

CARBON FOOTPRINT

Climate change represents a societal challenge affecting every activity sector. It is a challenge that is particularly important to us at Realco, and one that is reflected in our mission and our vision. Our activities, and those of our customers, are directly linked to nature and encounter climate change impacting farming, water cycles, biodiversity and natural ecosystems. The carbon footprint is a key element of sustainable development management focused on the environment. We must take on this major challenge to pave the way towards the green transition in hygiene.

APPROACH

In 2019, we assessed our carbon impact across Realco's sites and value chain to identify areas for improvement. This comprehensive global analysis includes our production site's greenhouse gas (GHG) emissions, but also the impact upstream at the supplier level, and downstream with our customers and consumers, as well as end-of-life product management.

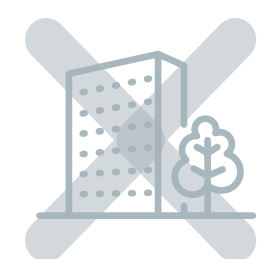
However, we have excluded our subsidiary Realzyme located in the United States, whose operations are managed independently. It is therefore included in our balance sheet as a customer.



WHAT IS THE GHG PROTOCOL STANDARD?

Created in 1998, the GHG Protocol is a continuation of the approach undertaken by the **Kyoto protocol**: the global reduction of greenhouse gases. The GHG protocol presents a number of rules and standards to frame the **inventory, calculation and declaration of the six main GHGs** emitted by companies, which are :

- carbon dioxide (CO2)
- methane (CH4)
- nitrous oxide (N2O)
- hydrofluorocarbons (HFCs)
- perfluorocarbons (PFCs)
- sulphur hexafluoride (SF6)



Subsidiaries



Goods & services procurement

Primary components, packaging, services, etc.



Logistics



Production & Offices

- Energy used to heat/cool/light up buildings
- Company cars
- Machines and equipment
- Waste



Logistics



End of life



Business travel



Consultancy



Products sold



Use

● INDIRECT EMISSIONS **SCOPE 3**

● DIRECT EMISSIONS **SCOPE 1 & 2**

SCOPE

2019 CARBON FOOTPRINT

23,700,000 km
with a car



Annual heating
consumption of 4,400
Belgians



Direct emissions and purchased electricity represent only 5% of the total footprint, but are more easily adjustable.

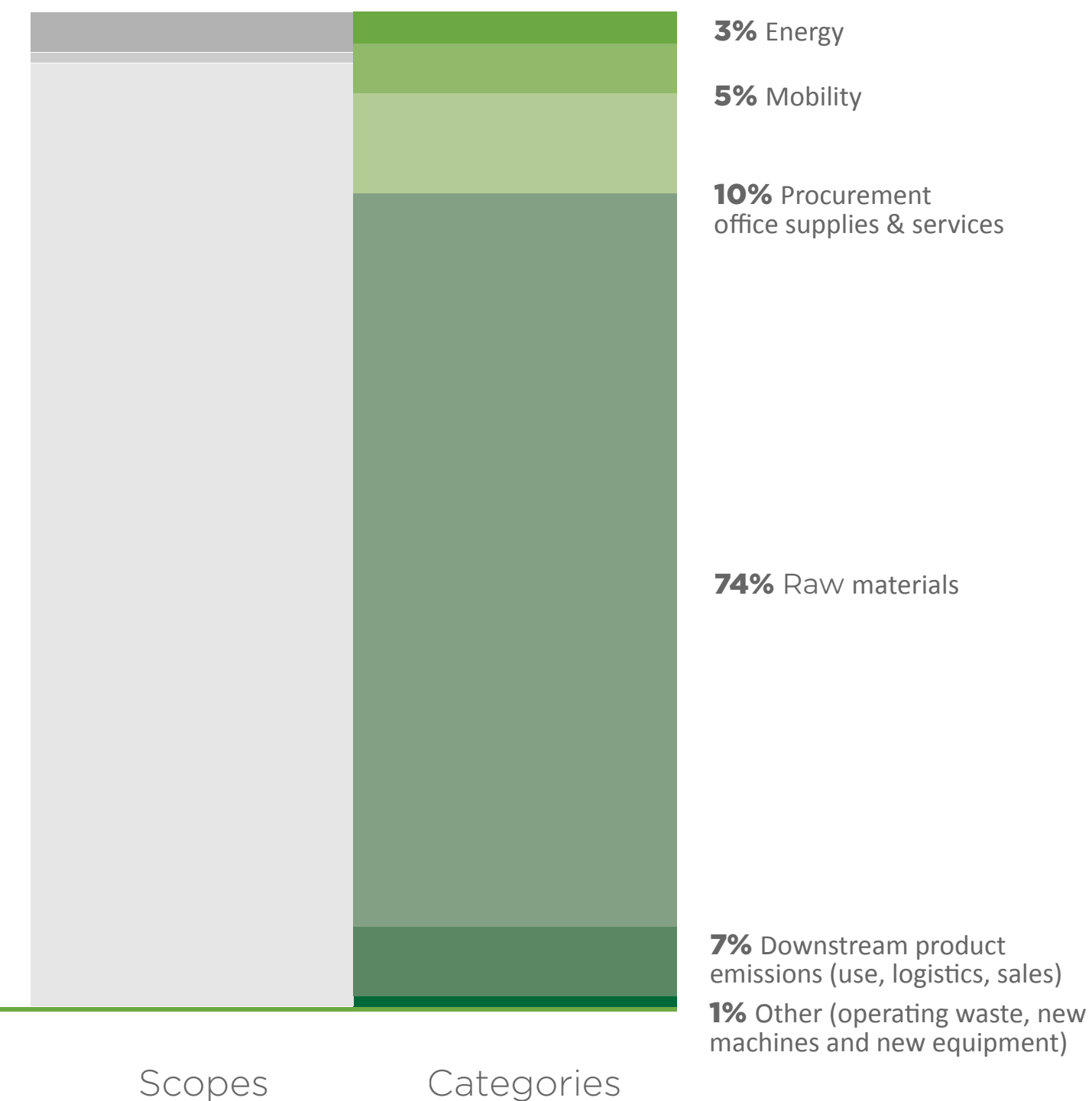
Our indirect scope 3 emissions represent the majority of the emissions for our activity. The production of raw materials accounts for 3/4 of the carbon footprint.

Review carried out by



6
ktCO₂e

scope 1 • 4%
scope 2 • 1%
scope 3 • 95%



AMBITION ZERO – NET EMISSIONS

We need ambitious targets to reduce our emissions and ensure that our measures and actions are fully in line with climate science and current needs. The Science Based Targets (SBTi) initiative incorporates a sectoral approach to decarbonisation developed by the World Research Institute, the United Nations Global Compact, WWF and the Carbon Disclosure Project.

COMMITMENT

We are convinced that science-based climate action is the most effective way to ensure the desired effect. We have decided to opt for a reduction target based on the latest science-backed findings. This means that we have set a target to limit warming to 1.5°C.

To show our willingness to meet these international standards, we joined the **Belgian alliance for Climact** movement in April 2022. In so doing, Realco confirms its **official commitment to the Science Based Targets initiative** (SBTi) before 2023.

We will carefully monitor this data and renew our plan every 3 to 5 years in order to adjust our objectives accordingly – unless there is a major event during this period. Our next deadlines are 2023 and 2025.

Belgian Alliance for Climate Action



WHAT IS THE SBTi?

The Science Based Targets Initiative (SBTi) sets criteria to demonstrate that a company's climate ambition is in line with science and scenarios to limit global warming to 2°C, “well below 2°C” or 1.5°C compared to the pre-industrial era.

What are science-based targets?

Science-based targets provide businesses with a clearly defined path to sustainable growth by determining how much and how quickly they need to reduce their greenhouse gas emissions.

Under the 2015 **Paris Agreement**, 195 governments around the world agreed to prevent dangerous climate change by limiting global

warming to well below 1.5 degrees Celsius. This signalled an accelerated transition to a low-carbon economy.

By signing the SBTi commitment letter, the company commits to formulating a science-based emissions reduction target. There are two types of commitment:

- The standard commitment: the company undertakes to follow a trajectory of at least “well below 2°C”.
- The company's aim to commit to 1.5°C: the company is committed to pursuing a scientifically substantiated emissions reduction target to limit global warming to 1.5°C, or a target net-zero commitment.

REDUCE OUR DIRECT EMISSIONS

SCOPE 1 & 2

Overall, company cars are the largest source of direct emissions (178 tCO2), followed by heating (90 tCO2) and electricity (21 tCO2). Our efforts are therefore focused on mobility and energy consumption.

COMPANY CARS **+60%**

NATURAL GAS **+30%**

ELECTRICITY **+7%**

Define a new fleet and mobility strategy

Since company cars are the main source of our direct CO2 emissions, we aim to make our fleet more environmentally friendly. This includes alternative transport solutions and reducing the need to commute.



Energy efficiency

Our workspace, inaugurated in 2017, is one of the first passive buildings in the Louvain-la-Neuve Science Park. Its construction was carefully considered from a global energy perspective, with the desire to be compatible with the use of renewable energies and to be well placed to tackle the environmental challenges of the future.

Green vehicle fleet

- Carpooling policy
- Full reimbursement for all public transport methods
- Provision of bicycles during office hours for local meetings and lunch.

Changes to the work policy

- The pandemic demonstrated that remote working is possible and is conducive to reducing our emissions.
- Equipping our meeting rooms for video calls
 - Developing online training for customers

Reduce our energy needs

- Lighting: natural light, CF bulbs (LED) and occupancy sensors
- Heating: programmable thermostat, timers, south-facing building, triple-glazed windows

Produce our own green energy

From 2017 to 2020, our building was equipped with 250 m² of solar panels, which allowed us to cover more than half of our electricity needs (75,000 Kw)

- Installation of charging stations in the workplace
- + 25% (representatives and technicians) of drivers trained in eco-driving
- Transition to zero-emission vehicles (compulsory by 2026) – 2023 first renewal of the fleet: **+ 50% hybrid vehicles**

- Reduce flights by 40%
- Work from home two days / week for 60% of people
- Hold 1/3 of meetings via video call

- Reduce our heating consumption by a factor of 3.4 through optimised insulation of our production site
- Pursue our efforts in terms of energy use and make employees aware of good habits and behaviours to adopt

- Renegotiation of energy contracts to ensure a transition to a 100% green energy supply
- Installation of solar panels for the production of our hot water
- Installation of 100 kW solar panels to cover our office and production electricity needs

Action taken

Aims



REDUCING OUR INDIRECT EMISSIONS

INDIRECT EMISSIONS **SCOPE 3** (focus on the raw materials which represent 74% of our indirect emissions)

The components of our solutions and the packaging (mainly plastic) alone represent almost 86% of the total impact of the raw materials purchased. Pool accessories, due to their composition of 80% plastic and 20% metal (two carbon-intensive materials) represent 13% of the impact of raw materials.

MATERIALS **+80%**

POOL ACC. **+ 13%** PKG. **+ 6%**

Staying below 1.5°C requires a profound change in growth models. This global challenge involves a multi-level approach that brings together public authorities, civil society and businesses. Only by working together can we begin the transition to a net zero economy.

In this context, Realco wishes to rally its partners, customers and suppliers. We wish **to forge alliances with our partners, customers and suppliers** by implementing the principles of green chemistry.

Action taken

- In 2021, we sold the Splash and Zen brands to Fluidra in order to refocus our core business on green chemistry. This is equivalent to **reducing by 13%** emissions allocated to raw materials (which account for 74% of our total emissions). We also intend to continue our collaboration with Fluidra on innovation projects to jointly develop pool cleaning solutions based on enzyme technology
- We have refined the data, in order to obtain a more detailed vision of the carbon intensity of the raw materials

Aims

- In order to refine the breakdown of carbon emissions by product life phase, we plan to **analyse the life cycle** of our flagship products by 2023.
- Building a **circular economy around our key strategic resources**: water, packaging, chemical and bio-based materials
- Definition of a new **sustainable purchasing policy** in which decisions are not limited to cost and quality considerations, but also take into account the impact of goods and services on the 3Ps, namely profit (value for money, budgetary constraints and opportunities), the planet (sustainability, reduction of waste or consumption, shopping locally) and people (compliance with ethical standards when making purchasing decisions, prevention of conflicts of interest)*.
- **Securing the support of our suppliers** and partners by
 - Requiring our key suppliers to disclose the carbon intensity of their raw materials
 - Selecting our suppliers based on their carbon intensity figures
 - Helping our suppliers and partners to calculate, disclose and reduce their footprint if necessary
- Underpinning our efforts with an ISO 14001 **environmental management system** by 2023