

HAPPIER FUTURE PROGRESS REPORT 2024

Nichols plc



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OUR *happier* FUTURE

Progress Report 2024

2024 was the third successful year of implementing our Happier Future strategy.

Key highlights from our work in 2024 include:

'A' rating

Having our sustainability strategy externally recognised, achieving an Integrum ESG rating of 'A' (an investor-focused sustainability rating)

High scoring

Continuing to attain high employee engagement scores in our annual employee survey

51% rPET

Achieving 51% recycled PET (rPET) across all of our UK packaged product portfolio

100% Compliant

Obtaining 100% compliance of our primary partners with the Nichols Code of Conduct

This was the third year of our Happier Future strategy and, therefore, presented an opportunity to reflect on the achievements and challenges we have faced since launching our strategy. Our reflections and learnings inform our 2030 commitments, which we are pleased to share in this report. These commitments will guide action for the next five years, ensuring we remain ambitious yet cognisant of the changing market, our business needs, and stakeholder requirements.

This year we launched our new strategy and Group Operating Framework, in which Happier Future remains a strategic pillar. We also launched our business transformation programme including a major update to our enterprise resource planning (ERP) system. These business developments required significant resources, time, and commitment from our people, meaning some of our Happier Future initiatives were unable to benefit from the same level of resource as previous years. For example, we made the difficult decision not to run Camp Vimto this year. In 2025, we will resume Camp Vimto in the autumn. Our Happier Future workstreams will also be accelerated in 2025 as we implement our new Group Operating Framework and launch our new ERP system. We also had planned to develop a UK water strategy, but the complexity of the topic meant that this year we focussed our efforts on developing a clear understanding of our water impacts across our entire value chain. Next year, using and enhancing this knowledge, we will develop a comprehensive, global water strategy.

An enduring challenge for our industry is the availability and cost of moving to recycled PET (rPET) packaging in our plastic bottles, with systemic challenges such as delays in the implementation of the UK Deposit Return Scheme (DRS) and Extended Producer Responsibility (EPR) and rising costs across the market preventing us from achieving our commitments in previous years. This year, we made it a business priority

to reach 51% rPET content in our UK packaged goods which we achieved. Our original, ambitious commitment was to achieve 100% rPET in our UK packaged goods by 2025, but we have revised this, committing to increase rPET up to 100% in the bottles in our UK packaged goods by 2030. We will actively support the implementation of the UK DRS and EPR in order to achieve this commitment.

Our business exists within a system, and our ability to achieve our Happier Future goals is interdependent with the commitments and actions of our partners throughout our business ecosystem. This year we continued to engage and collaborate with our partners and suppliers to drive positive change within the system. We acknowledge the complexity of addressing many of the topics and issues facing our people and planet today and strive to continue this collaboration and deliver on our commitment to people and the planet.

In the face of intersecting social and environmental crises, it's more important than ever for businesses to take action on sustainability. We thank all our partners, suppliers and customers, for their continued hard work and support, particularly those who remain engaged and committed to helping us fulfil our Happier Future goals, despite the challenges faced. Looking forward to 2025, we will continue to 'do the right thing', using good governance to drive action in our areas of focus and extend our impact across our whole value chain.

IMPACT OVERVIEW

Where we
delivered WOW
this year

98%

OF OUR PEOPLE ARE PROUD
TO WORK AT NICHOLS

10

NEW PRODUCTS WERE
LAUNCHED WITH LOW
OR NO ADDED SUGAR OR
ADDED NUTRITION

£20,000

WAS RAISED FOR WARRINGTON YOUTH ZONE

ALL OF OUR
BOTTLES IN OUR
UK PACKAGED
PORTFOLIO
NOW CONTAIN

51%
rPET

50.7
TONNES OF
PLASTIC

AND

37.8
TONNES OF
ALUMINIUM

WILL BE SAVED THROUGH
WEIGHT REDUCTIONS IN OUR
PRODUCT PACKAGING

100%

OF OUR PRIMARY
PARTNERS COMPLY WITH
OUR CODE OF CONDUCT

31%

REDUCTION IN OUR
DIRECT (SCOPE 1)
CARBON EMISSIONS

Where we will look to find a better way

Drive communication and engagement
with employees at all levels with the
Happier Future strategy

Ensuring partners beyond our
primary partners align with our
responsible sourcing programme

Developing a Sustainable Packaging
Roadmap, including a plan for the launch
of the UK Deposit Return Scheme (DRS) in 2027

Improving our carbon accounting
process to capture the footprint of
the entire business every year

Understanding and mapping our water
footprint to inform a water strategy
for the business

"GOVERNANCE" - OUR HAPPIER FUTURE STRATEGY

OUR HAPPIER FUTURE STRATEGY

Our Happier Future framework sets out our approach to doing business in the right way, for our consumers, customers, partners, employees and the world around us. Over a hundred years of experience have taught us that it is through continuous evolution that we ensure the sustainability of our business.

Our Happier Future Strategic Framework enables us to do just that. The strategy is organised into three interconnected pillars, with tangible goals to align our resources, employees and stakeholders.

BRINGING OUR HAPPIER FUTURE STRATEGY TO LIFE EVERY DAY

We have communicated the Happier Future strategy throughout the organisation so that every employee understands what it means for them and their role. We continually make progress on our Happier Future strategy by maintaining our clear governance, leadership and activation of our strategy. This means ensuring that:

- The Board is actively involved in shaping the strategy, including our future focus areas, and is regularly updated on progress
- The Steering Committee monitors and reviews progress against the strategy, and provides new insights to further develop our strategic approach
- We maintain a clear set of workstreams, ensuring all plans and commitments are managed through multidisciplinary project teams, including relevant technical experts. These teams regularly report progress and escalate potential issues through the Steering Committee
- All employees receive quarterly updates on our progress and achievements
- We continually collaborate with all our partners to align our long-term sustainability goals and medium-term priorities



Sharing our new 2030 commitments

We are pleased to share our new 2030 Happier Future commitments. These commitments will act as our north star, guiding our Happier Future workstreams over the next five years.

When developing the 2030 commitments, our Happier Future Steering Committee considered current market trends, the wider business objectives and progress against our 2025 commitments.

We will strive to fulfil our 2030 commitments as well as continue to do the right things for our people, our products and our planet, whilst keeping apprised of market conditions, innovations and stakeholder expectations to ensure the targets remain in line with our ambition and capabilities.



PROGRESS IN 2024

A highlight this year was having our sustainability strategy externally recognised by Integrum ESG (an investor-focused sustainability rating), achieving an 'A' rating.

We also launched our new strategy and Group Operating Framework in which Happier Future is a strategic pillar. We also launched our business transformation programme, a major update to our enterprise resource planning (ERP) system, with implementation commencing in early 2025. This update will optimise our ways of working, support better decision making and enhance data integration with key partners, accelerating action against our Happier Future strategy.

This year we also identified three priority areas in our 'Decarbonising our Supply Chain' workstream - Ingredients, Packaging, and International - emissions 'hotspots' that align with existing workstreams across the business.

FOCUS FOR THE FUTURE

We will continue to review the governance structure of the Happier Future strategy and identify further opportunities to embed action throughout the business. Some changes will include:

- Broadening the involvement of the Senior Leadership Team in the strategy, ensuring all members have responsibility for leading one of the Happier Future pillars
- Onboarding an internal communications manager to enhance awareness and engagement in sustainability across our business
- Developing a holistic compliance and responsible sourcing strategy to streamline our due diligence process with the partners in our value chain



1. 2018 baseline.
2. 2022 baseline.

Everyone Matters

Doing things in the right way means ensuring everyone is looked after, from our employees to those in our local communities. Our approach is led by our strong values, with a focus on putting our people first and giving back to those who need it most.



OUR COMMITMENTS

2025

We will improve the future for over 100 young people in our local communities, raising aspirations through skills development and career development opportunities

2030

We will make a tangible difference to the employability and wellbeing of 200 young people in the communities in which we operate

96%

of respondents said, 'I am free to be myself at work' (+4% from 2022)

PUTTING OUR PEOPLE FIRST

Our people are the foundation of our business. Thanks to their continued commitment and motivation to make life taste better, we have had another successful year.

PROGRESS IN 2024

This year we completed initiatives in each of our focus areas: inclusion and diversity, employee development and employee wellbeing, engagement and satisfaction.

KEY HIGHLIGHTS THIS YEAR

Inclusion and diversity

Highlights from our efforts this year to promote a safe and inclusive environment included:

- Improved employee engagement survey scores in questions related to inclusion (see left)
- Received high engagement with our Inclusion Hub, posting resources on topics including women's health and neurodiversity
- Our LGBTQ+ Forum and Female Leadership Network attended education and awareness workshops, including an inclusive language workshop, to grow a sense of belonging among employees
- Hosted a workshop open to all employees on using inclusive language
- Our Female Leadership Network (FLN) attended an engaging event and invited younger employees of all genders to join them. The event gave an insight into the reasons the network is important and valuable for women at Nichols

90%

of respondents said, 'I feel I belong at Nichols' (+3% from 2022)

93%

of respondents said, 'Nichols encourages open conversations about diversity and inclusion' (+5% from 2022)

Employee development

Our commitment to a Happier Future is reflected in how we look after every one of our employees. After all, our people are the ones delivering our vision. Highlights this year included:

- Provided opportunities for our people to take on more responsibilities and receive training as part of our business transformation programme, contributing to their professional development
- Hosted several workshops to support employee development including:
 - A workshop, delivered by Strengthscope, helping employees understand their strengths and how to leverage them to develop in their roles at Nichols
 - A workshop on 'communicating with impact' to support our people to enhance their communication skills

Employee wellbeing, engagement and satisfaction

To ensure our employees know their voices matter, we conduct a regular employee engagement survey to gather their feedback and input. Their feedback shows us how we can continue to uphold our commitment to supporting their well-being and make Nichols a great place to work.

Feedback from the previous employee engagement survey indicated that we could better support our people to manage their well-being. Therefore, in 2023 we set up an Employee Well-being Forum and in 2024 the Forum commenced several initiatives to encourage employees to discuss and share knowledge on topics that impact people at work. Read more in the case study on page 17. Other highlights from this year include:

- Maintained high scores in our employee engagement survey, completed by 90% of our people (a 3% increase from the previous year). See right:

98%

of respondents are proud to work at Nichols

94%

of respondents feel positive about working at Nichols

96%

of respondents would like to be at Nichols in 12 months' time

Happier Future

Progress Report 2024

- Developed an action plan to improve two-way communication and increase collaboration across the business
- Started developing our employee value proposition to ensure our benefits and support packages continue to meet the needs of the business and our employees
- Brought the entire business together for our annual business conference to present our business strategy, celebrate achievements and have fun together

“The conference was a fantastic opportunity to learn more about our strategic priorities for the upcoming years. The extensive details delivered by our senior leadership team provided clarity and encouraged positivity, helping our business stay aligned and excited for the development ahead.”

Sinead Nicholas, PMO Coordinator

FOCUS FOR THE FUTURE

We will continue to prioritise our people by:

- Completing our employee value proposition and developing a plan to make any improvements necessary to ensure our employee support packages continue to meet their needs
- Implementing the action plan to improve two-way communication throughout Nichols
- Running 'Agile Leadership' training to upskill our management and leadership teams in delivering transformational change throughout the business

GIVING BACK TO OUR LOCAL COMMUNITIES

We believe that every young person matters, yet in today's society, access to opportunities is not equal. The primary consumers of our products are young people, and we are committed to supporting them with more than just refreshments.

PROGRESS IN 2024

Since 2022, through our community partnerships and Camp Vimto programme, we have made a tangible difference to over 72 young peoples' lives in the UK and Africa. We are on track to reach our 2025 commitment of 100 young people.

This year we focussed on the development of a more structured approach to our community partnerships to increase the impact we can have in the future.

KEY HIGHLIGHTS THIS YEAR:

- Established a forum to increase community engagement across the whole business and enable our people to support the community initiatives that are important to them
- Raised £20,000 for the Warrington Youth Zone, double the amount we raised last year
- Continued our annual "Day to Make a Difference" initiative
- Sponsored the 'Most Inspirational School/ College Award' at the Educate Rochdale Awards, launched this year to uplift, inspire and celebrate outstanding achievements and contributions to education in Rochdale
- Continued to support Manchester Thunder – the first ever ParaNetball club by a Super League netball team – and Waves4Change – an international charity supporting vulnerable young people through surfing lessons

Camp Vimto – A fallow year

We made the difficult decision not to run Camp Vimto this year. Our business transformation programme placed significant additional demands on our people through 2024 which impacted the availability of resources to run the Camp. We do not anticipate this to be an ongoing issue and will resume Camp Vimto in 2025. We have restructured future Camp Vimto programmes to make it as successful as possible, including forming new partnerships with regional academies to support recruitment of participants.



FOCUS FOR THE FUTURE

We will carry forward our work and partnerships that tangibly benefit young people by:

- Running Camp Vimto next autumn to make a tangible difference to the lives of the 20 young participants
- Strengthening our partnership with Waves4Change throughout Africa
- Supporting Cricademia, who work with young people in vulnerable communities in Leeds, to improve their lives through cricket
- Leveraging our network to support Manchester Thunder to roll out their programme in new regions
- Using our new community forum to engage our staff in more community work



Case Study

Continuous commitment to employee well-being - our Employee Well-being Forum

Our people are the foundation of our business and ensuring their well-being is a key priority. Feedback from our previous employee engagement surveys indicated that we could better support people in managing their well-being, an area we were keen to address and improve.

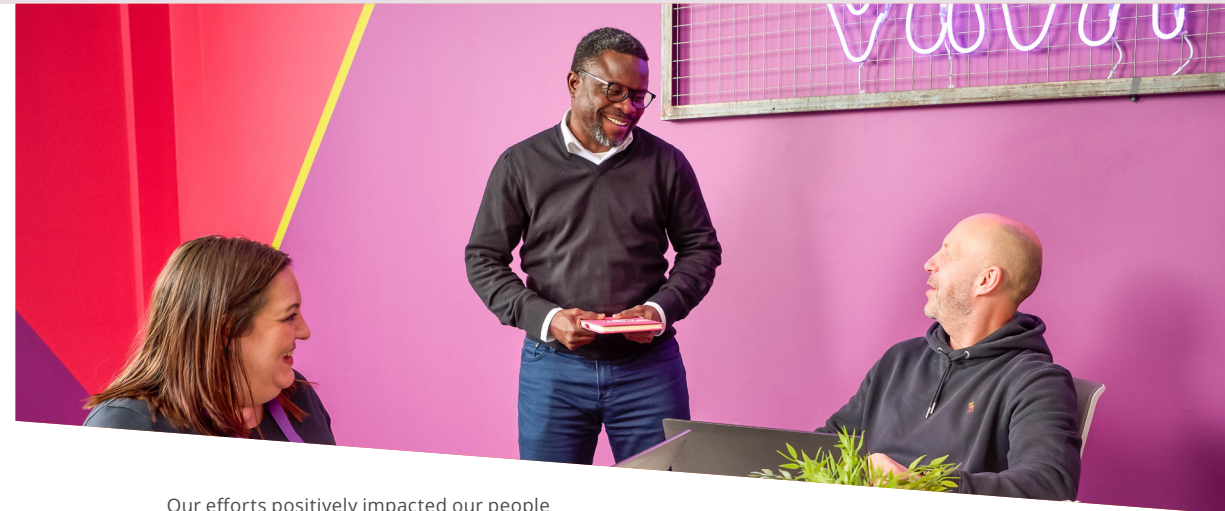
In 2023 we set up an Employee Well-being Forum and in 2024 the Forum commenced several initiatives. The Forum is led by 12 voluntary 'Well-being Champions' who represent a range of departments, seniorities, ages, and backgrounds. Four pillars were identified as focus areas:

- Physical well-being
- Emotional well-being
- Social well-being
- Well-being support

Our Well-being Champions, with support from other team members, ran initiatives throughout the year related to the four pillars, including:

- **Physical well-being**
 - We set up 'Vimto Active' – an inclusive challenge for our people to get active by working as a team to walk, run, swim or cycle around the world

- **Emotional well-being**
 - The work in this area is centred around breaking taboos and talking about issues that can be uncomfortable to discuss at work, including menopause and neurodiversity:
 - We hosted a menopause café with Henpicked, for employees of all genders to increase understanding of menopause, how it affects people and how to support colleagues experiencing menopause
 - We hosted a workshop to understand how neurodiverse people can learn differently from neurotypical people. This workshop prompted some staff to open up to managers about their neurodivergence and seek support
- **Social well-being**
 - We encouraged employees to make the most of our agile working practices to support their well-being and shared examples to inspire others
- **Well-being support**
 - We raised awareness of, and engagement with, the support and benefits we have in place, including our Employee Assistance programme
 - The team ran a quarterly briefing to remind staff what benefits are available and how to find and access them



Our efforts positively impacted our people we have seen increased scores on well-being-related engagement survey questions this year. 80% of people said that Nichols supports them in managing their mental health, an 8% increase from 2022. 91% of people believe their personal safety, health and well-being is always a high priority for Nichols, 7% higher than in 2022. Raising awareness and sharing personal stories about topics that are often uncomfortable to discuss at work contributed to a sense of psychological safety, as well as feeling understood and valued.

"I have been a member of the Nichols Well-being Forum for just over a year now. We have seen numerous employees opening up to their line managers and colleagues about their own experiences with neurodiversity and menopause, something they would not have felt comfortable sharing previously."

Claire Sutton - Finance Business Partner

"Being a member of the Well-being Forum really encouraged me to share my experiences with the wider group. Leading the physical wellbeing programme also gave me a huge sense of satisfaction being able to encourage colleagues to get outdoors and active."

Mike Hooper - Business Unit Manager (EU & US)

WHAT'S NEXT?

We plan to build on the success of the Well-being Forum this year and continue to run initiatives relating to our four pillars of well-being. We will provide more educational sessions and maintain a platform for our employees to discuss issues that impact their well-being.

As well as continuing to offer schemes that support employees to manage their well-being, we will also be seeking to increase communication about and engagement in the well-being support tools and initiatives already in place. This will begin by hosting regional sessions to provide all employees with an update on progress and successes over the previous year.



Products we're proud of

We're passionate about making products that consumers love - it's at the heart of what we do.

This means developing products that allow consumers to make healthier choices, strengthening our approach to responsible sourcing, and challenging ourselves to find more sustainable packaging options.



OUR COMMITMENTS

2025

We will innovate to allow our consumers to make healthier choices

We will continue to ensure that all our UK packaged products contain 51% recycled PET

2030

We will fully embed our 'Responsible Sourcing Programme' across our entire value chain

We will increase the recycled content of our UK plastic bottles up to 100%

HEALTHIER HYDRATION

PROGRESS IN 2024

We continued to innovate to offer consumers healthier choices. This includes ensuring that the sugar content of all of our UK packaged products remains below the level specified by the Soft Drinks Industry Levy Regulations 2018.

KEY HIGHLIGHTS THIS YEAR

- Launched eight new products in the UK with no or low added sugar or fortified with vitamins across our Vimto, SLUSH PUPPIE and Levi Roots brand portfolio
- Launched two new zero-sugar products in the Middle East: Vimto Zero Sugar cordial and Vimto Zero Sugar carbonated soft drink
- Launched Vimto squash fortified with Vitamin C in Malaysia

FOCUS FOR THE FUTURE

We will continue to provide healthier hydration by:

- Continuing our established approach to innovation and renovation to meet evolving needs and allow our consumers to make healthier choices with a particular focus on developing more products with added benefits

SUSTAINABLE PACKAGING

We are aware of the importance of delivering sustainable packaging solutions in our industry and remain committed to working with our partners to achieve this.

PROGRESS IN 2024

This year we achieved 51% rPET content of all PET bottles in our UK packaged portfolio (read more about this in the case study on page 22). We achieved this despite continued challenges around the availability and cost of moving to rPET packaging and systemic challenges such as delays in the implementation of the UK Deposit Return Scheme (DRS) and Extended Producer Responsibility (EPR). These had prevented us from achieving our commitments in previous years. Our original, ambitious commitment was to achieve 100% rPET by 2025 but, given the challenges, we have adjusted the deadline to 2030. We will actively support the implementation of the DRS and EPR to achieve our goal.

This year we completed several other projects to reduce the amount of packaging and virgin materials we use in our final products and during their production.

KEY HIGHLIGHTS THIS YEAR

- Continued to apply our Sustainable Packaging Policy in collaboration with our partners and co-packers to achieve several improvements to our packaging:
 - Reduced the weight of our 725ml bottles which will going forward save approximately 8.44 tonnes of plastic every year
 - Reduced the weight of our 330ml cans by 0.4g which will save approximately 37.8 tonnes of aluminium each year
 - Introduced a 40% rPET cup range, which reduces our virgin plastic use
 - Introduced labels with 30% recycled content on all our dilute-to-taste products
- Continued reviewing and removing unnecessary packaging used when transporting our products
 - Reduced the thickness of pallet stretch film and moved to a film made of 30% recycled content. Our new supplier is based in the UK which will reduce the carbon emissions from shipping the film
 - Removed the shrink wrap from our Bag-in-Box products which saves 14.7 tonnes of plastic per year and also saves energy at our manufacturing site
 - Introduced mono-material bags for our Bag-in-Box syrup products across 50% of our total product portfolio, increasing their recyclability

FOCUS FOR THE FUTURE

We will continue to implement the four pillars of our packaging strategy (reduce, reuse, recycle and reimagine) by:

- Looking to increase the proportion of rPET in the bottles in our UK packaged portfolio beyond 51%, in line with our 2030 commitment
- Developing a Sustainable Packaging Roadmap, ensuring business readiness for the 2027 launch of DRS in the UK
- Refreshing and driving implementation of the Nichols Sustainable Packaging Policy, looking for opportunities to reduce and remove packaging in collaboration with suppliers, co-packers, licensees and manufacturers
- Completing several specific initiatives to increase the sustainability of our packaging, including:
 - Removing the metal spring from our Vimto Syrup Bag-in-Box packaging, making it 100% plastic and recyclable
 - Conducting a strategic review of aluminium to look for opportunities to reduce the climate impact of our cans
 - Continuing to reduce the weight of our plastic bottles, thereby reducing the volume of plastic we use

RESPONSIBLE SOURCING

The unique flavour of our products begins with quality ingredients sourced from trusted and responsible partners. We continue to improve our procurement processes to ensure we source ingredients and materials from suppliers with high product quality, labour protections and strong environmental practices.

PROGRESS IN 2024

This year we made significant progress embedding our responsible sourcing practices into 'business-as-usual'.

KEY HIGHLIGHTS THIS YEAR

- Achieved 100% compliance of primary partners with the Nichols Code of Conduct by continuing to work with our primary partners, supporting them to complete the SAQ and implement risk mitigation measures
- Launched a self-assessment questionnaire (SAQ) for our partners to identify risks, enabling us to provide risk mitigation support in the future. The SAQ was well-received and completed by 68% of our primary partners
- Integrated the Code of Conduct and SAQ into our partner onboarding process to ensure collaboration and action aligned with our sustainability goals from the onset of our relationship
- 84% of our Vimto UK brand licensing portfolio is now palm oil free, with the remaining palm oil used in our products certified by the Roundtable on Sustainable Palm Oil (RSPO)

FOCUS FOR THE FUTURE

We will continue to source our products responsibly by:

- Achieving 100% completion of self-assessment questionnaires by primary partners and commencing work to address the results
- Exploring mechanisms to achieve compliance with the Nichols Code of Conduct and SAQ of partners beyond our primary partners
- Continuing to ensure that any palm oil used in our products is certified by the RSPO

Case Study

Doing the right thing across our packaged portfolio –

achieving our rPET commitment despite difficult market conditions

Product packaging, particularly in the drinks industry, can have a significant negative impact on our planet. As well as contributing to landfill, the chemicals contained in packaging can be harmful to people and the planet, whilst non-recyclable packaging uses limited and finite resources. At Nichols, we therefore prioritise making our packaging as sustainable as possible, including transitioning towards using recycled material rather than virgin resources in our products, particularly our plastic bottles (which are made of PET).

From the outset of our Happier Future strategy, we had a commitment of achieving 51% rPET content of bottles across our UK packaging portfolio. Achieving this commitment was initially impacted by the delays to factors including, rising inflation and delays in the implementation of a national Deposit Return Scheme (DRS) and Extended Producer Responsibility (EPR) in the UK. Furthermore, we wanted to source rPET from local sources where possible to prevent additional carbon emissions from transporting the material around the world. This decision increased the difficulty of sourcing affordable rPET as demand (and therefore prices) continued to rise in local markets. By the end of 2023, we had still not reached our commitment, with an average of 40% rPET across our UK packaging portfolio.

Sticking to our value of doing the right thing, this year, despite continued challenges and rising costs, made it a business priority to ensure we achieved our 51% rPET goal. Ensuring all of our products packed in the UK have bottles containing 51% locally sourced rPET required investing more than we had predicted, but we believe the positive impact on the environment and society of this investment outweighs this cost.

Moving from 40% to 51% rPET reduces the amount of virgin plastic used to create our drinks and thereby reduces the total amount of virgin plastic entering the UK waste stream by 112.67 tonnes per year

WHAT'S NEXT?

We will maintain 51% rPET across our UK packaged portfolio in the short term and have now set a longer-term commitment of increasing the rPET content of all UK packaged goods up to 100% by 2030. To achieve this, we will develop a Sustainable Packaging Roadmap that includes a plan to increase the rPET content of our UK plastic bottles in alignment with this commitment.

We recognise we cannot reach 100% rPET on our own. We need systems changes and legislation like the DRS to ensure the availability of rPET in the UK, and will therefore continue to use our collective leverage, working with industry bodies and associations including the Department for Environment Food and Rural Affairs and the British Soft Drinks Association to advocate for the change we need.



Owning our Climate Impact

Nichols is committed to taking action to reduce our climate impact.

We recognise that the impact of the climate crisis presents a principal risk to the business¹, and we remain focused on reducing our carbon emissions to align to a net-zero future.



OUR COMMITMENTS

2025

We will reduce our impact on climate change by reducing absolute Scope 1 and 2 greenhouse gas emissions² by 25% by 2025 and define our net zero roadmap

2030

We will reduce our impact on climate change by reducing absolute Scope 1 and 2 greenhouse gas emissions² by 80% and reduce Scope 3³ emissions by 20% by 2030

OUR TOTAL 2024 EMISSIONS

	2018	2019	2020	2021	2022	2023	2024	Units
Scope 1	1,111	1,307	906	915	1,139	913	626	tCO ₂ e
Scope 2	408	273	204	203	169	0	0	tCO ₂ e
Scope 3	- ¹	- ¹	- ¹	0	0 ²	0	-	tCO ₂ e

- 1. Unknown.
- 2. UK only.

This table shows our Scope 1, 2 and 3 emissions from our baseline year (2018) to 2024. This year we have reduced our UK Scope 1 carbon emissions by 293 tCO₂e to 626 tCO₂e. This is a 28% decrease from 2023. Our Scope 2 emissions remained at net-zero. Our total carbon footprint for this year is unknown due to our efforts focusing on reducing rather than re-calculating our Scope 3 emissions.

KEY TERMS

Greenhouse gas (GHG) emissions – Gases in the Earth’s atmosphere that trap heat, contributing to climate change. This includes carbon dioxide, produced when burning fossil fuels like oil, coal and natural gas.

Scope 1 – Direct GHG emissions that occur from sources that are controlled or owned by an organisation

Scope 2 – Indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling

Scope 3 – All other indirect GHG emissions that occur in a company’s value chain

Net-zero – Cutting greenhouse gas emissions to as close to zero as possible, with any remaining emissions re-absorbed from the atmosphere

1. The Board takes overall accountability for owning our climate impact and managing the risks and opportunities that this presents. You can find out more about the process for identifying and assessing climate-related risks, including how it is aligned to the Group’s risk management policy, on page 75 of our annual report.

REDUCING OUR DIRECT EMISSIONS

Nichols has a strong track record in reducing our Scope 1 and 2 carbon emissions and we have an ambitious commitment to reduce them by 80% by 2030, in order to reach net zero by or before 2050.

PROGRESS IN 2024

This year we have reduced our UK Scope 1 carbon emissions by 287 tCO₂e to 626 tCO₂e. This is a 31% decrease from 2023. Our Scope 2 emissions remained at net-zero as we continued to purchase 100% renewable energy. We are on track to reduce our impact on climate change by reducing absolute Scope 1 and 2 Greenhouse Gas emissions² by 25% by 2025. For further information please see the Streamlined Energy and Carbon Reporting (SECR) on pages 56 and 57 of our annual report.

Decarbonising our fleet

Carbon emissions from our Out of Home (OoH) fleet make up a large portion of our Scope 1 emissions. Our electric vehicle (EV) strategy ensures we remain committed to decarbonising this area of our business in the future. Implementation is dependent on external factors (e.g. availability of charging infrastructure and suitable vehicles) and we must collaborate with other industry players to transition to an electric fleet. This year we embarked upon a long-term agreement with an EV provider, designing a roadmap to implement our electric-fleet strategy and transition to a fully electric fleet by 2030.



- 2. 2018 baseline.
- 3. 2022 baseline.

HIGHLIGHTS THIS YEAR INCLUDE:

- Completed phase 3 Energy Savings Opportunity Scheme (ESOS) reporting
- Continued to make energy efficiencies at our Ross-on-Wye OoH manufacturing site

FOCUS FOR THE FUTURE

We will progress further along our roadmap for carbon reduction across our Scope 1 and 2 emissions by:

- Implementing our EV roadmap
- Implementing further energy-saving measures identified in our ESOS report
- Continuing to reduce energy use at our Ross-on-wye OoH manufacturing site

DECARBONISING OUR SUPPLY CHAIN

Reducing our Scope 1 and 2 emissions is important, but the majority of our emissions are upstream in our value chain (Scope 3 emissions). We focus on reducing emissions associated with our carbon hotspots (highest emitting areas) – packaging, ingredients and co-manufacturers' energy use.

PROGRESS IN 2024

In 2024, we did not measure our Scope 3 emissions, instead prioritising resources for reducing emissions in our hotspots. We recognise the importance of monitoring progress to inform meaningful emissions reductions and will measure Scope 3 emissions in the future.

HIGHLIGHTS THIS YEAR INCLUDE:

- Achieved most of the activities planned for 2024 on our net zero roadmap, with a focus on tackling the carbon hotspot, packaging, including:
 - Achieved 51% rPET content in all of our UK plastic bottles
 - Reduced the amount of packaging used for transporting our products
 - Introduced mono-material bags for our Bag-in-Box syrup products across 50% of our total product portfolio, increasing their recyclability
- Moved a proportion of the production of canned goods sold to the African market from Spain and Portugal to Senegal to reduce the emissions associated with transportation.

Read more about this project in the case study on page 27

- Identified areas of alignment between our climate commitments and our international partners. We then began collaborating to address areas of misalignment and identify a common way forward that delivers mutual benefits and addresses key areas of collective impact

Improving our carbon impact through our ingredient choices

Our ingredients are one of our three carbon hotspots and are therefore a focus area in our net zero roadmap. This year we identified that sugar and grape juice contribute most to the carbon emissions associated with our ingredients, and so these were the focus for decarbonisation.

We began by reviewing our sugar and grape juice supply chains, exploring innovations and best practices in the market to identify opportunities to collaborate with our producers and reduce the carbon impact of these ingredients. We also engaged with The Sustainable Juice Covenant to explore opportunities to increase sustainable juice production across the entire supply chain.



FOCUS FOR THE FUTURE

We will continue to decarbonise our supply chain by:

- Delivering the 2025 commitments with our net zero roadmap
- Improving our carbon accounting process to capture the footprint of the entire business and enable Scope 3 data to be gathered and analysed with greater efficiency moving forward
- Deepening our relationships with partners to understand opportunities to collaborate and reduce our collective climate impact
- Embedding climate considerations into our product design and ingredients sourcing process, for example, considering carbon emissions when sourcing sugar
- Exploring ways to reduce the climate impact of our products. For example, continuing our research into the carbon impact of sugar and alternatives and the relative carbon footprints of different juices to inform future ingredient choices

RESPONSIBLE WATER USAGE

We recognise that it is more important than ever to use water responsibly and address the risk of increased water scarcity in some of our markets.

PROGRESS IN 2024

Our 2024 total water consumption for manufacturing products in the UK was 242,757m³, which is a 17% decrease compared to 2023. This was due to a decrease in the production of water-intensive products this year. The complexity of the topic meant that this year we focused our efforts on developing a clearer understanding of our water usage across our entire value chain, informing a comprehensive water strategy in the future.

KEY HIGHLIGHTS THIS YEAR

- Engaged with our international partners on water use and received encouraging responses that many are already tracking their water usage
- Continued tracking and monitoring water at our co-packers and our own operations

FOCUS FOR THE FUTURE

We will continue to take action to use water responsibly by:

- Understanding and mapping the water footprint to inform a water strategy for the business

Case Study

Localising production to reduce our climate impact

At Nichols, transportation contributes to the carbon emissions emitted during the production of our products, particularly if they are produced in a different location from where they are sold. It is estimated that transportation and distribution account for 9% of total greenhouse gas emissions in the food and beverage industry, making it a key area for improvement for all food and drink businesses, including Nichols

A key opportunity to reduce our greenhouse gas emissions associated with distribution is by localising some of the production. Before this year, most of our canned products sold in the African market were produced in Spain and Portugal and then transported by boat. In 2024, we therefore moved a proportion of the production of drinks sold to the African market from Spain and Portugal to a country closer to the final place of sale - Senegal.

During this migration, we had to source new producers in this closer location, and it was important to us to find a partner who was aligned with our values and supportive of

our Happier Future goals. Having embedded our Supplier Code of Conduct and self-assessment questionnaire into our partner onboarding process as part of our work in Responsible Sourcing, we were able to ensure they upheld our high standards of social and environmental performance.

The project was logistically challenging and involved many different stakeholders, but thanks to our team engaging and collaborating with our suppliers and partners, we successfully moved a proportion of our can production volume for the African market to this closer location.

WHAT'S NEXT?

We will continue our approach of close collaboration with our partners and will work with our new manufacturer to understand the opportunities to improve the environmental impacts of their operations which will maximise the positive impact of this migration. We will also measure the carbon emissions avoided by this move and share the results in our next report.



Happier Future

One page summary

EVERYONE MATTERS

Putting our People First

Giving Back to our Local Communities

2030 Commitment		We will make a tangible difference to the employability and well-being of 200 young people in the communities in which we operate
2025 Commitment		We will improve the future for over 100 young people in our local communities, raising aspirations through skills development and career development opportunities
Progress in 2024	Ran several initiatives as part of our new Employee Well-being Forum Maintained high employee engagement scores, improved scores related to inclusion	Made a tangible difference to the lives of 72 young people since 2022 Launched our Community Forum Continued to support community-based partnerships through donations and sponsorship, including Warrington Youth Zone, Educate Rochdale, Manchester Thunder, and Waves4Change
Focus for the future	Completing our employee value proposition Improving two-way communication throughout the business	Running Camp Vimto programme in the autumn of 2025 Strengthening our relationships with and supporting our new and existing community partners Using our new community forum to enable our staff to engage in more community work

PRODUCTS WE'RE PROUD OF

Healthy Hydration

Sustainable Packaging

Responsibly Sourced

2030 Commitment		We will increase the recycled content of our UK plastic bottles up to 100%	We will fully embed our 'Responsible Sourcing Programme' across our entire value chain
2025 Commitment	We will innovate to allow our consumers to make healthier choices	We will continue to ensure that all our UK packaged products contain 51% recycled PET	
Progress in 2024	Launched eleven new products across Vimto, SLUSH PUPPIE and Levi Roots brands with no or low-added sugar or fortified with vitamins	Achieved 51% rPET content of all PET bottles in our UK packaged portfolio Continued to apply our Sustainable Packaging Policy with our partners and co-packers to achieve savings of 50.7 tonnes of plastic and 37.8 tonnes of aluminium	Achieved 100% compliance of primary partners with our Code of Conduct Launched a self-assessment questionnaire (SAQ) for our partners to identify risks, enabling us to provide risk mitigation support in the future. The SAQ was completed by 68% of our primary partners Integrated the Code of Conduct and SAQ into our partner onboarding process 84% of Vimto UK brand licensing portfolio is now palm oil-free
Focus for the future	Continuing to develop our portfolio through innovation and renovation to help our consumers make healthier choices with a particular focus on products with added benefits	Looking to increase the proportion of rPET in the bottles in our UK packaged portfolio beyond 51% Developing a Sustainable Packaging Roadmap, which includes a plan for the upcoming 2027 launch of the DRS in UK. Refreshing and implementing the Nichols Sustainable Packaging Policy Completing initiatives to increase the sustainability of our packaging	Achieving 100% completion of SAQs by primary partners and commencing work to address the results Exploring mechanisms to achieve compliance with the Code of Conduct and SAQ of partners beyond our primary partners Continuing to ensure that any palm oil used in our products is certified by the RSPO

OWNING OUR CLIMATE IMPACT

Reducing Direct Emissions

Decarbonising our Supply Chains

Responsible Water Usage

2030 Commitment	We will reduce our impact on climate change by reducing absolute Scope 1 and 2 Greenhouse Gas emissions* by 80% and reduce Scope 3 emissions** by 20% by 2030 *2018 baseline **2022 baseline		
2025 Commitment	We will reduce our impact on climate change by reducing absolute scope 1 and 2 Greenhouse Gas emissions* by 25% by 2025 and define our net zero roadmap *2018 baseline		
Progress in 2024	Reduced our Scope 1 emissions by 31% Embarked upon long-term agreement with an EV provider and designed a roadmap to implement our EV strategy and transition to a fully electric fleet by 2030 Completed phase 3 Energy Savings Opportunity Scheme (ESOS) reporting Continued to make energy efficiency savings at our Ross-on-Wye OoH manufacturing site	Achieved most of the activities planned for 2024 on our net zero roadmap. This included achieving 51% rPET content in all of our UK plastic bottles and reducing the amount of packaging used to transport our products Moved a proportion of production of canned goods sold to the African market from Spain and Portugal to Senegal to reduce carbon emissions from transportation Established sugar and grape juice as ingredients of focus and reviewed opportunities to reduce the carbon impact of our supply chains	Engaged with our international partners on water use, learning that many are already tracking their usage Continued tracking and monitoring water at our co-packers and our own operations
Focus for the future	Implementing our EV roadmap Implementing further energy-saving measures identified in our ESOS report Continuing to reduce energy use at our Ross-on-wye OoH manufacturing site	Delivering the 2025 commitments with our net zero roadmap Improving our carbon accounting process to capture the footprint of the entire business every year Deepening our relationships with partners, collaborating to reduce our collective climate impact Embedding climate considerations into our product design and ingredients sourcing process	Understanding and mapping the water footprint to inform a water strategy for the business