

BEGGARS GROUP

2024 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.

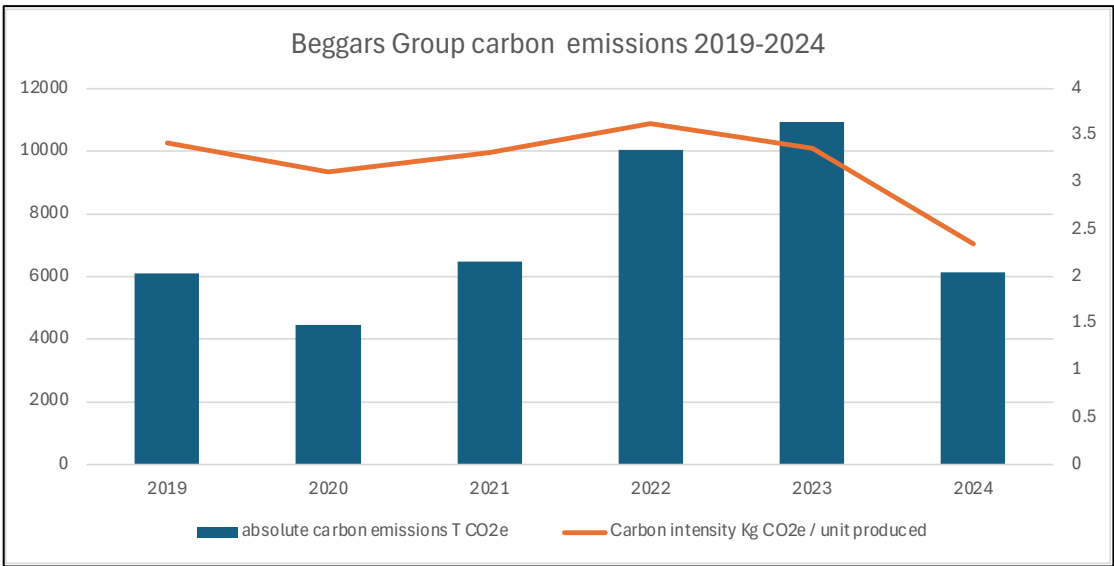
We publicly commit to:

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.

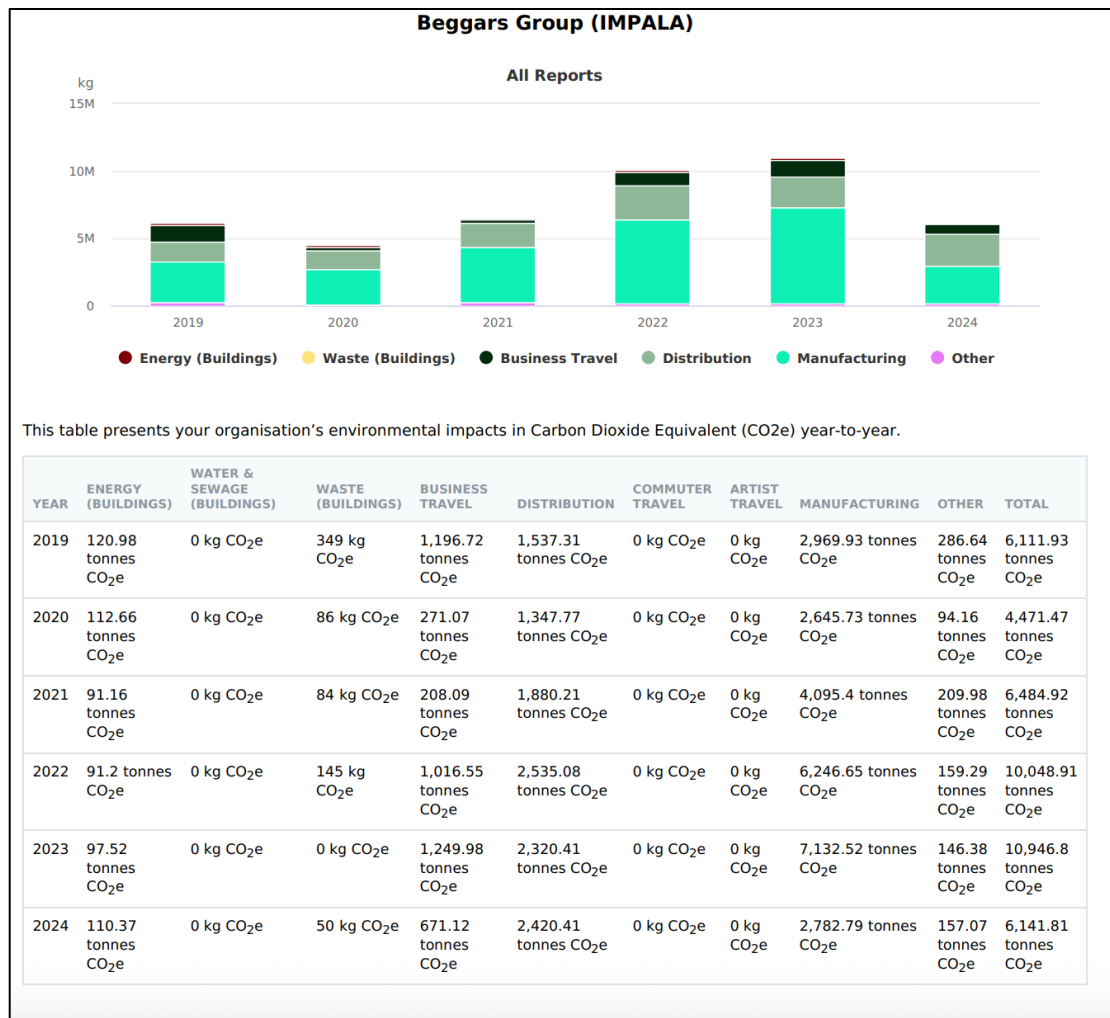
OUR GLOBAL CARBON PERFORMANCE 2019- 2024

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
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
- 2024 -** Absolute carbon emissions: 6,142 tonnes/CO2e
Relative carbon intensity 2.35 Kg/CO2e per unit produced



Beggars group GHG emissions over time



In 2024 our absolute group level global emissions reduced by 4,805 Tonnes CO₂e (-44%) from the previous year. This represents a slight increase of 29.8 Tonnes CO₂e (0.48%) from our baseline year. 97.3 % of our emissions are in Scope 3.

The reduction in carbon emissions has been driven by the improvements in data resulting from the work of the Music Climate Pact / Vinyl Alliance sustainable supplier programme- this has significantly improved the data associated with the carbon emissions associated with record manufacturing (see "Manufacturing" section of the 2024 Carbon report (below) for details).

As an indicator of how our carbon emissions relate to our business growth the Kg/Unit figure has continued to reduce from 3.37Kg CO₂e/ unit to 2.35 Kg CO₂e / unit. This represents a reduction of 31.5% in the carbon intensity of our operations since our baseline year (2019).

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.*
- *We use online virtual meetings in favour of in person meetings where appropriate*

OFFICE WASTE:

- *100% of our office waste was diverted from landfill in 2024*
- *66% 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
- Music Climate Pact – founding signatory
- 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 focusing 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.

Our continued support for Murmur in 2024 saw the organisation go from strength to strength, launching in May, Murmur has developed its funding to deliver against its three core goals:

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*

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. Funding in 2024 was used to establish the Murmur Artist Support programme as the central core to the change the conversation goal.

Under Change the Industry Murmur funded the establishment of the Music Climate Pact and Vinyl Alliance Sustainable Supplier Programme- this year we have used data from that programme to improve our impacts associated with record manufacturing.

2024 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 (2024 annual year).

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.

2024 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 2024. Beggars Group is incorporated in two key territories Beggars UK and Beggars US with approximately a 60/40 (UK/US) 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. In 2026 we will use the data from our 2025 emissions to revisit our baseline calculations at the mid-point in our journey against our 2030 objectives as part of this we will review our formal approach to materiality. At the end of this report are details of known exclusions in our reporting data.*²

REPORTING BOUNDARY:

The Impala carbon calculator 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.

The recently published guidance from the Music Industry Climate Collective re-iterates this position.

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 during the reporting period.

Carbon reduction targets

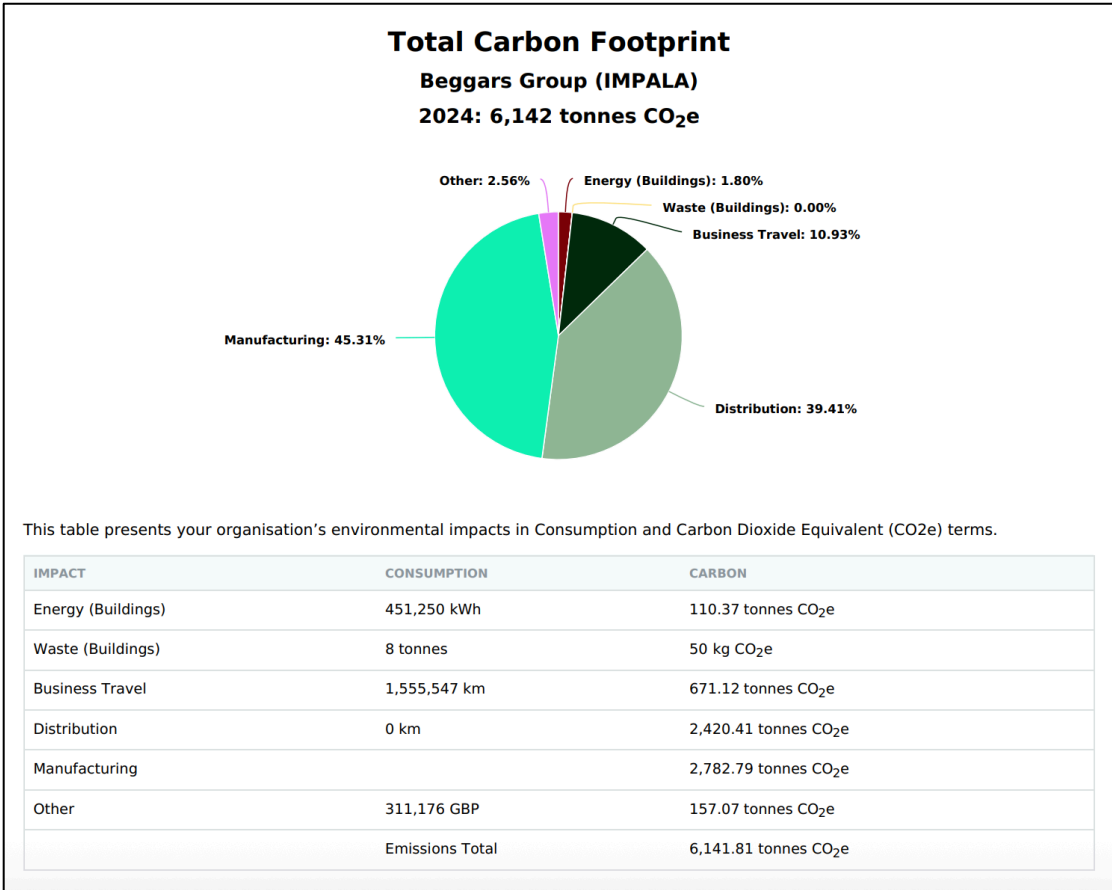
Scope 1 & 2 emissions

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 2024 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



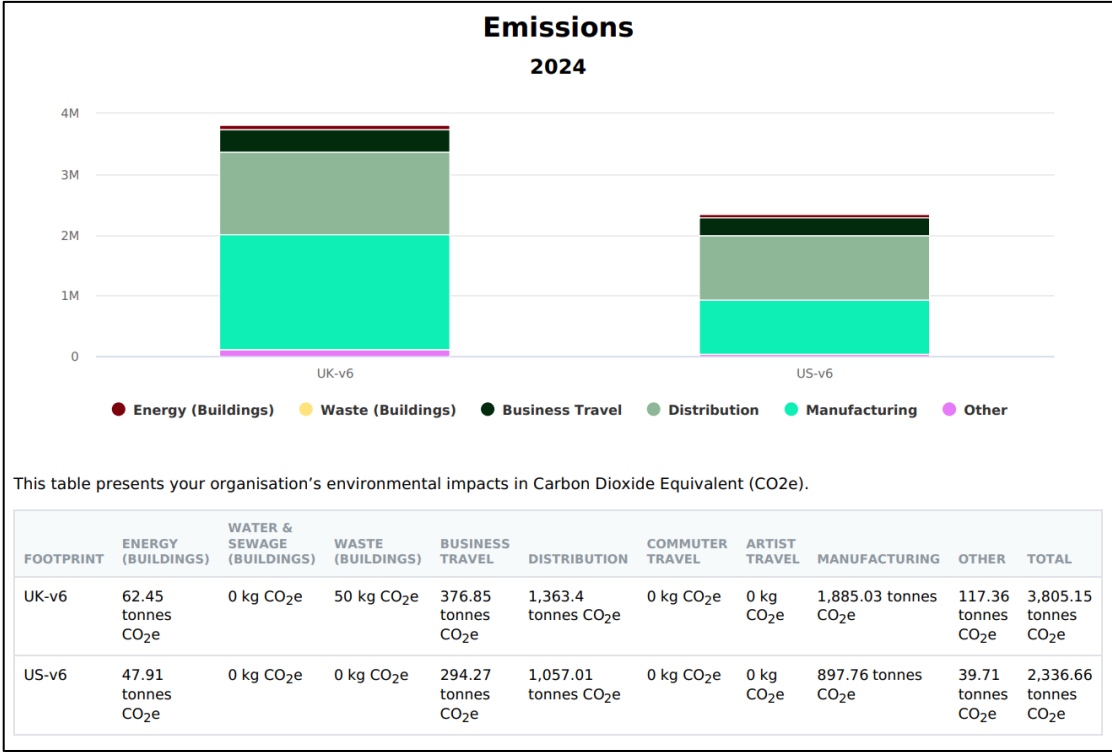
2024 GLOBAL PERFORMANCE ANALYSIS

In 2024 our absolute group level global emissions reduced by 4,805 Tonnes CO₂e (-44%) from the previous year. This represents a slight increase of 29.8 Tonnes CO₂e (0.48%) from our baseline year. 97.3 % of our emissions are in Scope 3

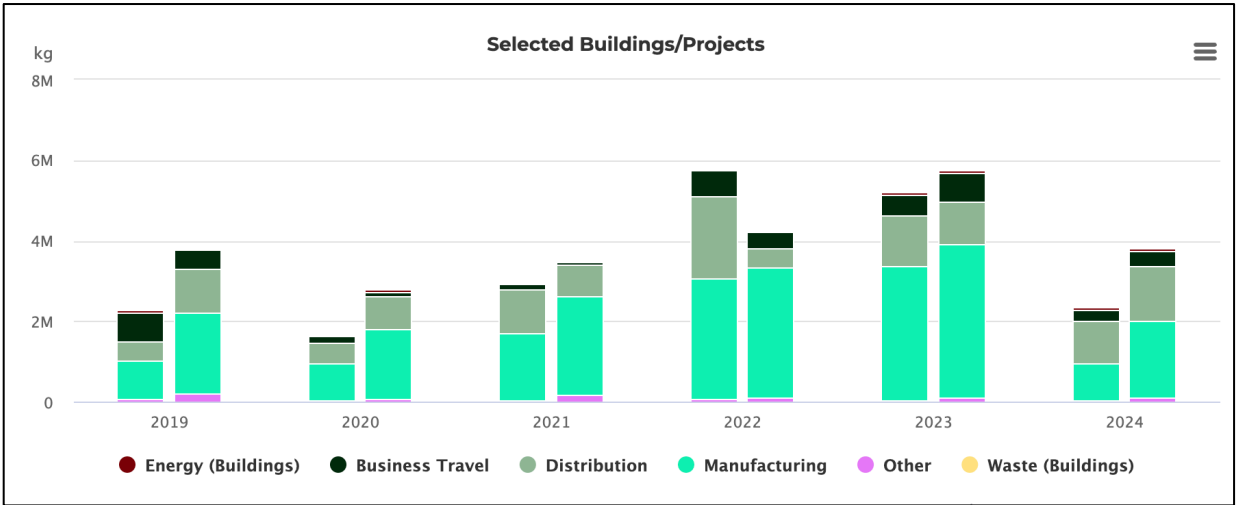
As an indicator of how our carbon emissions relate to our business growth the Kg/Unit figure has continued to reduce from 3.37Kg CO₂e/ unit to 2.35 Kg CO₂e / unit. This represents a reduction of 31.5% in the carbon intensity of our operations since our baseline year (2019).

The split between our UK and US business is 62% (UK) 38% (US). The reduction in carbon emissions has been driven by the improvements in data resulting from the work of the Music Climate Pact / Vinyl Alliance sustainable supplier programme- this has significantly improved the data associated with the carbon emissions associated with record manufacturing. Whereas there has

definitely been reduction in the carbon intensity of vinyl products it is not possible to clearly identify how much of this reduction has contributed to our 2024 performance and how much has been associated with data improvements. Next year we shall work with our suppliers to move to supplier specific data which will enable tracking of reductions.

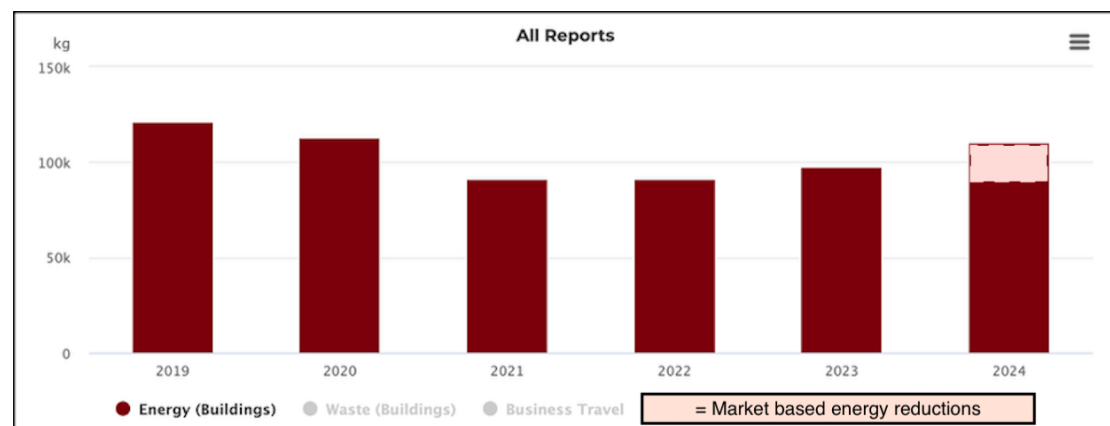


Analysis



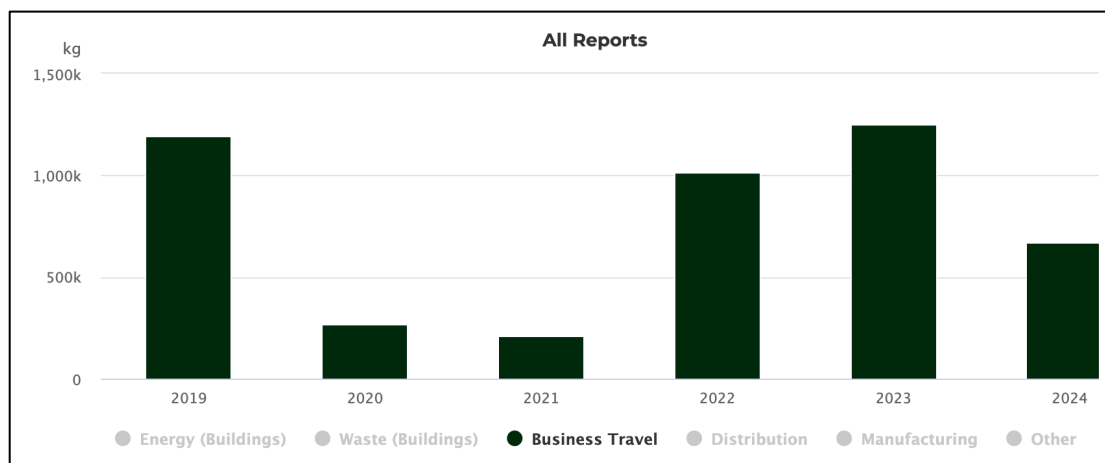
The above chart shows the relative contributions of our different impact areas in our US and UK sides of the group. Manufacturing of our physical products is still our most materially significant impact area at the group level despite seeing reductions in this data this year. In the US this is now broadly comparable with the impact of shipping and distribution of physical products.

Energy Consumption



There has been a general trend of reduction in carbon emissions associated with energy consumption at our US and UK offices since 2019 however there has been an increase year on year by 14 Tonnes CO₂e which is associated with the inclusion of the electricity consumption at Young Space (UK) this year however, this energy is sourced from a deep green energy tariff so can be considered as zero carbon when using a market-based calculation methodology, this reduces our carbon emissions across the group to 97 Tonnes CO₂e which is comparable to 2023 (20-25% reduction on 2019 baseline). We are also sourcing energy through REGO tariffs at other UK sites (Alma Rd, 4AD, XL)- when applying this market-based calculation to our emissions the resulting carbon is 86 Tonnes CO₂e which is a 28% reduction from our baseline year.

Business Travel



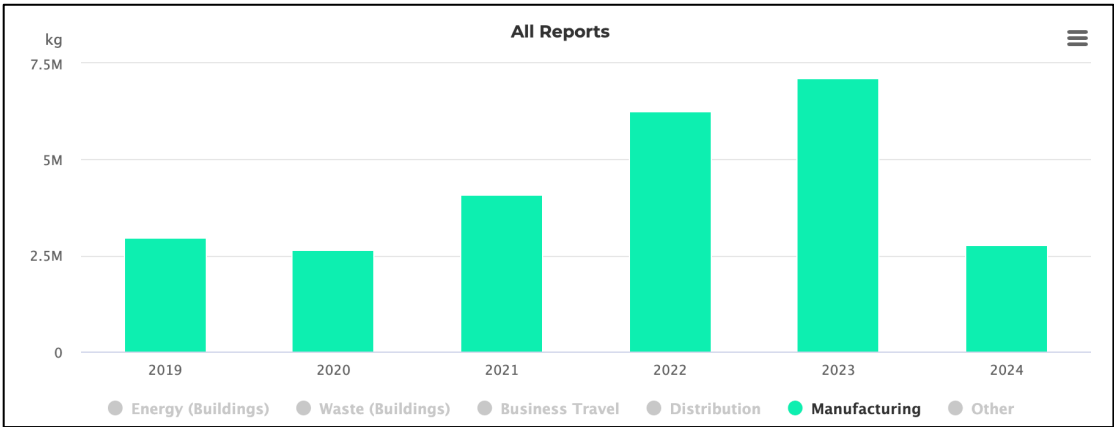
Carbon emissions from business travel represent 11% of our total footprint in 2024- this is broadly equivalent with last year and is down from 20% of our global footprint in 2019. However the effect of reductions in the impact of our physical product manufacturing masks the reductions that we have seen in the impacts of business travel in real terms which is approximately 50% less than last year as shown in the above chart- this is in part due to improvements in the primary data that we capture associated with our travel in the US. 99% of the emissions associated with business travel come from air travel.

US- 13% of the US footprint is associated with Business Travel. This is a 43% reduction on the previous year, since 2019 this has decreased by 59% (-419 Tonnes of CO₂e).

UK- 10% of the UK footprint is associated with Business Travel. This represents an decrease of 49% year on year and a reduction of 22% from the 2019 baseline year (-107 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 2019-2024 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



The biggest change in our carbon emissions profile in 2024 is associated with the manufacturing of our physical products. At the group level emissions from physical products represent 45% of our total footprint this compares to 65% last year.

This has been driven by the Music Climate Pact / Vinyl Alliance Sustainable Supplier Programme. Funded by Murmur, this programme has worked to standardise the way in which the carbon emissions associated with record manufacturing are quantified. The programme has worked with leading suppliers to independently calculate and verify a number of product carbon footprints and, from that data, generate Global, European and North American carbon emissions factors for traditionally pressed, fossil fuel-based PVC records pressed in these territories. The data from this

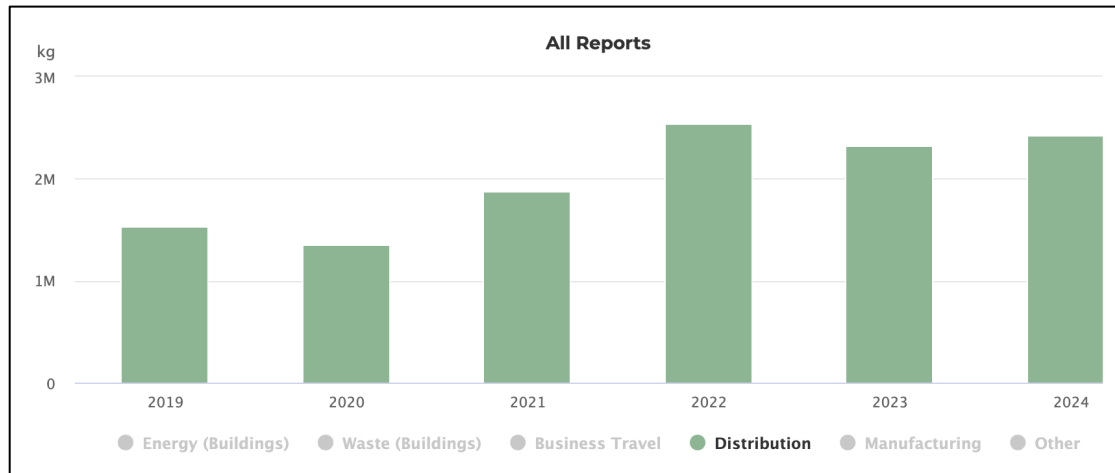
programme shows that the carbon intensity of record manufacturing in 2025 is substantially lower than previously calculated. This is in part due to a rise in sustainability awareness and initiatives amongst suppliers including use of renewable energy, efficient manufacturing techniques and recycling. This is also in part due to more accurate and representative data. We will build upon the benchmarks and standards established in this programme in 2026 to work with suppliers to reduce this further and reestablish our baseline data.

UK-for the UK side of the business there has been a reduction in the emissions associated with physical product manufacturing of 1928 Tonnes CO₂e year on year in the UK (2023 vs 2024)- this is 129 Tonnes CO₂e less than our baseline year (2019). The number of units produced for both CD and Vinyl remained broadly the same to last year- there has been a slight decrease in both formats which will have also contributed to this reduction.

US- for the US side of the business there has been a reduction in the in the emissions associated with physical product manufacturing of 2422 Tonnes CO₂e year on year (2023 vs 2024)- this is 97 Tonnes CO₂e less than our baseline year (2019). The number of CD's that we produced increased slightly the number of vinyl produced in the period decreased- largely due to increased production at the end of 2023 meaning stock levels were high at the start of the reporting period.

Despite these reductions the manufacturing of physical products remains the biggest impact area at the Global group level and the UK level. In the US the emissions associated with distribution and shipping are now the biggest impact area by 7%

Distribution



At a global level the carbon emissions associated with the shipping and distribution of our physical releases represents 39% of our overall carbon footprint. In percentage terms this appears to be a significant increase but this is due to the significant reduction in reported emissions associated with physical product manufacturing. In absolute terms the global impact of shipping and distribution has stayed broadly static, increasing slightly by 100 Tonnes CO₂e (4%). Since our baseline year this represents a 57% increase.

At a group level there has been a marked increase in the emissions associated with Air freight (26%)- this is broadly the same as in 2019 (0.75% reduction).

US- Carbon emissions associated with the distribution and shipping of our physical products decreased by 17% (214 Tonnes CO₂e) This fall has been largely driven by a decrease in air freight, but is also a function of reduction in manufacturing (products manufactured in 2023 are already with distributors) and improving the data calculation (moving away from a reliance on spend based calculations)

UK- Carbon emissions associated with the shipping of our physical products increased significantly year on year by 1372 Tonnes CO₂e. This has been largely driven by an increase in air freight +24%.

Since 2019 this represents an increase of 1361 Tonnes of CO2. We are taking steps to understand what is driving this increase and to ensure that we can take steps to ensure that the use of air freight continues to be kept to a minimum.

NOTABLE CORRECTIONS, EXCLUSIONS AND ESTIMATIONS

***1 Corrections-**

There have been no notable corrections in last previous years data in this reporting period

***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 (156 T/CO₂e = 2.5%) and some US distribution data (736 T/CO₂e = 12%) are calculated based upon spend based emissions factors