

BEGGARS GROUP

2023 Sustainability report



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OUR COMMITMENT TO SUSTAINABILITY:

Like many artists and music fans, we're concerned about the impacts of the climate emergency. The landscape we work in is changing rapidly. According to the International Panel on Climate Change (IPCC), we have until 2030 to avoid substantial climate and ecosystem breakdown.

Arts industries – as the bedrock of culture – can play a vital role in encouraging and supporting widespread action on the climate agenda. Towards this end, we're taking steps to reduce our environmental impact in line with the latest climate science and holding ourselves to account by publishing our progress.

As members of the UN Race to Zero campaign we have joined the world's largest coalition of non-state actors taking immediate action to halve global Green House Gas (GHG) emissions by 2030.

We publicly commit to:

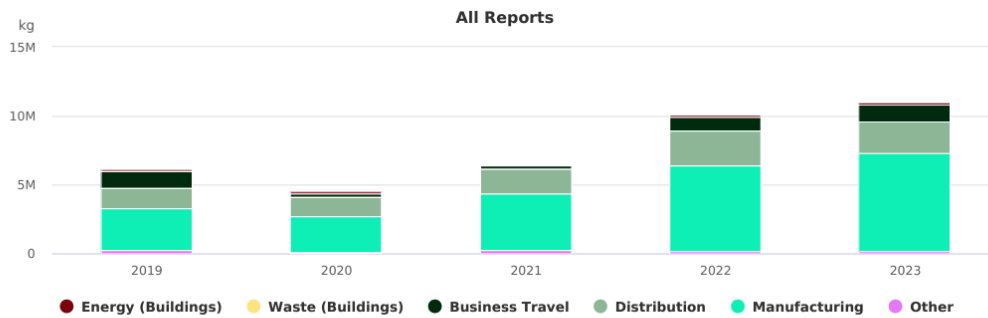
1. **Measure emissions** – we'll publish an annual report that summarizes our GHG emissions profile, to help continuously improve our understanding of the impact that we have (see below).
2. **Reduce emissions** – we'll halve our GHG emissions (scope 1, 2 & 3) by 2030, against a 2019 baseline with an ambition to achieve net zero by 2050.
3. **Price emissions** – for emissions that we cannot yet avoid, we'll adopt a price per tonne based on the recommendation of our partner organisation, Murmur.
4. **Support transformative action** – with the funds from step 3, we'll work with Murmur to support initiatives for transformational action to address climate change.

OUR GLOBAL CARBON PERFORMANCE 2019- 2023

Our headline carbon emissions for UK-based and US-based operations combined are as follows:

2019 –	Absolute carbon emissions: 6,112 tonnes/CO2e Relative carbon intensity: 3.43 Kg/CO2e per unit produced
2020 –	Absolute carbon emissions: 4,471 tonnes/CO2e Relative carbon intensity: 3.12 Kg/CO2e per unit produced
2021 –	Absolute carbon emissions: 6,485 tonnes/CO2e Relative carbon intensity: 3.32 Kg/CO2e per unit produced
2022 –	Absolute carbon emissions: 10,049 tonnes/CO2e ^{*1} Relative carbon intensity: 3.63 Kg/CO2e per Unit produced
2023 –	Absolute carbon emissions: 10,947 tonnes/CO2e Relative carbon intensity 3.37 Kg/CO2e per Unit produced

Beggars group GHG emissions over time



This table presents your organisation's environmental impacts in Carbon Dioxide Equivalent (CO₂e) year-to-year.

YEAR	ENERGY (BUILDINGS)	WATER & SEWAGE (BUILDINGS)	WASTE (BUILDINGS)	BUSINESS TRAVEL	DISTRIBUTION	COMMUTER TRAVEL	ARTIST TRAVEL	MANUFACTURING	OTHER	TOTAL
2019	121 tonnes CO ₂ e	0 kg CO ₂ e	349 kg CO ₂ e	1,197 tonnes CO ₂ e	1,537 tonnes CO ₂ e	0 kg CO ₂ e	0 kg CO ₂ e	2,970 tonnes CO ₂ e	287 tonnes CO ₂ e	6,112 tonnes CO ₂ e
2020	113 tonnes CO ₂ e	0 kg CO ₂ e	86 kg CO ₂ e	271 tonnes CO ₂ e	1,348 tonnes CO ₂ e	0 kg CO ₂ e	0 kg CO ₂ e	2,646 tonnes CO ₂ e	94 tonnes CO ₂ e	4,471 tonnes CO ₂ e
2021	91 tonnes CO ₂ e	0 kg CO ₂ e	84 kg CO ₂ e	208 tonnes CO ₂ e	1,880 tonnes CO ₂ e	0 kg CO ₂ e	0 kg CO ₂ e	4,095 tonnes CO ₂ e	210 tonnes CO ₂ e	6,485 tonnes CO ₂ e
2022	91 tonnes CO ₂ e	0 kg CO ₂ e	145 kg CO ₂ e	1,017 tonnes CO ₂ e	2,535 tonnes CO ₂ e	0 kg CO ₂ e	0 kg CO ₂ e	6,247 tonnes CO ₂ e	159 tonnes CO ₂ e	10,049 tonnes CO ₂ e
2023	98 tonnes CO ₂ e	0 kg CO ₂ e	0 kg CO ₂ e	1,250 tonnes CO ₂ e	2,320 tonnes CO ₂ e	0 kg CO ₂ e	0 kg CO ₂ e	7,133 tonnes CO ₂ e	146 tonnes CO ₂ e	10,947 tonnes CO ₂ e

In 2023, our absolute global emissions increased by 4835 Tonnes/CO₂e from our baseline year (2019). The rate of increase in emissions has slowed considerably from the previous year with an increase of 898 Tonnes /CO₂e (vs 3564 Tonnes / CO₂e in 2022).

Manufacturing our physical product remains the biggest area of emissions and has also shown the largest increase since 2019. Associated with this has been the increase in emissions associated with the distribution of these products. Our priority focus is to collaborate with our vinyl and cd manufacturing supply chains to ensure the development of and transition to sustainable, low carbon formats.

As an indicator of carbon emissions relative to business growth the KG CO₂e / unit figure has seen a reduction year on year from 3.63Kg / Unit to 3.37Kg/ Unit

ACTION ON OUR EMISSIONS

Some of the steps we have taken to reduce our emissions across the business to date are as follows:

OFFICE ENERGY CONSUMPTION:

- *We've installed 45 solar PV panels at our head office, which produce a significant quantity of our energy needs, reducing our reliance on energy from the grid*
- *We have retrofitted our head office with the installation of energy efficient LED lighting and motion sensors throughout, as well as upgraded heating systems*
- *We've switched all server systems to cloud-based providers, which has significantly reduced IT-related energy demand. Our server providers are all 'carbon neutral'*

PRODUCT MANUFACTURING (VINYL AND CDS)

- *Proactive engagement with suppliers to ensure the development of and transition to sustainable formats- the focus on this is to take a science based approach to quantifying the opportunities for decarbonization to enable sustainability to be incorporated into strategic procurement.*
- *Wherever possible (supply permitting) vinyl releases contain post manufacturing recycled PVC granulate, which reduces our reliance on virgin raw materials*
- *Sleeves are made from sustainably sourced (FSC) or recycled card, with plastic jewel case compact discs now largely discontinued*
- *A vast majority of releases are pressed on 140 gram vinyl, instead of 180 gram. This lighter-weight vinyl has a proportionally smaller environmental footprint, without any loss in audio quality*
- *Overstocks and faulty items (both vinyl and CDs) are sent to a specialist facility for material separation and recycling*

DISTRIBUTION OF PHYSICAL PRODUCTS:

- *Wherever possible we prioritize road and sea freight over air freight however recent challenges in the global vinyl supply chains have impacted upon our ability to do this.*
- *We're working with our distribution partners to discuss where we can achieve efficiencies and collect more granular data to measure the impact of changes in a more accurate manner*

BUSINESS TRAVEL:

- *We encourage our people to minimise flying and to take the train wherever possible.*

OFFICE WASTE:

- *100% of our office waste was diverted from landfill in 2023*
- *70% of our waste went to recycling facilities with the remaining waste going to generating energy via Anaerobic digestion and incineration*

INDUSTRY COLLABORATION

Coordinated action is absolutely essential in order to bring about systemic change in how we make and distribute music. We're supporting the whole industry to pull in the same direction on climate topics by elevating conversations between industry groups and providing the resources needed to undertake the same work at the same time. We're always on the lookout for productive collaborations, and are currently active members of the following groups:

- IMPALA Sustainability Taskforce – founding member and contributor to IMPALA's Carbon Calculator
- Association of Independent Music (AIM) Climate Action Group
- Music Climate Pact – founding signatory
- BPI Sustainability Working Group
- Music Industry Climate Collective
- Vinyl Alliance Sustainability steering group

In addition, we give time and resources to support the development of sustainability conversations across the industry via [Murmur](#)

PRICING EMISSIONS AND SUPPORTING TRANSFORMATIVE ACTION

When we first set out our stall on sustainability, we made the commitment to become a 'carbon negative' business (by 2022 for UK operations, and by 2024 for global operations). This involved working to measure and reduce our greenhouse gas emissions before buying carbon offsets to cancel out emissions that we could not yet remove.

Over the last few years, new approaches to financing climate action have emerged with a focus on achieving more holistic benefits for climate, nature and society which are not achieved through offsetting alone.

We've changed our approach to reflect the latest guidance advocated by organisations such as WWF, and the Science Based Targets initiative. Rather than focussing our strategic carbon funding on achieving 'Carbon Negativity' instead we'll set an internal carbon price on each tonne of our emissions and use this money to fund projects that have more immediate and more strategic impact for society and for the music industry.

At Beggars we have been at the forefront of developing a more impactful and effective model through Murmur where arts and music companies contribute meaningfully to global climate targets through funding external action. One where we can leverage the unique influencing power of artists and arts organisations to accelerate action on climate, by tackling barriers to action in the arts industries.

MURMUR:

To help establish a robust mechanism for dealing with unabated emissions, Beggars is a founding member of [Murmur](#) – an

organisation which connects businesses in the arts with organisations doing high-impact climate mitigation work.

Throughout 2023 we have worked closely with Murmur to mobilise the organisation and to help make sure our money is used in the best way on behalf of the wider music sector. Murmur's strategic climate fund, overseen by climate experts, has three key goals. All three are essential elements of our theory of change, but "Change the conversation" - empowering artists to use their voices to ignite change - is at the core of our work and what makes Murmur unique.

1. ***Changing the Industry-*** *Unifying the arts to create more sustainable industries*
2. ***Changing the conversation-*** *Empower artists to use their voices to ignite change*
3. ***Changing the world-*** *Mobilising the arts to support wider transformative climate action*

Pilot funding provided by Beggars in 2023 (based upon 2022 emissions) has been integral in supporting the Music Climate Pact by funding a project manager to coordinate, steer and develop direction of the pact and deliver against the pact's core objectives.

2023 CONTRIBUTION

Following our commitment to take responsibility for UK-based emissions we have made a contribution to Murmur. This was based on applying a carbon price of £50 per tonne to UK-based emissions from our latest dataset (2023 annual year).

£50 per tonne is a price deemed consistent with climate science and global efforts to reach net-zero, as defined by The Grantham Institute On Climate Change and the Environment at LSE. The carbon price is set by Murmur and will change over time according to the latest climate science.

No compensatory claims are made in relation to Beggars contribution to Murmur the carbon price is simple a mechanism for quantifying the contribution to Murmur- We did not receive any compensatory mechanisms (i.e. carbon offsets) associated with this contribution, nor did we incorporate any emissions reductions from projects funded by Murmur into our calculations of our GHG emissions.

2023 CARBON REPORT

Introduction

This report has been created using the IMPALA Carbon Calculator tool, powered by Julie's Bicycle. Designed specifically for record companies with input from a wide variety of experts, the Tool helps businesses within our sector measure emissions in a consistent and comprehensive manner and with a high degree of accuracy.

Measuring emissions on an annual basis helps us to identify the areas of our business that have the largest environmental impacts and develop targeted strategies to reduce these. We work closely with suppliers across our value chain to measure and reduce emissions, helping to promote sustainability throughout our industry.

The Tool is based upon international best-practice guidelines contained within the GHG Protocol Corporate Standard to help us identify all relevant emission sources.

Report scope

This report includes a detailed analysis of global scope 1, 2 and 3 GHG emissions for 2023. Beggars Group is incorporated in two key territories Beggars UK and Beggars US with approximately a 50/50 split in emissions between the two parts of the business. Group activities include finance, HR, IT marketing, Legal and operations. Label operations include the scope 1 and 2 activities at label premises as well as the scope 3 services provided by group services.

The report covers emissions from the following activities:

- Offices: energy consumption, waste production
- Business travel: travel booked for staff
- Product manufacture: vinyl, CD, overstock destructions
- Distribution: distribution of physical products from tier one suppliers to distribution partners globally, other shipping that is material to our emissions that we pay for directly
- Capital goods: the purchase of office furniture, IT equipment, recording equipment and company vehicles

OUR APPROACH TO MATERIALITY:

Within this report we identify year on year changes to our emissions and progress against a baseline year established in 2019. The data within the scope of our reporting was identified as materially significant via a formal materiality assessment when we first established this process in 2020. As our approach to reporting has matured and the business has grown some impact areas may have become more materially significant. As 2025 is the mid-way point in our journey to 2030 we will review our approach to materiality to ensure that we remain aligned with best practice in reporting approaches and emerging compliance requirements. At the end of this report are details of known exclusions in our reporting data.*²

REPORTING BOUNDARY:

The Tool does not currently cover some Scope 3 impact areas which record companies do not own or control and which are considered to be the responsibility of third parties such as digital distribution (streaming services) and physical retailers, or where there is a lack of readily available data, e.g. consumer use of purchased products.

Emissions from downstream digital distribution (the distribution of digital recordings through Digital Service Providers [DSPs] and

consumption by fans through streaming services or digital download) are excluded from this report for the following reasons:

- Size – due to a lack of available data, it's not possible for the recorded sector to estimate with accuracy the size of emissions from digital distribution.
- Influence – record companies have little or no direct control over the distribution of digital files once they have distributed to DSPs, or influence over emission reduction programmes.

Digital distribution is a vital part of our industry and makes up a significant portion of our business and we are committed to estimating the footprint of the digital music warehousing we use to deliver our music to DSP's. As part of the IMPALA Sustainability Taskforce, and as active signatories to the Music Climate Pact we are working closely with DSPs collaboratively to share data and knowledge and to encourage greater transparency and support towards measuring and reducing the impact of streaming.

Methodology

Any carbon footprint analysis is based on a number of best estimates and is not an exact science. All carbon conversion factors used for each activity are provided by Julie's Bicycle via the IMPALA Carbon Calculator and are updated regularly as new data arises. All calculations are in accordance with the Greenhouse Gas protocol- Corporate Accounting and Reporting Standard.

At the end of this report there is a section detailing any corrections, exclusions and estimations that have been identified in this and previous years data.

Carbon reduction targets

Scope 1 & 2 emissions

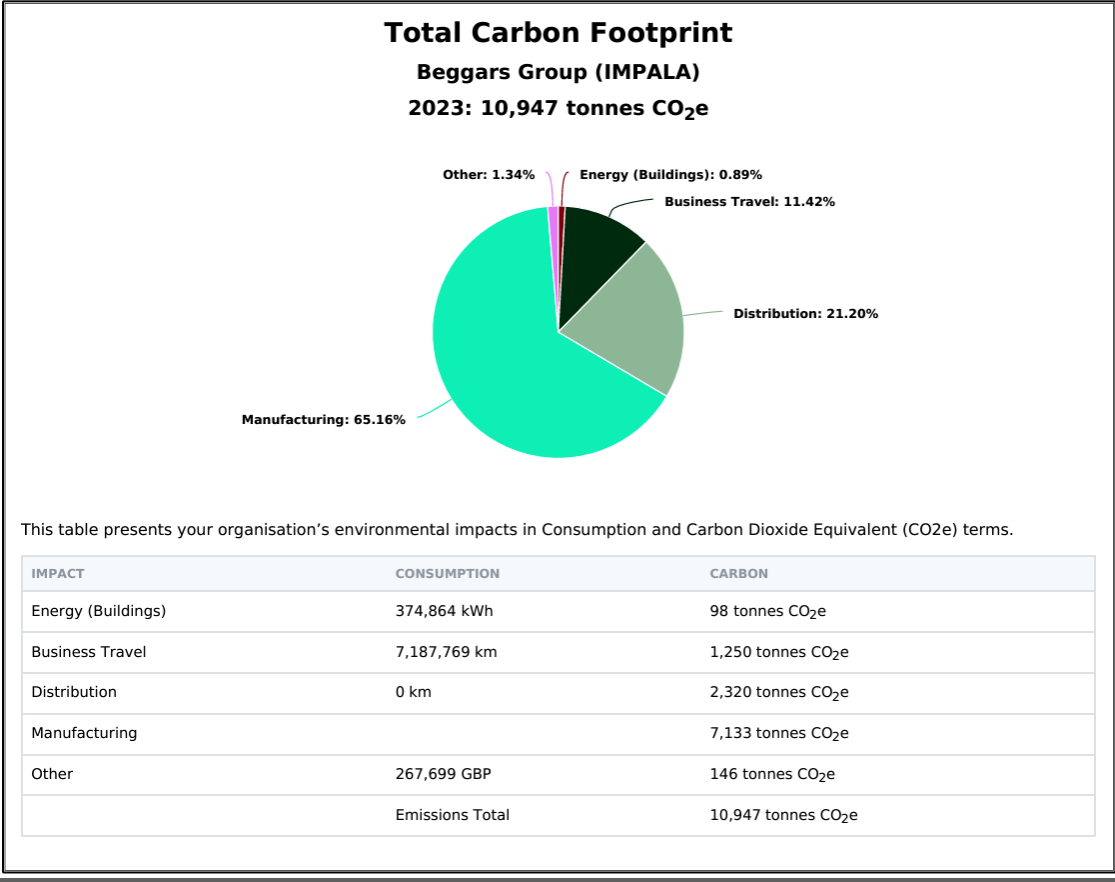
In 2022 we joined the UN Race to Zero campaign and in doing so we joined the world's largest coalition of non-state actors taking immediate action to halve global emissions by 2030. As part of this, we have committed to reduce absolute scope 1 and scope 2 GHG emissions, as well as emissions from business travel, 50% by 2030 (from a 2019 base year), and to measure and reduce scope 3 emissions.

Scope 3 emissions

In 2023 we have continued to work across the recorded music sector and within our supply chains to ensure that the data that we use to report our scope three emissions are aligned with the GHG protocol requirements for reporting and that we use the most specific and accurate data available.

Our reporting of scope three emissions is primarily based upon suppliers specific data using representative emissions factors. Where this primary data isn't available we have used a small amount of spend based calculations.*³

In 2025 we are developing the Beggars Group low carbon transition plan the targets within this will be published in next years annual report.



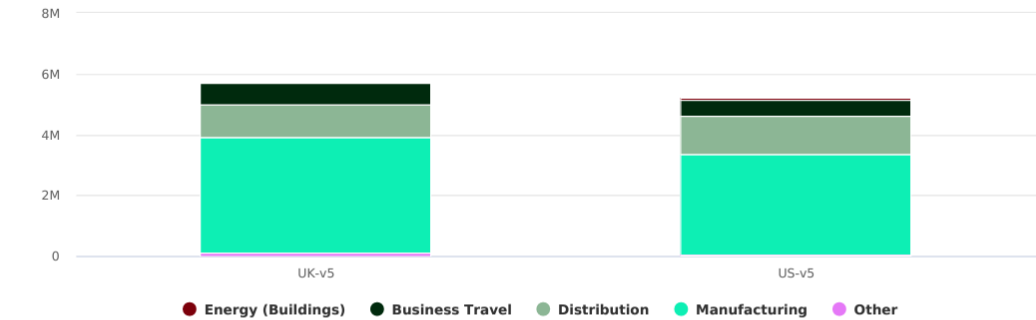
2023 GLOBAL PERFORMANCE ANALYSIS

In 2023, our absolute global emissions increased by 898 Tonnes/CO₂e (8%) from the previous year*¹ and 4835 Tonnes from our baseline year (2019). 99% of our emissions are in scope 3.

As an indicator of relative increase in carbon to increased business growth the KG CO₂e / unit figure has reduced from 3.63Kg / Unit to 3.37Kg/ Unit. This means that the carbon intensity of our global operations has decreased by 2% since 2019.

The split between our UK and US businesses is 52% (UK) 48% (US). In 2023 the majority of increase in emissions has been from the UK side of the business with a year-on-year increase of 1659 Tonnes CO₂e coming predominately from the increase in physical products. In the US emissions have actually fallen year-on-year by 592 Tonnes.

Emissions
2023

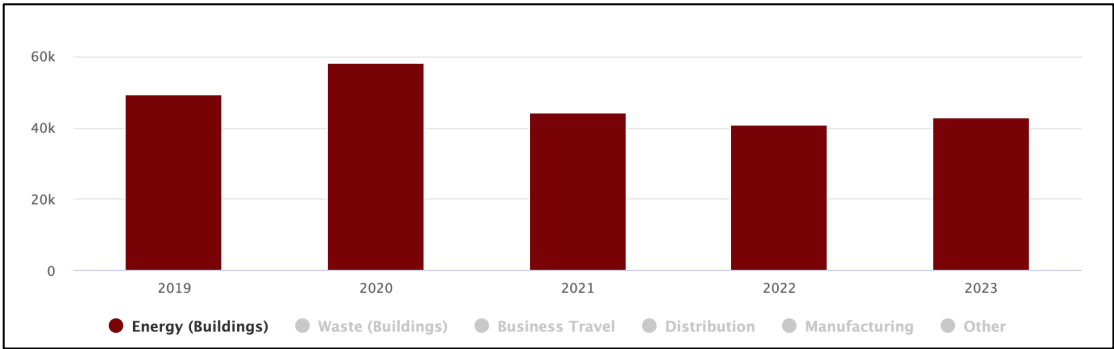


This table presents your organisation’s environmental impacts in Carbon Dioxide Equivalent (CO₂e).

FOOTPRINT	ENERGY (BUILDINGS)	WATER & SEWAGE (BUILDINGS)	WASTE (BUILDINGS)	BUSINESS TRAVEL	DISTRIBUTION	COMMUTER TRAVEL	ARTIST TRAVEL	MANUFACTURING	OTHER	TOTAL
UK-v5	43 tonnes CO ₂ e	0 kg CO ₂ e	0 kg CO ₂ e	732 tonnes CO ₂ e	1,048 tonnes CO ₂ e	0 kg CO ₂ e	0 kg CO ₂ e	3,813 tonnes CO ₂ e	107 tonnes CO ₂ e	5,744 tonnes CO ₂ e
US-v5	55 tonnes CO ₂ e	0 kg CO ₂ e	0 kg CO ₂ e	518 tonnes CO ₂ e	1,272 tonnes CO ₂ e	0 kg CO ₂ e	0 kg CO ₂ e	3,319 tonnes CO ₂ e	39 tonnes CO ₂ e	5,203 tonnes CO ₂ e

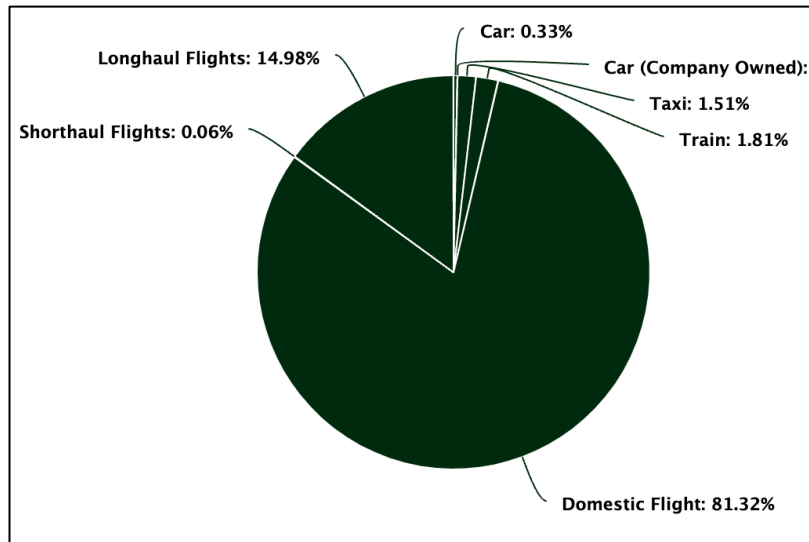
Analysis

Energy Consumption



There has been a steady reduction in energy consumption from both our US and our UK offices from our 2019 (20- 25%) This has been largely due to the installation of solar panels at our UK office as well as introduction of energy efficient technologies as part of our Head office refurbishment.

Business Travel



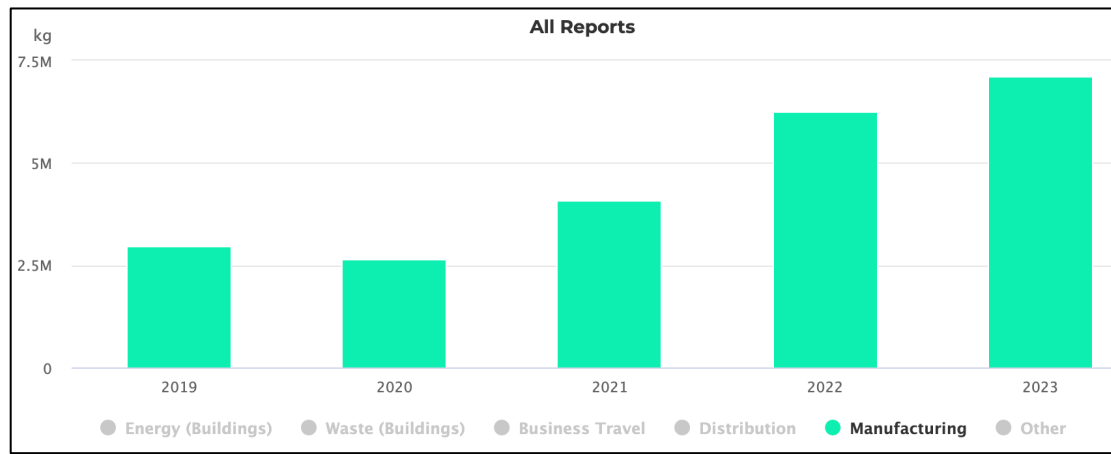
Carbon emissions from business travel represent 11% of our total footprint in 2023- this is down from 20% of our global footprint in 2019.

US- 10% of the US footprint is associated with Business Travel. This is a 1% reduction on the previous year however since 2019 this has decreased by 28% (213 Tonnes of Carbon).

UK- 12.7% of the UK footprint is associated with Business Travel. This represents an increase of 34% from the 2019 baseline year (248 Tonnes CO₂e)

The reason for these patterns of reduction is largely due to the increase in the use of video conferencing and remote meetings over the 2019-2023 period. Travel is an essential part of our business operations, the nature of our industry requires an element of in person interaction. Nonetheless we are looking to keep our overall business travel to less than 10% of our overall emissions and we are looking into how we can support the development and implementation of Sustainable Aviation Fuel (SAF)

Manufacturing



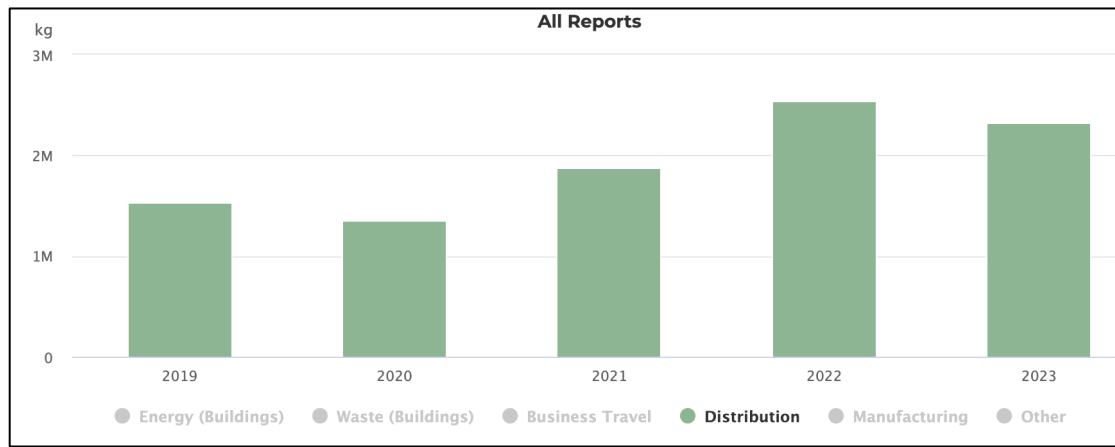
Carbon emissions from manufacturing of CD's and Vinyl represent 65% of our global footprint- as a proportion this is up from 2019 when it represented just under 50%.

US- There has been an increase in emissions associated with the manufacturing of CD's and vinyl of 10% year on year (310 Tonnes CO₂e) This is broadly proportional to the increase in the number of unit's produced. Since the 2019 baseline year the total carbon associated with manufacturing has increased by 2364 Tonnes CO₂e

UK- Emissions associated with manufacturing have increased in the UK by 1798 Tonnes CO₂e since 2019. This is partly attributed to an increased scope of vinyl formats included in the carbon data since 2022 (now including all multi disc variants). The rest of this increase is attributed to an increase in vinyl production volumes.

Of the total global increase in carbon from 2019-2023- 86% can be attributed to the increase in carbon associated with manufacturing

Distribution



At a global level the carbon emissions associated with the distribution of our physical releases represents 21% of our overall carbon footprint. The amount of carbon associated with distribution has decreased by 9% year on year but has increased by 51% from 2019- 23.

At a group level there has been a 3% reduction in air freight year on year (2022-23) however this increase to a 20% increase from the 2029 baseline year.

US- Carbon emissions associated with the distribution of our physical product has increased from 478 T/CO₂e in 2019 to 1272 T/CO₂e in 2023. Much of this can be attributed to the fact that we have produced more products and therefore the shipping requirements have gone up. Year on year there has actually been a reduction in the emissions associated with distribution from 2034 T/CO₂e in 2022 to 1272 T/CO₂e in 2023. This has predominately been associated with moving from using a spend based calculation based on assumptions based on generalized shipping routes to a more accurate supplier specific methodology.

In the US there has been a substantial decrease of 73% in the use of Air Freight when comparing to 2022. This is due to a combination

of the use of more sea freight and also local pressing within the states reducing the reliance on European pressing.

UK- Carbon emissions associated with distribution of our physical products has roughly doubled (1048 T/CO₂e vs 501 T/CO₂e) when comparing to 2022. However since 2019 UK distribution emissions are slightly lower representing a reduction of 2.2%. Considering that production numbers have increased significantly during that period this demonstrates that actions to prioritize sea freight and local pressing plants has had a significant effect.

However there has been a significant increase in the use of airfreight year on year- we are taking steps to understand what we can to ensure that the use of airfreight continues to be kept to a minimum.

NOTABLE CORRECTIONS, EXCLUSIONS AND ESTIMATIONS

***1 Corrections-**

2022 reported figures adjusted as follows following rectification of errors associated with business travel:

UK total updated from 4085 T/CO₂e to 4254 T/CO₂e

Group total updated from 9880 T/CO₂e to 10049T/CO₂e

***2 Exclusions-**

Notable data sets that are excluded from our carbon emissions report are as follows:

Artist Travel data- this was not explicitly reported in our baseline year as it was impossible to unpick this data from other business travel we have since developed a process to calculate this data

Commuter travel data- data relating to. Commuter travel is not available. Although it is not thought to be materially significant, we shall attempt to accurately calculate this to confirm this.

Merchandise- although Beggars doesn't produce significant amounts of merchandise / Point of sale promotional items it is a growing part of our business and we are working towards ways to accurately account for its impact.

***3 Estimations-**

data related to capital spend (146 T/CO₂e =1.34%) and some US distribution data (1047 T/CO₂e= 9.99%) are calculated based upon spend based emissions factors