

# Climate transition

Delivering on the UN SDGs



**Drastically reducing carbon emissions will be vital if we're to avoid the worst effects of climate change, which is why we are committed to becoming a net zero business. Physical risks may impact our operations and supply chain through extreme weather events, such as flooding or droughts. Transitional risks as a result of moving to a low-carbon future may impact us through changing consumer preferences or climate-related regulation.**

## Key commitments

We are committed to becoming a net zero business, for our Scope 1 and 2 emissions, by 2040. We have established Science Based Targets, which are externally verified by the Science Based Targets initiative ('SBTi'):

- Reduce absolute Scope 1 and Scope 2 emissions by 46.2% by 2030 from a 2019 base year.
- Reduce Scope 3 emissions from purchased goods and services, and upstream transport and distribution, by 42% per tonne of product sold by 2030 from a 2019 base year.

## Progress highlights

In FY22, our total gross Scope 1 and 2 carbon emissions increased from the previous year from 90,278 tonnes to 92,655 tonnes, an increase of 2.6%, and from our base year of 89,606 tonnes, an increase of 3.4%. While FY22 did not see us reduce our Scope 1 and 2 emissions, we remain committed to achieving net zero by 2040. Our total Scope 3 footprint for FY22 is 1.48 (million tonnes of CO<sub>2</sub>e), an increase on the previous year (1.33 million tonnes of CO<sub>2</sub>e) which was impacted by lower production volumes during COVID, but a decrease from our FY19 base year of 1.61 million tonnes of CO<sub>2</sub>e by 8.1%.

### Focus areas to drive progress:

- **Data and insights:** focuses on ensuring we have the right data and KPIs in place to focus activity and drive improvement. It also involves the auditing of our sites to ensure we are identifying the right projects to implement.
- **Brilliant basics:** ensures we have the right information available to our site teams to enable best practice actions to be implemented, and ensures we are sharing information on how best to manage energy.
- **Step change projects:** defines Group-wide projects for delivery.

We have completed detailed scenario analysis as part of our climate risk analysis (TCFD) and assessing sustainability risk is an area we have built into our overall assessment of business risk.

## Performance tables

		FY19 base	FY21	FY22
GHGs (tonnes CO <sub>2</sub> e)	Combustion of fuel and operation of facilities (Scope 1)	60,952	68,386	72,320
	Electricity, heat, steam and cooling purchased for own use (Scope 2)	28,654	21,892	20,335
	Total gross emissions Scope 1 and 2	89,606	90,278	92,655
	Green tariff	-28,624	-21,042	-19,563
	Total net emissions (Scope 1 and 2)	60,982	69,236	73,092
	Scope 3 (MtCO <sub>2</sub> e)	1.61	1.33	1.48
GHGs intensity	Scope 1 and 2 KgCO <sub>2</sub> e/£1 revenue	0.062	0.068	0.053
	Scope 3 MtCO <sub>2</sub> e/t product sold	2.75	2.71	2.71
Energy consumption	Fuel non-renewable (MWh)	289,954	319,353	346,107
	Fuel renewable (MWh)	1,045	1,960	1,498
	Total fuel consumption (MWh)	290,999	321,313	347,605
	Total electricity consumption (MWh)	108,012	103,053	105,087
	Total energy consumption (MWh)	399,011	424,366	452,692

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		FY19 base	FY21	FY22
Key Performance Indicators (for manufacturing only)	Total primary energy consumption (MWhp)	467,617	466,920	488,497
	Energy intensity ratio (kWhp/tonne)	1,235	1,315	1,254
	Water consumption (megalitres)	2,255	2,377	2,709
	Water intensity ratio (m <sup>3</sup> /tonne)	5.96	6.70	6.96

## What's next in FY23

- Completion of our next round of detailed Energy Savings Opportunity Scheme ('ESOS') audits at our manufacturing sites.
- Refining our energy best practice guide, to give the latest guidance on energy saving opportunities.
- Developing a Group-wide energy maturity assessment, to help support benchmarking of progress.