



**Nichols** plc

**Happier Future Progress Report 2025**

Happier Future

# Progress Report 2025

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 strategy is organised into three interconnected pillars, with tangible goals to align our resources, employees and stakeholders:

- Everyone Matters
- Products We're Proud Of
- Owning Our Climate Impact



**750**  
tonnes of packaging removed<sup>1</sup>

**Scope 3**  
emissions data calculated for all routes to market

**20**  
graduates from Camp Vimto

1. Valpak independent verification vs. 2022 baseline.



## Bringing our Happier Future strategy to life every day

We regularly communicate our 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



# Happier Future continued

## Progress Report 2025

### Our 2030 commitments



We are proud of our 2030 Happier Future Commitments, which act as our north star, guiding our sustainability work streams 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.



### Our 2030 commitments

#### Everyone matters



We will make a tangible difference to the employability and wellbeing of 200 young people in the communities in which we operate (2026-2030).

#### Products we're proud of



We will fully embed our 'Responsible Sourcing Programme' across the Group's value chain.

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

#### Owning our climate impact



We will reduce our impact on climate change by reducing absolute Scope 1 and 2 greenhouse gas emissions<sup>1</sup> by 80% and reduce Scope 3 emissions<sup>2</sup> by 20% by 2030.

1. 2018 baseline.  
2. 2022 baseline.

### Progress in 2025

In 2025 we saw some excellent progress across all three pillars of our Happier Future strategy.

Within our Everyone Matters pillar, we delivered a hugely successful Camp Vimto, with 20 young people from local schools participating and developing their life skills. We also strengthened our relationships within our local communities, including raising £15,000 for Warrington Youth Zone through our annual Nichols Golf Day.

In our Products We're Proud Of pillar, we have increased the percentage of 'No Added Sugar' and 'Low Sugar' SKUs, within our UK and International portfolios, from 63% to 65%, and the percentage of those with added functionality from 21% to 37%. We have also completed the first phase of our packaging lightweighting project, which has removed 750 tonnes of plastic and aluminium per annum<sup>1</sup>.

As part of our Owning Our Climate Impact pillar, we have reduced our Scope 1 and 2 emissions by 5% versus prior year<sup>2</sup> and have also completed the mapping of our Group carbon footprint for the first time using a new carbon accounting platform. We also initiated the trial of electric vehicles within our Out of Home business, aiming for a fully electric fleet in 2028/29.

In terms of ESG accreditation, we achieved 74% in our annual EcoVadis accreditation, moving us from a bronze to silver rating, and retained our Integrum A rating. We also saw an outstanding level of employee engagement as many of our employees used their annual 'Day to Make a Difference' to walk 20 miles and raise in excess of £31,000 for Cancer Research in memory of our CFO, Richard Newman.



1. Valpak independent verification vs. 2022 baseline.  
2. SECR 2024 vs. 2025.

### Focus for the future

In 2026, we will once again look to deliver Camp Vimto and further strengthen our community partnerships in the UK and international communities where we operate. Additionally, we will look to achieve external accreditation for Nichols as a great place to work.

As part of our Products We're Proud Of pillar, our focus will be on ensuring preparedness for the launch of the UK's Deposit Return Scheme (Exchange for Change) in October 2027 whilst continuing to progress our healthier products portfolio and Responsible Sourcing Programme.

Within our Owning Our Climate Impact pillar, we will use our latest carbon footprint data to refresh the carbon reduction roadmap and seek to deliver a 4% reduction in our total 2026 carbon emissions versus 2025. We will also seek to establish a water reduction roadmap.

Finally, we will look to develop our ESG reporting and governance framework through the introduction of a robust carbon accounting and reporting system. This will be supported by the introduction of additional ESG metrics as we look to further strengthen the accuracy and credibility of Nichols' sustainability reporting.

## Happier Future continued Progress Report 2025

# Everyone matters

Doing things in the right way means ensuring everyone is looked after, from our employees to those in our local communities.

### Our commitments

#### 2030

We will make a tangible difference to the employability and wellbeing of 200 young people in the communities in which we operate (2026-2030)

# 97%

of employees say they are proud to tell others they work for Nichols<sup>1</sup>.



### 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 2025

This year we focused on three key areas: Inclusion and Diversity, Employee Development and Employee Engagement.

#### Key highlights this year

##### Inclusion and diversity

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

- The LGBTQ+ Forum sustained its commitment to education and awareness by delivering workshops, including a Transgender Awareness session, aimed at enhancing understanding and fostering belonging among employees
- The Wellbeing Forum held a series of Workplace Wellbeing workshops, engaging employees across the organisation in three inclusive sessions that explored topics ranging from diet and nutrition to physical and mental health. These workshops aim to promote a culture of wellbeing that supports the diverse needs of all employees, recognising that health and wellbeing are integral to inclusion and belonging at work
- We undertook a Company-wide initiative inviting all employees to complete a voluntary diversity disclosure form. The purpose of this exercise was to obtain a more detailed and accurate understanding of the demographic composition of our workforce, therefore enabling us to better assess representation across the organisation and help inform future initiatives

1. Pulse employee engagement survey November 2025.

### Employee development

This has been a key focus for us this year through various development programmes as well as training employees in their legal obligations. Highlights included:

- Partnered with Raise the Bar to deliver a range of leadership and development programmes, including the Change Catalyst Programme, which was attended by selected senior managers. In addition, Raise the Bar provided a series of development modules designed for all people managers across the business
- Continued to embed the Strengthscope framework, with multiple teams participating in collaborative sessions to enhance self-awareness and learn how to leverage each other's strengths more effectively
- As a whole, the Company continued to ensure that our annual cycle of compliance training was maintained across Health and Safety, Legal and People, with a focus on workplace conduct, reinforcing our commitment to maintaining a respectful, compliant and inclusive working environment

### Employee engagement

During the year, we conducted an additional Pulse survey outside of our standard engagement cycle, which provided valuable insight into employee sentiment and organisational culture. We had an 80% response rate and the results indicated a consistently strong level of engagement across the business, reinforcing the commitment and dedication of our workforce. We are committed to using this information to continue to make work taste better here at Nichols. We also refreshed our employer branding and developed our Employer Value Proposition, allowing us to articulate clearly and consistently the benefits of working at Nichols, which will aid retention and attraction of talent.

### Focus for the future

Looking ahead, we will build on our strong foundation by harnessing our employer brand – where work truly tastes better – to foster a vibrant community of colleagues dedicated to creating events and moments that make Nichols a happy, healthy and inclusive workplace.

To support the continued growth and development of our people, we will utilise our apprenticeship levy to invest in both current and future talent, providing new pathways for colleagues at all stages of their careers to learn, grow and achieve their ambitions. Our goal is to ensure that every employee has access to opportunities for personal and professional development, reinforcing our commitment to making Nichols a truly great place to work.

**WHERE WORK  
tastes BETTER**

**Happier Future** continued  
Progress Report 2025

# Camp Vimto – A highlight

One of the ways we bring our Happier Future strategy to life is through Camp Vimto – an inspiring programme that helps young people build confidence, connection and new opportunities. The programme is built of five stages, taking a cohort of 20 students from local schools and teaching them life skills in and out of the classroom.



## 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 2025

Since 2022, through our community partnerships and Camp Vimto programme, we have made a tangible difference to over 150 young people's lives in the UK and Africa, comfortably exceeding our target.

This year, the more structured approach to our community partnerships has already increased our reach and impact.

## Key highlights this year

- Raised over £31,000 for Cancer Research via a sponsored walk in memory of our CFO and other friends and family touched by cancer
- Raised £15,000 for Warrington Youth Zone which funded a Boxing Development Programme that will benefit 50 young women, helping them build key life skills through sport
- Established a forum of representatives from across the business with a mission to increase community engagement across the Group
- Encouraged every colleague to spend a day volunteering for a charity or cause that matters to them – we call it our 'Day to Make a Difference' initiative
- Fostered support for local charitable organisations close to each of our sites to promote local interaction from the teams and demonstrate support across all the communities we serve. Organisations supported included an orphanage in Dakar and a youth zone in Ross-on-Wye
- Remained a key partner to the Children's Adventure Farm Trust through volunteer days and supporting a major piece of landscaping activity
- Continued to support a number of community-based partnerships through donations and sponsorship, including Educate Rochdale



- Nichols' contribution to Waves for Change (W4C) in 2025 helped give 2,694 children access to Surf Therapy, across five beach sites in South Africa. Nichols' support is focused on funding and upskilling the 43 coaches, including training sessions delivered by external providers to strengthen programme quality. Coaches are often graduates of the W4C programme and use skills acquired in their three years leading the programme to transition into chosen careers
- Manchester Thunder continued their Saturday programme of welcoming 15-20 disabled young people to training sessions and games, only made possible by donations from Nichols. Excitingly, facilitated by the Nichols team, a third cohort has now been launched, extending the ParaNetball offering into Cheshire and benefiting even more disabled young people
- Launched a partnership with The Cricademia Community Programme, a multi-dimensional youth development initiative rooted in the values of inclusion, growth and collaboration. While cricket is the foundation, the programme is designed to support young people in every aspect of their journey

## Focus for the future

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

- Running Camp Vimto in 2026 to make a meaningful difference to the lives of the 20 young participants
- Strengthening our partnership with Waves for Change throughout Africa
- Shaping our support of Cricademia, who work with young people in vulnerable communities in Leeds, to improve their lives through cricket
- Using our new community forum to engage our staff in more community work



# Gender Pay Report as at 5 April 2025



Nichols plc is committed to fair and equitable reward practices and regularly reviews pay outcomes to ensure they are free from bias. Gender pay gap reporting reflects the distribution of men and women across roles and seniority levels and does not represent unequal pay for equal work.

## Workforce composition

The gender composition of the workforce remained stable year on year, with women representing 41% of employees in both 2025 and 2024.

## Gender pay gap

The mean gender pay gap remained unchanged at -4%, while the median gender pay gap improved slightly from -11% to -10%. These results indicate broadly consistent pay outcomes between genders.

## Bonus pay gap

The mean gender bonus gap increased from 20% to 35% in 2025. This movement is primarily driven by the bonus values at senior levels, where bonus opportunities are higher and where men continue to be more highly represented.

The median gender bonus gap improved significantly from -114% to -33%, indicating a more balanced distribution of bonus payments at the midpoint, despite continued variation at higher bonus levels.

## Bonus participation

Bonus participation remains high for both genders, with 94% of men and 86% of women receiving a bonus in 2025. The reduction in female bonus participation compared to the prior year has contributed to the change in average bonus outcomes and the higher participation amongst males is driven by differing gender balances in the business units that received a bonus.

## Pay quartile distribution

Analysis of hourly pay quartiles shows increased female representation in the lower and lower middle quartiles, alongside a reduction in representation in the upper middle and upper quartiles. This shift has increased male representation at higher pay levels and continues to be a key factor influencing both pay and bonus gaps.

Changes in representation across pay quartiles show a mixed picture:

- Female representation has increased in the lower (from 37% to 42%) and lower middle quartiles (from 29% to 44%)
- Female representation has decreased in the upper middle (from 39% to 31%) and upper quartiles (from 43% to 32%)

## Summary and looking ahead

Overall, the gender pay gap has remained stable year on year, with no material change in mean or median pay differences. However, the distribution of employees across pay quartiles and changes in bonus participation have led to a widening of the mean gender bonus gap.

The Group recognises that improving gender balance at senior and higher-paid levels is critical to reducing pay and bonus gaps over time. Ongoing focus areas include talent progression, succession planning, and ensuring equitable access to development and reward opportunities across the organisation.

Quartile %	2025		2024	
	Male	Female	Male	Female
Bottom	58	42	63	37
2	56	44	71	29
3	69	31	61	39
Top	68	32	57	43

### 1) Gender split (%)

- The overall gender split remains 41% female / 59% male, unchanged from 2024

### 2) Employee % median pay and bonus gap

- Median hourly pay gap: -10%, favourable to females (improved from -11% in 2024)
- Median bonus gap: -33%, favourable to females (significant improvement from -114% in 2024)

### 3) Employee % mean pay and bonus gap

- Mean hourly pay gap: -4%, favourable to females (no change from 2024)
- Mean bonus gap: 35%, higher for males (increased from 20% in 2024)

### 4) Proportion of males and females in each pay quartile

- There has been an increase in female representation in the lower and lower-middle quartiles, and a reduction in female representation in the upper and upper-middle quartiles compared to 2024

### 5) Proportion of males and females receiving a bonus

- 94% of males received a bonus (up from 93% in 2024)
- 86% of females received a bonus (down from 90% in 2024)

### 6) Mean/median pay gap – variance in male pay compared to female pay

#### Hourly pay

- Median: -10%, favourable to females (from -11% in 2024)
- Mean: -4%, favourable to females (unchanged from 2024)

#### Bonuses

- Median bonus: -33%, favourable to females (significant improvement from -114% in 2024)
- Mean bonus: 35%, higher for males (up from 20% in 2024)

## Happier Future continued Progress Report 2025

# Products we're proud of

We're passionate about making products that people 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

#### 2030

We are committed to providing our consumers with meaningful choices by:

- Offering lower-sugar and lower-calorie options, including calorie-controlled pack sizes, across all routes to market
- Prioritising the development of healthier products with enhanced nutritional benefits, aligned with local public health guidelines and evolving consumer needs
- Providing clear, accurate and transparent product and nutritional information – both on-pack and online – in line with local legislation and best-practice guidelines
- Marketing our products responsibly, transparently and in full compliance with local laws and regulations
- Fully embedding our 'Responsible Sourcing Programme' across our entire value chain
- Increasing the recycled content of our UK plastic bottles up to 100%



### Healthier hydration

#### Progress in 2025

We continued to innovate to offer consumers healthier choices. This includes ensuring that the sugar content of all our UK Packaged products remains below the level specified by the Soft Drinks Industry Levy (SDL) Regulations 2018. Our UK Packaged range is also ready and aligned to the new government revised SDIL level.

#### Key highlights this year

- Wonderfuel, a sub-brand of Vimto squash, was introduced to target the family breakfast occasion. The range delivers one third of the recommended daily intake of vitamins B, C and D, and provides a valuable source of iron and zinc
- Three other new products were launched across Vimto, SLUSH PUPPiE and ICEE brands with no or low-added sugar or fortified with vitamins
- The whole Vimto RTD range in Middle East is now fortified
- All Yemen cordials now contain natural colours

#### Focus for the future

We will continue to provide healthier hydration by continuing our established approach to innovation and renovation to meet the evolving needs of our consumers and allow them to make healthier choices, with a particular focus on developing more products with added functional benefits.



### Sustainable packaging

#### Progress in 2025

In 2025, we continued to advance our commitment to delivering the most sustainable packaging solutions across our portfolio. To accelerate this journey, we appointed a new Head of Packaging Innovation, bringing over 25 years of experience in packaging development within the retail and FMCG sectors.

This strategic leadership role is focused on driving the development and implementation of innovative, sustainable packaging solutions in collaboration with our partners.

In the last 12 months our efforts have centred on designing packaging for recyclability – selecting materials and structures that can be efficiently sorted, processed and reused within existing recycling systems.

#### Key highlights this year

- Maintained production of bottles with 51% recycled material
- Reduced the weight of aluminium cans by 15% compared to our 2022 baseline, supporting material efficiency and carbon reduction, saving 205 tonnes<sup>1</sup> of aluminium
- Reduced the amount of plastic used in all our plastic packaging by 14% compared to our 2022 baseline, saving 545 tonnes<sup>1</sup> of plastic

#### Focus for the future

We will continue to drive the sustainability of our packaging by:

- Preparing for implementation of the UK Deposit Return Scheme (DRS) by establishing an internal taskforce to scenario-plan and ensure readiness ahead of official guidance from the Deposit Management Organisation (DMO)
- Publishing our Sustainable Packaging Roadmap

### 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 2025

This year we continued our assessment of partners, working with them to ensure that good practices are maintained and improved across our direct supply chain. In addition, we embarked on a second phase of activity to assess product component materials.

#### Key highlights this year

- Supported primary partners in completion of SAQ information and implementation of risk mitigation measures
- Scoped and initiated Phase 2 of the Responsible Sourcing Programme, designed to examine practices at a material level beyond the primary supplier

#### Focus for the future

We will continue to source our products responsibly by:

- Working with data providers such as Sedex as well as established partners to gather further data prioritised by the material level risk assessments
- Exploring the BRC Responsible Sourcing standard to validate our programmes
- Continuing to ensure that any palm oil used in our products is certified by the RSPO

1. Valpak independent verification vs. 2022 baseline.

**Happier Future** continued  
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# 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 business<sup>1</sup>, and we remain focused on reducing our carbon emissions to align to a net-zero future.

**Our commitments**

**2030**

We will reduce our impact on climate change by reducing absolute Scope 1 and 2 greenhouse gas emissions<sup>2</sup> by 80% and reduce Scope 3<sup>3</sup> emissions by 20% by 2030

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 63 of the annual report.
2. 2018 baseline.
3. 2022 baseline.



**Our total emissions**

	Scope 1 tCO <sub>2</sub> e	Scope 2 tCO <sub>2</sub> e	Scope 3 tCO <sub>2</sub> e
2018	1,111	408	- <sup>1</sup>
2019	1,307	273	- <sup>1</sup>
2020	906	204	- <sup>1</sup>
2021	915	203	- <sup>1</sup>
2022	1,139	169	- <sup>2</sup>
2023	913	0	- <sup>1</sup>
2024	626	0	76,903
2025	586	0	-

1. Not measured.
2. UK only.

This table shows our Scope 1, 2 and 3 emissions from our baseline year (2018) to 2025. Our Scope 2 emissions remained at net zero. 2025 Scope 3 data has not been gathered yet.

# Decarbonising our fleet

Carbon emissions from our Out of Home (OoH) vehicle 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. We will begin trials of EVs in our OoH fleet in 2026 in order to ensure a smooth transition away from diesel vehicles and reduction in emissions related to this area.



**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

# Happier Future continued

## Progress Report 2025

### Reducing our direct emissions

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

#### Progress in 2025

Using a market-based approach, the business' total carbon emissions for the financial year amounted to 676 tCO<sub>2</sub>e, representing a 5% decrease from the previous year.

#### Key highlights this year

- Replaced energy inefficient equipment such as the L2 chiller plant and the tank 8 and 9 agitators in our Ross-on-Wye plant
- Installed new insulation boarding in the underground car park area and beneath the office space at Laurel House to reduce heat loss
- Installed LED lighting throughout all the OoH warehouses, replacing less efficient sodium bulbs

#### Focus for the future

We will progress further along our roadmap for reducing Scope 1 and 2 emissions by:

- Implementing our EV roadmap
- Implementing further energy-saving measures identified in our ESOS report
- Continuing to seek opportunities to reduce energy use at our Ross-on-Wye 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, transport, ingredients and co-manufacturers' energy use.

#### Progress in 2025

In 2025, we purchased a carbon accounting tool and gathered Scope 3 data across our UK and International supply chains and entered this data into the tool, in order to further understand our total carbon footprint.

#### Key highlights this year

- Maintained 51% rPET in our UK Packaged range of products and reduced weights of packaging used where possible in line with our sustainable packaging initiatives
- Gathered information relating to partners' carbon reduction initiatives as a facet of our responsible sourcing and onboarding programme

#### Focus for the future

We will continue to decarbonise our supply chain by:

- Analysing the 2024 Scope 3 emissions data for our entire Group in order to produce a valid roadmap to net zero emissions
- Further developing our carbon accounting process which will enable us to scenario plan and take proactive steps
- Deepening our relationships with partners and collaborating to reduce our collective climate impact in key hotspot areas
- Embedding climate considerations into our product design and ingredients sourcing process
- Gathering 2025 Scope 3 data to understand the impact of our multiple initiatives

### 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 2025

Our 2025 total water consumption for manufacturing products in the UK was 247,288m<sup>3</sup>.

We understand and track the water intensity associated with our products at the various production sites across the UK, working with both our own manufacturing site and our partners to drive continuous improvement. Our current water ratio is 2.1 litres of water used to make 1.0 litre of product.

#### Key highlights this year

- Engaged with our international partners on water use, learning that many are already tracking their usage
- Continued tracking and monitoring water use at our co-packers and in our own operations
- Gathered information relating to partners' water reduction initiatives as a facet of our responsible sourcing and ongoing onboarding programme

#### Focus for the future

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

- Driving improvement opportunities where opportunities exist to reduce or re-use water both in our own manufacturing sites and our partners' facilities
- Encouraging partners to implement water reduction initiatives and improve existing initiatives

### SECR report

#### 2025 energy and carbon report summary

Nichols is steadfast in its commitment to minimising its environmental footprint by actively integrating sustainable practices across its operations. Through continuous efforts to reduce its carbon footprint and environmental impact, the business aims to foster a sustainable future for its local communities, customers and employees.

For the financial year ended 31 December 2025, Nichols has prepared Streamlined Energy and Carbon Reporting (SECR) in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. By disclosing annual energy consumption and monitoring environmental performance, the business can analyse trends and implement actions to reduce energy use and associated carbon emissions. Furthermore, reporting also enhances the business' understanding of its environmental impact, enabling the informed development of its sustainability strategy.

For the 2025 financial year:

- Total energy consumption was: 4,078 MWh
- Location-based carbon emissions were: 944 tCO<sub>2</sub>e

Scope 1 Transport emerged as the primary contributor, accounting for 54% of total energy consumption and 56% of location-based carbon emissions. Electricity and combustible fuels were the next largest contributor, both equalling 18% of total energy consumption and 14% of carbon emissions. In the 2025 financial year, energy consumption decreased by 11% compared to the previous financial year, location-based emissions also decreased by 8%, from 1,022 tCO<sub>2</sub>e to 944 tCO<sub>2</sub>e.

Using a market-based approach, the business' total carbon emissions for the financial year amounted to 676 tCO<sub>2</sub>e, representing a 5% decrease from the previous year.

1. 2018 baseline.

# Happier Future continued

## Progress Report 2025

### SECR report continued

#### 2025 energy and carbon report summary continued

To contextualise the business' environmental impact and enable year-on-year comparisons, carbon intensity has been normalised against production (hL Packed). Production (hL Packed) increased compared to the previous financial year, while location-based emissions decreased. As a result, location-based carbon intensity fell from 0.0116 tCO<sub>2</sub>e per hL packed in 2024 to 0.0093 tCO<sub>2</sub>e per hL packed in 2025, which is equivalent to a 20% decrease. This large decrease is driven by Nichols' dedication to improving its sustainability and operational efficiency. Across all energy sources, Nichols saw a decrease in usage, except for Scope 3 transport which had a very slight increase. A reduction in energy consumption was seen while concurrently increasing production by 15%. These two factors are driving the significant improvement in Nichols' carbon intensity.

Nichols reduced its energy consumption by implementing several energy efficiency initiatives; these include:

- Replacing energy inefficient equipment such as the L2 chiller plant and the tank 8 and 9 agitators in our Ross-on-Wye plant
- Installing new insulation boarding in the underground car park area and beneath the office space at Laurel House to reduce heat loss
- Installing LED lighting throughout all the OoH warehouses, replacing less efficient sodium bulbs

These are a small snippet of the energy efficiency initiatives Nichols completed in 2025. Nichols is committed to sustaining and enhancing its environmental performance. By embracing continuous improvement and innovation, the business aims to build a more sustainable future across all facets of its operations.

Parameter	Units	Current reporting year 2025	Previous reporting year 2024
Electricity consumed	kWh	750,223	814,300
Solar electricity consumed	kWh	32,782	31,373
Combustion of fuel	kWh	734,497	775,716
Scope 1 transport fuels	kWh	2,188,562	2,623,632
Scope 3 transport fuels	kWh	371,671	359,312
<b>Total energy consumption used to calculate emissions</b>	kWh	<b>4,077,735</b>	4,604,332
<b>Location-based emissions (tCO<sub>2</sub>e)</b>			
Emissions from combustion of fuel (Scope 1)	tCO <sub>2</sub> e	134	142
Emissions from refrigerant gases (Scope 1)	tCO <sub>2</sub> e	55	-
Emissions from Company-owned transportation (Scope 1)	tCO <sub>2</sub> e	531	625
Emissions from purchased electricity (Scope 2)	tCO <sub>2</sub> e	133	169
Emissions from business travel in vehicles owned or operated by third parties (Scope 3)	tCO <sub>2</sub> e	90	87
<b>Total location-based carbon emissions</b>	tCO <sub>2</sub> e	<b>944</b>	1,022
<b>Intensity ratio: Total emissions per litres soft drink packed</b>	tCO <sub>2</sub> e/hL packed	<b>0.0093</b>	0.0116

	Units	Current reporting year 2025	Previous reporting year 2024
<b>Market-based emissions (tCO<sub>2</sub>e)</b>			
Emissions from combustion of fuel (Scope 1)	tCO <sub>2</sub> e	-	-
Emissions from refrigerant gases (Scope 1)	tCO <sub>2</sub> e	55	-
Emissions from Company-owned transportation (Scope 1)	tCO <sub>2</sub> e	531	625
Emissions from purchased electricity (Scope 2)	tCO <sub>2</sub> e	-	-
Emissions from business travel in vehicles owned or operated by third parties (Scope 3)	tCO <sub>2</sub> e	90	87
<b>Total market-based carbon emissions</b>	tCO <sub>2</sub> e	<b>676</b>	711
<b>Intensity ratio: Total emissions per litres soft drink packed</b>	tCO <sub>2</sub> e/hL packed	<b>0.0067</b>	0.0081

### Methodology

This report has been prepared in accordance with the GHG Protocol Corporate Standard and adheres to the guidance outlined in the Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance.

The organisational boundary for this report is defined as Scope 1 emissions, Scope 2 electricity emissions, and Scope 3 emissions for Nichols grey fleet.

A request for information was sent to Nichols from Bellrock asking for all related energy consumption data for calculating the relevant carbon emissions. Using this data, the energy consumption and carbon emissions for each source and business area were calculated. These emissions were also normalised based on the production volumes of packed soft drink in hectolitres (hL).

The conversion of energy consumption to greenhouse gas emissions was carried out using the relevant emissions factors from the UK Government GHG Conversion Factors for Company Reporting, specific to the reporting year.

### Key differences from last year

There are minor differences between the 2024 calculations in last year's report and this year's report.

Firstly, the emissions from the 2024 Scope 2 electricity in this year's report differ by 6 tonnes of CO<sub>2</sub>, this is because in last year's report, the electricity generated by solar was included in the 2024 emissions calculated. This has since been rectified.

The second minor difference is that this year, the propane gas has been placed under the combustible fuel section as opposed to the Scope 1 transport emissions. This means that the combustible fuel and Scope 1 transport energy consumptions differ very slightly from last year. However, the total energy consumption in 2024 in both reports is still the same.

# Happier Future continued

## Progress Report 2025

### SECR report continued

#### Energy efficiency actions

During the reporting period, Nichols delivered a range of energy- and carbon-saving initiatives across manufacturing, head office operations, procurement, depots, and transport.

#### Manufacturing:

- Replaced the chiller with a more efficient sealed glycol system
- Optimised several tank agitators to reduce energy consumption
- Replaced thermostatic valves on amenities radiators

#### Head Office & Procurement:

- Installed five additional chargers to encourage use of electric vehicles
- Fitted motion-sensor lighting throughout offices and meeting rooms
- Added insulation boarding beneath office areas to reduce heat loss

#### Depots & Transport:

- Introduced remotely controlled Wi-Fi heating at new Leeds Parkside site
- Upgraded all OoH warehouses to LED lighting

These actions continue to support the Company's commitment to energy efficiency, carbon reduction, and broader sustainability goals.

Prepared in line with guidance from: Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance – HM Government.

It must be noted that the data in the above table was determined based upon the information supplied by Nichols. The data provided has been taken as relied-upon information and the accuracy has not been validated.



