

HAPPIER FUTURE PROGRESS REPORT 2023

Nichols plc



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Happier Future



Our Happier Future progress report 2023

In 2023, we celebrated another year of continued momentum and progress made against our Happier Future strategy. We are particularly pleased with how it has been embraced by all employees and embedded across the organisation.

Highlights from 2023 include:

- Expanding our Happier Future Steering Committee to include additional leadership roles, to ensure that action is comprehensive and embedded across the business
- Continuing our Inclusion & Diversity strategy by launching the Inclusion Hub, co-created by people from across the business
- Launching new low sugar and no added sugar products, so that over half of our UK-owned product portfolio continues to be low or no added sugar

These are great achievements within our business, but we recognise that our influence and impact go far beyond our own operations. With this in mind, in 2023 we were pleased to continue to work closely with our partners across the soft drinks industry to ensure alignment with our Happier Future vision. Examples include:

- Developing our UK Scope 3 (indirect) carbon emissions roadmap by collaborating with our key UK manufacturing and distribution partners and working with our international partners to align our sustainability agendas. This work will enable us to take action in the coming years on global issues that are mutually important
- Introducing a Responsible Sourcing Policy and a Supplier Code of Conduct for all our partners that will enable us to continue to collaborate and ensure they uphold high environmental and social standards

2023 was another year that presented us with unforeseen circumstances that meant we didn't deliver everything we planned, and we experienced new challenges to navigate. This meant we had to adapt some of our plans accordingly. For example, the safe enjoyment of our products is paramount to everything we do, so we proactively reformulated our SLUSH PUPPIE and Starslush iced slush products to remove glycerol, in light of concerns outlined by the Food Standards Agency (FSA) over exposure to glycerol in 'slush ice drinks' amongst young children.

We also faced changing business needs and external circumstances, including high inflation, the cost-of-living crisis, and a slowdown in electric vehicle proliferation across the UK commercial vehicle market which means we need to develop a new roadmap to decarbonise our fleet. However, we expect to still deliver on our 2030 targets in this area.

Previously, we communicated that we would not achieve our target for all of our UK packaged products to contain 51% recycled PET (rPET). However, at the end of 2023, we made the decision to move forward towards achieving this target, committing to implementing a higher level of rPET across our full UK Packaged (UKP) goods range in 2024.

Throughout these successes and challenges, our commitment to our people, our products and our planet remains steadfast. We thank all employees from across the Company, our partners, suppliers and customers, for their continued hard work and support. Together, we look forward to this year, where we will continue to work with our stakeholders to ensure our entire value chain is having a positive impact.



Our Happier Future Progress Report continued

Our Happier Future strategy

From the heritage of our brands to the values our employees demonstrate every day, social purpose has been at the heart of how Nichols works across the world for more than a century. In fact, we have made it our business to help people young and old, from Manchester to the Middle East, enjoy the habit of regular healthy hydration. 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 has 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, which we have organised into three interconnected pillars, provides us with tangible goals around which we can align our resources, employees and stakeholders.



EVERYONE MATTERS

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

PRODUCTS WE'RE PROUD OF

We will innovate to allow our consumers to make healthier choices.

Update: All of our UK packaged products will contain 51% recycled PET by 2024; we are reviewing our 2025 commitment to strive to reach 100% by 2025.

OWNING OUR CLIMATE IMPACT

We will reduce our impact on climate change by reducing absolute Scope 1 and Scope 2 greenhouse gas emissions¹ by 25% by 2025 and define our net zero roadmap.

1. 2018 baseline.

Bringing our Happier Future strategy to life every day

We have worked hard to ensure that our Happier Future strategy is embedded throughout the organisation, where every employee understands what it means for them and their role. Every team within the organisation has an important role to play to ensure we are delivering on our commitments to our pillars.

We continually make progress on our Happier Future strategy by having a clear governance, leadership and activation of our strategy, including:

- Retaining a strong connection with our Board, regularly reporting on our progress against the Happier Future strategy. The Board also continues to play an active role in shaping the Happier Future strategy, including our focus areas for the future
- A well-established Steering Committee ('SteerCo') which is responsible for monitoring and reviewing progress and bringing new insights into the Happier Future strategy. In 2023, we extended the members of the SteerCo so that it represents all relevant functions from across the business. This has enabled more timely decision-making, and ensures action and impact is realised throughout the business

- Continuing with a clear set of workstreams, ensuring all plans and commitments across the three pillars are managed through project teams. These teams regularly report progress and escalate potential issues through our project management office. Our project teams are multidisciplinary and include relevant technical experts and team members who can input customer, consumer and supply partners requirements and expectations
- Offering Group-wide environment, social and governance (ESG) training in 2023 in addition to quarterly briefings that update all employees on our progress and achievements. This ensures employees are engaged in the topics that sit within the Happier Future strategy

Developing our international Happier Future plan

With our international presence a key part of the business, in 2023 we also deepened our collaboration with our international partners to align our sustainability priorities with their focus areas and action plans. This began by mapping our global partners' priority areas. From this, we have developed four shared areas of focus: Water, Energy usage, People and Health. For each of these priority areas, we have developed a one and three-year roadmap, identifying key actions for us and our partners moving forward.

Everyone matters

Doing things in the right way means ensuring everyone is looked after, from our own people 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 primary consumers are young people, and we want to support them with more than just refreshment. Therefore, we are committed to improving the lives of young people who need support.



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



Putting our people first

Our people are the foundation of our business and it's thanks to their continued commitment and motivation to 'make life taste better' that we have had another successful year.

Progress in 2023

Highlights this year include:

- Continued implementation of our Inclusion & Diversity strategy, including the launch of our Inclusion Hub. The Hub was co-created by employees from across the organisation, was representative of a wide range of needs and interests, and accelerates our efforts to raise awareness and take action on this topic throughout the business. Read more about how we developed our Inclusion Hub on page 45
- Enhanced our family-friendly company benefits, making them more inclusive for all family set-ups. These were also developed with input from across the business
- Continued to grow our Female Leaders Network (FLN), with day-to-day peer support as well as quarterly events – including one focused specifically on sustainability. This strong peer network continues to be highly valued amongst female senior leaders in the business
- The 'This is Me' series (where employees share their personal stories with the business) continued to be highly appreciated by employees throughout the year

Employee development

For Nichols, our commitment to a Happier Future is reflected in the way we look after every one of our employees. After all, day in, day out, our people are the ones delivering our vision. As a part of this commitment, highlights this year included:

- Continued to offer our employees development opportunities outside their core job. This includes opportunities to participate in new projects and develop new skills within different areas of the business
- Specifically, one of our Group priority themes, identified from the previous employee engagement survey, has been a key consideration for us to undertake a wider business transformation programme. Enabled by a new ERP system, this programme (currently underway) involves creating new roles and opportunities for employees to expand their skills and knowledge and gain invaluable career experience

Employee wellbeing, engagement and satisfaction

To ensure our employees know their voice matters, we conduct a regular survey to gather their ideas and input. Feedback from the previous employee engagement survey indicated that we could better help our people manage their own wellbeing. We took time to explore the topic in further detail to address this fully. Actions this year include:

- Conducted workshops to raise awareness of important wellbeing issues (such as financial wellbeing, mental health and resilience) and available support
- Set up an Employee Wellbeing Forum, with volunteer members from across the Company, helping to further improve our Company wellbeing offering

Focus for the future

We will continue to prioritise our people by:

- Reviewing progress against our key focus areas following the Employee Engagement Survey in 2024, maintaining or increasing engagement scores concerning inclusion
- Updating the Inclusion Hub with current content, alongside running regular events and other activities to ensure all employees are aware of this information, guidance, and support
- Developing our Employee Value Proposition to ensure our benefits and support packages continue to meet the needs of the business and our employees
- Continuing to implement current talent initiatives, for example skill development and creating opportunities for progression, evolving and adapting to continue to meet the needs of our employees and the business



😊 Everyone matters continued

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 refreshment.

Progress in 2023

Highlights this year include:

- Since 2022, through our community partnerships and Camp Vimto programme, we have made a tangible difference to over 61 young people's lives in the UK and in Africa, fantastic progress against our 2025 commitment to improve the future of over 100 young people in our local communities
- Ran our second year of Camp Vimto, launched in 2022, to raise the aspirations of young people local to our head office and operations in the North
- We once again ran our specially designed programme across five sessions with a larger initial cohort of 20 participants. The sessions included engaging and recruiting young people from the local community, a residential session in Chorley, a 'Farm to Fizz' day at our head office, and finally a graduation event with participants and their carers. The programme received high engagement from employees from across the business
- We also incorporated 1:1 sessions with several participants pre-graduation, providing an opportunity for further mentorship from current Nichols employees

- Developed our plans with other key partnerships, including 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
- Raised over £10k for Warrington Youth Group through our annual Charity Golf Event
- Continued our employee volunteering programme Day to Make a Difference, a core part of our annual support to local communities

Focus for the future

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

- Continuing to support our Camp Vimto programme
- Further developing our partnerships with Manchester Thunder and Waves4Change
- Increasing employee engagement across all partnerships

Case Study

Our new Inclusion Hub

Amplifying and enhancing our commitment to Inclusion & Diversity across Nichols

In December 2023 we launched the Nichols Inclusion Hub. The Hub serves as an online collection of information and resources, co-created by employees, that raises awareness and understanding of what it means to be inclusive and promote diversity across the Company. This is one of our core values: that everyone feels 'proud to be part of our family'.

The Hub was co-created by members of our Operational Leadership Group (OLG), who developed the key structure of the Hub and suggested what content would be most useful to have displayed on the site. Once the site structure and key content had been agreed, other groups, including the LGBTQ+ and the Female Leaders Network (FLN) community groups, wrote and developed further content for the Hub, ensuring the creation of the Hub was inclusive and embraced a diverse range of voices and experiences.

It was launched to employees across the business from December. So far, feedback is that our people are excited about the Hub and are engaging with their own learning and insight on inclusion and diversity topics, bringing our inclusive culture to life across the Company.

What's next?

Looking forward, we will continue to add relevant content from a variety of groups and employees across the Company, raising awareness of the diversity amongst our people and issues of importance. We look forward to further contributions from a variety of employees, including thought-provoking articles, Inclusion & Diversity training modules, employees' stories of strength and overcoming adversity, and best practices and guidance on creating a more inclusive workplace.



Products we're proud of

We're passionate about making products 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.



We will innovate to allow our consumers to make healthier choices

Update: All of our UK packaged products will contain 51% recycled PET by 2024 and we are reviewing our 2025 commitment to strive to reach 100% by 2025

Healthier hydration

We know that we have an important role to play in helping our consumers make healthier choices. Whether we are reducing sugar content, or adding nutrients, we continue to develop our portfolio through innovation and renovation.

Progress in 2023

Highlights this year include:

- Increased our proportion of no added sugar (NAS) products in our UK Packaged (UKP) portfolio so that over half (52%) of the total volume of drinks sold is now NAS. We also lowered the average calories per litre of our products by a further 4% from 2022
- Launched several new NAS and lower sugar products across our Vimto, SLUSH PUPPIE and ICEE branded portfolio
- Worked with our international partners to further reduce the sugar content of our international products including reducing the sugar content of our pomegranate cordial in Sudan by over 20%, and making the NAS Vimto Zero cordial a permanent Aujan product

Use of glycerol in slush iced drinks

The safe enjoyment of our products is paramount to everything we do. This year, in light of concerns outlined by the Food Standards Agency (FSA) over exposure to glycerol in 'slush ice drinks' among young children, we proactively reformulated our SLUSH PUPPIE and Starslush iced slush products to remove glycerol in full, as these brands are predominantly sold in venues popular with young children. Glycerol is widely used across the industry as a reduced-sugar alternative in slush ice drinks. As the only known current alternative to glycerol to prevent slush from freezing solid is sugar, we have reintroduced recipes containing sugar. We will continue to monitor alternatives that provide the desired functionality of preventing the products from freezing solid.

ICEE is a zero-sugar carbonated slush drink containing glycerol, aimed at teens and adults and sold exclusively in cinemas. We have fully implemented the FSA industry guidance with our customer partners to ensure that ICEE can be enjoyed safely.

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
- Working closely with our international partners to explore sugar reduction, where appropriate to the consumer needs in local markets



Products we're proud of **continued**

Sustainable packaging

Unsustainable and unnecessary packaging is a pressing concern for our consumers, who don't want to see the products they buy going on to impact the natural world. We are committed to working with our partners and the wider industry to promote sustainable options and encourage responsible consumer behaviour.

We previously reported our decision to pause the expansion of our UK Packaged (UKP) portfolio containing 51% recycled PET (rPET), due to a significant number of external factors (including inflation, Deposit Return Scheme (DRS) and the cost of living crisis) and the impact of passing these costs onto our consumers. In 2023, 40.5% of the total PET used was recycled PET, the same as 2022. Throughout 2023, we carefully monitored the cost and availability of virgin and recycled PET within our agreed supply chain parameters, and are pleased to report that in 2024, we will move to using 51% rPET in all our UK PET packaged products.

Progress in 2023

Highlights this year include:

- Embedded the Sustainable Packaging Policy across the entire business. This included standardising the policy to ensure it is applicable to all co-packers, new and existing products, international products and brand licensing, as well as building our internal product packaging capability
- Increased transparency of Vimto UK branded shrink 500ml Ready-To-Drink sleeves to improve ease of recyclability
- Undertook extensive work to prepare for the planned Scottish Deposit Return Scheme (DRS) 2023 implementation
- Introduced a fully recyclable inner BiB substrate Liquipure™ packaging across the entire post mix portfolio (excluding products Nichols co-pack on behalf of other brands)
- Conducted regular trials to ensure the Bag in Box (BiB) formats retain packaging integrity, whilst seeking to remove plastic shrink wrapping, which will be implemented (by product category) once validated

Focus for the future

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

- Ensuring all of our portfolio is compliant with our Sustainable Packaging Policy
- Continuing to increase the proportion of rPET in our UK Packaged (UKP) products
- Completing the roll out of Liquipure™ packaging across our entire post mix portfolio in 2024
- Continuing to trial new packaging solutions, sharing learnings from across the portfolio to inform innovations
- Reducing the weight, where possible, of all primary (e.g. cans and bottles) and secondary (e.g. boxes and pallets) packaging



Products we're proud of **continued**

Responsible sourcing

The unique flavour of our products begins with quality ingredients sourced from trusted and responsible suppliers.

We source ingredients and materials primarily from long-standing partnerships, providing us with a clear understanding of product quality, labour protections and environmental practices.

Progress in 2023

Highlights this year include:

- Revised our Responsible Sourcing Policy and developed our Supplier Code of Conduct to ensure our partners meet our environmental, social and governance (including ethical behaviour) standards. Read more about this work on page 55

- Educated the business on our policies to build the right capability to move forward with a robust implementation plan. We have been really pleased with the engagement from our key partners on the Supplier Code of Conduct
- Transitioned from 20% to 81% palm oil-free across our Vimto UK brand-licensing product portfolio
- Ensured 100% of our Vimto UK brand-licensing products are Roundtable on Sustainable Palm Oil (RSPO) accredited

Focus for the future

We will continue to source our products responsibly by:

- Fully implementing our Responsible Sourcing Policy and Supplier Code of Conduct for all of our primary partners, providing environmental, social and governance (ESG) assurance across our portfolio
- Working to be 90% palm oil-free across our Vimto UK brand licensing portfolio in 2024

MEET ONE OF OUR SUPPLIERS WHO GROWS CARROTS – THE JUICE OF WHICH WE USE TO COLOUR OUR PRODUCTS!



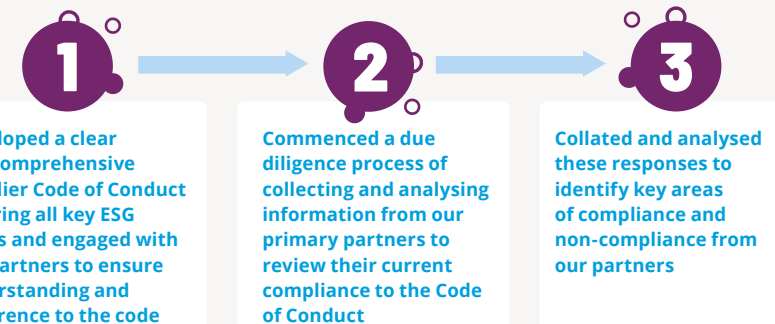
Case Study

Increasing transparency across our supply chain

As part of our governance standards, in 2023 we began an extensive programme of engagement with our partners to gather due diligence information, used to provide Environmental, Social and Governance (ESG) assurance as part of our governance standards.

These standards are to ensure our partners provide safe working conditions, respectful treatment of workers, and manufacture products in a manner that does not exploit, or present a danger to health, safety or the environment.

To achieve this ambition, we commenced a multi-staged process during which we:



From the information gathered in our due diligence process, we are learning which ESG aspects our partners are already managing well, and which they may need support to improve. We can also identify common areas of non-compliance and think systematically about how we might use our influence and collaborative power to address these areas.

What's next?

Over the next three years, we will roll out this programme to all of our partners. We will also be conducting a more thorough risk assessment, including a Sedex Members Ethical Trade Audit (SMETA), to ensure our partners are compliant with global standards, as well as our own.

Owning our climate impact

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

We recognise that the impacts of the climate crisis present a principal risk to the business¹, and we know that a company like Nichols must reduce its carbon emissions to align to a net-zero future.

We also recognise that by having an international route to market with a large network of partners, suppliers and customers, we have an important role to play in inspiring and enabling others to do the same.

Our longer-term roadmap to net zero, will rely on new technologies being identified as well as working collaboratively with our partners and experts to unlock solutions in challenging areas, for example how we reduce the carbon intensity of our key ingredients life cycle. Therefore, as we move into setting our longer-term targets for net zero we recognise that we will need to continue to be flexible and adapt our plans accordingly. We will continue to be open and transparent regarding our Happier Future progress.

By taking science-based actions to reduce our total carbon emissions, and by understanding and reviewing our operational footprint and supply chain, we can ensure we are conducting our business in the most sustainable way.

Reducing our direct emissions **Progress in 2023:**

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

This year we have reduced our UK Scope 1 carbon emissions by 219 tCO₂e to 1,059 tCO₂e in 2023. This is a 17% decrease from 2022. Our Scope 2 emissions remained at net zero as we continued to purchase 100% renewable energy.

For further information please see the Streamlined Energy and Carbon Reporting (SECR) Report on pages 62 to 63.

Highlights this year include:

- Exceeded our 2025 Scope 1 and 2 reduction target by almost 5%, reducing our direct carbon emissions by almost 30% from our 2018 baseline, meaning we have already achieved our 2025 commitment to a 25% reduction in Scope 1 and 2 emissions
- Generated 36,266 kWh of energy this year (2023) through our solar panels at our Head Office, Laurel House
- Implemented our new green car policy, encouraging our employees to choose electric car options. The policy has had an encouraging uptake from across the business with an increase in eligible employees choosing e-vehicles

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 81.



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



Decarbonising our fleet

Our Out of Home (OoH) fleet makes up a large proportion of our Scope 1 emissions and we remain committed to moving to electric vehicles in order to lower our carbon impact in this area. This year we planned to replace 20 of our fleet vehicles with their electric equivalents. However, we were unable to meet this target due to the market for commercial electric vehicles and the required on-the-go infrastructure not developing at the pace expected. This meant we were unable to source e-vehicles that were fit for purpose for our business needs.

At the end of 2023, we undertook a strategic review of our operational requirements for fleet vehicles. We will be developing a revised roadmap and targets aligning to development of the commercial e-vehicle market.

Focus for the future

In 2024, we will progress further along our roadmap for carbon reduction across our Scope 1 and 2 emissions by:

- Completing the strategic review of our operational requirements and e-vehicle sourcing options, revising our targets accordingly, and replacing our fleet as soon as we can
- Continuing to review and evaluate technologies that increase energy efficiencies at our OoH manufacturing site in Ross-on-Wye



2. 2018 baseline.

Owning our climate impact **continued**

Decarbonising our supply chain **Progress in 2023:**

Reducing our Scope 1 and 2 emissions is important, but the majority of our emissions in the UK are created by the various supply chains that help us create quality products and deliver them to our customers (known as Scope 3 emissions).

Reducing our Scope 3 emissions is vital if we are to meaningfully reduce our carbon footprint and reach our decarbonisation targets. In 2023, we calculated our 2022 baseline for UK Scope 3 emissions to be 44,724 tCO₂e, 97% of our total 2022 UK emissions.

We were able to identify our Scope 3 carbon hotspots to be packaging, ingredients and supplier energy. These accounted for 41%, 36% and 11% of our UK 2022 Scope 3 emissions respectively. This data informed key areas of action carried out in 2023 as well as focus areas for our Net Zero Roadmap developed this year.

Highlights this year include:

- Developed our UK roadmap to net zero carbon across all three scopes (see our case study on page 61 for further detail)
- Completed short-term actions to reduce our Scope 3 carbon footprint, including:
 - Reduced both the thickness of plastics and the amount of cardboard used in pallet builds, which equates to a reduction of 21.6 tonnes of plastic and 18.9 tonnes of cardboard
 - Increased the concentration of key ingredients including colours and juice compounds in order to reduce packaging and transportation emissions. Increasing the concentration of our most popular colour has reduced the volume purchased by 20%, leading to an equivalent reduction in packaging waste and transportation for this ingredient.

- Started to engage and work with our key suppliers to understand areas of potential impact, and shape future areas of focus for our Net Zero roadmap, for example we:
 - Worked with suppliers to assess the feasibility of further increasing the amount of recycled content in their aluminium cans, an action with the potential for significant carbon reductions
- Reviewed how we move our products to increase efficiencies that reduce our carbon emissions. For example, we:
 - Maximised the number of cases on pallets to fit more product in each van. This resulted in reducing the number of journeys by 37,920 miles
 - Assessed the feasibility of delivering directly from our manufacturers to customers without storing products at warehouses. This would reduce the number of journeys and associated carbon emissions

Focus for the future

We will continue to decarbonise our supply chain by:

- Delivering on the 2024 milestones defined in our UK net zero roadmap
- Engaging with our suppliers to understand how and where large carbon savings can be made in the supply chain, aligning this to the areas of focus in our UK net zero roadmap
- Working with key international partners to measure their carbon footprint, incorporating this data into our Scope 3 emissions calculations and targets
- Increasing the concentration of flavourings to reduce the amount of packaging and associated carbon footprint



Owning our climate impact continued

Responsible water usage **Progress in 2023:**

We recognise that it is more important than ever to use water sustainably. We must use water responsibly, reduce emissions from water transport, and address the risk of increased water scarcity in some of our markets.

In 2023, as a first step we measured our baseline water footprint by gathering data from all our UK manufacturing sites, which we are pleased to have completed in 2023.

Our 2023 total water consumption for manufacturing products in the UK was 293,765m³ and the average number of litres used to produce a litre of product was 2.03l/l. This data will inform our plans on how to reduce the intensity of water usage across our UK sites.

Focus for the future

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

- Developing a water strategy for the UK, identifying how we can reduce the intensity of water usage across our UK manufacturing sites



Case Study

Designing our UK net zero roadmap

Nichols is committed to taking action to address our climate impact. In order to effectively manage our emissions, we first had to understand the carbon footprint of all our business operations and where our 'hotspots' lie. In 2022, we focused on measuring our UK carbon emissions across all 3 scopes.

With this data, in 2023, we were able to start developing our roadmap for progressive carbon reduction to achieve our ambition of reaching net zero carbon by 2050 (90% total emissions reduction compared to our baseline year). We knew that we would need to draw on the knowledge and expertise of stakeholders across our entire business to be able to design a roadmap that would mean we achieved this ambitious goal.

We started this project by building a dedicated team made up of people from every facet of the business – from marketing to manufacturing – with support from senior leadership. A particular highlight of this process was the off-site day, facilitated by carbon experts at Green Element.

On this day, the team co-created ideas of how Nichols can work to reach net zero by 2050. The day was filled with positive energy and although the task seemed daunting, by the end of the session we had lots of ideas – big and small – about how Nichols in the UK could transition to net zero.

We maintained the positive momentum created during the off-site day, and worked towards producing the complete roadmap. This work catalysed more conversations with our suppliers about decarbonisation and wider sustainability goals. We even began implementing some of the actions before the roadmap was finalised, ahead of our schedule.

What's next?

Our finalised roadmap details our 2024 and longer-term targets that ensure we are reducing our emissions in line with global goals and targets. This year, we will be working to reach our 2024 targets as well as planning how we will meet these longer-term targets. In this way, we can own our climate impact and work to conduct our business in the most sustainable way.



“It was really interesting to work with colleagues from all different areas of the business to come up with a myriad of ways we could look to reduce our carbon footprint at Nichols. The support of Green Element was invaluable to the process, providing us with expertise and guidance to design a roadmap that is both ambitious and achievable.”

LOUISE PARKE
Head of Procurement

Happier Future on a page

EVERYONE MATTERS

Putting our People First

Giving Back to our Local Communities

2025 Commitment		We pledge to improve the future for over 100 young people in our local communities, raising aspirations through skills development and career development opportunities
Progress in 2023	<p>Launched our Inclusion Hub</p> <p>Enhanced our family friendly company benefits</p> <p>Grew the Female Leaders Network</p> <p>Set up the Employee Wellbeing Forum</p>	<p>Ran our second year of Camp Vimto, launched in 2022, to raise the aspirations of young people local to our Head Office</p> <p>Developed our plans with key partnerships, including Manchester Thunder and Waves4Change</p> <p>Raised over £10k for Warrington Youth Group through our annual Charity Golf Event</p>
Focus for the future	<p>Reviewing progress on key focus areas following Employee Engagement survey 2024</p> <p>Developing our Employee Value Proposition</p> <p>Continuing to implement current talent initiatives and update the Inclusion Hub</p>	<p>Continuing to support our Camp Vimto programme</p> <p>Further developing our partnerships with Manchester Thunder and Waves4Change</p> <p>Increasing employee engagement with all our community partnerships</p>

PRODUCTS WE'RE PROUD OF

Healthy Hydration

Sustainable Packaging

Responsibly Sourced

2025 Commitment	We will innovate to allow our consumers to make healthier choices	All of our UK packaged products will contain 51% recycled PET by 2024 and we are reviewing our 2025 commitment to strive to reach 100% by 2025	
Progress in 2023	<p>Over half of the total volume of UK Packaged drinks now sold is No Added Sugar (NAS)</p> <p>Launched several new NAS and lower sugar products</p> <p>Partnered to further reduce sugar content of our international products</p>	<p>Increased transparency of Vimto UK branded 500ml shrink sleeves</p> <p>Introduced a fully recyclable inner BiB substrate across entire post-mix portfolio</p> <p>Embedded the Sustainable Packaging Policy across the entire business</p>	<p>Revised our Responsible Sourcing Policy and developed our Supplier Code of Conduct</p> <p>Transitioned from 20 to 81% palm oil-free across our Vimto UK brand licensing portfolio</p> <p>Ensured 100% of our Vimto UK brand licensing products are Responsibly Sourced Palm Oil (RSPO) accredited</p>
Focus for the future	<p>Continuing our approach to Innovation & Renovation to meet evolving consumer needs & allow consumers to make healthier choices</p> <p>Continue to work with our international partners to explore sugar reduction, where appropriate to the consumer needs in local markets</p>	<p>Continue to implement the four pillars of our packaging strategy by:</p> <p>Ensure all of our portfolio is compliant with our Sustainable Packaging Policy</p> <p>Complete roll out of fully recyclable inner BiB substrate cross entire post-mix portfolio</p> <p>Reduce weight of all primary and secondary packaging</p> <p>Increase proportion of rPET in our UKP products</p>	<p>Fully implementing our Responsible Sourcing Policy and Code of Conduct to all of our primary partners</p> <p>Working to be 90% palm oil-free across our Vimto UK brand licensing portfolio in 2024</p>

OWNING OUR CLIMATE IMPACT

Reducing Direct Emissions

Decarbonising our Supply Chains

Responsible Water Usage

2025 Commitment	We will reduce our impact on climate change by reducing absolute Scope 1 & Scope 2 Green House Gas emissions** by 25% by 2025 and define our net zero roadmap		
Progress in 2023	<p>Exceeded our 2025 scope 1 and 2 reduction target by almost 5%</p> <p>Ran all of our Nichols UK sites on 100% renewable energy for the first full year</p> <p>Implemented our new green car policy</p>	<p>Developed our roadmap to Net Zero across all 3 scopes</p> <p>Completed short term actions to reduce our carbon footprint in our scope 3 hotspots identified last year (packaging and ingredients)</p>	<p>Completed our water footprint for the UK, including data from our co-manufacturing partners and suppliers</p>
Focus for the future	<p>In 2024, we will continue our roadmap for carbon reduction across our scope 1 and 2 emissions and as such:</p> <ul style="list-style-type: none"> Complete the strategic review of our e-vehicle requirements, sourcing options and revise our targets accordingly Continue to review and evaluate technologies that increase energy efficiencies at our OoH manufacturing site at Ross-on-Wye 	<p>Deliver on the 2024 milestones defined in our Net Zero roadmap</p> <p>Engage with our suppliers on how and where carbon savings can be made in the supply chain</p> <p>Work with key international partners to measure their carbon footprint</p> <p>Increase the concentration of flavourings to reduce the amount of packaging</p>	<p>Develop a water strategy for the UK</p>