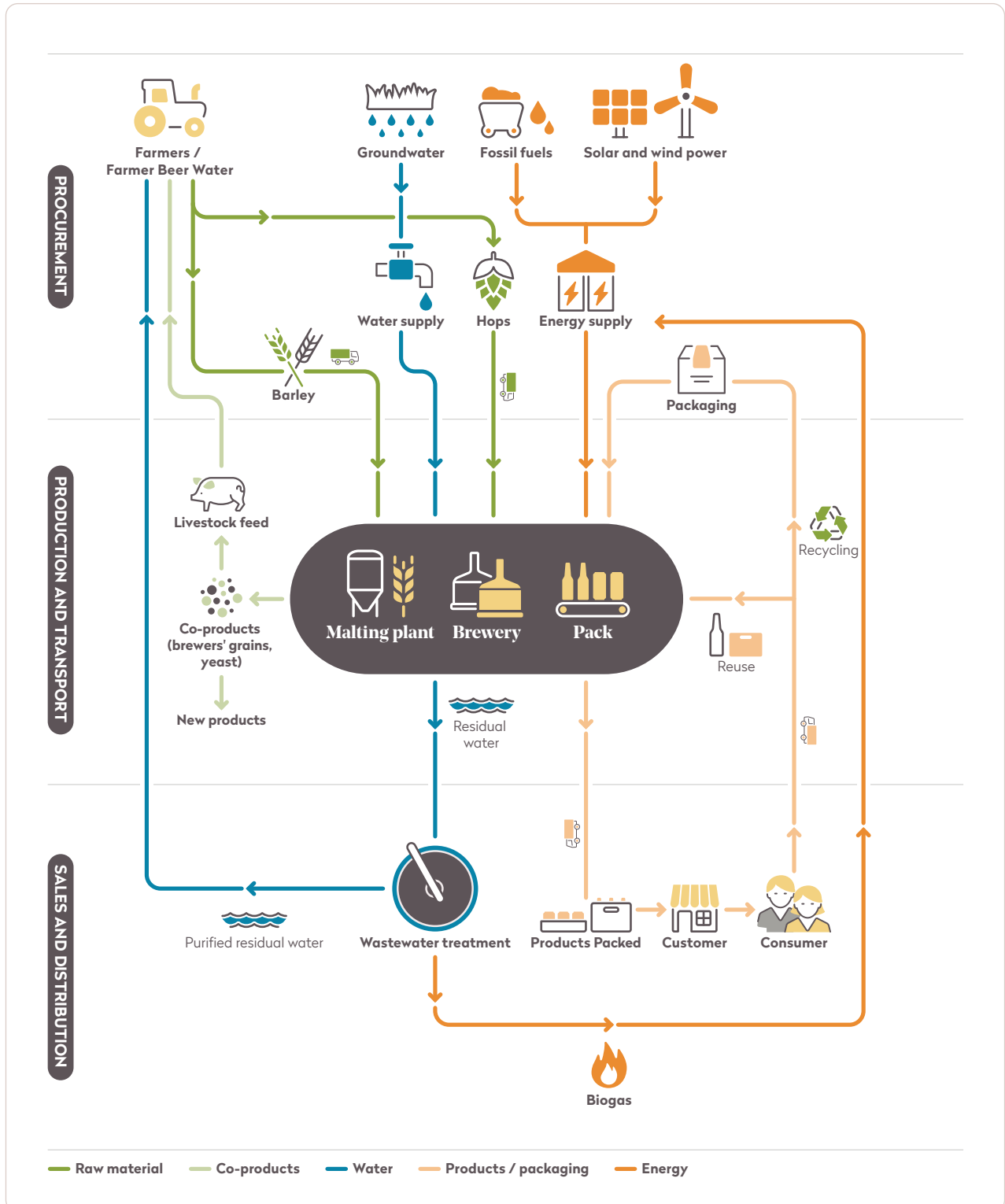


Figure: Our chain

Appendices: Long-term value creation

Through strategic focus, we want to actively contribute to the Sustainable Development Goals, i.e. the sustainable goals of the United Nations, to end extreme poverty, inequality, injustice and climate change.

The value creation model below shows how we, through our company, want to create value in the long term and make a social difference. Economically, socially and ecologically.

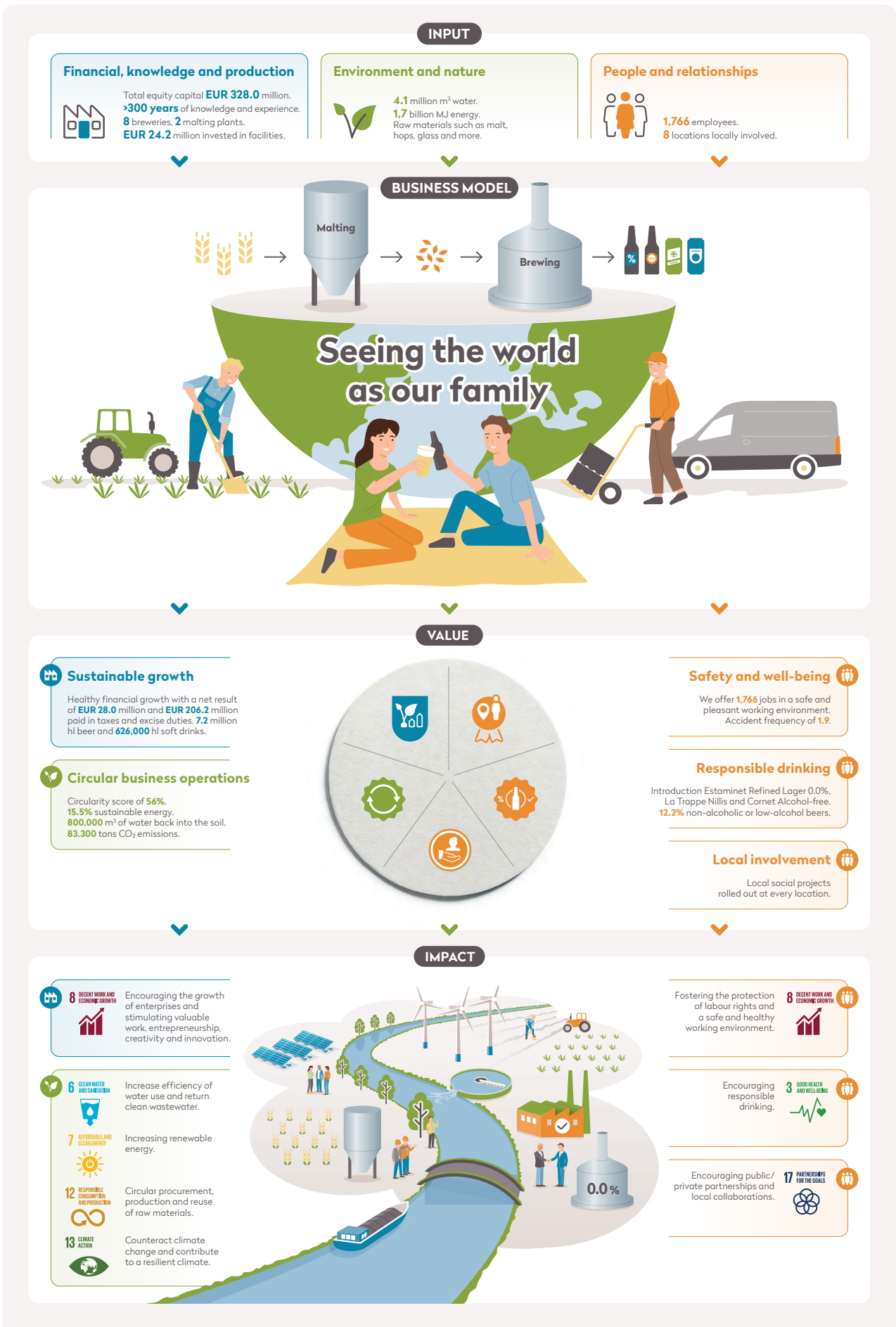


Figure: Our value creation model

Appendices: From stakeholder interests to materiality

Prioritise and account for our choices

At Swinkels Family Brewers we remain in constant dialogue with our stakeholders; corporate customers and consumers, employees, management teams and shareholders, suppliers, civil society organisations and authorities. We listen to the opinion of our stakeholders and have involved them in determining the most important themes that we have reported on in this report (material themes).

In 2021, we conducted a new analysis to determine if the themes included in the annual report were still applicable. We did this using the materiality analysis process according to GRI guidelines. We started with a long list of relevant social and societal topics from sector standards, covenants and the media, to then merge the topics into main themes. These themes were evaluated and prioritised by the Executive Board and external stakeholders by means of an online questionnaire and physical meetings.

We also investigated the developments in the sector and how the media refers to our company and brands. The result of the analysis was the creation of a matrix, see the figure below. Thanks to the matrix, it becomes clear at a glance where our priorities lie. It helps us make and account for our choices.

What are the most important changes?

1. COVID-19 has not yet disappeared from society, and even in 2021 we, as an organisation, have had to deal with the consequences of this. Nevertheless, we deliberately chose not to include COVID-19 as a separate theme, as it has become an overall part of our business operations. We are working on a resilient company that is adaptive to its environment. COVID-19 is not the first crisis we are experiencing, nor do we expect it to be the last. We see it as part of our risk and crisis management where the well-being and safety of our people is paramount. This topic will be discussed in further detail in the chapter Safety and well-being.

2. “Circular business” and “Climate change” have become even more important to external stakeholders this year.

3. “Responsible drinking” is seen as less important by our stakeholders and scores lower in the materiality matrix. Nevertheless, we still consider this a very important theme. We see it as the hygiene of our business to keep reporting on this.

4. Data security and privacy have been added to the materiality analysis because these topics are increasingly important to business operations. Swinkels Family Brewers has active policies in place to ensure data security. For security reasons, it was not reported on in the annual report. However, some attention was paid to it in the chapter The Intelligent Brewery.

5. Local involvement is not a material theme this year either, but it does appear in the annual report each year. As a result of our purpose “seeing the world as our family”, this year we are also sharing how we interact with our community.

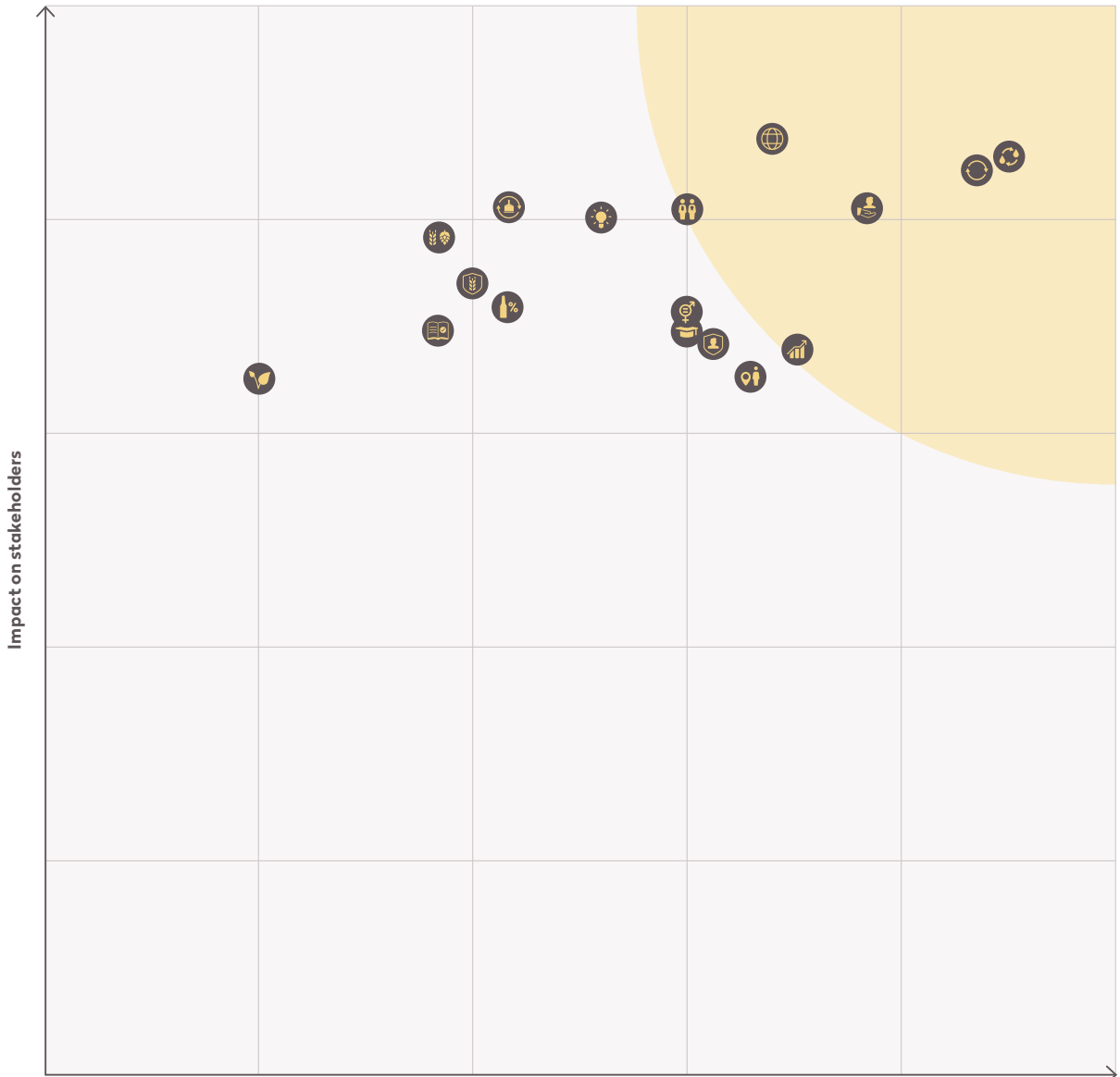
The main topics for 2021

Based on the materiality analysis, the direction of our strategy was evaluated and the design and content of this integrated annual report determined. The emphasis of this annual report is therefore on those topics that matter the most to us and which we can influence to a large extent.

The material themes are:

- Circular business model
- Water and wastewater
- Climate change
- Employee safety and well-being
- Good governance
- Sustainable financial growth

The material themes are proactively monitored by means of KPIs. These are reported on in order to transparently communicate progress to stakeholders. Although the following topics did not emerge as most material from the materiality analysis, we have chosen to include them in this 2021 Annual Report. As a family business, we feel we have an extra responsibility for the themes of responsible drinking and local involvement.



Impact on Swinkels Family Brewers
















-  Circular business model
-  Local involvement
-  Responsible tax policy
-  Water and wastewater
-  Training and development
-  Data security and privacy
-  Climate change
-  Diversity and equality
-  Sustainable innovation
-  Employee safety and well-being
-  Responsible drinking
-  Sustainable procurement/risk policies
-  Good governance
-  Food safety and quality
-  Chain responsibility
-  Sustainable financial growth
-  Biodiversity
-  The main topics for 2021

Figure: Our materiality matrix

Appendices: Notes to the Integrated Annual Report

In 2021, we moved to a digital annual report of Royal Swinkels Family Brewers Holding N.V.'s performance. We show the social impact of our activities and the financial results in an integrated manner. In this digital form, we intend to convey information and knowledge in an interactive and accessible way to all our stakeholders. The digital annual report consists of the same elements as in previous years. In addition, the annual report and appendices can also be downloaded as separate files.

Reporting guidelines we comply with:

- The relevant provisions of the Dutch Civil Code.
- Guidelines for Annual Reporting.
- Global Reporting Initiative (GRI) reporting guideline at core level.
- Internal reporting criteria can be found on www.swinkelsfamilybrewers.com

Building blocks for the report:

- EU Directive on disclosure of non-financial information and diversity.
- International Integrated Reporting Council IIRC.
- Revised Dutch Corporate Governance Code 2016.

This annual report relates to the 2021 financial year (1 January 2021 up to and including 31 December 2021). Each year, Royal Swinkels Family Brewers Holding N.V. prepares a report. The previous report on 2020 was published on 2 April 2021.

Reporting scope

The reporting scope of the CSR information differs per chapter and KPI. Sometimes only the operational participations (breweries and malting plants) are included, and sometimes all participations (breweries, malting plants and sales offices). The exact scope of the CSR information per KPI can be found in the reporting handbook.

The information on well-being and responsible drinking concerns production locations, but also sales organisations. The exact scope of the CSR information per KPI can be found in the reporting handbook.

To determine the CSR content of the report, we performed a materiality analysis in accordance with the GRI, which is outlined in the appendix "Materiality analysis". The results of the materiality analysis guided the determination of the topics in this report. We included additional information here and there based on the wishes of our stakeholders.

Changes in 2021

Royal Swinkels Family Brewers Holding N.V. made the following changes to its structure in 2021:

- Swinkels Family Brewers N.V. has acquired a 100% interest in Uiltje Groep B.V. (which in turn holds a 100% interest in Uiltje Brewing Company B.V.)
- Brouwerij Bavaria B.V. (Ltd.) was established.
- Swinkels Family Brewers Nederland B.V. was established.
- Swinkels Family Brewers Export B.V. was established.
- Scover B.V. was established, in which Royal Swinkels Family Brewers Holding N.V. holds a 50% interest.
- Swinkels Innovations B.V. has been discontinued.
- Holland Malt overseas malting B.V. has been discontinued.

Following mergers and acquisitions, data will, insofar as feasible, be recognised from the first full financial year onwards. We report on participating interests when it concerns a majority share. For this reason there was no change in this report in the area of reported participating interests within scope.

Changes to reporting

Swinkels Family Brewers reviews the CO₂ emission factors annually to report on the basis of the most recent information. In 2021, there were no changes to the reporting besides the annual updates.

The Swinkels Circularity Index is reviewed and updated on a regular basis. In 2021, we have further developed our circularity model and evaluated each indicator for definition, scope and calculations. Changes are additional and incremental to ensure comparison with previous years. The adapted circularity model SCI 2.0 will be applied from 1 January, 2022. This will be reported on from financial year 2022 onwards.





UILTJE BREWING CO.

YES.. TRACK HIM DOWN.

I HAVE HIM IN SIGHT!

A CLICKS NORTH-EAST...

JUICY POPS 5.2%



TRACK DOWN

UILTJE BREWING CO.



INGREDIENTEN / INGREDIENTS / ZUTATEN / INGREDIENTES: (NL) WATER, GERSTEMOUT, TARWEMOUT, HAVER, HOP, GIST (UK) WATER, BARLEY, WHEAT, OATS, HOPS, YEAST (DE) WASSER, GERSTENMALZ, WEIZENMALZ, HAFER, HOPFEN, HEFE (ES) AGUA, MALTA DE CEBADA, MALTA DE TRIGO, AVENA, LOPULO, LEVADURA (IT) ACQUA, MALTO D'ORZO, MALTO DI GRANO, AVENA, LUPPOLLO, LIEVITO (FIN) VESI, OHRA, VEHNA, KAURA, HUMALA, HIIVA (SWE) VATTEN, KORN MALT, VETE MALT, HAVRE, HUMLE, JAST (FRA) L'EAU, MALT D'ORGE, BLE MALT, L'AVOINE, HOUBLON, LEVURE (DE) VAND, BYGMALT, HVEDEMALT, HAVRE, HUMLE, GAER. BIER-BIERE-BEER-BIRRA-OL-CERVEZA-OLUT

A CLICKS NORTH-EAST...



SCAN TO RATE ON UNTAPPD



FOR BEST BEFORE DATE: SEE BOTTOM! BEDST FØR: SE NEDENFOR! PARASTA ENNEN: KATSO DOHJAL! BEDST FØR: SE BUNDEN!

Top 100 Best Brewers in The World 2020 Uiltje Brewing Company B.V. Bingerweg 25, 2031AZ Haarlem, The Netherlands www.uiltjecraftbeer.com



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