Responsibility report 2023

AG Barr
BUILDING GREAT BRANDS

Responsibility report

Behaving responsibly for over 145 years. We are proud of our brands and business. We are also proud of the positive contribution we believe we make to society. It is our belief that how we act reflects who and what we are.

For over 145 years we've been brand owners and builders, offering a diverse and differentiated portfolio of brands that people love and our business has grown as a result. The continued financial strength of our business is important not only to our employees and our shareholders, but also on a broader basis, where our performance positively impacts a wide range of stakeholders and the UK economy.

Our overarching business purpose is to **create value, with values** – for our shareholders, consumers, customers and for society as a whole. Our values include a commitment to behave responsibly. Our responsibility agenda has always been woven into the fabric of our business and, in today's world, as we grow and develop, it's more important than ever that we play our part in addressing the key issues facing society, such as the need to tackle the impact of climate change.

We are also mindful that our actions can contribute towards global improvements. The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries – developed and developing – in a global partnership. They recognise that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

While there will be actions we take that contribute both directly and indirectly to many of the SDGs, we have focused our SDG connections where we believe we can most directly play our part. These are:

Good health and wellbeing
Ensure healthy lives and promote wellbeing for all at all ages

Gender equality
Achieve gender equality and empower all women and girls

Decent work and economic growth
Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all

Responsible consumption and production
Ensure sustainable consumption and production patterns

Climate action
Take urgent action to combat climate change and its impacts

We have high expectations of our suppliers, our partners and ourselves. Across more than 145 years of operation, we have developed robust and responsible policies that guide what we do and how we work with others. The key policies, statements and guidelines we rely upon and that support our responsibility commitments are now available on our Group website at **www.agbarr.co.uk.**

Our key responsibility commitments

We focus our specific responsibility goals and commitments on those areas where we believe we can make the greatest positive economic, environmental and social impact, supporting our contribution to a sustainable future for all. We also engage with a wide range of stakeholders, to ensure that our priorities are aligned. As such, behaving responsibly at A.G. Barr is underpinned by four key commitments which we believe to be material matters to both our business and our key stakeholders:

We act with integrity

Key focus areas

- Safety and wellbeing
- Employee engagement
- Responsible policies and practices

Long-term goals

Accident incident rate
- Zero work-related accidents

Employee engagement*
- 2025 Goal: 80%

Women in Leadership*
- 2025 Goal: 45%

We respect the environment

Key focus areas

- Carbon reduction
- Packaging
- Water and waste
- Sustainable sourcing

Long-term goals

Never again send non-hazardous waste to landfill

Carbon emission reduction across our own operations (Scope 1 & 2 emissions market-based approach)**
- 2030 Goal: 60% reduction from a 2020 base year
- 2035 Goal: 90% reduction from a 2020 base year

Carbon emission reduction across our wider supply chain (Scope 3 emissions) **
- 2030 Goal: 25% reduction from a 2020 base year
- 2050 Goal: 90% reduction*** from a 2020 base year

Improvement in water usage efficiency
- 2025 Goal: 10% improvement from a 2020 base year

Recycled PET content
- 2025 Goal: Full portfolio 100% rPET

We support healthy living

Key focus areas

- Calorie reduction
- Responsible advertising and marketing
- Labelling

Long-term goals

To continue to advertise responsibly, offer a wide range of pack sizes to assist with portion control and, by providing clear nutritional information, enabling our consumers to make informed choices.

We give back

Key focus areas

- Community engagement
- Charity partnership
- Employee volunteering

Long-term goals

To support our corporate charity partnership by donating £150,000 over three years and raising awareness across our own teams.

* Further information on employee engagement and women in leadership is provided on page 8.
** Science-based target as approved by Science Based Target Initiative (SBTi).
*** Net-zero achievement in accordance with SBTi requirements. Reductions are targeted across Scope 3 emissions associated with purchased goods and services and upstream and downstream transport and distribution. See page 10 for more information.

Note: Goals above stated in calendar years

Responsibility report continued

Non-financial key performance indicators

In support of our responsibility commitments we measure a range of non-financial KPIs as set out below:

Accident incident rate

4.0

2023	4.0
2022	8.6
2021	9.0
2020	7.1

Number of accidents (RIDDOR) per 1,000 people – relative to both our employees and agency workers. 2023 includes Boost and MOMA data from the dates of acquisition. Further information is provided in our Safety and wellbeing culture section on page 5.

Employee engagement

75%

2023	75%
2022	75%
2021	NA
2020	77%

As measured by our annual "Your Voice Matters" employee survey. Due to the impact of the pandemic, no survey was conducted in 2020/21. 2023 excludes Boost and MOMA which were not part of the A.G. Barr Group at the time the survey was conducted.

Women in leadership

38%

2023	38%
2022	41%
2021	39%
2020	39%

Number of females defined as leaders/senior managers at the close of the financial year. 2023 includes Boost and MOMA employees – not included in prior years. See page 8 for further information.

Carbon emission reduction across our own operations

38%

2023	38%
2022	33%
2021	Baseline Year

Previous long-term goal achieved and replaced with new science-based target as detailed above. Percentage reduction in total Scope 1 and Scope 2 greenhouse gas emissions using a market-based approach.

Improvement in water usage efficiency

7.1%

2023	7.1%
2022	5.1%
2021	Baseline Year

KPI reset in 2021 following detailed analysis of our water footprint, our refreshed water strategy and action plan. Ratio of total water used relative to total litres of product produced. Further information is provided in our Waste and water section on page 14.

Non-hazardous waste diverted from landfill

100%

2023	100%
2022	100%
2021	100%
2020	97.2%

Quantity of waste from Company-owned sites diverted from landfill relative to total waste.

How we measure success

Responsibility report continued

We act with integrity

Safety and wellbeing culture

We work hard to create a culture in which health, safety and wellbeing are our top priorities. Our ultimate goals in this area are zero work-related accidents and the provision of safe and healthy working environments for all. We continuously improve our management systems to underpin our objectives and to ensure compliance with all health and safety related legislation as a minimum. Our thorough and varied health and safety management activity programme is designed to keep safety at the top of everyone's agenda, with actions ranging from safety awareness initiatives and safety training, to site audits and reporting.

Over the past 12 months we have continued to review our workplace activities and focus on reducing risk through the implementation of suitable control measures. Our health, safety and wellbeing related activity has included:

- Ongoing review and roll-out of updated risk assessments and safe systems of work
- Internal training, including dynamic risk assessment, contractor control and accident investigation
- Provision of IOSH Working and Managing Safely courses across our supply chain teams
- All people managers have either completed IOSH Managing Safely or a one day Safety for Managers course
- Provision of Mentally Healthy Workplace Training for Managers
- Two-way communication via health and safety committees and representatives across all business areas
- Continued partnership with the Keil Centre, supporting our drive to increase our safety cultural maturity
- Health, Safety, Environment and Wellbeing Days – a series of face to face events were carried out across all of our sites to help drive improved behaviours, awareness and decision making
- Health and Safety Awards – recognising those employees who have gone above and beyond to improve the safety of themselves and others
- Health and Safety pulse surveys gauging the views and priorities of employees

In focus

Health, Safety, Environment and Wellbeing Days

With short and engaging sessions, our Health, Safety, Environment and Wellbeing Week involved impact speakers, workshops and video content, specifically tailored to meet the needs of production, logistics and office colleagues. From mental wellbeing and improving workstation ergonomics to recycling tips and manual handling equipment awareness, the sessions gave employees at our Barr Soft Drinks sites the opportunity to raise their awareness across a variety of important topics.

In focus

Forfar sets the safety standard

Our Forfar site achieved a very significant milestone – four years with zero lost time accidents.

This is an impressive result for a manufacturing facility and testimony to the hard work and strong safety culture across the Forfar site.

We are pleased to report that our accident incident rate reduced from 8.6 to 4.0 during the past 12 months. This, along with our ISO 45001 certification, are clear validations of the hard work that is ongoing to improve our safety standards and culture.

Our accident incident rate KPI, as detailed in our non-financial KPIs on page 3, includes those accidents involving our own and agency employees, however as part of our regular accident monitoring and reporting processes, any accidents that occur on our premises by contractors or other third parties are recorded, fully investigated and the learnings taken into account.

We will continue to work hard towards delivering an improved safety performance in the year ahead.

From a wellbeing perspective we support our employees across a wide range of areas. For a number of years we have placed an increasing focus on raising mental health awareness within the workplace, creating a culture where mental health conversations are encouraged and our people are properly supported. We now have over 70 Mental Health First Aiders across the business, specially trained to be there for those who need them, complemented by Mentally Healthy Workplace employee training.

Over the past 12 months we have listened to our employees and understand the important role flexible working can play in their wellbeing. As such we have now implemented formal hybrid working arrangement for those employees who are able to work from home. This approach seeks to strike a balance between the benefits of working from home with the cultural benefits of collaborating and engaging with colleagues in person within the workplace. This approach is supported with our partnership with Posturite, a market-leading workplace health, wellbeing and ergonomics company, who help ensure all display screen equipment users are trained with a suitable set up at home and at work.

Employee Engagement

For over 145 years we have developed a positive, results-driven and supportive culture. As we grow our business organically and through acquisition, it is important that we retain the entrepreneurial spirit of the new and exciting additions to our Group, while also ensuring that we continue to value and nurture the unique essence of what makes A.G. Barr a great business to be part of.

Underpinning everything that we do is our belief in performance through people – positive and engaged teams are central to our success.

Communication is key to this engagement and we use a wide range of channels and tools to suit the different needs and preferences of our people. From monthly Town Halls and regular team events to some of our more recent communication improvements, such as digital screens and podcasts, we keep our communications positive and engaging, striving to maintain a sense of fun and involvement.

In focus

Our improving safety culture

The Keil Centre, with whom we have partnered since 2018, are chartered psychologists and ergonomists with significant safety-related experience. Specialising in identifying where an organisation sits from a safety culture point of view, they have developed a five level maturity model.

We were delighted, following re-assessment workshops with our Barr Soft Drinks Supply Chain colleagues, to have improved our maturity from level two to level three. Our goal was to reach a more consistent level of maturity across all elements, which we are pleased to have achieved, with significant improvements made in "Safety Communication" and becoming a "Learning Organisation".

Responsibility report continued
We act with integrity continued

Employee values

Underpinning our corporate values, our four business units have their own employee values. These behavioural frameworks are central to who they are and how they operate, playing an important role in building teams and strengthening performance.

At Barr Soft Drinks, which comprises our largest group of colleagues, employee values are embodied by the Barr Behaviours. Created by our own people they represent what is important to a business that has been successful for over a century – Being Brilliant, Always Learning, Results Driven and Relationships Matter.

For the more recent additions to the A.G. Barr Group – FUNKIN, MOMA and Boost – their employee values are more reflective of the entrepreneurial and agile nature of their businesses, which we believe are important characteristics to retain and nurture.

From recruiting new employees to developing existing teams, these employee values support how our teams work together to enhance performance and are fundamental to our success.

For more information on our employee values visit our website at **agbarr.co.uk**

Learning and development

Learning and development in our business is about creating a Company-wide culture in which everyone is supported and challenged to take ownership of their performance, the impact they have on others and their careers. Our teams are encouraged to take the lead in their own personal development, drawing from a wide range of learning opportunities. Our award-winning iLearn platform is our online hub for development activity, with hundreds of hours of learning immediately accessible to all. We also recognise that people learn in many different ways – from classroom training and job shadowing to our successful mentoring programme and externally provided training courses, we try to ensure there's something to suit every individual in every area of the business.

In addition to our regular technical and compliance based training, over the past 12 months we have continued to offer as many learning opportunities as possible to our people including our popular Manager Essentials programme, Mentally Healthy Workplace training, Project Management development, psychometric team-building workshops and a new environmental sustainability learning portal.

In focus

No Time To Waste learning portal

This year we created a **No Time To Waste** learning portal to help our employees develop their environmental sustainability knowledge and their understanding of our own strategy.

Using simple videos and quick guides, the portal provides learning and support across our five **No Time To Waste** focus areas

- Net-Zero
- Plastic and Packaging
- Sustainable Sourcing
- Waste
- Water

The portal launched during Recycling Week in September, with high levels of engagement, and now forms part of our employee induction programme, so people new to the business understand the importance of our environmental sustainability strategy.

In focus

Your voice matters

Our 2022 "Your Voice Matters" employee engagement survey, which sought the views of our Barr Soft Drinks and FUNKIN teams, achieved a high overall engagement index of 75%. Most improved areas included Diversity and Inclusion, Communication and Change as well as Working Together, however we did not achieve our previously set 80% target which was set before the pandemic. We remain committed to increasing our employee engagement levels and have reset our target with a new date of 2025.

Diversity and inclusion

We believe that diverse and inclusive organisations that respect and value difference allow people to perform at their best. That's why we're taking steps to create an inclusive, respectful and supportive working environment that encourages people with different backgrounds, experiences and perspectives to come together to work more effectively and creatively, with gender equality a specific and current area of focus.

The gender balance across the organisation now sits at 69% men and 31% women, broadly indicative of our industry. On our journey towards greater gender equality we set a new KPI in 2020 related to women in leadership, targeting 45% women across the leadership population by 2025. Having made progress in recent years, increasing from 29% in April 2017 to 41% in 2021/22, senior female representation across the Group currently sits at 38%. This year end data reflects the addition of the women in leadership at both MOMA (50%) and Boost (23%).

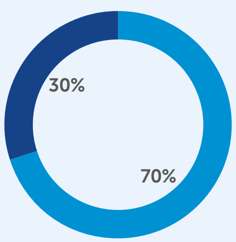
The key metrics from our latest Barr Soft Drinks Gender Pay Report are detailed below:

The mean gender pay gap is the difference in the average hourly pay for women compared with men within a company. We have narrowed our gap from 4.9% in 2018 however we do see slight percentage movements due to year on year payroll differences – some years favourable to men and some years favourable to women.

In common with many businesses, our bonus scheme payment thresholds are linked to business performance and generally increase with seniority.

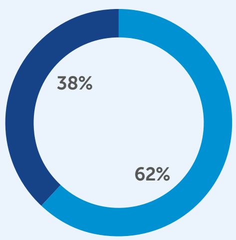
Gender Diversity 2022

Board & Company Secretary



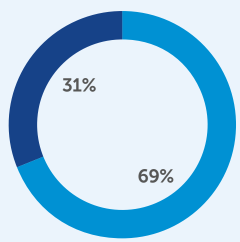
	2022	2023
Male	8	**7**
Female	3	**3**

Leadership Team



	2022	2023
Male	54	**63**
Female	38	**39**

All employees



	2022	2023
Male	625	**701**
Female	270	**313**

The key metrics from our latest Barr Soft Drinks Gender Pay Report are detailed below:

Mean Gender Pay Gap

-5.1%

2021: 3.0%

Median Gender Pay Gap

-6.0%

2021: 2.7%

Mean Bonus Pay Gap

-1.1%

2021: 42.2%

Median Bonus Pay Gap

-17.6%

2021: 0%

Positive numbers are favourable to men, and negative numbers are favourable to women.

% employees receiving a bonus payment

Male

89%

2021: 84%

Female

93%

2021: 82%

Over 80% of employees received bonus payments in this reporting period reflecting our positive financial performance.

We will continue to work towards creating an environment that is inclusive, where people feel they can be themselves at work and where their opinions count.

The full Barr Soft Drinks Gender Pay Report is available on our website at **www.agbarr.co.uk**

Responsibility report continued
We act with integrity continued

Reward

Our approach to reward aims to link remuneration with the delivery of our key strategic priorities and our overarching purpose, to create value, with values – for our shareholders, consumers, customers and for society as a whole.

We strive to offer a fair and transparent total reward package that drives a performance-led culture and is linked to both the long-term sustainable success of the business and our values.

We target our pay at the market median or above, ensuring we can attract and retain high-calibre employees. We operate a number of incentive and bonus schemes, as well as performance related pay arrangements, designed to reward and motivate strong individual and collective performance.

We offer employees a modern and flexible range of benefits, offering choice to our increasingly diverse workforce. Employees receive a flexible benefit allowance with which they can select the benefits most suitable to them personally. Healthcare features prominently, with a selection of health-related benefits made available either on a core benefit basis or within the suite of flexible benefits made available to employees.

We comply fully with all the regulations associated with rewarding our employees fairly and are a UK Living Wage accredited employer.

Risk and regulation awareness

We have a robust risk management framework in place that is embedded across the business. In addition to the corporate risk register, governed by the Board, business unit and functional risk registers have been developed across our teams, allowing a wide range of employees at different levels to contribute to our risk assessment and assurance processes.

Our reputation is extremely important to us and it is the responsibility of every employee to act professionally, fairly and with integrity. This requires an understanding of the regulatory risks we face and how we can all play a part in mitigating these risks.

In support of this, we require employees to complete the following five mandatory training modules:
- Introduction to Risk
- Data Protection
- Competition, Pricing and Confidentiality
- Bribery and Corruption
- Anti-facilitation of tax evasion

In focus
Increasing menopause awareness and support

In support of our commitment to create an open and supportive culture, 2022 saw us introduce a new Menopause Policy. The policy aims to foster an inclusive and respectful working environment within which our colleagues can openly and comfortably initiate conversations or engage in discussions about the menopause. The Policy also aims to raise wider awareness and understanding among all employees and managers while also outlining the support and reasonable adjustments available.

The Policy is supported across a number of areas:
- The Menopause Café – a safe space created by our own employees with an open invitation for both women and men
- Menopause Lunch & Learn sessions
- Conversation guidelines for employees and managers
- Menopause training
- A menopause section on our Health & Wellbeing intranet hub

We respect the environment

We take our environmental responsibilities very seriously, constantly seeking to minimise our impact on the world we operate in, whether through carbon and energy reduction, our water and waste control actions or the reduction of our environmental impact through areas such as packaging.

We have been accredited to the Environmental Standard ISO 14001 since 2003. This certification provides a framework against which we have developed comprehensive environmental procedures and monitoring systems. These processes have allowed us to measure our environmental performance and focus our activities on delivering long-term improvements.

Carbon reduction

We have an important role to play in the transition to a low carbon and climate-resilient economy.

In 2021, working with independent sustainability experts the Carbon Trust, we undertook a thorough assessment of our 2020/21 Scope 1, 2 and 3 greenhouse gas (GHG) emissions to establish our carbon footprint across our full product life cycle and value chain. This covered the goods we purchase and the resources, fuel and energy we use in our day to day activities, right through to distribution to customers and the management of consumer waste. This important work provided us with an accurate measurement and verification of our full carbon footprint for the first time.

We are pleased to report that following this full carbon footprint assessment, and aligned to the Science Based Target Initiative's (SBTi) updated Net-Zero Standard, published in November 2021, we now have SBTi approved near and long-term science-based emission reduction targets and an SBTi verified science-based net-zero target of 2050. Further information is available on page 21.

OUR 2021/22 GREENHOUSE GAS EMISSIONS

SCOPE 1
Direct emissions from activities we control
2%
3,848 tonnes CO_2e

SCOPE 2
Market-based. Indirect emissions from purchased energy
1%
1,036 tonnes CO_2e

SCOPE 3
All other emissions that occur in the value chain
97%
160,107 tonnes CO_2e

Where our emissions come from

12.3% Ingredients

40.3% Packaging

9.3% Equipment & Services

2.5% Manufacturing

31.6% Transport & distribution

1.2% At home refrigeration

2.6% Waste Management

0.2% Staff Commuting & Travel

Total Emissions: 164,991 tonnes CO_2e

Responsibility report continued
We respect the environment continued

With continued support from the Carbon Trust we have now completed a second full carbon footprint assessment for our 2021/22 financial year covering our Scope 1, 2 and 3 greenhouse gas emissions.

A detailed breakdown of our 2021/22 greenhouse gas emissions is contained within the Metrics and Targets section of our TCFD disclosure on page 21. This also contains our Streamlined Energy Carbon Reporting (SECR) disclosure which sets out our Scope 1 and 2 data for the 2022/23 financial year.

We are fully committed to achieving our science-based targets. For our Scope 1 and 2 emissions we have a deliverable and realistic decarbonisation roadmap which builds on the progress we have made and pushes further, from electric vehicles and solar panels to air source heat pumps and degasification projects. For our Scope 3 targets, including purchased goods and services as well as upstream and downstream transport and distribution, we are working closely with our suppliers and partners. Our roadmap to net-zero is set out on the right.

THE ROAD TO NET-ZERO

Our progress

2020

- ESG Board Committee established
- Launch of **No Time To Waste** environmental sustainability programme
- Switch to 100% renewable electricity
- CDP score improves to B classification
- Introduction of 100% recycled packaging film on Barr Soft Drinks consumer multipacks

2030

- **Reduce Scope 1 and 2 GHG emissions by 60%**
- **Reduce Scope 3 GHG emissions from purchased goods and services and upstream and downstream transport and distribution by 25%**

Our plans

2030–35

- Degasification at our main manufacturing sites through solar, heat pumps and biogas

2035

- **Become net-zero across our own operations**

Road to net-zero

2021

- Completion of first full carbon footprint assessment
- 45% reduction in greenhouse gases since 2015
- CDP score improves to A- classification
- Electric vehicle charging points installed at all main company-owned sites
- Fully electric fork lift truck fleet

2022

- SBTi approved science-based targets and net-zero commitment
- Full compliance with TCFD
- First bottles in 100% recycled plastic (rPET)
- New signatory of UK Plastics Pact
- FUNKIN glass bottle recycled content increased from 14.6% to 42.5%
- Successful trial of Hydrotreated Vegetable Oil (HVO) as fuel alternative to diesel

2023-2030

- 100% rPET across full Barr Soft Drinks portfolio
- Plastic lightweighting
- Supplier engagement and collaboration programme
- Commencing transition away from fossil fuels using compressed natural gas and HVO for our heavy goods vehicles
- Reduce Company car fleet and move to electric vehicles

2035-50

- Recipe reformulations
- Increased use of recycled content
- Supplier transition to green electricity
- Logistics partners move away from diesel

2050

Become net-zero across our full value chain

Responsibility report continued
We respect the environment continued

Our ambitious commitments are being delivered through our **No Time To Waste** environmental sustainability programme, which brings together net-zero, plastic and packaging, waste, water and sustainable sourcing workstreams. **No Time To Waste** is a hugely important programme for the Group and to date our Barr Soft Drinks and FUNKIN business units have worked closely and collaboratively. The intention is to bring both Boost and MOMA into the fold in the coming 12 months to ensure that we work together to increase our overall sustainability and reduce our environmental impact. Further information is available on pages 15 to 21 within our TCFD disclosures.

Packaging

We believe that packaging should be treated by all as a valuable resource and recycled, not discarded as litter.100% of our Barr Soft Drinks packaging is already recyclable, with clear on-pack recycling messages, and we continually seek to reduce the amount of packaging we use.

As part of our **No Time To Waste** environmental sustainability programme, our plastic and packaging workstream has established a clear strategy with a long-term goal of 100% circular packaging. This means a future where packaging is reduced, recycled and reused.

Reducing the footprint of our packaging will be a critical part of our journey to reach net-zero. We are proud to have made a significant step forward in this regard with the introduction of our first 100% recycled plastic bottles. All our IRN-BRU and Rubicon 500ml plastic bottles moved to 100% rPET in April 2022, supported by a high profile advertising campaign to raise consumer awareness and understanding.

Our longer term goal of having our full portfolio in 100% rPET by 2023 has been impacted by the current lack of availability of appropriate quality food grade recycled plastic. Demand is exceeding supply across the food and drink industry, in the UK and beyond. We remain committed to our goal, however realistically the date by which this can be achieved is now expected to be the calendar year 2025 and we have adjusted our long-term target accordingly.

We remain committed to creating a truly circular system for drinks containers with the expectation that Scotland's deposit return scheme (DRS), due to be implemented in August 2023, will play an important role in improving the availability and quality of high grade recyclates. As a large producer member of the DRS scheme administrator, Circularity Scotland Limited (CSL), we will benefit from first right of refusal for our proportionate share of the scheme's collected material. The recycled material available from a DRS system is expected to be of a much higher quality than that produced by current household recycling. As such we anticipate that this will significantly improve our rPET supply in particular and allow us to resume our path to our 100% rPET goal.

BUSINESS AMBITION FOR 1.5°C

In focus

Science-based targets explained

In 2015, 196 governments signed the Paris Agreement, which aims to keep average temperature increase to well below 2°C above pre-industrial levels. More explicitly, the agreement sets out to limit the temperature increase even further to 1.5°C.

The Science Based Target Initiative (SBTi) enables companies to demonstrate their leadership on climate action by publicly committing to science-based greenhouse gas (GHG) reduction targets. Science-based targets provide clearly defined pathways for companies to reduce GHG emissions. Targets are considered science-based if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement.

SBTi requires companies to focus initially on emissions from their direct GHG emissions (Scope 1), their indirect emissions, including the consumption of purchased electricity (Scope 2) and then on their wider indirect (Scope 3) emissions.

> **"We are fully committed to achieving our science-based targets."**

We are in the important planning and preparation DRS phase, working with our customers and CSL to ensure as smooth a transition and as successful a scheme as possible. By incentivising consumers to return their drinks containers, DRS will set drinks packaging apart, as drinks containers will become part of a truly circular economy. In countries where DRS is already operational, such as Norway and Germany, return rates of plastic bottles for example reach as high as 98%.

Water and waste

As a multi-beverage business, water is a principal ingredient, as well as a necessary resource we rely upon across our operations. There is increasing awareness of the challenges faced in managing water resources and we are extremely aware of the part we have to play in protecting this precious commodity.

Water is a key workstream within our **No Time To Waste** environmental sustainability programme and in 2021 we undertook a detailed analysis of our water footprint at all our production sites, working with an independent agency to give us a better understanding of how and where we use water. With this data we have developed an evidence-based water strategy with tangible actions in place for each of our sites over a three-year horizon.

As part of our sustainable sourcing strategy we also know that the most significant water use in our value chain is in agriculture. The crops that we rely upon for many of our products, such as mangos, are grown in hot, potentially water-stressed areas, and we are working in partnership with our global suppliers to encourage sustainable practices.

A key element of our internal water strategy is our focus on cleaning procedures, where small changes can make significant reductions in our water usage. We have also focused on changing our own behaviours, supported by our "Drop by Drop" awareness raising initiative and an employee education and engagement campaign coinciding with World Water Day in March. We are pleased to report that our renewed water strategy is already making a difference with year-on-year improvements in our water usage efficiency against our 2020 baseline. More information can be found in our non-financial KPI section on page 3.

Once again we are pleased to have achieved our long-term target related to waste. 100% of our non-hazardous waste is diverted from landfill and our objective is to maintain this performance on a permanent basis.

Sustainable sourcing

As climate change and a rising population put pressure on our limited natural resources, it is important for all our raw materials to be sourced sustainably and used effectively.

As one of our **No Time To Waste** workstreams, sustainable sourcing is key to ensuring our high-quality ingredients and materials are sourced and manufactured in a fair, ethical and environmentally responsible way.

Our Supplier Code of Conduct, currently applicable to both Barr Soft Drinks and FUNKIN, sets out the key supplier principles we work to and the minimum standards we require our suppliers to meet, which form part of their contractual commitments to us. This Code is fundamental to ensuring we work with suppliers who uphold the highest standards with respect to human rights, conditions of employment and who actively reduce their environmental footprint. We ensure our critical suppliers have embedded sustainable and ethical practices in their organisations, and that they are committed to maintaining these principles within their own supply chain.

In focus

The UK plastics pact

As part of our **No Time To Waste** environmental sustainability programme, we are proud to have become signatories to The UK Plastics Pact.

What is The UK Plastics Pact?
The UK Plastics Pact is a bold and unique initiative that will transform the UK's plastic system. By bringing together the entire plastics value chain behind a common set of ambitious targets, it will move us towards a system which keeps plastic in the economy and out of the environment. It will encompass innovation, research and new business models to rethink and redesign what packaging we put on the market in the first place, and how we can encourage more reuse of packaging.

What will it achieve?
By 2025, The UK Plastics Pact will transform the UK plastic packaging sector and help stop plastics polluting the environment. Members have signed up to the following targets:

- Eliminate problematic or unnecessary single-use packaging through redesign, innovation or alternative (re-use) delivery models
- 100% of plastic packaging to be reusable, recyclable or compostable
- 70% of plastic packaging effectively recycled or composted
- 30% average recycled content across all plastic packaging

Responsibility report continued
We respect the environment continued

In focus
100 Litre Challenge

Our **No Time To Waste** programme is not only about achieving our environmental sustainability goals – it is also about encouraging our employees to take personal responsibility.

To mark World Water Day in March 2022, we issued our employees with a 100 litre challenge.

For one day, we challenged employees to see if they could cut their personal water consumption to just 100 litres. Using a purpose-built intranet portal, we used engaging content to share details of where everyone is potentially wasting water – and what simple steps they can take to reduce water waste.

Our suppliers must acknowledge their compliance on an annual basis through our stringent supplier approval process, which uses questionnaires and audits to confirm adherence to our standards across a broad range of requirements. For many years we have used the Supplier Ethical Data Exchange (Sedex) platform, a not-for-profit global membership organisation dedicated to driving improvements in ethical and responsible business practices. We also use the Sedex Supplier Approval Questionnaire as an important secondary validation step which allows independent benchmarking of suppliers on a consistent measurable basis.

The output from these questionnaires also allows us to collaborate and engage with our suppliers to set objectives and action plans to deliver sustainable and continuous improvements. This includes active and ongoing dialogue with our key suppliers – their actions support the delivery of our Scope 3 science-based targets, and ultimately our net-zero ambition.

Materiality and stakeholder engagement

We regularly engage with internal and external stakeholders to ensure that our responsibility agenda is addressing the material issues.

Governance

Our responsibility agenda is integrated into our strategic, financial and business planning, as well as our risk management processes, with ultimate accountability sitting with the Board.

Our Executive teams are responsible for the delivery and execution of our responsibility actions and programmes, supported where appropriate by sub-committees and functional or project teams. Further information on the governance of our climate-related risks and opportunities is detailed in our TCFD disclosures on pages 15 to 21.

Independent assurance

We continued to work with third-party auditors, the Carbon Trust, across the past 12 months. They have completed an audit and verification of our Group operations for Scope 1 and Scope 2 emissions for the year ended January 2022, and verification for the year ended January 2023 is underway. Having developed the world's first certification for organisational CO_2e Reduction Standard and product carbon footprints, the Carbon Trust is the leading carbon footprint certification body.

Our Scope 1 and 2 greenhouse gas emissions for the year ended January 2022 have been verified against the ISO 14064-3 standard.

During 2022 we were also pleased to maintain our A- climate change rating with the Climate Disclosure Project (CDP). CDP is a not-for-profit charity that runs a global environmental disclosure system. CDP is widely used and considered to be one of the most comprehensive independent environmental data sets available. The CDP Score Report allows us to benchmark and compare our environmental stewardship with peers, and provides additional information that can help inform our forward-looking improvement programmes.

Task Force on Climate-related Financial Disclosures

The Task Force on Climate-related Financial Disclosures (TCFD) provides a framework for companies to report the potential financial impacts from climate change on their business, as well as reporting the progress made by the organisation against the targets set to mitigate climate-related risks and to reduce its impact on the environment.

This framework is designed to help investors and wider stakeholders understand how businesses are managing climate-related financial risks, across four key areas:

Governance – setting out the respective roles of the Board and management team in managing risks and opportunities.
Strategy – identifying risks and opportunities over different time horizons and explaining how these impact strategic and financial planning.
Risk Management – having processes in place for managing identified risks and including these within the overall risk management framework.
Metrics and Targets – explaining how both climate change impact and exposure to risks are measured, setting targets and tracking ongoing progress.

Using this framework we set out our full TCFD disclosures below. These reflect the structure of the A.G. Barr Group for the majority of the 2022/23 financial year i.e. covering the Barr Soft Drinks and FUNKIN business units. MOMA and Boost Drinks, acquired in December 2022, will be incorporated into future disclosures.

Governance

Board of Directors

The A.G. Barr Board has responsibility for the oversight of climate-related risks and opportunities impacting the Group.

The Board of Directors considers climate-related risks and opportunities when setting and reviewing the Company strategy, agreeing future objectives, budgets and KPIs, setting policies and when considering potential M&A activity.

The Board carries out a full review of our corporate risk register and principal risks, including those related to climate change, twice a year. In addition, the Board regularly discusses climate-related issues across a variety of Board meeting agenda items. These include matters arising from its sub-committees, particularly from the Environmental, Social and Governance (ESG) Committee, as well as from general business updates, where climate-related issues will often be integral. Examples during the year include discussions on science-based targets, net-zero roadmaps, as well as the approval of our strategic capital investment programme, incorporating greenhouse gas reduction projects.

A structured process for identifying and quantifying emerging risks and opportunities across the Group, similar to our risk management approach, provides a framework to support broader thinking on new and emerging areas, including those related to climate change. With input from both our Barr Soft Drinks and FUNKIN Executive teams, this plays an important role in the Board's strategic planning process. The Board completed a robust assessment of the Group's emerging risks, including those related to climate change, during the year.

Corporate climate-related targets, set by the Executive teams and ratified by the ESG Committee, are monitored by the Board on a monthly basis.

The Board, in turn, delegates some elements of its responsibility to its various sub-committees, as set out below:

- The **Audit and Risk Committee** has the delegated responsibility to monitor our internal financial controls as well as our internal control and risk management systems. Its risk management oversight includes the review of our corporate risk register and principal risks, including those related to climate change, at least twice per year.
- The **Environmental, Social and Governance Committee** assists the Board in fulfilling its oversight responsibilities with respect to the Company's management of all relevant ESG matters. The ESG Committee has delegated responsibility for approving the Company's environmental sustainability strategy and reporting back to the Board. It meets twice each year and otherwise as required. The ESG Committee owns, and is responsible for monitoring and updating, our material risks and opportunities related to climate change.
- The **Remuneration Committee** is responsible for determining our remuneration policy, including how climate-related factors are taken into consideration and reflected in reward. Executive Directors' long-term incentive plan awards, by way of illustration, include an environmental sustainability performance measure. Further information is available in our Directors' Remuneration Report on page 91.
- The **Nomination Committee** is responsible for Board appointments and succession planning.

Barr Soft Drinks and FUNKIN Business Units

Our Executive teams across both business units, Barr Soft Drinks and FUNKIN, are responsible for managing the climate-related risks and opportunities faced by our business on both a long-term strategic basis and day to day. Our strategic planning process considers both the risks and opportunities arising from climate change and a specific process related to emerging risks and opportunities has recently been agreed and is now being introduced. The Executive teams are supported across a number of areas as set out below:

- Our **Group Risk Committee** ensures that a strong framework is in place to manage operational risks effectively, including those associated with climate change. The Committee oversees our principal risks and uncertainties, and reviews the effectiveness of risk management and compliance systems in managing those risks. The aim of the Committee is to ensure that employees understand the importance of good risk management, a supportive risk management culture is embedded across the Group and that risk management processes are clearly deployed.
- The **No Time To Waste Steering Group,** chaired by our CEO, governs our Group-wide environmental sustainability programme. The **No Time To Waste** Steering Group has overall responsibility for setting the Group's environmental sustainability strategy, for achieving the Company's climate change objectives, and for monitoring and managing risks and opportunities related to climate change. The **No Time To Waste** programme encompasses five key workstreams associated with reducing the effects of climate change. Each workstream, and its associated team, owns a risk register relevant to its specific area of focus. The risks identified, along with opportunities arising from the climate change agenda, are reviewed on a monthly basis by the Steering Group.
- Our **Capital Allocation Committee** is responsible for ensuring the best use of our capital resources in line with our strategy and plans. This includes the review and approval of capital expenditure programmes related to environmental sustainability, taking into account the risks and opportunities in investment decisions.
- Our **Emerging Risks and Opportunities Group** is responsible for identifying and managing emerging risks and opportunities at an A.G Barr Group level. This group conducts an annual review prior to making recommendations to the Board, the output from which forms part of our Board's annual Strategy Review.

Responsibility report continued
We respect the environment continued

Strategy

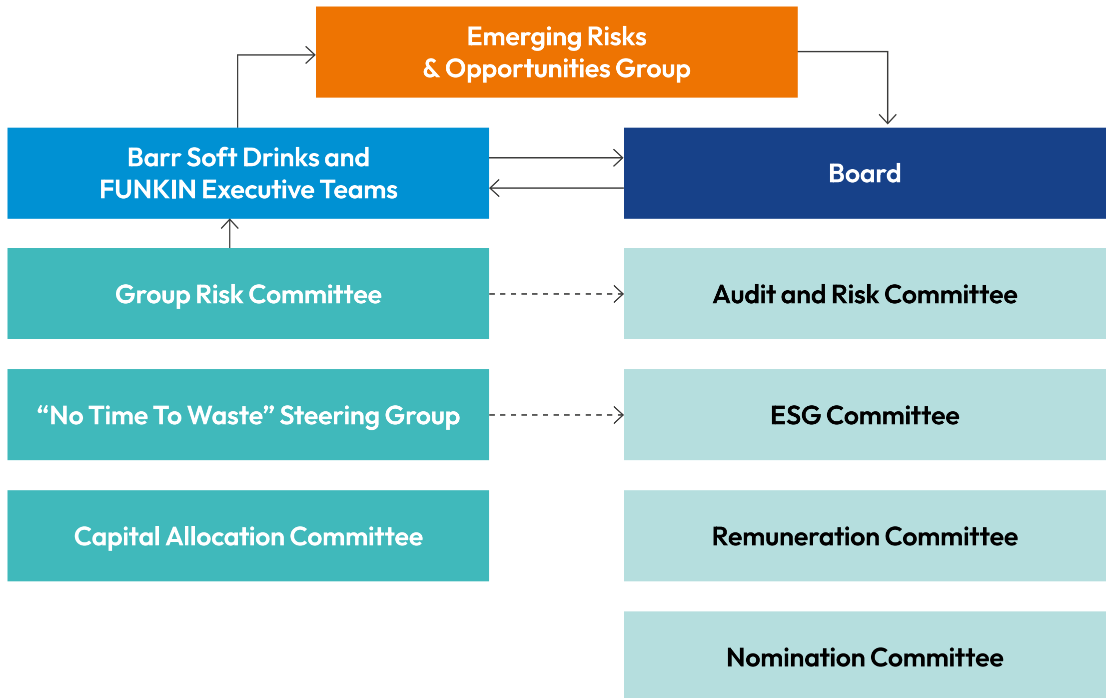
Our Board has ultimate responsibility for agreeing our business strategy, taking into account, and reflecting where appropriate, the risks and opportunities associated with climate change. As detailed above, the Board's strategic thinking and decision making is supported and informed by our Executive teams and by a number of Board sub-committees. As detailed in the metrics and targets section that follows, our key climate related objective, borne out of our strategy, relates to our achievement of our science-based targets and our ultimate net-zero commitment. Our associated road map is set out on pages 11 and 12.

Our strategic timeframes are as follows:

- Short-term: 0 to 1 years
- Medium-term: 1 to 5 years
- Long-term: 5+ years

The opportunities, as well as physical and transition risks considered material to our business, are detailed on the following pages along with our strategic responses. Our methodology for defining material financial and strategic impacts on our business is aligned with our risk management approach, detailed in the Risk Management section that follows. Gross risk impacts that fall in the categories of "moderate", "major" or "critical" would be deemed to be material.

Our climate-related governance



Physical risks

associated with increased severity of extreme weather events such as cyclones and floods (acute), and associated with changes in precipitation patterns and extreme variability in weather patterns, rising mean temperatures and rising sea levels (chronic).

Risk Type & Description	Timeframe	Potential financial impact
Chronic risk The risk that climate change impacts the future availability, quality and cost of the natural ingredients required to manufacture our products, such as sugar, fruit juices and water.	Long-term	

Strategic response:
We have dedicated Sustainable Sourcing and Water workstreams within our **No Time To Waste** environmental sustainability programme with ambitious strategies in these areas. Further information is available on pages 42 and 45, however by way of illustration of action taken related to fruit availability, we have developed a network of suppliers who can supply materials from different origins and have set up a programme to approve fruit juices from different geographic sources, such as passion fruit from Vietnam, in addition to our existing supply from Ecuador, thus reducing risk of supply and ultimately protecting sales.

Transition risks

associated with changes to policy and legislation, technology, the market and reputation.

Risk Type & Description	Timeframe	Potential financial impact
Policy and legal risk The risk of higher costs as a consequence of planned/potential regulation such as a carbon tax, or packaging related regulations/taxes such as UK Extended Producer Responsibility (EPR) and the EU Single-Use Plastics Directive.	Long-term	

Strategic response:
We have approved science-based targets that will see us becoming net-zero across our own operations by 2035 and across our full supply chain by 2050, if not sooner. We have already begun our decarbonisation journey in areas such as transitioning to 100% renewable electricity and 100% electric forklift trucks.

We are also focused on reducing, recycling and reusing across our packaging. 100% of our Barr Soft Drinks packaging is already recyclable and we are increasing our use of recycled material. We now have 100% recycled plastic film across all of our Barr Soft Drinks consumer multipacks and introduced our first 100% recycled bottles in April 2022, as part of a longer-term objective of having 100% recycled content across our full portfolio of plastic bottles by 2025. Discussions are also underway with our glass and aluminium can suppliers on how we can work together to increase recycled content in the products they provide. We are reducing packaging where possible, such as in a recent reduction of stretch wrap weight.

In addition, we are positive supporters of the implementation of DRS in the UK, which will help to mitigate potential EPR costs for the business – the latest government proposals in this area have confirmed that containers subject to DRS will be out of scope of EPR.

Potential financial impact Movement: Moderate Major Critical

Responsibility report continued
We respect the environment continued

Transition risks
associated with changes to policy and legislation, technology, the market and reputation.

Risk Type & Description	Timeframe	Potential financial impact
Market risk The risk that consumer behaviours change in relation to single-use packaging or as a result of regulatory changes designed to reduce the impact of climate change, such as DRS, resulting in a reduction in demand for our products or consumers switching to brands perceived as more sustainable.	Medium-term	■■□
Strategic response: As already detailed, we are positive supporters of the implementation of DRS, due to be implemented in Scotland in August 2023, and expected to launch in England no earlier than 2025. By incentivising consumers to return their drinks containers, DRS will set drinks packaging apart, as drinks containers will become part of a truly circular economy. The delivery of our net-zero roadmaps, and specifically our drive to reduce, recycle and reuse across our packaging, are key to improving our environmental credentials and further building trust with consumers.		

Opportunities
associated with resource efficiency, energy sources, products and services, markets and resilience.

Opportunity Description & Type	Timeframe	Potential financial impact
Energy source opportunity Use of lower-emission energy sources, such as photovoltaic panels and heat pumps for the generation of electricity, heat and steam, leading to a reduction in greenhouse gas emissions.	Medium-term	■□□
Strategic response: These initiatives present a significant opportunity to reduce our Scope 1 (reduction of gas consumption from heat pumps) and Scope 2 (on-site electricity generation from photovoltaic panels) emissions, thereby mitigating the on-cost associated with the potential introduction of carbon pricing while also potentially delivering utility cost reductions.		
Market opportunity The opportunity that consumer behaviours change, with consumption patterns shifting towards products perceived to be more environmentally friendly, resulting in sales opportunities. More environmentally orientated consumer behaviours could include supporting companies who have clear plans to achieve net-zero or who are actively engaged in DRS. It could also extend to increased 'staycations' or the favouring of domestic produced products.	Long-term	■■□
Strategic response: Communication with our customers and consumers is key to ensuring our environmental sustainability plans and progress are well understood. We provide regular updates to our customers via our sales force and we are increasingly communicating directly with all consumers, both on-pack and through traditional and social media channels.		

Potential financial impact Movement: ■□□ Moderate ■■□ Major ■■■ Critical

We believe that our strategic actions are currently providing an acceptable degree of long-term resilience, taking into consideration different climate related scenarios as set out below.

Risk Management

Identifying risks

Each department or function in the Company has its own risk register that is reviewed on a regular basis. Climate-related risks, including those associated with existing and emerging regulatory requirements, are identified and assessed alongside other business risks during the departmental reviews. Departmental risk registers feed into the corporate risk register, which is reviewed by our Group Risk Committee every two months.

The Emerging Risks and Opportunities Group, as already detailed in the Governance section, is responsible for the Group's emerging risk register, with a longer-term horizon than that considered by the departmental units. The Group Risk Committee will retain oversight of emerging risks going forward.

The ESG Committee owns, and is responsible for monitoring and updating, our material risks and opportunities related to climate change, as already detailed in the Strategy section. The ESG Committee is supported by a cross-functional group of senior executives who help input into this process both in terms of risk identification and assessment aligned to worst-case and best-case climate scenarios, as detailed here.

Best-case climate scenario **IEA Net-Zero by 2050**	**Worst-case climate scenario** **IPCC RCP8.5 / SSP5**
Scenario narrative & context Under this scenario, global warming is limited to below 1.5°C above pre-industrial levels by 2100 through global collaboration and policy intervention to reduce greenhouse gas emissions and reach net-zero emissions by 2050. For example, this scenario foresees the implementation of a carbon price/tax that could start at $75 per tonne CO_2e in 2025 for developed countries, rising to $205 per tonne CO_2e in 2040. We chose this scenario to assess transition risks and because its time horizon aligns with the UK Government's pledge to achieve net-zero by 2050, therefore offering a plausible pathway for our local authorities.	**Scenario narrative & context** Limited efforts are made by governments and businesses to reduce greenhouse gas emissions, leading to temperature rises of 4°C above pre-industrial levels by 2100. In this scenario, the emphasis turns to protecting the population and operational assets from the catastrophic impact of the changing climate as opposed to reducing the emissions themselves. We chose this scenario to assess the potential physical risks on our business and supply chain, as it is supported with long-term data ranges on temperature, precipitations and rise in sea levels. The data from the scenario extends to 2100 and allows us to take medium and long-term views on risks, considering the impact of market change in the locations of our own assets and at the origin of our key materials.

The climate-related risks considered material to our business are detailed on pages 18 and 19, however this scenario planning process identified a range of other risks and opportunities.

Responsibility report continued
We respect the environment continued

Assessing risks
Our corporate risk register guidelines provide the framework for defining financial and strategic impacts on our business. This framework applies equally to climate-related risks and categorises five levels of risk impact: "insignificant", "minor", "moderate", "major" and "critical".

The corporate risk register guidelines also include definitions for the likelihood of the risks, including: "rare", "unlikely", "possible", "likely" and "almost certain". Different parameters are taken into account when assessing the potential impact of a risk, including financial aspects, environmental aspects, and other aspects such as health and safety and corporate reputation. Each risk is given a risk rating before and after mitigating actions.

Gross risk impacts that fall in the categories of "moderate", "major" or "critical" would be deemed to be material.

From a financial perspective, a "moderate" impact is defined as impacting financial turnover or profit by between 3% and 10%, a "major" impact is defined as impacting financial turnover or profit by more than 10% and less than 25%. A financial impact of 25% of more on turnover or profit would be deemed as "critical".

Managing risks
The resolution of moderate impacts requires the input from the Executive team. The resolution of major and critical impacts requires the input from the Board and/or its sub-committees.

The Group Risk Committee reports back to the Audit and Risk Committee, attended by Directors on the Board. Similarly, the ESG Committee reports to the Board on the material climate-related risks identified.

Mitigating actions are developed for each risk and their effectiveness is reviewed on an ongoing basis. New actions are triggered in order to further reduce the net score of each risk, especially for those risks that sit outside of the Board risk appetite. Functional risk registers are reviewed in depth by the Risk Committee according to an annual schedule to ensure that risks are well represented and that actions are taken to reduce the level of risk for the business.

Metrics & Targets
The mitigating actions for our key climate-related risks, identified through our ESG Committee and our multi-functional and business-wide risk management process, are being managed primarily through our **No Time To Waste** environmental sustainability programme. This programme has identified a number of long-term climate-related goals, with the key deliverables being the achievement of our science-based targets and the ultimate delivery of our net-zero by 2050 commitment. Other climate-related targets and KPIs, including those related to packaging, waste and water are detailed within our long-term goals and non-financial key performance indicators on page 3.

On a cross-industry basis we are working collaboratively with other producers on the effective introduction of a deposit return scheme across the UK.

Our SBTi approved science-based carbon reduction targets are in line with the latest climate science recommendations necessary to meet the goals of the Paris Agreement and limit the temperature increase to 1.5°C above pre-industrial levels. These targets are detailed below and set out our commitment to be net-zero across our own operations by 2035 and across our wider supply chain by 2050, if not sooner.

NO TIME TO WASTE

Our science-based targets

Overall Net-Zero Target
We commit to reach net-zero greenhouse gas (GHG) emissions across the value chain by FY2050 from a FY2020 base year.

Near-term Targets
We commit to reduce absolute scope 1 and 2 GHG emissions 60% by FY2030 from a FY2020 base year.

We also commit to reduce absolute scope 3 GHG emissions from purchased goods and services, upstream transport and distribution and downstream transport and distribution 25% within the same timeframe.

Long-term Targets
We commit to reduce absolute scope 1 and 2 GHG emissions 90% by FY2035 from a 2020 base year.

We also commit to reduce scope 3 GHG emissions from purchased goods and services, upstream transport and distribution and downstream transport and distribution 90% by FY2050 from a FY2020 base year.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Notes:
FY2020 refers to AG Barr financial year 2020/21 ended in January 2021. The same convention applies to FY2030, FY2035 and FY2050

Our 2021/22 greenhouse gas emissions

	Emissions (t CO_2e)	
	2020/2021	**2021/2022**
Total Scope 1	5,434	**3,848**
Total Scope 2 (market-based)	1,888	**1,036**
Scope 3		
Purchased goods and services (product)	106,608	**86,767**
Purchased goods and services (non-product)	7,625	**11,877**
Capital goods	1,763	**3,311**
Fuel and energy related activities	2,150	**2,158**
Upstream transportation and distribution	4,587	**30,616**
Waste generated in operations	66	**117**
Business travel	226	**85**
Employee commuting	427	**223**
Upstream leased assets	–	**–**
Downstream transportation and distribution	18,768	**18,254**
Processing of sold products	–	**348**
Use of sold products (direct)	–	**–**
Use of sold products (indirect)	3,428	**2,016**
End-of-life treatment of sold products	1,570	**4,236**
Downstream leased assets	–	**–**
Franchises	62	**–**
Investments	–	**99**
Total Scope 3	147,280	**160,107**
Total Scope 1, 2 & 3	154,602	**164,991**

Our Scope 3 emissions increased by c.7% in 2021. This reflects our increased sales volumes as we recovered following the pandemic and some discrepancies and omissions identified in 2020's baseline assessment. The discrepancies and omissions have now been rectified and the learnings will be carried forward in our future carbon footprint assessments and future target setting.

While our full carbon footprint assessments run a year behind due to calculation and validation requirements, our Scope 1 and 2 emissions data is available for the 2022/23 financial year as follows.

Responsibility report continued
We respect the environment continued

Streamlined Energy and Carbon Reporting (SECR)
We are reporting against the SECR framework for the third year, for the period 31 January 2022 to 29 January 2023. We report as a quoted Company and confirm that all the minimum requirements have been addressed and are presented here. All global energy and emissions reported related to UK operations – there are no non-UK energy and emissions.

Our total energy consumption for 2022/2023 was 44,658,466 kWh. This includes our electricity, steam and natural gas usage for our production, distribution and office buildings, as well as transport fuels for logistics vehicles and Company cars.

Under a location-based approach, the total global Scope 1 & 2 carbon emissions associated with our reported energy use and fugitive emissions from refrigerant leaks for 2022/2023 were 8,822.83 tCO_2e, as summarised in the table below:

Carbon Emissions (Location-based)*	2022/23	2021/22
Scope 1 emissions – (tCO_2e)	**4,363.67**	3,847.87
Scope 2 emissions – purchased electricity (tCO_2e)	**4,328.29**	4,752.63
Scope 2 emissions – purchased stream (tCO_2e)	**130.87**	999.68
Total Scope 1 & 2 emissions (tCO_2e)	**8,822.83**	**9600.19**

* The location-based approach applies UK grid average carbon emission factors to all Scope 2 purchased electricity.

Under a market-based approach the total global Scope 1 & 2 carbon emissions associated with our reported energy use and fugitive emissions from refrigerant leaks for 2022/2023 are 4,539.70 tCO_2e, as summarised in the table below:

Carbon Emissions (Market-based)*	2022/23	2021/22
Scope 1 emissions – (tCO_2e)	**4,363.67**	3,847.87
Scope 2 emissions – purchased electricity (tCO_2e)	**45.16**	35.96
Scope 2 emissions – purchased stream (tCO_2e)	**130.87**	999.68
Total Scope 1 & 2 emissions (tCO_2e)	**4,539.70**	**4,883.52**

* It should be noted that, in 2021/22 purchased steam provided by a 3rd party at Cumbernauld is categorised under Scope 2 and accounted for 999.7tCO_2e. In 2022/23 we began generating our own steam rather than continuing to purchase steam from a third party. This change occurred on the 1st April 2022 and remained in place until the end of the financial period. A small amount of Scope 2 steam purchase remains for the first two months of the year reflecting 130.87tCO_2e of emissions.

Methodology
The methodology used is the WBCSD/WRI Greenhouse Gas Protocol – a corporate accounting standard revised edition in conjunction with UK Government environmental reporting guidelines including SECR guidance. An operational control approach has been taken. We have used the UK Government greenhouse gas conversion factors for company reporting 2022. Scope 2 emissions from purchased electricity have been measured using a location-based approach.

Intensity ratio
For 2022/2023, our emissions intensity, measured as the total Scope 1 and 2 emissions relative to the thousand litres of product produced is 20.34 kg CO_2e per thousand litres of product produced. This compares with 21.55 kg CO_2e per thousand litres of product produced, as detailed in our previous Annual Report.

Energy efficiency actions
1. We are procuring REGO backed renewable electricity across all our operational sites, leading to a significant reduction in Scope 2 emissions (under market-based reporting).
2. We are rolling out our "Brilliance in the Making" continuous improvement programme across our manufacturing sites. Through this programme we are investing heavily in the training of our staff in better problem solving and team working skills. This programme improves energy efficiency through reduction in changeover times, improvements in line reliability and the reduction of waste.
3. We are awaiting the delivery of 12 CNG trucks that will run on biomethane instead of diesel. We are expecting CNG trucks to deliver a 98% reduction in CO_2e when compared to diesel trucks.
4. We carried out a trial with hydrotreated vegetable oil (HVO) at one of our depots. The trial has been extended into 2023 and is expected to deliver a 97% reduction in CO_2e when compared to diesel trucks.
5. We have initiated a project at our Milton Keynes site aiming to reduce natural gas consumption by 90% through the use of solar panels and heat pumps. The feasibility study is underway.
6. The lights on our Campsies campus at Cumbernauld were switched to LED, with an expected annual energy saving of 76,000 kWh.
7. We initiated a project to install more efficient water pumps at our Cumbernauld site, expected to save circa 470,000 kWh in energy.
8. We have amended our company car policy so that from the 1st April 2023, new company cars allocated to staff will be either fully electric or hybrid. EV charging points have been installed at our Cumbernauld and Milton Keynes sites in order to support this transition.
9. Forklift use has been fully electrified in 2022/23 with no further use of LPG equipment

Reported emissions (and carbon offsets) (tonnes CO2e) *of carbon dioxide equivalent in the stated period*	2022/23	2021/22
Total net emissions	**8,823**	9,600
Total gross emissions (scope 1 and 2)	**8,823**	9,600
Total direct and indirect emissions (scope 1 and 2)	**8,823**	9,600
Direct emissions (scope 1)	**4,364**	3,848
Direct emissions (scope 1) stationary combustion	**2,526**	1,839
Direct emissions(scope 1) mobile combustion	**1,837.3**	2,009
Direct emissions (scope 1) from transport fuels	***1,837***	*2,009*
Direct emissions (scope 1) from other mobile combustion	***0.0***	*0.0*
Direct emissions (scope 1) from process sources	**0.0**	0.0
Direct emissions (scope 1) from fugitive sources	**0.0**	0.0
Direct emissions (scope 1) from agricultural sources	**0.0**	0.0
Total direct emissions (scope 1)		
Indirect emissions (scope 2)	**4,459**	5,752
Indirect emissions (scope 2) from electricity	**4,328**	4,753
Indirect emissions (scope 2) from purchased steam	**130.9**	999.7
Indirect emissions (scope 2) from purchased heating	**0.0**	0.0
Indirect emissions (scope 2) from purchased cooling	**0.0**	0.0
Total indirect emissions (scope 2)		
Energy consumption (kWh) *Kilowatt hour equivalent in the stated period*		
Energy consumption used to calculate emissions	**44,658,446**	46,218,416
Energy consumption, combustion of gas	**13,840,144**	9,129,265
Energy consumption, electricity	**22,382,308**	22,383,215
Energy consumption, combustion of transport fuel	**7,719,044**	8,469,091
Energy consumption, other (Thermal Fuels)	**0.0**	107,296
Intensity ratio		
Intensity ratio	**0.020**	0.022
The reported emissions intensity ratio is the total gross emissions (Scope 1 & 2 in tonnes CO_2e) per thousand litres of product produced		
Intensity ratio based solely on mandatory data	**True**	True

TCFD Compliance Statement

Our climate-related financial disclosures are consistent with all of the TCFD recommendations and recommended disclosures. By this we mean the four TCFD recommendations and the 11 recommended disclosures set out in Figure 4 of Section C of the report entitled "Recommendations of the Task Force on Climate-related Financial Disclosures" published in June 2017 by the TCFD.

Responsibility report continued

3 GOOD HEALTH AND WELL-BEING

We support healthy living

Calorie reduction

Our job has always been, and continues to be, about understanding consumers and their changing tastes and preferences, and providing them with great products. Evidence shows that most soft drinks consumers want to reduce their sugar intake while still enjoying great tasting drinks. We have been reducing the sugar content across our soft drinks portfolio and introducing new and innovative reduced sugar products in response to our consumers' changing tastes and preferences for many years.

98% of our Barr Soft Drinks portfolio by volume is considered no or low sugar, containing less than 5g total sugars per 100ml, and exempt from the UK Soft Drinks Industry Levy, often referred to colloquially as the "sugar tax".

New price and location restrictions came into force in England in October 2022, applicable to High Fat, Sugar and Salt (HFSS) products. The definition of "high sugar" for standard soft drinks is greater than 4.5g total sugar per 100ml and from April 2022, six months ahead of the new regulations, 98% of our Barr Soft Drinks portfolio was HFSS exempt.

Responsible advertising and marketing

We take our responsibility in how we market, promote and advertise our products very seriously. We advertise responsibly, offer a wide range of pack sizes to assist with portion control and, by providing clear nutritional information, enable our consumers to make informed choices. We fully comply with all of the appropriate regulations and in some cases go beyond the standards set, such as in the area of energy drinks where our industry code exceeds regulatory requirements.

Labelling

We have always been committed to providing clear calorie and nutritional information on our soft drinks packs to help consumers choose products that are right for them. We were one of the earliest adopters of the government's voluntary front of pack nutritional labelling on all our Company-owned Barr Soft Drinks brands, which is a simple traffic light style scheme, making it even easier for consumers to find the information they need.

Research and Development

Our positive portfolio position is supported by our in-house research, development and innovation team, which delivers a wide range of reformulation and innovation projects, using the experience they have gained over many years to optimise recipes and carry out robust consumer research to ensure our recipes meet consumer needs.

In focus

Investment in new R&D laboratory

In September 2022 we hosted employees from around the business in a series of open days at our newly refurbished Middlebrook laboratory.

The lab plays a vital role in the business and the investment in an extensive refit of the facilities demonstrates the importance placed on flavour, quality and innovation. Colleagues were invited to view a new sensory suite, packaging lab and enhanced general lab space giving them the opportunity to see how our famous products are developed. Colleagues were also offered the opportunity to design their own beverage, give it a name and take it home for their friends and family to try.

We give back

Engaging with communities

Supporting and working with our local communities has been at the core of our business since we were first established in 1875.

We support a range of charities and community groups across the UK, from local clubs and charity fundraisers to large charities helping people on a national scale. We help in various ways, including financially, through donations or on a practical level with employee volunteering.

In focus

Support for GroceryAid

September 2022 saw us become headline sponsors for "Checkout Scotland" an inaugural music event held in support of retailer charity GroceryAid.

GroceryAid is a charity that offers invaluable support to colleagues across the retail sector giving them access to vital financial and wellbeing services.

The gig took place in the fantastic Glasgow venue Barras Art & Design with over 700 guests attending to enjoy an impressive line-up of acts including Scouting for Girls, The Feeling and Sophie Ellis-Bextor.

As headline sponsors, IRN-BRU's presence was unmissable from our branding, to our VIP area and even IRN-BRU burger sauce.

The event helped raise awareness of the charity and the life-changing work it does for industry colleagues in need of a little help.

New charity partner

In June 2022 our employees voted for a new three-year charity partner – Marie Curie.

After three successful years working with Mental Health UK, our employees voted for Marie Curie as our new partner, a fantastic charity that provides care and support to people coping with terminal illness as well as those close to them.

The three-year partnership will see the business donate £150,000 directly to the charity, with additional fundraising from employees adding further support.

Employee volunteering

Our employees are encouraged to take part in volunteering activities, often giving something back to the local communities we serve. This year saw employees volunteering for a range of deserving causes, including Women's Aid, the Children's Panel and a local biodiversity project.

In focus

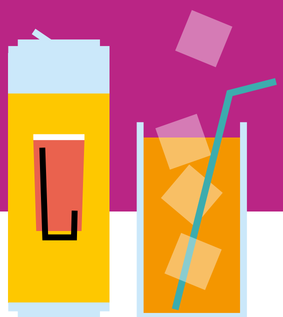
FUNKIN and The Drinks Trust

FUNKIN's marketing team spent a volunteer day hosting a marketing workshop for aspiring future leaders within the hospitality and drinks industry.

In collaboration with The Drinks Trust, 21 members of its Develop programme – ranging from hospitality staff to managing directors and business owners – attended five separate workshops learning about brands, trade and digital marketing, menu-building, mixology and innovation.

A rewarding day for both the participants and our FUNKIN colleagues, it was an opportunity to share expertise and inspire the future professionals of the drinks industry.

Since 1886, The Drinks Trust has provided care and support to the drinks hospitality industry workforce, both past and present. The Drinks Trust is run by industry professionals, funded by drinks industry partners, including FUNKIN, and supported by thousands of drinks hospitality industry fundraisers, donors and contributors.



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