

**AG Barr**

BUILDING GREAT BRANDS



Behaving  
responsibly for  
over 140 years

A.G. BARR P.L.C.  
RESPONSIBILITY REPORT

**2021**

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

For over 140 years we've been creating and building great tasting brands that people love and our business has grown as a result. The continued financial strength of our business is important not only to our 860 employees and our shareholders, but also on a broader basis, where our performance positively impacts a wide range of stakeholders, from customers and suppliers to the communities we operate in and the UK economy as a whole.

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

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

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



#### **Good health and wellbeing**

Ensure healthy lives and promote wellbeing for all at all ages.



#### **Gender equality**

Achieve gender equality and empower all women and girls.



#### **Decent work and economic growth**

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



#### **Responsible consumption and production**

Ensure sustainable consumption and production patterns.



#### **Climate action**

Take urgent action to combat climate change and its impacts.

We focus our specific responsibility goals and commitments on those areas where we believe we can make the greatest positive economic, environmental and social impact, supporting our contribution to a sustainable future for all. We also engage with a wide range of stakeholders to ensure that our priorities are aligned.

As such behaving responsibly at A.G. Barr is underpinned by four key commitments which we believe to be material matters to both our business and our stakeholders:

## OUR KEY SUSTAINABILITY COMMITMENTS

## We act with integrity



### Key focus areas

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

### Main supporting policies

- Anti-bribery & Corruption Policy
- Anti-facilitation of Tax Evasion Policy
- Competition Compliance Policy
- Data Protection Policy
- Disclosure Policy
- Diversity, Equality and Inclusion Policy

- Environmental Policy
- Ethical Trading Policy
- Flexible Working Policy
- Health & Safety Policy
- Information Security Policy
- Learning & Development Policy
- Modern Slavery Statement
- Prompt Supplier Payment Guidelines
- Quality Policy
- Responsible Marketing Code
- Speaking Up Policy

### Long-term goals

#### Accident incident rate

# Zero

work related accidents

### Employee engagement

#### 2022 Goal

# 80%

### Women in Leadership

#### 2025 Goal

# 45%

## We respect the environment



### Key focus areas

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

### Main supporting policies

- Environmental Policy
- Ethical Trading Policy
- Modern Slavery Statement
- Procurement Quality Manual

### Long-term goals

#### Reduction in greenhouse gas emissions 2025 Goal (Baseline 2015)

# 40%

reduction

#### Recycled PET content 2022 Goal

# 100%

IRN-BRU and Rubicon

Never again send non-hazardous waste to landfill

#### Improvement in water usage efficiency 2025 Goal (Baseline 2015)

# 15%

Improvement

#### 2023 Goal

# 100%

Full portfolio

## We support healthy living



### Key focus areas

- Calorie reduction
- Responsible advertising & marketing
- Labelling

### Main supporting policies

- Responsible Marketing Code
- British Soft Drinks Association Code of Practice on Energy Drinks

### Long-term goals

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

## We give back



### Key focus areas

- Community engagement
- Charity partnership
- Employee volunteering

### Main supporting policies

- Employee Volunteering Policy

### Long-term goals

To support our corporate charity partnership with Mental Health UK improving the lives of those with mental health challenges by donating £150,000 over 3 years and raising awareness across our own teams.

# Non-Financial KPIs



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

## Accident incident rate



9.0

2021 9.0

2020 7.1\*

Number of accidents (RIDDOR) relative to both our employees and agency workers. Further information is provided in our "Safety and wellbeing" section on page 4.  
\* Data revised to include omitted Funkin business unit. (previously 7.4)

## Employee engagement



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2021 N/A

2020 77%

As measured by our annual "Your Voice Matters" employee survey. Due to the impact of COVID-19 no survey was conducted in 2020/21. The normal survey process will resume in 2021/22.

## Women in leadership

39%

2021 39%

2020 39%

New KPI – Number of females defined as leaders/ senior managers across Barr Soft Drinks and Funkin business units combined.



## Reduction in greenhouse gas emissions



41.0%

2021 41.0%

2020 36.2%

Percentage reduction in total Scope 1 and Scope 2 greenhouse gas emissions. Baseline 2015.

## Improvement in water usage efficiency



(17.0)%

2021 -17%

2020 -16%

Baseline 2015. Ratio of total water used relative to total litres of product produced. Further information is provided in our "Waste and water" section on pages 10–11.

## Non-hazardous waste diverted from landfill

100%

2021 100%

2020 97.2%

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



## We act with integrity



### Safety and wellbeing culture, performance and actions

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

In a year predominated by COVID-19 we took steps to protect those colleagues who are considered most vulnerable across the organisation. Those employees whose roles permit them to do so are working from home as per current government guidance, and for our colleagues who work in key production, warehousing and delivery roles we introduced strict safety, hygiene and 2 metre social distancing measures.

Despite our ongoing focus on safety, our accident incident rate increased during the year, primarily as a result of an increase in accidents across our Cumbernauld operations. Unfortunately the site experienced an increase in accidents, in the main related to machinery access issues in the factory and manual handling operations in our direct store delivery operations. In response

we have introduced a range of measures specifically aimed at further improving our safety practices in these areas including:

- dynamic risk assessment training
- enhanced working at height safety measures, including new temporary edge protection installations and revised vehicle load planning
- a new manual handling programme including training, observation and coaching process
- review of our risk assessments and safe operating and working procedures

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

We recently partnered with the Keil Centre, chartered psychologists and ergonomists with significant safety related experience. Having initially conducted a full health and safety cultural assessment across our supply chain function this was extended during 2020, and

#### In focus

## Safety & Wellbeing awards

We launched our Safety and Wellbeing awards in 2020 recognising those employees who make Barr Soft Drinks a safer place to work. The worthy winners to date include colleagues who have:

- championed innovative safety initiatives across our delivery operations
- shared their experiences dealing with mental health issues or encouraged others not to struggle on alone
- proactively identified safety hazards or near misses, and found solutions to prevent or control them





## We act with integrity continued

### In focus

## Two years with zero accidents

We were pleased to congratulate our Milton Keynes, Wednesbury and Forfar sites during 2020 who all achieved 2 full years with zero lost time accidents. This is a significant milestone for each of the 3 sites and demonstrates the commitment to improving safety practices. In recognition of their achievements the Company made donations to community based charities chosen by the local teams.

### In focus

## Covid communications

With many of our employees working from home on a full-time basis since March 2020, it was important that we kept connected and supported them as they adapted to a very different working dynamic. We introduced a range of new communication initiatives during the year, including a new online series called Talking Heads. We shared authentic videos of leaders from across the business talking about the challenges they, and their teams, were facing both professionally and personally as well as what they were doing to stay motivated.



commenced with the Directors and members of the executive team, to help embed sound safety leadership before it was subsequently cascaded throughout the remaining teams. We now have a comprehensive safety improvement programme in place with a range of interventions identified across our teams to drive improved safety related behaviours, awareness and decision making. As part of this improvement programme we are actively working towards ISO 45001 certification and expect to have achieved this by January 2022.

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

### Employee engagement

A.G. Barr has a positive, results-driven and supportive culture, developed over many years. We believe that our culture is unique and makes A.G. Barr a great place to work. We want to ensure that the essence of what it means to work at A.G. Barr is valued and nurtured. Underpinning everything that we do is our belief in performance through people – a positive and engaged team drives better business performance.

Over the past 12 months, in response to the impact of COVID-19, many employees transitioned to homeworking while our essential workers in our factories, warehouses and logistics operations had to adapt to significant changes to their working practices. Engagement initiatives and internal communications were critical to maintaining employee morale during these testing times.

We focused on 3 key areas. We responded to government changes quickly, and shared updates with our employees clearly and honestly. We made sure our teams felt supported, particularly from a mental health perspective. And we maintained a drumbeat of positivity, using technology to engage, empathise and entertain.

From online "Meet and Greet" sessions with our Board member responsible for workforce engagement, to an online competition where children of our employees designed posters for our factories, we used a range of techniques and channels to keep connected. Results from a pulse survey with an employee focus group were overwhelmingly positive with 96% of respondents stating we had managed the COVID-19 crisis well. Employees fed back that they knew what was happening on an almost daily basis, understood the decisions being made and felt safe.

**In focus**

## Barr Behaviours brought to life

We carried out a listening and engagement exercise with all our employees during the year to capture and share collective positive experiences and learnings. Via informal online get togethers, small groups discussed what behaviours were having the most positive impact on wellbeing, inclusion and performance. The output from these sessions is now helping us refine and refresh our Barr Behaviours framework to ensure it is fit for purpose in the world we're now living and working in. Our Barr Behaviours define the most important aspects of our shared culture and we believe that embedding these behaviours further across our business will create the conditions for every single colleague to work together brilliantly.

**In focus**

## Manager Essentials

Our Manager Essentials development programme continued across 2020, with an adapted online learning format. Focused on creating consistency and competence in how all our people processes and policies are applied, the programme aims to enhance the people skills of our managers and to increase confidence through a blend of self directed learning and webinars. Manager Essentials focuses on key skills vital to being a successful leader and invites all our people managers to think differently about how they manage performance and motivate their teams.

**Barr Behaviours**

We have developed a simple behavioural framework central to who we are and how we operate, known as our Barr Behaviours. These behaviours are at the heart and soul of Barr Soft Drinks and support how we work together to enhance performance. Whether recruiting new employees or developing our existing teams, our Barr Behaviours are core to our thinking and ensure we are all focused on our performance potential. Our behaviours centre on four main areas – Being Brilliant, Always Learning, Results Driven and Relationships Matter.

**Learning and development**

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





## We act with integrity continued

### In focus

## Gender progress

In 2020, our fourth year of gender pay gap reporting for Barr Soft Drinks, we were pleased to report an improvement in our mean pay gap which has reduced from 12.7% in 2017 when reporting began to now sit at 0.7%.

We have also set a new KPI related to women in leadership. Across A.G. Barr as a whole women make up 39% of the leadership population and we are now targeting 45% by 2025.



### Diversity and inclusion

We want to be a diverse and inclusive business that respects and values difference and allows all of our people to perform at their best. By treating people fairly and equally, and by embracing diversity in all its forms, we believe this will improve our market competitiveness, foster innovation, enhance our reputation and create an inclusive and positive working environment for all employees to thrive. Our aim is to ensure that all employees and job applicants are given equal opportunities. Embracing diversity means that we value and respect everyone's differences.

Our diversity and inclusion (D&I) plan was developed by listening to our employees and developing a plan tailored to our business and our people. Our plan reflects both our employees' views as well as the long-term Company ambitions in this important area.

Across 2020, despite the challenges of the COVID-19 pandemic, we made progress across the 3 key focus areas of this plan:

- Leadership – developing our people leaders to become diversity and inclusion role models who lead by example. Actions taken included the continued roll out of the Manager Essentials programme which encompasses a D&I recruitment module (see Learning & Development section on page 6)
- Recruitment – developing recruitment processes and tools that attract more diverse candidates. A key action during the year was the roll out of new recruitment software, providing better ways to target where we advertise our roles
- Gender – finding new ways to encourage women to join our business, and to actively support their progression. 2020 saw us introduce new continuous performance development software with specific check-ins for career development as well as delivering year 2 of our Company-wide mentoring programme

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

### Gender split

	Board & Company Secretary		Senior Managers		All employees	
	As at 25 Jan 2020	As at 24 Jan 2021	As at 25 Jan 2020*	As at 24 Jan 2021	As at 25 Jan 2020*	As at 24 Jan 2021
Male	8	7	59	54	696	610
Female	3	3	37	34	292	251
<b>Total</b>	<b>11</b>	<b>10</b>	<b>96</b>	<b>88</b>	<b>988</b>	<b>861</b>

\* Data revised to include omitted Funkin business unit

## GENDER PAY REPORT



Our Barr Soft Drinks Gender Pay Report is available on our website at [www.agbarr.co.uk](http://www.agbarr.co.uk)

### Reward

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

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

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

We offer employees a modern and flexible range of benefits designed to offer choice to our increasingly diverse workforce.

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

### Responsible policies and practices

We have high expectations of our partners, our suppliers and ourselves. Across 140 years of operation we have developed robust and responsible policies and practices that guide what we do and how we work with others. The key policies, statements and guidelines we rely upon are set out on page 2.

### Risk & regulation awareness

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

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

In support of this, we require all employees to complete the following 5 mandatory training modules:

- Introduction to Risk
- Data Protection
- Competition, Pricing and Confidentiality
- Bribery and Corruption
- Tax Evasion

### In focus

## Speaking up

Our Speaking Up Policy supports our open culture and provides guidance to employees on how to raise any concerns to an Independent Non-Executive Director in confidence. A communication campaign during 2020 was designed to raise awareness of the policy and encouraged employees to come forward if they wanted to raise any matters of concern without fear of repercussions.





## We respect the environment



The environment and natural resources are precious. We take our environmental responsibilities very seriously, constantly striving for opportunities to improve our sustainability, whether through carbon and energy reduction, our water and waste control actions or general reduction of our environmental impacts.

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

### Carbon reduction

We have an important role to play in the transition to a low carbon and climate-resilient economy and we took a significant step forward in 2020 as we moved to 100% renewable electricity at all our sites.

We have also made a number of energy efficiency improvements during the year, including a new energy monitoring system at our Cumbernauld site, the installation of more efficient LED lighting at our Cumbernauld warehouse, a significant saving in gas oil following the removal of a boiler at our Milton Keynes site, as well as fuel and energy savings across our distribution fleet.

We are pleased to report a year on year improvement across our greenhouse gas emissions (GHG) which have reduced by 41% against the 2015 baseline.

Further details on both our energy emissions and our energy efficiency actions and savings are provided in our Streamlined Energy & Carbon Reporting (SECR) section on page 12.

Working with independent experts, we are now accurately assessing our current carbon footprint across the full product life cycle and value chain. This will cover the goods we purchase, the resources, fuel and energy we use in our day to day activities, right through to the point we deliver to customers. This important data will allow us to accurately measure and verify our full carbon footprint for the first time and will allow us to set science-based carbon reduction targets that will support the decarbonisation of our business.

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

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

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

Our ultimate goal is to be net zero by 2040, if not sooner. We believe we have no time to waste.

This mindset is being brought to life by our No Time To Waste environmental sustainability programme. We are already taking action, as detailed throughout this report, to ensure we play our part in reducing the effects of climate change on our planet. However, our carbon footprint assessment work will allow us to expand our No Time To Waste programme and actions, building an aggressive yet realistic decarbonisation roadmap towards our net zero goal.

### In focus

## Improved CDP score

CDP is a not-for-profit charity that runs a global environmental disclosure system. CDP is widely used and considered to be one of the most comprehensive independent environmental data sets available. We are pleased to report that we improved our CDP rating during 2020 and now hold a B classification. The CDP Score Report allows us to benchmark and compare our environmental stewardship with peers, and provides additional information that can help inform our forward looking improvement programmes.

**In focus**

## Introducing greater recycled content into our packaging

Rubicon Spring, our tasty, healthy and hydrating spring water based drink, now has 50% recycled plastic in all its bottles. Better for you and better for the planet.



We are a business that prides itself on acting with integrity and building trust so we will only confirm our net zero commitment as and when we have a robust and deliverable plan in place.

### Packaging

We believe that packaging should be treated by all as a valuable resource and recycled, not discarded as litter. 100% of our soft drinks packaging is recyclable and recycling messages are displayed on all our drinks. In addition, we continually seek to reduce the amount of packaging we use and have made significant achievements in this area. We use 20% less material in our plastic bottle designs than we did 10 years ago and we recently removed difficult to recycle polypropylene sleeves from millions of our bottles.

As part of our No Time To Waste environmental sustainability programme we have accelerated our actions and raised our ambition across a range of packaging initiatives.

- We have increased our commitment, both in quantum and pace, associated with the amount of recycled material (rPET) within our plastic bottles. Our Strathmore and Rubicon Spring brands have already transitioned to 50% rPET bottles however our full range of IRN-BRU and Rubicon plastic bottles will be made from 100% recycled material by early 2022. All our plastic bottles will be 100% rPET by the end of 2023
- We're also one of the first businesses in the UK to introduce 100% recyclable packaging film made from 100% recycled content, which will be on all our consumer multipacks by the end of 2021. This move alone will reduce 400 tonnes of virgin plastic each year and complements other plastic reduction initiatives delivered during the year, including the lightweighting of shrink wrap used in our factories, which removes a further 75 tonnes of plastic on an annual basis

We are also actively involved in finding solutions to address packaging waste, reduce litter and increase packaging recovery rates. A correctly designed and effectively operated DRS scheme in Scotland can deliver the improvements to recycling and littering that we all seek. Over the past year we have worked closely with fellow drinks producers in Scotland, along with other key stakeholders, taking the lead in the establishment of a Scottish deposit return scheme (DRS) administrator. The legislation permits producers to appoint a not-for-profit scheme administrator to collectively discharge their DRS obligations.

By incentivising consumers to return their drinks containers, a DRS will set drinks packaging apart, as drinks containers will become part of a truly circular economy. In countries where DRS is already operational, such as Norway and Germany, return rates of plastic bottles for example reach as high as 98%. In addition, the quality of recycled material available from a DRS system is expected to be much higher than the quality produced by current household recycling. We believe this will vastly improve the availability of recycled material to go back into our drinks containers.

### Water and waste

As a soft drinks manufacturer, water is one of our most important ingredients as well as being a precious resource. Managing our impact on water, and being good water stewards, is high on our list of environmental priorities.

We are committed to the prevention of pollution and continually seek to understand and minimise the direct and indirect environmental impacts of our operations. Through constant monitoring, using formal auditing procedures where appropriate, we seek to avoid, reduce or control the creation and emission of any type of pollutant or waste.



## We respect the environment continued

Our water usage efficiency suffered for the second consecutive year as a consequence of the decline in Barr Soft Drinks production volumes. This has a negative impact on our water usage ratio calculation, as set out in our non-financial KPIs, due to shorter production runs and increased line changeovers. We remain committed to improvement in this area and have identified a number of water efficiency improvement projects to be delivered in 2021.

We were, however, delighted to achieve our long-term target related to waste. 100% of our non-hazardous waste is now diverted from landfill, and our objective is now to maintain this performance on a permanent basis.

### Sustainable sourcing

As climate change and a rising population put pressure on our limited natural resources, it is important for all our raw materials to be sourced sustainably and used effectively. We work in partnership with our critical suppliers to ensure that our materials and ingredients are sustainably sourced. Our Ethical Trading Policy sets out our expectations in this regard and our suppliers must acknowledge their compliance on an annual basis through our stringent supplier approval process, which uses questionnaires and audits to confirm adherence to our standards across a broad range of requirements. We also use the Supplier Ethical Data Exchange (Sedex) platform, as a secondary verification step. Sedex is a not-for-profit global membership organisation dedicated to driving improvements in ethical and responsible business practices.

### Materiality and stakeholder engagement

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

Over and above our standard engagement processes, we undertook a specific exercise during the year to gauge the views of consumers, customers, suppliers, employees and shareholders on environmental sustainability. These findings, taken together with the output from our carbon footprint assessment work, will be used to shape the expansion of our No Time To Waste programme and actions.

### Governance

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

The Executive Committee is responsible for the delivery and execution of our responsible actions and programmes, supported where appropriate by sub-committees and functional or project teams.

### Independent assurance

We appointed third-party auditors, the Carbon Trust, to undertake a carbon audit of our Group operations for the year ending January 2021. Having developed the world's first certification for organisational CO<sub>2</sub>e Reduction Standard and product carbon footprints, the Carbon Trust is the leading carbon footprint certification body.

The scope of the audit included Scope 1 and Scope 2 emissions.



### In focus

## Lightening the load

Packaging keeps our products safe, secure and of optimum quality, but we're continually striving to find ways to reduce it. By re-engineering pallet configurations we're removing over 120,000 cardboard layers at our Milton Keynes and Cumbernauld sites.

### Streamlined Energy & Carbon Reporting (SECR)

For 2020/21, the total global Scope 1 and 2 carbon emissions associated with our reported energy use and fugitive emissions from refrigerant leaks are 10,320 tonnes CO<sub>2</sub>e, with the following breakdown by scope:

Carbon Emissions	2020-21	2019-20
Scope 1 emissions (tonnes CO <sub>2</sub> e)	5,434	5,467
Scope 2 emissions – purchased electricity (tonnes CO <sub>2</sub> e)	4,886	5,719
<b>Scope 1 &amp; 2 emissions (tonnes CO<sub>2</sub>e)</b>	<b>10,320</b>	<b>11,186</b>

All global energy and emissions reported relate to UK operations with no non-UK energy or emissions.

#### Methodology

The methodology used is the WBCSD/WRI Greenhouse Gas Protocol, a corporate accounting standard revised edition in conjunction with UK government environmental reporting guidelines including SECR guidance. An operational control approach has been taken. We have used the UK government greenhouse gas conversion factors for Company reporting 2020. Scope 2 emissions from purchased electricity have been measured using a location-based approach.

Our total energy consumption for 2020/21 is 46,493,654 kWh. This includes our electricity, natural gas usage and other thermal fuels used for our production, distribution and office buildings as well as transport fuels for logistics vehicles and Company cars.

A comparison against the figures reported in our 2019/20 Annual Report is also provided.

#### Intensity ratio

For 2020/21, our emissions intensity, measured as the total Scope 1 and 2 emissions relative to the thousand litres of product produced is 24.95 kg CO<sub>2</sub>e per thousand litres of product produced. This represents an improvement of almost 5% compared to 26.17 kg CO<sub>2</sub>e per thousand litres of product produced, as detailed in our 2019/20 Annual Report.

#### Energy efficiency actions

- Our energy monitoring system at our Cumbernauld production site was upgraded. Existing sensors were replaced providing better data on the energy consumption of key assets. We are targeting a 2% reduction in full year energy consumption for the site as a result

- We installed LED lighting at our Cumbernauld warehouse, replacing old inefficient floodlighting, resulting in an estimated annual energy savings of 26,000kWh
- By improving production planning at our Milton Keynes site we were able to remove an old gas oil boiler from the production facility. This resulted in a saving 39,650 litres of gas oil equating to 425,000kWh per annum. Further smaller works completed at the site to improve hot water pipework insulation are expected to provide 1,700kWh of electrical energy savings
- We carried out a route optimisation exercise for our logistics fleet in England and Scotland during the financial period. As a result, 3% of the delivery volume was moved to existing third-party provider routes. Furthermore, with reduced delivery volumes during the reporting period, a significant annual diesel fuel reduction of 245,000 litres was achieved across our own vehicles compared to the previous year. This equates to 2,600,000 kWh of energy savings

#### Task Force on Climate-related Financial Disclosures

The Task Force on Climate-related Financial Disclosures (TCFD), established by the G20's Financial Stability Board, provides a framework for companies to report the potential financial impacts from climate change on their business, rather than reporting the impact of their organisation on the environment.

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

**Governance** – setting out the respective roles of the Board and management team in managing risks and opportunities.

**Strategy** – identifying risks and opportunities over different time horizons and explaining how these impact strategic and financial planning.

**Risk Management** – having processes in place for managing identified risks and including these within the overall risk management framework.

**Metrics and Targets** – explaining how both climate change impact and exposure to risks are measured, setting targets and tracking ongoing progress.

We recognise the importance of these disclosures and are committed to be fully aligned by 2022.

Having reviewed our business model and the principal risks associated with climate change, we do not currently believe there are any immediate material impacts of physical and transition climate risks on the business.



## We support healthy living



### Calorie reduction

98% of our soft drinks portfolio by volume is considered no or low sugar, containing less than 5g total sugars per 100ml.

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

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

### Responsible advertising and marketing

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

### Labelling

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

### In focus

## Sporting partnership

We are proud to be the Official Hydration Partner for the Strathclyde Sirens for the 2021 Vitality Netball Superleague. The Sirens, Scotland's biggest female semi-pro sports team, are an inspirational team of young sportswomen who are competing at the very top of their game, representing Scotland in one of the UK's biggest women's sports leagues. We're proud to be a part of their journey.





## We give back



### Community engagement

Since 1875, we have always supported and worked closely with the communities in which we operate.

We provide financial, in-kind, practical and employee volunteering support to a wide range of charities, good causes and community groups each year across the UK.

### Charity partnership

Our employee-chosen charity partner, Mental Health UK brings together 4 national mental health charities working across the country and provides advice, information and support. Our corporate donation of £150K over the 3-year partnership is supplemented by employee fundraising from teams across the business who undertake a range of impressive activities in support of this important charity.

### Employee volunteering

We encourage employees from across the business to take part in volunteering activities, giving something back to the communities we serve. Our employee volunteering policy allows every employee the opportunity to take paid time off to volunteer with our employee nominated charity.

### In focus

## Sending Strathmore to the front line

We were proud to donate 250,000 bottles of Strathmore water to the NHS Louisa Jordan temporary critical care hospital built at the Scottish Events Campus (SEC) in Glasgow.

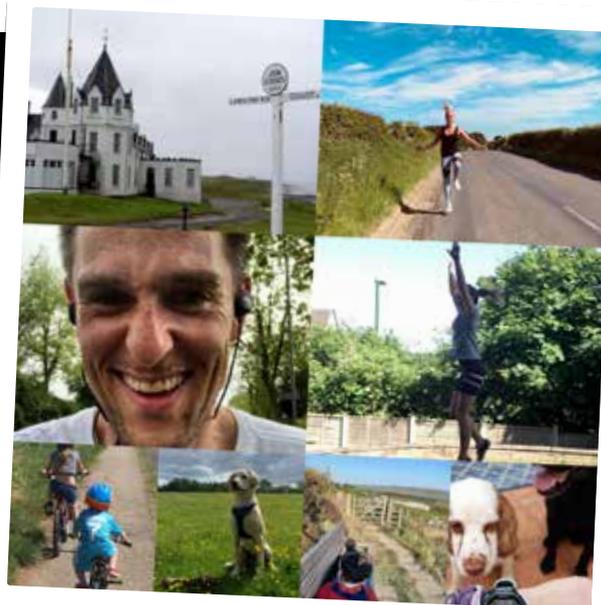


### In focus

## Fundraising fun

COVID-19 hasn't stood in the way of our amazing employees who have once again shown their incredible capacity for giving back. From a virtual West Highland Way, which saw one team collectively walk/run 734 miles and climb over 31,735 feet on stairs, to a virtual walk from Lands' End to John O'Groats – a total of 874 miles – all our fundraisers continue to go the extra mile for our worthy charity partner, Mental Health UK.

Mental  
Health  
UK



# AG Barr

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